

# Annual Report 2023/24

FOR THE YEAR ENDING 30 JUNE 2024



**GO** RURAL  
DISTRICT COUNCIL CITY  
**RE** LIVING

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# Gore District Council Directory

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## Mayor

Benjamin Bell

## Councillors

Glenys Dickson

John Gardyne

Neville Phillips

Bronwyn Reid

Richard McPhail

Stewart MacDonell

Paul McPhail

Keith Hovell

Joe Stringer

Robert McKenzie

Andy Fraser\*

*The Mayor and Councillors were elected for a three-year term from October 2022.*

*\*Councillor Fraser was elected on 13 July 2023 following the resignation of Bret Highsted on 3 April 2023.*

<b>Chief Executive:</b>	Deborah Lascelles
<b>Bankers:</b>	Westpac Limited, Mersey Street, Gore
<b>Auditors:</b>	Mike Hawken of Deloitte Limited on behalf of the Auditor General
<b>Solicitors:</b>	Bannerman Cruickshank Pryde Fairfield Street, Gore
<b>Postal Address:</b>	Gore District Council PO Box 8, Gore 9740
<b>Locations:</b>	29 Bowler Avenue, Gore 1 Bridge Street, Mataura

# Statement of Compliance and Responsibility

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## Compliance

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

## Responsibility

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

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

In the opinion of the Council and management of the Gore District Council, the annual financial statements for the year ending 30 June 2024 fairly reflect the financial position and operations of the Gore District Council.



26 November 2024

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Benjamin Bell  
**MAYOR**

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**DATE**



26 November 2024

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Deborah Lascelles  
**CHIEF EXECUTIVE**

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**DATE**

# Mayoral and Executive Foreword

Once again, we appreciate the opportunity to provide commentary about the notable achievements and challenges the Council has faced in the 2023/24 financial year. This review looks at year three of our 2021-2031 Long Term Plan.

## Financial Performance

Our financial statements show we budgeted for a deficit of just over \$1 million in the 2023/24 year. However, by year end the deficit sat at \$3.8 million, a variance of approximately \$2.8 million.

There has been a lot of talk in the community about the current cost of living crisis. Local government has been subject to cost pressures of its own, which are reflected in our year-end result. These cost pressures are largely outside of our control.

Inflation in the construction industry has affected councils around the country. A huge proportion of the variance is due to increased depreciation costs (\$1.69m), which directly relates to the increased costs we are facing to replace and maintain our assets.

It was impossible to foresee these increases at the time we put together our budgets. Increasing interest costs have contributed \$714k. Again, this is more than was predicted at the time budgets were put together.

Work on the District Plan review is another significant cost affecting our budgets. While the budget for this work is as we anticipated, the timing has changed, so it shows as a deficit in this year's financials. Fortunately, the additional interest costs we have incurred have been partially offset by larger than anticipated investment earnings (\$478k) and we recorded a favourable variance in our revenue of \$2.154m. Most of this variance comes from Government funding or grants announced after budgets were finalised. We also received Mataura Valley Milk's reserves contribution final instalment for the new Gore library (\$240k), which we are grateful for.

Given the national economic situation and rising costs, the year end results are considered satisfactory.

We borrowed approximately \$5m during the financial year, which brought our total borrowing at year-end to \$55 million, which was essentially what was forecast.

## Three Waters Capital Projects

The topic of Three Waters reform has dominated Council's work programmes for some years now. The 2023/24 year has been no different. The Labour Government's reforms announced in 2021 were repealed by the National Government in February this year.

In anticipation of a new model, Otago and Southland Mayors collectively asked Chief Executives to begin considering regional models of collaboration and shared services. It has been clear for some time that the Gore District cannot afford the infrastructure required to maintain its network, and opportunities to collaborate with others and move water infrastructure-related debt from the organisation's balance sheet need to be implemented.

## District Plan review

The current District Plan became operative in 2006, so was long overdue for review. Considerable work and effort have been put into the review. In 2022 the draft District Plan was released for public feedback. This was followed by a more formal consultation process on the Proposed District Plan, started in mid-2023 and continued in February this year. The Council appointed four independent Commissioners to consider public submissions and make decisions on the Proposed District Plan. Hearings began in June and will continue until March next year.

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## Major projects

This year saw us finish a number of major projects started in the 2022/23 financial year. These were:

- Completing the new membrane treatment plant at the East Gore Water Treatment Plant. As a result, about 65% of Gore residents receive water treated to New Zealand Drinking Water Standards.
- Finishing the Mataura Water Treatment Plant upgrade which saw the installation of an ultraviolet (UV) system, replacing and upgrading the old pipework, pumps and other mechanical equipment, and modernising all the electrical controls.
- Replacing the major trunk wastewater main between Wigan/Hyde streets intersection and Eccles/Ardwick streets intersection.
- Replacing 850m of old combined wastewater and stormwater pipelines with separate pipelines in Elizabeth Street.

We have also continued to work on getting water across the Mataura River, via pipelines connecting the East Gore Water Treatment Plant with the Jacobstown Well and Hilbre Avenue reservoir so all of Gore has drinking water compliant with national standards.



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Ben Bell  
**MAYOR**



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Debbie Lascelles  
**CHIEF EXECUTIVE**

## Appointment of a new Chief Executive

The recruitment process for a new Chief Executive started in October and culminated with the appointment of Debbie Lascelles in February. Debbie arrived to take up her new position on 4 June, in time for the approval of the enhanced 2024-25 Annual Plan.

# Audit Report



## To the readers of Gore District Council's annual report for the year ended 30 June 2024.

The Auditor-General is the auditor of Gore District Council (the District Council). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to report on the information in the Gore District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 26 November 2024. This is the date on which we give our report.

## Opinion on the audited information

In our opinion:

- the financial statements on pages 71 to 110:
  - present fairly, in all material respects:
    - the District Council's financial position as at 30 June 2024;
    - the results of its operations and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards;
- the funding impact statement on page 74, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual Plan;
- the Statement of Service Performance on pages 27 to 70:
  - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2023, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - complies with generally accepted accounting practice in New Zealand; and



- the statement about capital expenditure for each group of activities on pages 27 to 70, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s Long-term plan; and
- the funding impact statement for each group of activities on pages 33 to 70, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s Long-term plan.

## Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 12 to 19, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

## Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

## Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council’s responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council or there is no realistic alternative but to do so.

## Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

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

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Statement of Service Provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 7, 20 to 26 and 111 to 112, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or

otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the District Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the District Council.



**Mike Hawken**

Deloitte Limited

On behalf of the Auditor-General

Dunedin, New Zealand

# Annual Report Disclosure Statement for Year Ending 30 June 2024

## What is the purpose of this statement?

The purpose of this statement is to disclose the Council’s 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 report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

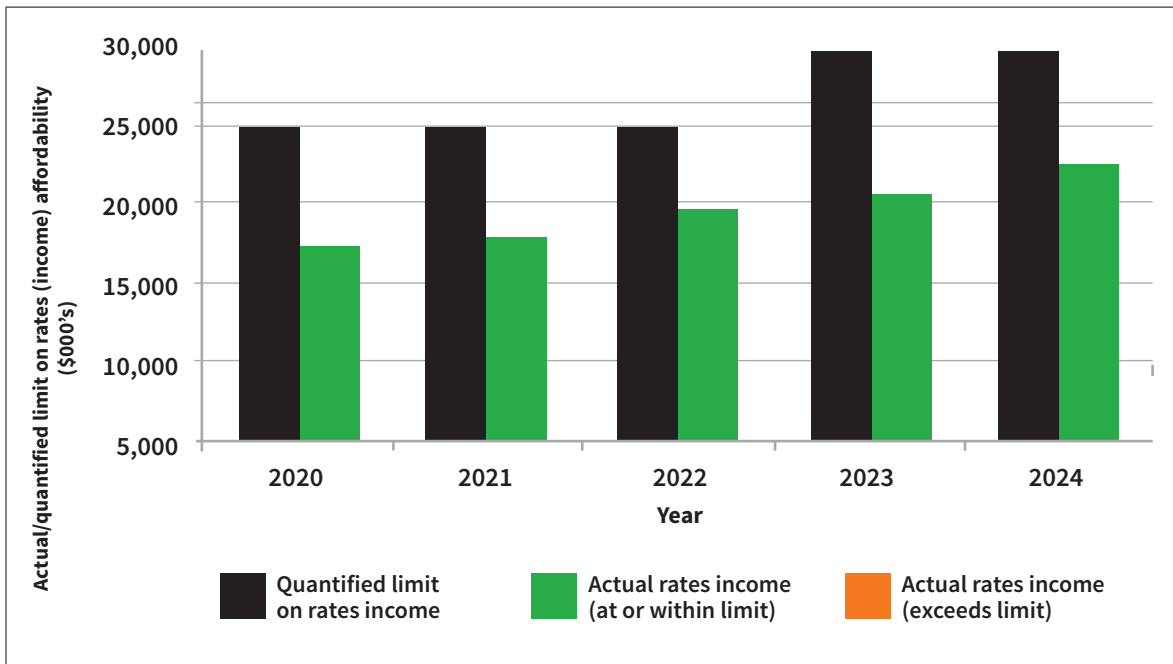
## Rates affordability benchmark

The Council meets the rates affordability benchmark if –

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

## Rates (income) affordability

The following graph compares the Council’s actual rates income with a quantified limit on rates contained in the financial strategy included in the Council’s Long Term Plans (LTPs).

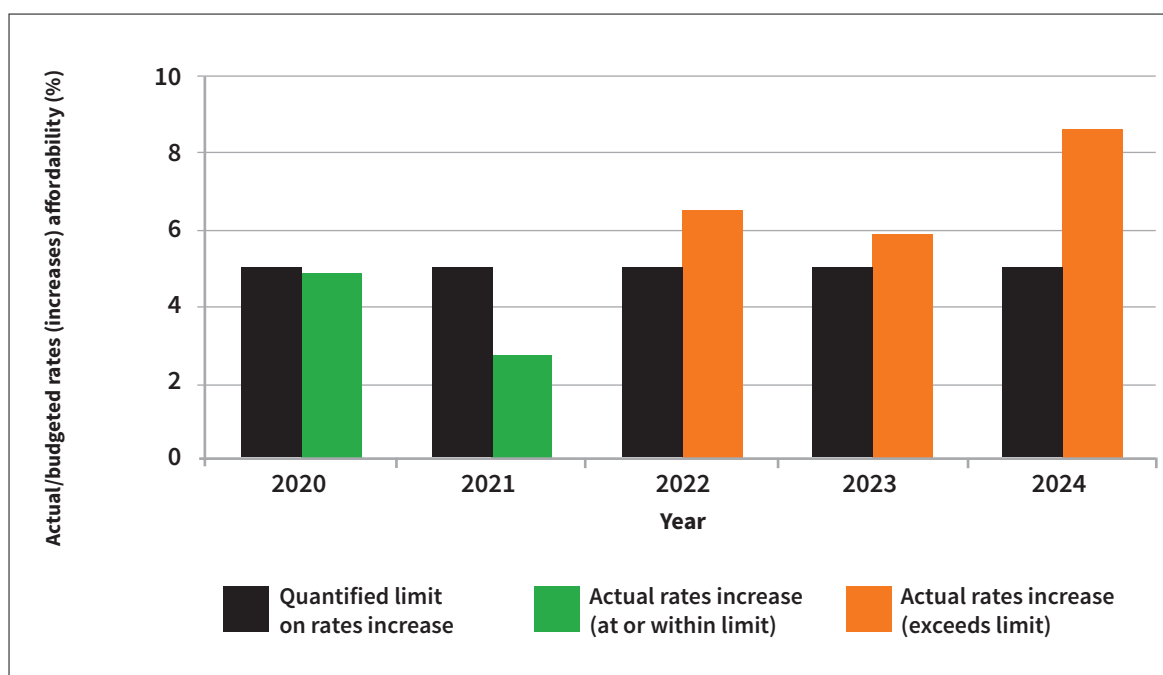


## Comment

The Council set a limit of \$30 million (\$25 million previous) for this benchmark as part of the 2021 – 2031 LTP (2018 – 2028 LTP). The Council met this benchmark in the 2023/24 year.

## Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases, included in the financial strategy in the Council's LTPs. The Council's self-imposed quantified limit is 5%.



### Comment

In the 2023/24 year, the average rates increase was 8.6%. The Council did not achieve the self-imposed benchmark of 5%. The LTP had forecasted a rates increase of 4.59% for the 2023/24 year. The ongoing unavoidable increases in interest, insurance and inflation could not be absorbed without significant cuts to levels of service.

In the 2022/23 year, the Council set an average rates increase of 5.94%. The Council did not achieve the self-imposed benchmark of 5%. The LTP had forecasted a rates increase of 4.95% for the 2022/23 year. At the time that the LTP was adopted, in June/July 2021, inflation and the cost of borrowing were low, and the economists were not predicting these to change significantly. Twelve months on from adopting the LTP, inflation was recorded at 6.9% reaching a 30-year high. This placed cost pressures on the Council which meant that a sub-5% increase was unrealistic.

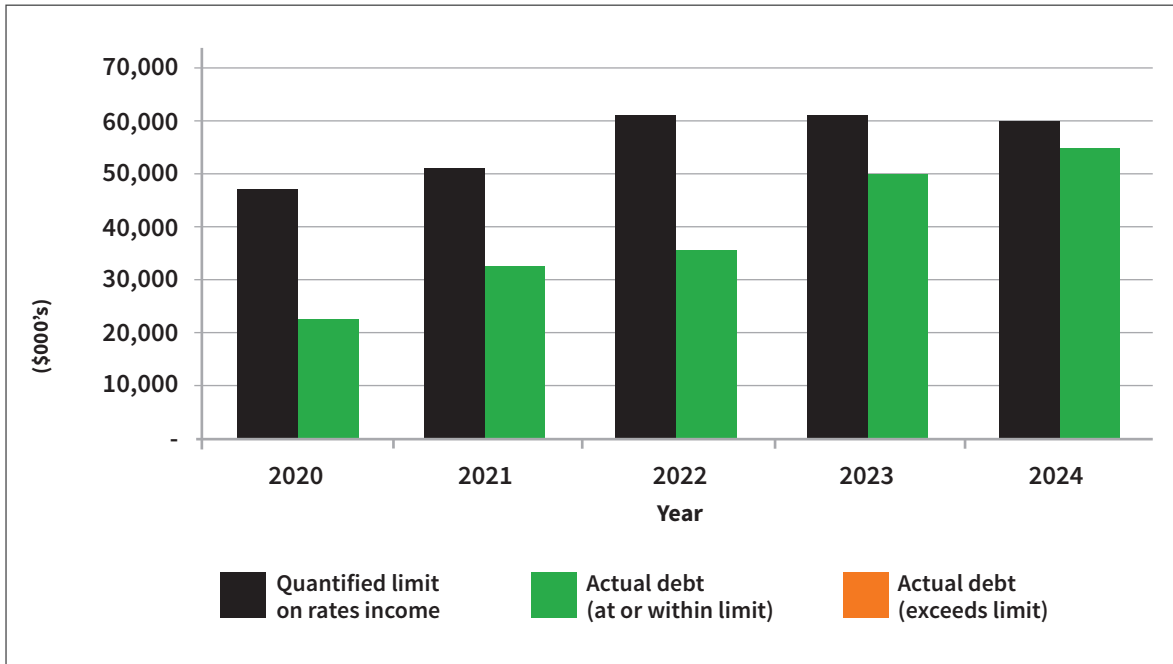
The 6.42% rates increase in the 2021/22 (year one of the 2021 - 2031 LTP) was a result of deferred expenditure from 2020/21 that could not continue to be deferred. The increase in capital projects and resulting increase in borrowing and finance costs also contributed to the increase.

In the 2020/21 year, the Council achieved this benchmark as the Council planned for a 2.84% increase in the 2020/21 Annual Plan. This was significantly lower than the 4.53% that was forecasted in the 2018-2028 LTP. The reason for this variance was that Council made a concerted effort to reduce the rates in the 2020/21 year because of the impact of COVID-19 on the community.

## Debt affordability benchmark

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

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limit is that net debt shall be less than 175% of revenue (less than \$60.2 million in the 2023/24 year).



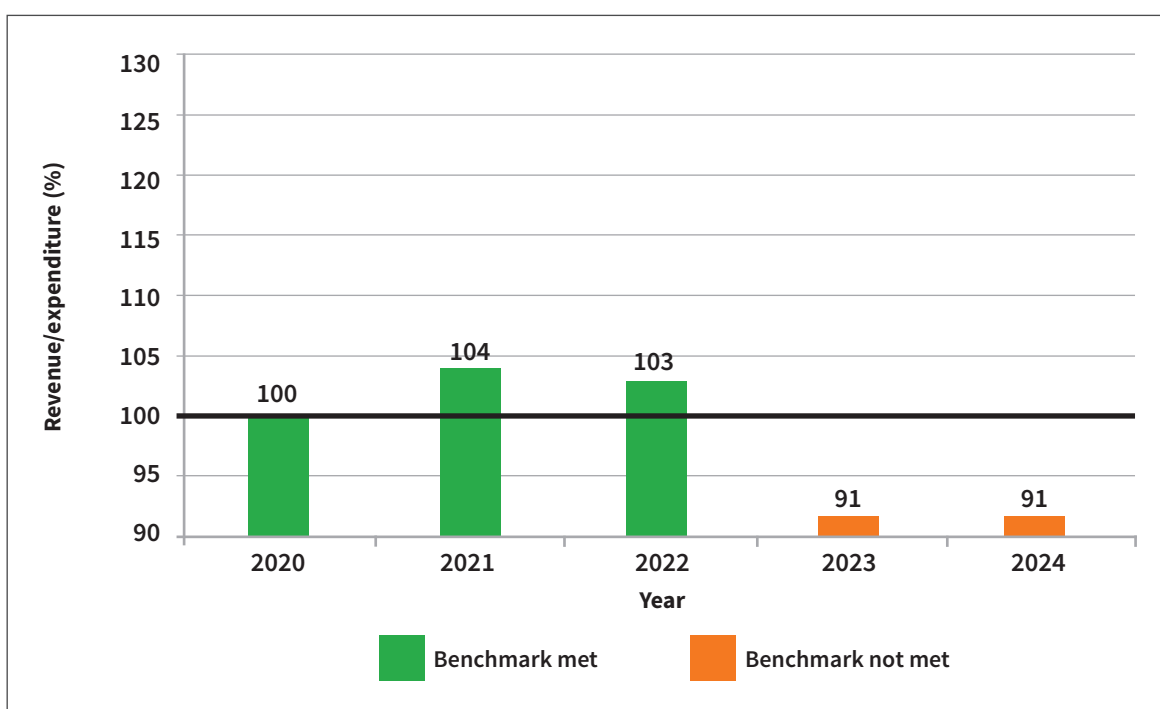
### Comment

The Council has met this measure in all five years; however, the Council is starting to edge closer to its debt ceiling.

## Balanced budget benchmark

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

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



### Comment

On 27 June 2023 the Council, in line with section 100(a2) of the Local Government Act 2002, resolved to adopt an unbalanced budget for the 2023/24 year. This was considered to be financially prudent given that:

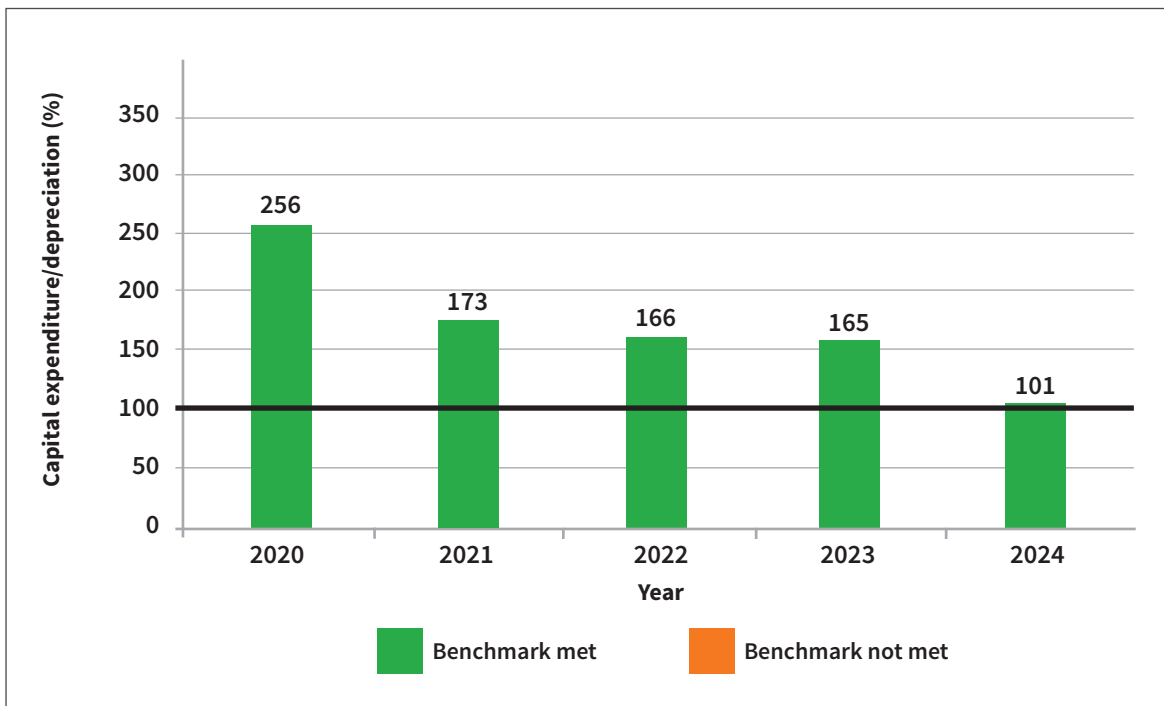
- it would not affect the Council's ability to achieve the predicted levels of service, service capacity or the integrity of the assets
- the Council would have sufficient income to meet its cash expenses
- to balance the budget the average rates increase would need to be in the vicinity of 15.5% which, given the economic environment at the time, would have placed financial pressure on the ratepayer.
- there was nothing in any of the Council's financial policies that precluded it from adopting an unbalanced budget.

The outcome of this decision means that the Council has not met this benchmark for the 2023/24 year.

## Essential services benchmark

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

The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



### Comment

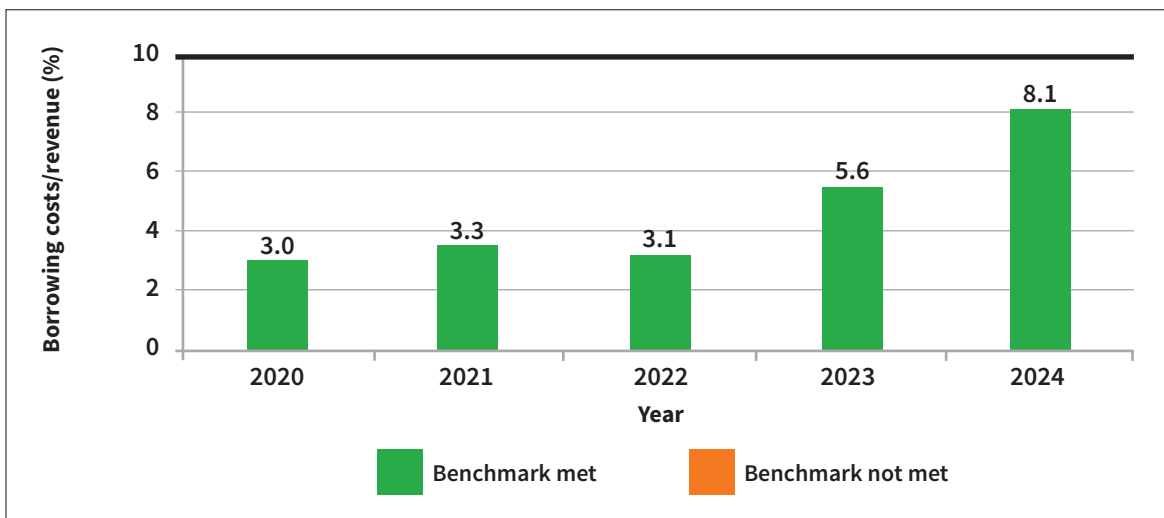
The Council has met this benchmark. The 2021 - 2031 LTP outlines a significant capital programme, focused heavily on 3 Waters infrastructure. In 2023/24 there were a number of key projects that are in progress, including the stormwater and wastewater separation project and Matura River Crossing project.



## Debt servicing benchmark

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

Because Statistics New Zealand projects the Gore District's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



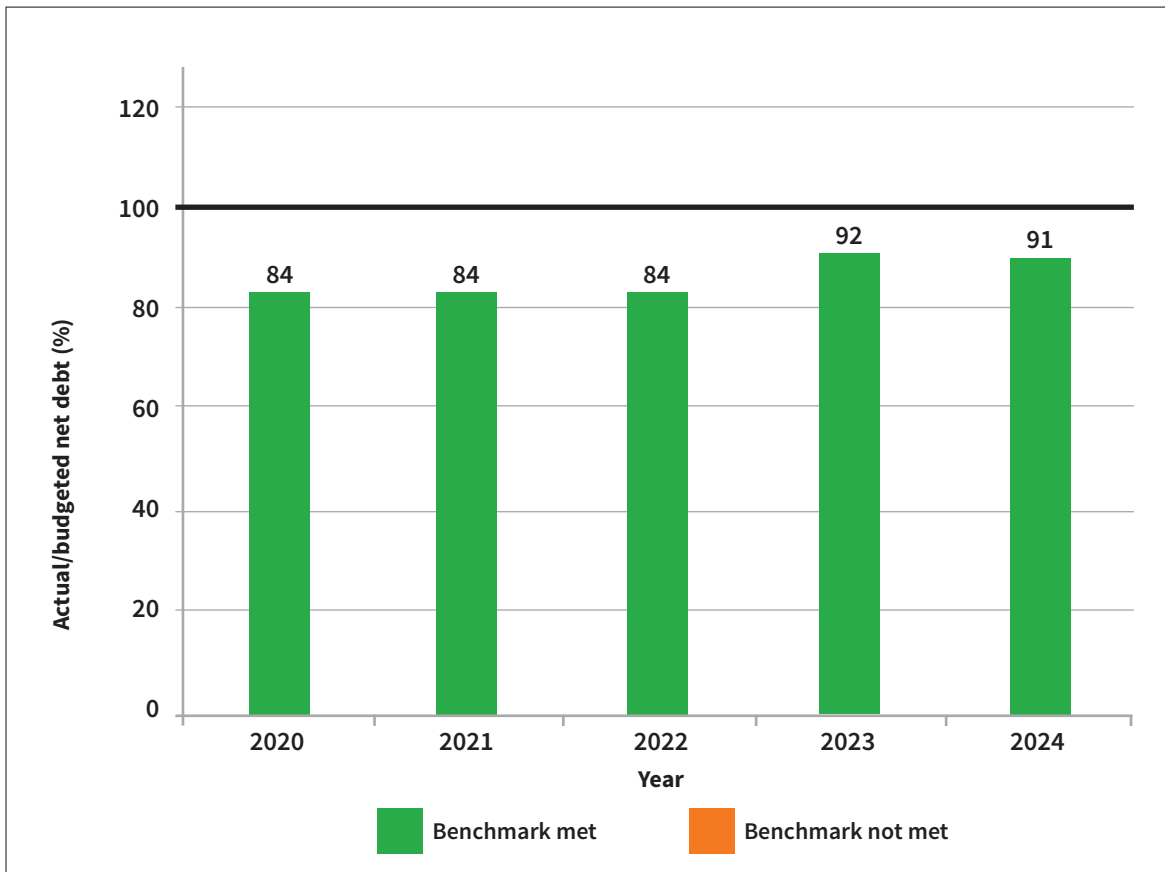
### Comment

The Council met this benchmark for the 2023/24 year. The Council's debt servicing (interest cost) has increased on prior year due to two factors. Interest rates have increased significantly from below 3% to above 6%. The other factor is that the Council's borrowing increased due to the large number of infrastructure projects underway and is in line with the borrowing forecasted in the Annual Plan.

## Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



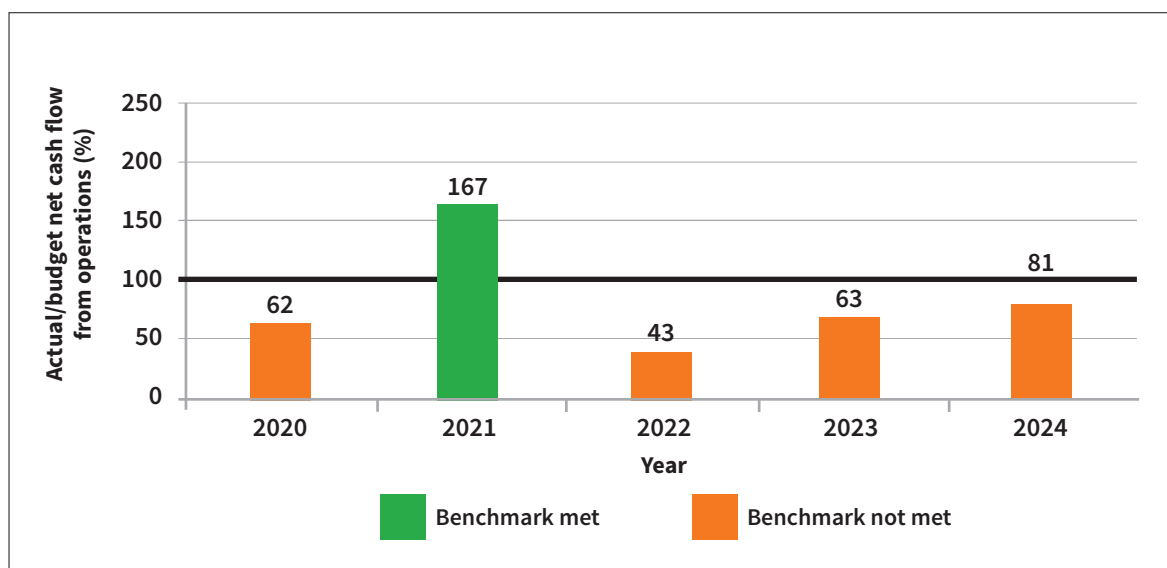
### Comment

The Council met this benchmark in 2023/24. Projects are progressing at a rate that is close to budgeted expectations.

## Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



### Comment

The Council adopted an unbalanced budget in the 2023/24 year, which has resulted in the Council not collecting sufficient cash to cover the cash outflows from the organisation. The District Plan was debt funded and depreciation in relation to the 3 Waters activities was 30% unfunded.

The Council has not met this benchmark for the 2022/23 year. The contributing factors include the Council's decision to approve a number of unbudgeted items including the appointment of a King's Counsel to advise on legal matters, additional governance training and working capital for the Hokonui Moonshine Museum Charitable Trust. Another factor impacting the Council's cash flow is around the timing of expenditure versus the receipt of income for a number of projects. This means that the Council has had to provide the cash outflow ahead of the cash being received/inflow coming in. The key projects that this impacts are Matai Ridge subdivision, Māruawai Centre redevelopment and the James Cumming Community Centre and Library.

In the 2021/22 year, the difference can be explained by the timing of grants income from central government being received in the 2020/21 year, however a significant proportion of the expenditure relating to these grants occurred in the 2021/22 year. This has caused the cash flow in the 2020/21 year to appear favourable and unfavourable in the 2021/22 year. These specific grants included:

- 3 Waters stimulus funding
- Shovel Ready funding for the Library and Community Rooms' redevelopment
- Shovel Ready funding for the re-roof and building management system upgrade at the Multisports Centre.

The main reason for the 2019/20 year benchmark not being met was due to lower than expected income received from the aquatic centre, MLT events centre, parking and solid waste. The lower income was attributable to facilities and activities being closed or having reduced levels of service through the various COVID-19 alert levels.

# Collaboration Across Councils – Shared Services

Council participates in relevant shared service arrangements via the Southland Triennial Agreement and a Memorandum of Understanding with the other local authorities locally and nationally. There are a variety of other collaborative arrangements in place with local councils and Mana whenua.

*The following are examples of some of those collaborations.*

## Building Control

Eleven building control authorities (BCAs) – Southland District Council, Invercargill City Council, Gore District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, Mackenzie District Council, Queenstown Lakes District Council, Timaru District Council, Waimate District Council and Waitaki District Council – continue to work closely together on building control matters under the Southern Cluster Building Group, sharing information and exchanging staff to support each other at busy times.

These BCAs meet regularly both as a BCA managers' group and a quality assurance leaders' group under the Southern Building Controls Group. They have developed a collaborative environment for consistency in processes, as well as shared regulation forms and continuous improvement ideas.

The networking and engagement of these collaboration groups helps to standardise the consent processing methodology and quality assurance processes, improving the communities' experiences when working with a variety of councils in the South Island.

## Emergency Management

Emergency Management Southland (EMS) is a shared service between Invercargill City Council, Southland District Council, Environment Southland and Gore District Council. It focuses on ensuring resilience in communities by preparing for emergencies and ensuring communities can respond to and recover from these when they do happen. Specific actions include public education and ensuring a pool of trained personnel.

During the 2023/24 year, EMS team members were activated in response to September flooding and the Bluecliffs states of emergency. Emergency Management Southland duty officers have been contacted after hours for several other minor events throughout the year, including earthquakes and several severe weather warnings and events.

EMS and Ngāi Tahu have worked in partnership to create a pilot role for a Mana Whenua Emergency Facilitator

for the Murihiku region with the role reporting to Te Ao Mārama Incorporated. This position will be focussed on the development of strong resilient Ngāi Tahu communities based around the Papatipu Rūnanga, marae, and whānau living within the Rūnanga takiwā. The role will support papatipu rūnanga tino rangatiratanga in emergency readiness, reduction, response, and recovery. It will support mana whenua input into emergency planning to ensure mana whenua values and needs are factored into regional planning, preparedness, and response for emergencies. Activities associated with this work will include supporting Papatipu Rūnanga to develop marae-based response plans, including Ahi Kaa and marae community planning and preparedness. The Mana Whenua Emergency Facilitator will work closely with the EMS team, engage in all civil defence emergency management training and be available to respond as a liaison during an emergency event.

EMS has continued to provide increased training for the four Councils' staff that would be called into the Emergency Co-ordination Centre to assist when in a declared state of emergency. This has comprised induction, foundation, and CIMs courses, and the new function specific training. 303 staff have attended these training sessions. Towards the end of the year EMS also contributed to and participated in the National Exercise Rū Whenua.

The AF8 Programme is a combined South Island emergency management and national science initiative that is run and administered by EMS. During the 2023/24 year, the programme partnered with Te Rūnanga o Ngāi Tahu to co-produce a digital campaign to raise awareness of the Alpine Fault. The campaign reached a total of 268,294 people across all social media platforms (equivalent to approximately 25% of the South Island's total population). This project reinforced the benefits and impact of collaborative projects, where the AF8 Programme partners with others to help raise awareness and prompt action.

At the start of 2024, the programme launched an NCEA Level 1 Geography resource, co-designed with teachers, to teach students about active faults (including the Alpine Fault), while also learning transferable geospatial information system skills

in ArcGIS Online. The resource is designed to make the AF8 knowledgebase more accessible in schools by aligning it to specific curriculum assessments, support inter-generational understanding of the Alpine Fault hazard risk, and build collective resilience to future events.

Additionally, the programme has supported scenario development for this year's National Exercise Rū Whenua. The AF8 Programme's ability to support Rū Whenua is testament to the strong partnership between science and emergency management, which underpins the programme and has been strengthened over the past 8 years by the collective activities of our partners.

The AF8 Roadshow will run in early 2025, building on the previous three tours, visiting new communities and marae, and revisiting other communities to share updates and continue to build trust between emergency management and the communities they serve.

EMS was successful in securing \$200,000 funding per year across 2023 - 2026 from the NEMA resilience fund for the continued running of the AF8 Programme and this will assist the future development of the programme.

## Regional Climate Change Inter-Agency Group

Following a Regional Climate Change Hui on 4 July 2022; Environment Southland, Te Ao Mārama, Gore District Council, Invercargill City Council and Southland District Council have established a regional climate change inter-agency working group (RCCWG). This governance-level group has been meeting regularly since February 2023. The purpose of this working group is to effectively and collaboratively progress and communicate a joined-up approach to developing and executing a regional climate change strategy and framework for action for Murihiku Southland. This is a key step towards Murihiku Southland mitigating and adapting to the regional impacts of climate change.

The development of the Regional Climate Change Strategy by the RCCWG is nearing completion and steps have been taken towards developing a framework for execution of the strategy.

While this working group is not a formal joint committee and does not have formal delegations; it is expected that as the work progresses, it is intended to feed into the regionally co-ordinated approach to spatial planning for the region.

## Information Technology

The IT Shared Services Operations Sub-Committee has undertaken activity during the past 12 months to align the operations of member councils and provide a more collaborative platform moving forward.

Collaboration and communication between all participating

councils remain strong, with each member freely sharing their council's technology journey, upcoming projects, and opportunities to align services. The councils continue to support each other with information on emerging trends, risks, and resolutions to new issues.

Shared Services initiatives during the past year included:

- significant progress was made on the Provincial Growth Fund Regional LiDAR Project. As of 30 June 2024, this project is complete, and the dataset is publicly available. Council has developed publicly available tools to utilise these datasets, e.g. 3D elevation models and contour mapping. These are now available on all Southland Council websites;
- along with the LiDAR project, we have reflowed the region for imagery. This project was completed within the timeframes and budget. The imagery has been made publicly available via Land Information New Zealand and Council websites.

## Te Rōpu Taiao

The Southland councils have a long-standing and highly valued relationship with Ngāi Tahu ki Murihiku through the four Southland papatipu rūnanga, Te Ao Mārama Inc (the entity representing Southland rūnanga for resource management and local government matters) and Te Rūnanga o Ngāi Tahu (the iwi authority).

The councils continued to fund and support Te Ao Mārama Inc during the 2023/24 year. The four papatipu rūnanga and the participant councils also continued to meet through Te Rōpu Taiao hui, which allow for exchange of information and identification of opportunities to work together.

## SouthLib Library Consortium

In 2009, all eight councils in Otago and Southland (Central Otago District Council, Clutha District Council, Dunedin City Council, Gore District Council, Invercargill City Council, Southland District Council, Queenstown Lakes District Council and Waitaki District Council) signed a historic memorandum of understanding to collaborate in the delivery of public library services across the two regions.

The SouthLib consortium provides free reciprocal membership of any public library in the Otago and Southland regions to permanent residents living anywhere in the regions. This means that the more than 356,000 people living in Otago and Southland have free access to 42 public library branches, mobile services and a collection of more than 1.5 million items.

All libraries in the consortium are mostly fine-free, largely due to a Public Libraries of New Zealand (PLNZ) campaign in 2022 to help all public libraries remove late fees. Fine

Free Aotearoa is a step by step guide to help library managers, council members, and communities build a better and brighter future through engagement with their local library. Public libraries are a valuable part of our social infrastructure, a place to be connected, to learn, to access trusted information, and a platform to ensure our communities get the best out of life. Going fine-free opens doors for everyone, not just those who can afford it.

Library users in the consortium were issued a total of 2,506,607 items during the year.

A range of opportunities and collaborations between the districts regularly take place, including integrated holiday and reading programmes, while requests and holds can be placed across boundaries. Authors' visits are co-ordinated to minimise costs, travel and accommodation. More than 110,000 people have attended library programmes and events throughout the Southland and Otago regions.

E-resource collections across the consortium are growing steadily, with 895,393 e-items issued to users across the region.

The National Library, Aotearoa Public Network Kaharoa (APNK) in collaboration with New Zealand continues to provide free and facilitated access to the internet and computer technology with 69,649 free internet connections accessed by Southland users during the year.

Councils continue to subscribe to the shared library management and resources discovery service of the Kōtui consortium. As part of the Kōtui consortium, library managers and staff benefit from access to reliable future-proofed systems, and the ability to easily build resource-sharing networks with other Kōtui public libraries for their physical resources. Other benefits of Kōtui membership include training opportunities, seven-day service desk support from a specialist team, and an active and supportive membership community.

Communities that have access to Kōtui libraries benefit from resource discovery tools at their fingertips, making it easy to find what they want in their library's physical and electronic collections. Library users can search these resources in the

library, at home or on their smartphone devices, making the service convenient and adaptable to the wide variety of needs of the community.

## Regional Development

At the end of June 2023, Great South (the Southland Regional Development Agency) launched the Beyond 2025 Southland Regional Long-term Plan which outlines a regional vision for Southland creating a shared future vision and pathway for the region. In October 2023, the Plan was recognised at the Economic Development New Zealand Best Practice Awards being awarded Best Practice for Integrated Strategy.

During the 2023/24 year, with support from MBIE, Great South facilitated the first year of implementation of the Plan. One of the five key enablers identified was housing and Great South has developed the Murihiku Southland Housing Action Plan which will be considered by each Council in the 2024/25 year.

## Regional Planning

The Southland councils have established the Second Tier Environmental Group and Regional Planning and Strategy Managers Group (comprising staff from Environment Southland, Invercargill City Council, Southland District Council, Gore District Council, Te Ao Mārama Inc. and Great South) to identify, collaborate and coordinate on planning risks and opportunities that are likely to impact on the region. The work has primarily focused on responding to successive legislative reforms and aligning RMA planning processes.

A co-ordinated approach to regional spatial planning in the region was explored in the 2023/24 year. A report was commissioned to identify the current state of existing spatial information and to identify information gaps. The report identified that Southland is in a good position to undertake a regional spatial planning process. Work is underway towards establishing a work programme to fill any information or resource gaps.

## FUTURE CHALLENGES

Council accommodation options and potential shared services.	Legislative reform on (Resource Management, Local Water Done Well, Fast Track Approvals etc).	Natural hazard risks, climate change adaptation and ensuring a resilient community.	Community aspirations for freshwater and estuary health.	Urban growth and expansion.
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<sup>1</sup> Great South is a Council-Controlled Organisation, with a broad range of shareholders helping to drive regional growth.

# Involving Māori in our Decision Making

## Māori & Gore District Council

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

These principles and requirements are outlined as follows:

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



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## Tangata whenua & Gore District Council's Relationship

A Charter of Understanding was signed at Hokonui Rūnanga on 14 December 2021. The Charter provides a framework for the Council and Hokonui Rūnanga to work together on activities and opportunities that enhance their shared aspirations and give effect to the principles of the Treaty of Waitangi. Its foundation is built on respect for each other's roles, responsibilities, and mana in their respective takiwa.

In the lead-up to the signing of the Charter of Understanding, Hokonui Rūnanga was represented on a Council panel established to select a new provider for resource management and planning services for the Gore District. This resulted in a consensus decision to appoint The Property Group to fulfil this role.

For the past year, Hokonui Rūnanga has worked in close partnership with the Gore District Plan Subcommittee to methodically work through a range of policy issues in preparation for notification of a review of the Gore District Plan. A good level of collaboration and respect has been evident in the sterling work performed by the subcommittee, with the Mana whenua chapter of the proposed District Plan being written by Hokonui Rūnanga representatives. Once again, this is evident of the Charter of Understanding in operation. Elected members and managers undertook some cultural competency training in the later half of 2023, which was delivered by the Rūnanga.



# Gore District Council Community Outcomes

Detailed below are the six identified Council community outcomes, which are a cornerstone of the development of the Long Term Plan and Annual Report. Progress towards the attainment of these outcomes is reported to Council via its standing Committees, which meet quarterly, and via two bulletins, which managers contribute to. These progress reports culminate in the annual report where a twelve-month review of what has been achieved is given.

## **OUTCOME 1** **We value our history and heritage**

### **Objectives**

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

## **OUTCOME 2** **We live in a creative place**

### **Objectives**

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

## **OUTCOME 3** **We have a choice of quality places to go and things to do**

### **Objectives**

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

## **OUTCOME 4** **We have a quality infrastructure with potential for growth**

### **Objectives**

- a) To ensure Activity Management Plans are accurate, updated regularly and factor in anticipated growth in the foreseeable future.
- b) To ensure the Council makes optimum use of existing infrastructure and sets out the location and investment required for new infrastructure to accommodate anticipated demand.
- c) To investigate new sources of water to ensure that a reliable water supply is available to a growing community.

## **OUTCOME 5**

### **We live in a compassionate, caring community**

#### **Objectives**

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

## **OUTCOME 6**

### **We value and respect our environment**

#### **Objectives**

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

The next section/chapter on the 'Council's Activities' provides a summary of each of the different activities undertaken by the Council and the ways in which these activities contribute to achieving the six Council community outcomes.

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

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

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

- an introduction: which explains the type/nature of the service provided;
- a rationale for the service: why is the service provided?
- its contribution to Council community outcomes;
- the levels of service and performance measures over the 10-year duration of the plan;
- how the services are funded;
- a summary of the key points from the year in review.

# Groups of Activities

This Annual Report lets you know how the Council performed against the budgets and targets set in our 2021 - 2031 Long Term Plan. The Long Term Plan is our 10-year comprehensive business plan detailing the Council's policies and outlining the work programmes, budgets and non-financial targets. The plan also provides detailed information about each activity and the contribution it makes to achieve the Council's Community Outcomes.

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The financial and non-financial results are reported here by each group of activities. There may be one or more activities included in each activity group.

# Water Supply

## Activities

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

The Council owns and manages two water schemes (Gore and Mataura) with an estimated optimised replacement value of \$61.5 million. Reticulated water supply services are provided to approximately 5,007 properties for domestic and industrial use with firefighting capabilities in the townships of Gore and Mataura. It is estimated that 77% of the usually resident population receive their water from the Council's reticulated water supplies.

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

The raw water is treated prior to distribution throughout the networks. The water treatment is also closely monitored to ensure appropriate treatment standards are in place to protect public health. Water is gravity fed to the majority of consumers. However, it is pumped to some suburbs for dwellings at higher levels.

The Council's asset network includes:

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

Historically, the Council also owned and operated the Otama Rural Water Supply which services approximately 193 rural properties. Ownership and responsibility of this scheme was however transferred to Otama Rural Water Limited on 1 July 2022.

## Rationale

The collection, treatment and distribution of potable water are essential services for the benefit of residents and businesses throughout the District. The Council's water supply activity protects the health and well-being of the community and is indispensable to economic growth and development. The Local Government Act 2002 determines infrastructure services, including water supply, to be a core service provided by local authorities. This legislation provides guidance on the way the Council manages and reports on the service.

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

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

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

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

The Council's objectives for the community under this Long Term Plan:

- Maintain steady growth of our District's population
- Sustain the wide range of economic, recreational and social opportunities that contribute to Rural City Living
- Ensure rates affordability and user pays for Council services
- Build stronger relationships with Iwi.

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

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

Key challenges that the Gore District Council must take steps to address concerning the water supply activity over the next ten years are as follows:

- Upgrading of water treatment plants to ensure they met the requirements of the Drinking Water Standards for New Zealand
- Adequate monitoring to demonstrate compliance requirements of the newly created water regulator Taumata Arowai
- Development of robust water renewal plans and replacement of critical trunk mains before they reach the end of their useful lives to maintain service delivery
- Optimising the use of the Council's existing raw water supplies through the reduction in leakage rates

- Developing a strategy to ensure the Council water supply is resilient against the potential impacts of climate change
- Improvements in the accuracy of its asset data ensuring long-term sustainable decisions can be made for the activity.

## Significant negative effects

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

To mitigate the potentially adverse effects of water abstraction from ecosystems, the Council is required to operate within the water take permit in accordance with the requirements of the Resource Management Act and local Iwi is consulted during resource consenting processes.

## Key points from the 2023/2024 year and the year ahead

With a change in central government the proposed 3 Waters reform was repealed and replaced with the new governments Local Water Done Well proposal.

As part of our ongoing commitment to sustainable water management, our annual plan integrates the principles of "Local Water Done Well" (LWDW). This framework ensures that water resources are managed effectively and equitably, emphasising local control, sustainability, and accountability. By adopting this approach, we aim to enhance the quality, efficiency, and resilience of our water systems.

We are currently assessing the most effective way to deliver our water services, including evaluating whether a combined Council Controlled Organisation (CCO) could be an optimal solution. As part of this process, we are exploring how such a model would function and benefit our community. We plan to have a consultation document available by early 2025, with the final Water Delivery Plan completed by the September 2025 deadline.

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From a capital project perspective, the delays with installing a pipeline across the Mataura River has also meant the planned replacement of the Hilbre Avenue Reservoir has been delayed. Preliminary design work for the reservoir replacement has now been completed. This work identified the need to demolish the existing Hilbre Avenue Water Tower. The demolition of the tower and replacement of the reservoir is now expected to be completed in 2026.

The upgrade to the Mataura WTP has been completed and is operating as expected and is meeting the rules set out by Taumata Arowai.

## Statement of Service Performance - Water

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
We have a quality infrastructure with potential for growth.	A potable water supply is provided in urban areas.	Compliance with the bacterial criteria of the NZDWS: (NFPM 1a) - 1 July - 14 November 2022	<p><b>Target:</b> 100% compliant</p> <p><b>Result:</b> Compliant</p>	N/A	Not applicable for the 2023/24 year the measure has been replaced.
		Gore Mataura WTP	Compliant	N/A	Not applicable for the 2023/24 year the measure has been replaced.
		Compliance with the protozoa bacteria criteria of the DWQAR (Note this was a new measure that came into force from 15 November 2022)	<p><b>Target:</b> 100% compliant</p> <p><b>Result:</b> Compliant</p>	100%	Gore - East Gore – 100% compliant - Target achieved.
		Gore - East Gore Gore - Hilbre Mataura	Compliant Not compliant Not compliant	100% 100% 100%	Hilbre Ave WTP – 97.8% compliant - Target not achieved* Bacterial compliance was met for 358 days out of 366. Compliance was not achieved for one day in September following a flood event, two days in April due to the failure of an I/O card and 5 days in May due to failure of trending software. Mataura - 100% compliant - Target achieved.
		Compliance with the protozoa criteria of the NZDWS: (NFPM 1b) - 1 July 2022-14 November 2022	<p><b>Target:</b> 100% compliant</p> <p><b>Result:</b> Compliant</p>	N/A	Not applicable for the 2023/24 year the measure has been replaced.
		Gore - East Gore Gore - Hilbre Mataura	Compliant Not compliant Not compliant	N/A N/A N/A	Not applicable for the 2023/24 year the measure has been replaced. Not applicable for the 2023/24 year the measure has been replaced.
		Compliance with the protozoa criteria of the DWQAR (Note this was a new measure that came into force from 15 November 2022)	<p><b>Target:</b> 100% compliant</p>		

## Statement of Service Performance - Water continued

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
		Gore - East Gore Gore - Hilbre Mataura	Result: Compliant Not compliant Not compliant	100% 100% 100%	East Gore – 100% compliant - Target achieved. Hilbre Ave WTP – 0% compliant - Target not achieved* Proposed upgrades are currently delayed due to the project to get pipelines across the Mataura River being delayed. At this stage, the estimated completion date is 2025, but this is subject to change. Mataura WTP – 96.45% compliant - Target not achieved. *Protozoal compliance was not achieved for 11 days during June-September as part of the Mataura WTP upgrade and two days in February due to an error in the Mataura WTP treatment code
		Water quality complaints received (per 1,000 connections) (NFPM 4)	Target: < 8 Result: 7.8 Achieved	< 8	4.3 complaints per 1000 connections (11 total) – Target achieved
	Reliable service and effective response to queries	Real water losses from the reticulation network (NFPM 2)	Target: < 40% Result: 35.3% - Not Achieved	< 40%	25.4% – Target achieved. Based on 2023-2024 National Environmental Performance Measures calculation of Current Annual Real Loss (CARL)
		Response to an urgent customer request (Urban, no water) (NFPM 3a)	Target: < 60 min Result: 22 mins - Achieved	< 60min	13 mins – Target achieved
		Resolution of an urgent customer request. (Urban, no water) (NFPM 3b)	Target: < 8 working hours Result: 1.2 hours - Achieved	< 8 working hours	2.67 hours – Target achieved.
		Response to a non-urgent customer request (NFPM 3c)	Target: < 5 days Result: 0.1 day - Achieved	< 5 days	0.1 day – Target achieved.
		Resolution of a non-urgent customer request (NFPM 3d)	Target: < 14 days Result: 0.7 day - Achieved	< 14 days	0.5 day – Target Achieved.
		Average consumption of drinking water (NFPM 5)	Target: < 450L/p/day Result: 452.1 L/p/day - Not Achieved	<450L/p/day	447.7L/p/day – Target Achieved.



# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - WATER

For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,814	2,993	2,530
Subsidies and grants for operating purposes	-	-	-
Fees and charges	123	126	313
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	4
<b>Total operating funding (A)</b>	<b>2,937</b>	<b>3,119</b>	<b>2,847</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	955	1,001	1,003
Finance costs	519	585	583
Internal charges and overheads	721	738	811
Other operating funding applications	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,195</b>	<b>2,324</b>	<b>2,397</b>
<b>Surplus/(deficit) of operating funding (A - B)</b>	<b>742</b>	<b>795</b>	<b>450</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	3,419	(334)	1,108
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>3,419</b>	<b>(334)</b>	<b>1,108</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,285	22	1,108
- to replace existing assets	2,131	687	274
Increase/(decrease) in reserves	(255)	(248)	176
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>4,161</b>	<b>461</b>	<b>1,558</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(742)</b>	<b>(795)</b>	<b>(450)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Wastewater

## Activities

The Council owns and manages wastewater assets with an optimised replacement value of \$125.3 million. Wastewater services are provided for about 5,066 households and businesses in Gore, Mataura and Waikaka.

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

The Council's asset network includes:

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

## Rationale

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

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

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

This requirement permits the Council to make bylaws for the protection of public health and requires the Council to present reports from time to time to provide the Medical Officer of Health with an understanding of diseases,

drinking water and sanitary conditions within the District. Therefore, the reasons that the Council continues to provide wastewater services include:

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

The Council's objectives for the community under this Long Term Plan:

- Maintain steady growth of our District's population
- Sustain the wide range of economic, recreational and social opportunities that contribute to Rural City Living
- Ensure rates affordability and user pays for Council services
- Build stronger relationships with Iwi.

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

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

**Outcome 6:** We value and respect our environment.

Key challenges that the Gore District Council must take steps to address in relation to the wastewater activity over the next ten years are as follows:

- Reduction in inflow and infiltration into the wastewater network to minimise overflows and optimise the performance of its treatment plants
- Desludging the oxidation pond
- Upgrading of the Council's wastewater treatment plant to ensure they meet legislative requirements and the communities' expectations
- Developing a robust renewal plan and replacement of critical trunk mains that are at the end of their useful lives

Improvements in the accuracy of its asset data ensuring long term sustainable decisions can be made for the activity.

## Significant negative effects

The Council acknowledges its wastewater activity may have some adverse impacts. However, these impacts must be considered against a scenario where wastewater in urban environments is not managed through a reticulated wastewater system. It is generally accepted that the public and environmental good that is provided by a reticulated network in an urban environment, and in particular the public health benefits, outweigh the adverse impacts. In saying this, where practicable, the Council is committed to minimising any adverse impacts its wastewater system may have.

To mitigate the potentially adverse effects of discharging treated wastewater into the Mataura River and the Waikaka Stream, the Council has established a robust system for monitoring discharges in accordance with the requirements of the Resource Management Act. As treated wastewater is discharged into rivers and waterways, the Council's Wastewater and Stormwater activities potentially have adverse effects on the socio-economic and cultural interests of tangata whenua. In accordance with the requirements of the Resource Management Act, local Iwi is consulted during resource consenting processes.

## Key points from the 2023/2024 year and the year ahead

With a change in central government, the proposed 3 Waters reform was repealed and replaced with the new governments Local Water Done Well proposal.

As part of our ongoing commitment to sustainable water management, our annual plan integrates the principles of "Local Water Done Well" (LWDW). This framework ensures that water resources are managed effectively and equitably, emphasizing local control, sustainability, and accountability. By adopting this approach, we aim to enhance the quality, efficiency, and resilience of our water systems.

We are currently assessing the most effective way to deliver our water services, including evaluating whether a combined Council Controlled Organisation (CCO) could be an optimal solution. As part of this process, we are exploring how such a model would function and benefit our community. We plan to have a consultation document available by early 2025, with the final Water Delivery Plan completed by the September 2025 deadline.

Following the establishment of the working group to address the re-consenting of the Gore and Mataura wastewater consents, we have made significant progress over the past few years. We are now positioned to lodge a consent application in mid to late 2024. The working group has proven to be an excellent platform for information sharing, and the Council and Hokonui Rūnanga are considering adopting this collaborative model for future initiatives.

The Council has completed desludging Pond One of the Gore Wastewater Treatment Plant. The sludge was pumped into Geobags located in a containment bund that has been built on the land to the west of the ponds. The Geobags will allow the sludge to dewater over the next two to three years, with the liquid being pumped into Pond Two.

## Statement of Service Performance - Wastewater

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
We have a quality infrastructure with growth potential.	Reliable service: effective response to queries	The number of dry weather overflows from Council's sewerage system, (per 1,000 connections) (NFPM 1)	Target: 1 Result: 0 - Achieved	1	0 dry weather overflows per 1000 connections – Target achieved
		Response to a customer request. (Blockage or fault) (NFPM 3a) (Median Value Used)	Target: Urgent <120 mins Result: Urgent 37 mins - Achieved Target: General <8 hours Result: 0.5 hours - Achieved	Urgent <120 mins General <8 hours	42.5 min – Target achieved  0.95 Hours – Target achieved
		Resolution of a customer request. (Blockage or fault) (NFPM 3b) (Median Value Used)	Target: Urgent <8 hrs Result: 2.5 hours - Achieved Target: General 5 days Result: <1 day - Achieved	Urgent <8 hrs General <5 days	4.6 hours – Target Achieved <1 day – Target achieved
	Wastewater systems are effective and comply with environmental standards	Wastewater complaints received (per 1,000 connections) (NFPM 4)	Target: <10 Result: 4 complaints per 1,000 connections (24 total) - Achieved	<10	1.2 complaints per 1000 connections (7 total) – Target achieved
We value and respect our environment	Our waterways and environment are protected from the adverse impacts of providing the wastewater service	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (NFPM 2)	Target: Abatement Notice - 0 Result: 0 – Achieved	Abatement Notice - 0	Abatement Notice – 0 – Target achieved.
			Target: Infringement Notice - 0 Result: 0 – Achieved	Infringement Notice - 0	Infringement Notice - 0 – Target achieved
			Target: Enforcement Orders - 0 Result: 0 – Achieved	Enforcement Orders - 0	Enforcement Orders - 0 – Target achieved
		Target: Convictions - 0 Result: 0 – Achieved	Convictions - 0	Convictions - 0 – Target achieved	

# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - WASTEWATER

For the financial year ended 30 June 2024

SOURCES OF OPERATING FUNDING	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,348	1,387	1,315
Subsidies and grants for operating purposes	-	-	-
Fees and charges	559	574	1,003
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	3
<b>Total operating funding</b>	<b>1,907</b>	<b>1,961</b>	<b>2,321</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	520	558	1,127
Finance costs	-	10	546
Internal charges and overheads	449	459	520
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>969</b>	<b>1,027</b>	<b>2,193</b>
<b>Surplus/(deficit) of operating funding</b>	<b>938</b>	<b>934</b>	<b>128</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	-	699	1,523
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>-</b>	<b>699</b>	<b>1,523</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	834	2,186	1,558
Increase/(decrease) in reserves	104	(553)	93
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>938</b>	<b>1,633</b>	<b>1,651</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(938)</b>	<b>(934)</b>	<b>(128)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Stormwater

## Activities

The Council owns and manages stormwater assets with an optimised replacement value of \$42.4 million. The Council provides Stormwater services to about 5,113 households and businesses in Gore, Mataura, Waikaka, Pukerau and Mandeville.

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

The Council's asset network includes:

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

## Rationale

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

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

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

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

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

- to address legislative requirements
- to protect public health
- to afford the environmental protection
- to support economic growth.

The Council's objectives for the community under this Long Term Plan:

- Maintain steady growth of our District's population
- Sustain the wide range of economic, recreational and social opportunities that contribute to Rural City Living
- Ensure rates affordability and user pays for Council services
- Build stronger relationships with Iwi.

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

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

**Outcome 6:** We value and respect our environment.

Key challenges that the Gore District Council must take steps to address concerning the stormwater activity over the next ten years are as follows:

- Replacement/upgrading of the existing combined stormwater and wastewater system to achieve separation
- Identification and resolution of historical wastewater cross-connections in the stormwater network
- Identification and management of secondary overflows paths
- Improvements in the accuracy of its asset data ensuring long-term sustainable decisions can be made for the activity.

## Significant negative effects

The Council acknowledges its Stormwater activity may have some adverse impacts. However, these impacts must be considered against a scenario where stormwater in urban environments is not managed through a reticulated system. It is generally accepted that the public and environmental good that is provided by a reticulated network in an urban environment, and in particular, the public health benefits outweigh the adverse impacts. In saying this, where practicable, the Council is committed to minimising any adverse impacts its stormwater system may have.

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

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

## Key points from the 2023/2024 year and the year ahead

With a change in central government, the proposed 3 Waters reform was repealed and replaced with the new governments Local Water Done Well proposal.

As part of our ongoing commitment to sustainable water management, our annual plan integrates the principles of "Local Water Done Well" (LWDW). This framework ensures that water resources are managed effectively and equitably,

emphasizing local control, sustainability, and accountability. By adopting this approach, we aim to enhance the quality, efficiency, and resilience of our water systems.

We are currently assessing the most effective way to deliver our water services, including evaluating whether a combined Council Controlled Organisation (CCO) could be an optimal solution. As part of this process, we are exploring how such a model would function and benefit our community. We plan to have a consultation document available by early 2025, with the final Water Delivery Plan completed by the September 2025 deadline.

The Council has been undertaking a project to install a stormwater basin and separation of stormwater from a wastewater main. This project has been completed and the basin has been working well with a couple of rain events occurring which have seen the basin fill with water and drain away after a couple of hours.

The focus for the Council over the next couple of years will be to look at completing more separation projects in different areas around Gore and Mataura.

Over the past few years, the Council has been working with Environment Southland to try and determine an appropriate strategy to improve the quality of its existing stormwater discharges. As part of this, the Council has completed a substantial amount of additional monitoring. This work has shown that significant investment is required to improve the quality of the Council's existing stormwater discharges. In addition to improving the quality of its stormwater discharges, the Council is also facing a number of other challenges associated with its 3 Waters Infrastructure such as improving its treated wastewater discharges, reducing overflows of untreated wastewater and reducing leakage from its drinking water network. Making progress on all these issues will require an unprecedented level of capital investment. When considering the limited ability of the community to fund the wide variety of upgrades required, it is going to be important that the various issues are prioritised, and the level of capital investment considered to ensure the community gets maximum benefit from its limited funding.

## Statement of Service Performance - Stormwater

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
We have quality infrastructure with growth potential.	Reliable service and effective response to queries	Response to a customer request (Flooding event) (NFPM 3) as measured by the CRM database	Target: <60 mins Result: 88 minutes (5 total) - Not Achieved	<60 mins	57 minutes (11 Total) - Target achieved
		Stormwater complaints received (per 1,000 properties connected) (NFPM 4) Faults or blockages as measured by the CRM database	Target: <4 Result: 0.67 complaints per 1,000 connections (4 total) - Achieved	<4 complaints	2.33 complaints per 1000 connections (14 Total) - Target achieved
Homes and properties are not affected by surface flooding caused by the Stormwater Activity		A number of flooding events (NFPM 1a) as measured by the CRM database	Target: <3 Result: 2 - Achieved	<3 events	3 flooding events - Target not achieved
		A number of habitable floors affected per 1,000 connected properties (per event) (NFPM 1b) as measured by the CRM database	Target: <2 Result: 0 - Achieved	<2	1 - Target achieved
We value and respect our environment	Our waterways and environment are protected from adverse impacts of providing the stormwater service	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders and convictions. (NFPM 2a-d)	Target: Abatement Notice - 0 Result: 0 - Target achieved Target: Infringement Notice - 0 Result: 0 - Target achieved Target: Enforcement Orders - 0 Result: 0 - Target achieved	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 - Target achieved Infringement Notice - 0 - Target achieved Enforcement Orders - 0 - Target achieved Convictions - 0 - Target achieved
			Target: 0 - Target achieved Result: 0 - Target achieved		
			Target: 0 - Target achieved Result: 0 - Target achieved		
			Target: 0 - Target achieved Result: 0 - Target achieved		



# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - STORMWATER

For the financial year ended 30 June 2024

SOURCES OF OPERATING FUNDING	LTP 2022/23 \$'000	LTP 2023/24 \$'000	Actual 2023/24 \$'000
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	821	859	743
Subsidies and grants for operating purposes	-	-	-
Fees and charges	-	-	-
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
<b>Total operating funding</b>	<b>821</b>	<b>859</b>	<b>743</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	177	190	159
Finance costs	101	142	182
Internal charges and overheads	108	111	135
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>386</b>	<b>443</b>	<b>476</b>
<b>Surplus/(deficit) of operating funding</b>	<b>435</b>	<b>416</b>	<b>267</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	300	2,343	681
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>300</b>	<b>2,343</b>	<b>681</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	372	2,421	681
- to replace existing assets	53	55	54
Increase/(decrease) in reserves	310	283	213
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>735</b>	<b>2,759</b>	<b>948</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(435)</b>	<b>(416)</b>	<b>(267)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Roading and Footpaths

## Activities

The Gore District roading network comprises 905 kilometres of roads, with 541 kilometres unsealed. All work is procured in accordance with the Council's New Zealand Transport Agency (NZTA) endorsed Transport Procurement Strategy. An updated version of the Strategy was adopted by the Council in 2023 immediately prior to the start of the 2023/24 year following an extensive review.

Consultants generally undertake the design and arrange procurement of major works. Our in-house project management team undertake the management and supervision of most roading projects. Specialised professional assistance is also engaged in some aspects of our strategic asset management.

The 2023/24 roading programme was the final year in our triennial land transport programme. The programme supported regional and national objectives including those contained in the Regional Land Transport Strategy, the NZTA's Road Safety Strategy 2020 and its "Road to Zero" initiative. These initiatives sought to improve road safety and sustainable transport throughout the region. Council staff work with other councils and transport stakeholders to implement these objectives. Council support and participation in Road Safety Southland played a part in the implementation of some of these initiatives.

The two national road classification systems comprising of the "One Network Road Classification" (ONRC) and the more recent "One Network Framework" (ONF) influenced the maintenance priorities on our network. Traffic volumes heavily influence the ONRC classification while place and function of a road have greater influence on the ONF classification.

The triennial land transport programme, approved by NZTA, enabled access to central government funding assistance for most of the Council's roading activities. Many factors were considered during formulation of the land transport programme including forecast demand changes on the network, new transport initiative both local and national, road safety issues, alternative transport options and regional development initiatives. These were all considered within the context of the central government "Government Policy Statement"

## Rationale

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

As the Council is the road controlling authority under the Local Government Act 1974, it has responsibility for all public roads, except state highways, within the Gore District.

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

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

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## Significant negative effects

Despite the benefits the Council's roading activities bring, in terms of providing transportation infrastructure needed to support the everyday lives and livelihoods of residents in the district, roading activities are also associated with several adverse effects.

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

It is pertinent to note these negative effects are often the result of inappropriate road user behaviour not necessarily from deficiencies in the road network. The Council monitors many of these issues through data such as the "Communities at Risk Register" produced by NZTA. Analysis of the data enables the Council to focus on implementing appropriate mitigation measures.

The resilience of the network is being challenged by natural events particularly climatic events such as flooding, ice, snow and windstorms. The increasing magnitude, frequency and unpredictability of these events makes developing programmes to mitigate their effects difficult. We are reliant largely on other agencies such as Environment Southland and NZ Met Service to provide forecasting and advice to deal with these issues.

## Key points from 2023/2024

Cost inflation continued to be a major factor affecting our ability to implement our works programme during the year. Continuing disaster recovery works in other parts of the country remained an issue affecting the availability and cost of resources for some roading activities. Major flooding during September 2023 resulted in significant damage over parts of the network.

Gore District Council entered a new collaborative reseal contract with Clutha District Council during the year. The first season of the three-year contract was completed during 2023/24.

Apart from ongoing routine maintenance work and despite some of the challenges mentioned above, notable works completed during the year included;

- Resealing, 12.1km length completed
- Re-metalling of gravel roads, 105km length of road re-metalled
- Kerb and channel replaced, 403m
- Rural surface water channels constructed, 38.9km length completed
- Footpaths reconstructed, 305m

## Statement of Service Performance - Roading

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
We have quality infrastructure with growth potential	Maintain the road surfaces free of defects requiring evasive behaviour (eg: potholes, shoving, edgebreak, ponding, bumps)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Target: Number of fatal and serious crashes - 0 Result: 2 serious and 0 fatal - Not achieved	Number of fatal and serious crashes - 0	3 serious crashes and 0 fatal - Target not achieved
	An appropriate level of ride comfort is maintained	The average quality of ride on a sealed local network, measured by smooth travel exposure	Target: Urban NAASRA count <220 Result: 99 - Achieved Target: Rural NAASRA count <120 Result: 67 - Achieved	Urban: NAASRA count <220 Rural: NAASRA count <120	89 - Target achieved 99 - Target achieved
	The yearly resurfacing programme is at a rate that maintains the integrity of our sealed road asset	The percentage of the sealed local road network that is resurfaced	Target: 5.5% Result: 5.1% (18.722km) resealed - Not achieved	6.0%	3.3% (12.1km) resealed - Target not achieved
	Footpath hazards (trip or surfacing) are identified and mitigated	The footpath condition assessment is carried out every 12 months to develop the footpath renewal programme	Target: 1,500m <sup>2</sup> Result: 751m <sup>2</sup> - Not achieved	1,500m <sup>2</sup>	853m <sup>2</sup> constructed - Target not achieved
	We respond to all customer requests relating to footpath and roads in a timely and efficient manner	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within 48 hours	Target: 95% Result: 75% - Not achieved	95%	89% - Target not achieved
	Residents are satisfied with the metalled road network through the identification and mitigation of driver hazards	The percentage of respondents to the Gore District Council Annual Resident Survey within the range of neutral to very satisfied	Target: 77% Result: 65% - Not achieved	78%	63% - Target not achieved

# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - ROADING

For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,601	2,698	3,365
Subsidies and grants for operating purposes	1,838	1,950	1,809
Fees and charges	163	167	154
Internal charges and overheads recovered	211	220	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	582
<b>Total operating funding</b>	<b>4,813</b>	<b>5,035</b>	<b>5,911</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	3,000	3,169	3,328
Finance costs	110	124	114
Internal charges and overheads	580	604	625
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,690</b>	<b>3,897</b>	<b>4,067</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,123</b>	<b>1,138</b>	<b>1,844</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	1,932	1,855	1,869
Development and financial contributions	-	-	-
Increase/(decrease) in debt	361	299	68
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>2,293</b>	<b>2,154</b>	<b>1,937</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	723	452	224
- to replace existing assets	2,677	2,882	3,193
Increase/(decrease) in reserves	16	(42)	364
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>3,416</b>	<b>3,292</b>	<b>3,7821</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(1,123)</b>	<b>(1,138)</b>	<b>(1,844)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation

## Activities

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

Among the Parks, Property and Recreation portfolio, the Gore Gardens and Eastern Southland Gallery are nationally recognised; Dolamore Park, the MLT Events Centre and the Gore Multisport Complex are of regional benefit. These high-profile sites are supplemented with a range of district and local parks and facilities.

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

Council buildings, public conveniences and recreation facilities are located within Gore and Mataura.

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

Assets provided within the network include:

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

## Rationale

The Parks, Property and Recreation activity is identified as a core service in terms of Section 11A of the Local Government Act 2002. The Parks Property and Recreation activity has many benefits for the community and provides opportunities for social interaction, active and passive recreation. The activity also plays a major role in the appearance and attractiveness of the District. How residents feel about the District is heavily influenced by the activity, which is positive. In attracting people to the District, as visitors and residents, the provision of quality open spaces and recreation opportunities is a key determinant. This is an important consideration in terms of the manner in which Gore promotes itself and the lifestyle available.

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

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

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

### Significant negative effects

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

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

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

### Key points from the 2023/24 year

Early in the financial year, we experienced some staff changes in the cemetery operations, which has given us the opportunity to concentrate more on enhancing the appearance and presentation of our cemeteries. At Charlton Park Cemetery, we have been focusing on drainage improvements to channel excess runoff into gullies and away from the burial beams. Additionally, beautification efforts at Gore and Pukerau Cemeteries have involved planting perennials on the earth-topped graves. We have also installed new concrete beams at Charlton Park and added a memorial baby beam at Matura Cemetery.

Tree care and management remain a key focus for our Parks staff and specialist arborist contractors. We have carried out remedial work and removed suckers from some of our older, notable trees along Hokonui Drive and throughout the green town belt.



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In the past year, we have successfully planted 100 mature-grade trees in parks and along streets. The revegetation programme at Lower Hamilton Park has progressed with an additional 1 hectare of planting, which amounts to 2,600 native plants. Notably, we have seen increased support from Gore schools, the wider community, and local businesses this year.

Development work has progressed across the town green belt, public gardens, Gore's main street, and Bannerman Park. In the gardens, our focus has been on tidying up various plant collections and replacing poor specimens with similar plants. At Bannerman Park, we have expanded and repaired the drainage network, improved the track network, and enhanced various plant collections.

On Gore's main streets, we have concentrated on removing shrubbery that obstructs sightlines. The shrubbery near the Hyde Street roundabout has been replaced, and the area next to the SH Bridge has been cleared and prepared for replanting.

Playground development across the district is progressing well. Bright Plexipave coating and markings have been added to the basketball courts at Tulloch Park, Sword Street, and Oxford Street playgrounds.

We have also installed new playground equipment at Mandeville, Bannerman Park, and Ingram Place. Additionally, we have begun setting up an 18-hole disc golf course around Hamilton Park. This disc golf course, initiated by our former youth council, is exciting to see nearing completion.

The second stage of the Tulloch Park Development is advancing smoothly. Nearly \$1.1 million in external funding has been secured from Better-off funding, the TIF fund, and Lottery Community Grants.

A new building for toilets, changing rooms, and utility purposes has been acquired and is awaiting installation. A splash pad, complete with all fixtures and underground services, has been ordered, with many components coming from the United States. Additionally, a new playground fence has been ordered for the State Highway and Glendhu Road frontages to enhance child safety on the site. It is expected that the new development will open in late 2024.

Development works have been a focus with new plantings around the James Cumming Community Centre and Library, with over 3,500 plants, seating and boulders all installed before the opening. The Matai Ridge subdivision was another large landscape project undertaken with around 1,000 native plants in the reserve and around the detention pond, street trees were planted and berms sowed. The Bannerman Park Hosta collection area has been redeveloped and extended and is now one of the most significant collections in NZ.

## Facilities

- This year saw the completion of the James Cumming Community Rooms and Gore Library.
- This project compliments the adjacent Administration Building creating a busy Civic complex.
- The Mataura Pool was demolished to make way for the new splash pad project at Tulloch Park.
- New builds saw the installation of public toilets at Waikaka and the construction of a new animal control pound facility.
- Initial work has commenced at the old Gore Landfill site which will see this area remediated over several years, to be planted in native bush.

## Gore Aquatic Centre

Over the start of the 2023/24 year, we were challenged to get enough staff in the lifeguard roles which had an impact on the Gore Multisports Complex weekend hours. This meant that the facility had to restrict its hours and opened from 1-5pm. If bookings were received for the ice rink or stadium outside of these hours, staff had to be organised to cover the reception and the facility for the booked activities to carry on. A review of our staffing structure and roster was undertaken, and by the time the winter sport season started we were able to go back to the 10am – 6pm opening hours.

This year has seen growth in two main activities, one in the Aquatic Centre and the other in the MLT Event Centre. An increase in demand for aqua aerobics has seen an increase in session times available. The classes have grown to an average of 12 participants per class, up from last year's



average of eight. The second big area of growth was in Pickleball at the MLT Event Centre. Not only did this have an increase in sessions offered, but it jumped from an average of 10 participants to an average of 21 over the last year. The local club, with support from our team, introduced a new national tournament to the NZ Pickleball Calendar here at the MLT Event Centre.

2024 has also seen a shift in the approach of realising that we have more to offer than sport/fitness. We are a big part of community wellbeing, a social point that community users of all ages come together to meet and talk as part of their regular social and movement regime. This has been seen in the over 80 age group, with free use being introduced for that age group. This is an area we are working on to build our community engagement.

Another big part of our approach is the focus on industry, realising we have a small part in helping industry growth and training. This has led to our facility working closely with external training providers such as Te Mahi Ako/Water Safety NZ and Swimming New Zealand to become the training hub for all things aquatic in the region. We are keen to see how we can expand this further to help our region and the wider aquatics community throughout NZ.



# Statement of Service Performance - Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation

Council Outcome	Customer Levels of Service	Measured by	Target/Result 2023	Target 2024	Target Achieved
<p><b>Aquatic &amp; Multisport</b></p> <p>We have a choice of quality places to go and things to do</p>	<p>To provide safe, quality, accessible swimming pools with good opportunities for learning</p>	<p>Five key technical measures that reflect the core values</p> <p>This includes:</p> <ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Swimming course enrolments</li> <li>Gore Aquatic Centre patronage</li> <li>MLT Event Centre Patronage</li> <li>PoolSafe accreditation</li> </ul>	<p><b>Target:</b></p> <ul style="list-style-type: none"> <li>&gt;90%</li> <li>1% increase</li> <li>1% increase</li> <li>1% increase</li> </ul> <p>Accreditation maintained</p> <p><b>Result:</b> All targets achieved</p>	<ul style="list-style-type: none"> <li>&gt;90%</li> <li>1% increase</li> <li>1% increase</li> <li>1% increase</li> </ul> <p>Accreditation maintained</p>	<p>Year to date – 5/5 achieved</p> <ul style="list-style-type: none"> <li>Customer Satisfaction – 95% Aquatic Facility and 97% MLT Event Centre</li> <li>Swimming course enrolments up 35%</li> <li>Gore Aquatic Centre patronage up 4%</li> <li>MLT Event Centre Patronage up 40%</li> <li>PoolSafe accreditation maintained</li> </ul>
<p><b>Parks &amp; Reserves</b></p> <p>We have a choice of quality places to go and things to do</p>	<p>Parks, reserves and cemeteries provide a sense of place; active recreation spaces, as well as opportunities to interact with and beautify urban environments; facilities are safe, well-maintained and appropriate for their use with high levels of public satisfaction</p>	<p>Percentage of community that are satisfied across the range of property and recreation criteria surveyed.</p> <p>This includes satisfaction levels for:</p> <ul style="list-style-type: none"> <li>Parks and Reserves/Sports grounds</li> <li>Playgrounds</li> <li>Cemeteries</li> <li>Public conveniences</li> <li>The provision of community buildings or halls</li> </ul>	<p><b>Target:</b> &gt; 90% average across the 5 criteria surveyed</p> <p><b>Result:</b> 92% average across the 5 criteria surveyed - Achieved</p>	<ul style="list-style-type: none"> <li>&gt;90% average across the 5 criteria surveyed</li> </ul>	<p>Achieved - 93% average</p> <ul style="list-style-type: none"> <li>Parks and Reserves and Sports grounds – 97%</li> <li>Playgrounds – 96%</li> <li>Cemeteries – 92%</li> <li>Public conveniences – 83%</li> <li>The provision of community buildings or halls – 98%</li> </ul>

# GORE DISTRICT COUNCIL

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

For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	2,147	2,465	2,268
Targeted rates	3,629	3,687	4,085
Subsidies and grants for operating purposes	36	37	704
Fees and charges	799	818	707
Internal charges and overheads recovered	1,572	1,613	1,794
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	202
<b>Total operating funding</b>	<b>8,183</b>	<b>8,620</b>	<b>9,762</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	4,310	4,375	4,612
Finance costs	214	233	708
Internal charges and overheads	2,578	2,660	3,075
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>7,102</b>	<b>7,268</b>	<b>8,395</b>
<b>Surplus/(deficit) of operating funding</b>	<b>1,081</b>	<b>1,352</b>	<b>1,367</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	240
Increase/(decrease) in debt	767	(36)	(2,390)
Gross proceeds from the sale of assets	-	-	89
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>767</b>	<b>(36)</b>	<b>(2,061)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	363	64	34
- to improve the level of service	85	127	875
- to replace existing assets	1,597	889	712
Increase/(decrease) in reserves	(197)	236	(2,315)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>1,848</b>	<b>1,316</b>	<b>(694)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(1,081)</b>	<b>(1,352)</b>	<b>(1,367)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Other District Assets including Solid Waste and Civil Defence

## Activities

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

## Solid Waste

Responsibilities that fall under the solid waste management umbrella include:

- Kerbside glass collection
- Kerbside residual waste collection
- Transfer Station management
- Landfill operations

(WasteCo manage these tasks as part of the Southland-wide solid waste management contract through WasteNet.)

- Cardboard collection and recycling
- Aluminium cans collection and recycling (GDC supporting local recycling management)
- Education and advocacy (waste minimisation group)

- Waste audits
- Management of the two waste contracts

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

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

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

## Civil Defence

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

## Rationale

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

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

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

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Regarding civil defence, a greater focus is being made on the reduction of risks and hazards affecting the safety and welfare of the district's residents. Coordination of activities between civil defence and resource management and being ready to respond to the threat of natural hazards is a key deliverable in this activity.

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

**Outcome 6:** We value and respect our environment.

### Significant negative effects

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

The minimising of waste through active recycling is proving to be challenging but needs to be in place by 2027. While there is a risk that leachate from closed landfills may leach into streams and the water table, such risks are mitigated by adherence to resource consent requirements pertaining to the landfills.

The Council also strives to minimise nuisances such as noise, dust and odour from transfer station operations by closely monitoring the operation of the transfer station. The installation of wind fencing also mitigates the nuisance caused by windblown litter from waste disposal areas. The Council in recognising the inherent risk of transporting uncompacted loads to the landfill site, has installed a compactor to ensure the safe and efficient transport of our waste.

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

### Key Points from the 2023/24 year

Over the last eight years, the Gore District Council has taken care of its waste through several shared service contracts held with Southland District Council and Invercargill District Council. WasteNet still acts on behalf of this collective in the administration of contractual issues and in regulatory matters with regional representation.

Over the past 30 months, the Council has been investigating the options to reintroduce an increased level of recycling for the residents of Gore and Mataura. It is anticipated to be a key focus for Council as part of its Long Term Plan development process and needs to be in place by 2027.

General waste continues to be collected through the kerbside collection with increased monthly pickups (three collections per month). Waste is then shipped to the AB Lime landfill.

The major civil defence risk for Gore is flooding. This can occur from surface flooding caused by intense prolonged rain events and also from the threat of the Matuara River when in flood.

Environment Southland is continuing to develop plans to enable increased river flows to pass through the region without overtopping flood control structures. The structural integrity of the existing stopbanks has been assessed by Environment Southland and ongoing improvements to stopbank structures within the Gore District are occurring.

With the threat of significant flooding events continuing over recent years, we have seen the importance of having well trained and able staff ready to assist the Civil Defence operation in the areas of welfare and maintaining critical infrastructure.

## Statement of Service Performance - Solid Waste and other District Assets

Level of Service	How it Contributes to our Council Outcomes	Performance Measures	Target/Result 2023	Target 2024	Result
Waste minimisation is promoted to improve the environment	The reduction of waste disposed of reduces costs to residents and places less pressure on the environment. This has a positive impact on economic and environmental outcomes	Volume of waste per capita being disposed of at the regional landfill as measured by regional landfill weighbridge records	<p>Target: Material discarded &lt;650kg per capita (across Southland)</p> <p>Result: 576.81kg per capita (across Southland) - Achieved</p>	Material discarded <650kg per capita (across Southland)	762.13kg per capita (across Southland) - Target not achieved

# GORE DISTRICT COUNCIL

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

For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	369	377	320
Targeted rates	1,698	1,726	1,502
Subsidies and grants for operating purposes	51	52	213
Fees and charges	760	777	1,335
Internal charges and overheads recovered	1,603	1,639	1,720
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	34
<b>Total Operating Funding</b>	<b>4,481</b>	<b>4,571</b>	<b>5,124</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	3,314	3,372	4,366
Finance costs	32	32	123
Internal charges and overheads	877	907	958
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>4,223</b>	<b>4,311</b>	<b>5,447</b>
<b>Surplus/(deficit) of operating funding</b>	<b>258</b>	<b>260</b>	<b>(323)</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(157)	(93)	-
Gross proceeds from the sale of assets	-	-	31
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>(157)</b>	<b>(93)</b>	<b>31</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	74	127	122
Increase/(decrease) in reserves	27	40	(414)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>101</b>	<b>167</b>	<b>(292)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(258)</b>	<b>(260)</b>	<b>323</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Community Services – Arts & Heritage, Libraries, Promotions And Grants

## Activities

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

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

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

The heritage precinct is home to:

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

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

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

The Gore Visitor Centre is currently located in the Hokonui Moonshine Museum and is scheduled to return to the renovated Māruawai Centre in July 2025.

The Gore Visitor Centre supports the Gore District with four main functions.

- Providing over the phone and in person information on a variety of topics filling the gap left by Citizens Advice Bureau.
- Promoting Gore to travellers through brochures, rack cards, maps and in person advice. The Gore Visitor Centre are booking agents for domestic travel for a number of providers such as; Intercity, InterIslander, Kiwirail and Real NZ.
- Staffing the Hokonui Moonshine Museum & Distillery and Croydon Aviation Museum with a front of house team which includes (but is not limited to) promoting the museum experience, collecting admissions, supporting guided tours/events and retail sales.
- Selling of merchandise in store and online that supports local artisans and local/regional suppliers that raises the profile of Gore.

These functions are essential to support residents who cannot or do not use online forms of payment or technology. Also, for supporting the wider Arts & Heritage precinct and encouraging tourism spend in the district.

The increasing rise in popularity of Fiordland as a destination combined with successful engagement tourism campaigns for Dunedin has benefitted Gore. Gore is seen as an attractive town to stop for a break by both independent travellers and coach tours.

Those travelling to the Catlins will stock up on fuel and groceries in Gore and cruise ships docking in Bluff provide tours to Gore as a destination.

The visitor centre plays a key role in supporting local business by providing information on activities, accommodation, shops and eateries encouraging longer stays and greater spend in the region.

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



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Children's areas are customised to be especially welcoming to children. A number of children's activities and programmes support literacy development and reading enjoyment.

Mataura Library and Service Centre is a branch library that offers Council services, including rates payments, dog registration, information about Council facilities and faults reporting. It is also the booking agent for the Mataura Community Centre and Elderly Citizens Centre. The public area of the Mataura Library was refurbished in May 2020. It has new shelving, the children's area has been relocated to the front with child-friendly furniture, and a dedicated conference room has been made available for public use.

## Events and Marketing

The Council owns, organises and delivers seven annual community events, which have the heart of the community in mind. The events focus on bringing people together, utilising local public facilities/assets and improving overall community wellness. All of the events are free for the public to attend.

The Events team ensures that the Council's events are delivered to a high standard that meets or surpasses community expectations. Additionally, the Events team works with external event organisers, such as Tussock Country, to provide advice or free advertising through GoreNZ as required.

The Council provides grants to selected organisations to assist with the provision of economic, social (health and recreation), and cultural services to the community, helping to fill any significant gaps in community services by the Council or Central Government.

The aim of the Council is to place Gore as the town that provides the best Rural City Living in New Zealand, which means encapsulating the luxuries of city life and the lifestyle rural living offers. In this context, the vision is to provide 'City Events in a Rural Environment'.

In achieving this, the Gore District would attract a wide variety of cultural, lifestyle, and sporting event options to the town and region, benefitting the local population and economy.

## Rationale

The current arts and heritage infrastructure in the Gore District is the result of considerable investment on the part of individuals, groups, businesses, public sector funding agencies and major philanthropists.

The current combined arts and heritage asset value of \$12 million is the product of gifts and donations from the people of Gore and key supporters of the District. In the interests of preserving, promoting and interpreting these holdings, a partnership has been developed between the Gore District Council and local culture and heritage organisations to provide a professional service for the management, care and development of facilities and collections.

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

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

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

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

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

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

- maintaining relationships with the community

## Significant negative effects

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

## Key points from the 2023/24 year

### Arts & Heritage

Despite significant disruptions to our facilities through varying degrees of structural redevelopment, the Department of Arts & Heritage was able to exceed both its annual target of 10 exhibitions per annum and 10 performances/events. We also met our target of engagement with 50 schools and special interest groups per annum.

A significant public interest in art education and mana whenua history programs has ensured that related engagements and events have been fully subscribed. To this end we were pleased that our collective activities gleaned a satisfaction rate of 98% and 100% respectively within the annual Residents' Survey. The department also provided support for a range of regional heritage activities including on-going professional support for Southland's Roving Museum Officer and the digitisation of volunteer-run museum collections through the Project Ark initiative.

The two stage Arts & Heritage Precinct Redevelopment has progressed with welcome financial support from several external agencies and funding bodies. This activity has facilitated fire rating, fire systems and re-wiring of the heritage collection and archives area within the Hokonui Heritage Centre's Win Hamilton Wing, as well as a full structural refurbishment, fit-out and external refresh of the Hokonui Moonshine Museum. Further support for the structural redevelopment of Stage Two (Māruawai Centre) came via a welcome \$1,200,000 grant from the government's Better Off Funding. This supplemented the initial \$919,000 grant from the Provincial Growth Fund and further generous gestures of support from Community Trust South, the Maitara Licensing Trust, and various donors. Staff members and project trustees will continue to provide heritage and community engagement via the three main facilities within the precinct while fundraising for the internal completion of Stage Two.

### Gore Library

The Gore Library has had a full financial year and has produced excellent statistics. These have included an increase in issues of 38%, including books, audio-books, magazines and DVDs.

Wi-Fi usage increased by 117% and computer usage increased by 70% showing the important role that libraries play in helping reduce the digital divide for communities.

Gore Library held 184 events last year which was an increase of 116% on the year before with an increased attendance rate of 61%.

Another valuable statistic is the increase in the use of e-resources that the library provides, and customers can use this free of charge. This has increased by 45%.

Over 65,000 people have visited the new Gore library this year which is an increase of 38% from the past financial year. Proof that if you build beautiful spaces people will come.

### Maitara Library

The Maitara Library is a well-used space and the staff who run the library are a credit to why the community enjoys the service they receive.

This year the Maitara Library had to reduce its hours due to verbal and physical behaviour that was threatening for staff who worked sole charge. Due to this, we have seen a slight decrease in some of their statistics.

There was a decrease of foot traffic by 5%, a decrease of issues by 36% and computer usage was down by 12%, however customers had less access to use them due to the reduced hours. Wi-Fi usage increased by 16%, and events were up by 35% because of the fixed-term role in Gore which also allowed for more activities in Maitara. Attendance of these events also increased by 44%.

The Maitara community has been very supportive of the library staff and the reason why the library hours needed to be reduced. We would like to extend our thanks.

### Gore Visitor Centre

The 2023/24 highlights for the Gore Visitor Centre have been seeing the previous year's investments in staffing and merchandise provide positive results.

The prior year a team was formed to provide a front-of-house service supporting the Croydon Aviation Museum and the Hokonui Museum & Distillery (where the visitor centre is currently located).

Of most significance was the staff retention that has resulted from this team formation. Replacing and training staff is an expensive exercise and frequently results in a team of varied abilities and expertise. However, retention in the visitor experience team has been 100% and resulted in a knowledgeable and highly experienced team able to work across both locations with confidence. This has established the team as a familiar and respected resource in the community with a 98% approval rating for the visitor centre and a 100% approval rating for the moonshine museum in the 2024 Residents' Satisfaction Survey.

This year also saw consistent growth in the merchandise offerings at the visitor centre with a focus on supporting Gore and wider Southland suppliers as well as developing product unique to Gore. With Great South's focus on Southland producers the visitor centre has been able to utilise this information to support local and wider Southland business by stocking these items in store, some exclusively. The result has been a range of products that are complimentary to the moonshine with gift boxes of assorted products proving popular. This makes local products accessible to a wider customer base, drives foot traffic into the centre and encourages spend in the District. Gore residents have benefitted by having a local outlet to purchase from therefore no longer incurring time delays and freight costs. The visitor centre e-commerce site has made Gore merchandise accessible to former residents now living outside the District (and the country) proud to celebrate where they have come from and raise Gore's profile in the process.

Organised coach tour numbers continued to rise in 2023/24 and saw the introduction of cruise ships docking in Bluff provide a valued source of income to the local economy. Bookings for the upcoming year show these tours will return with increased numbers and frequency as word of the high level of customer service and quality offerings continue to grow interest in Gore.

## Events

The events team delivered seven council-owned community events and a site at the Southern Field Days event in the

2023/24 financial year, with attendance across the events ranging from a few hundred to 3,500 people.

While the 2023 Kāhui Whetū event was technically delivered in this financial year, it was included in the 2022/23 report and therefore will be excluded from this one, meaning the first event to be delivered in this financial year was the Hokonui Culture Feast in October.

Thanks to new sponsorship and secured funding, the Hokonui Culture Feast had a record turnout of approximately 1,200 people from the local community and broader region. It was a great success, leading to the decision to move the event to the MLT Event Centre in 2024 to allow further event growth.

In December, the second Christmas Carnival was delivered on the same day as the Santa Parade. Due to sporadic heavy rain showers, the event had fewer attendees than in 2022 (approximately 3,500), but overall the feedback was very positive. The events team successfully approached new sponsors to cover the costs of amusement rides for children, which meant the event was affordable and accessible to a wider demographic in the local community.

The new year saw a quick turnaround of events, with the team delivering a site at the 2024 Southern Field Days, then the On The Fly Maitaia River Festival and then Tulloch Takeover! (Parks Week) at the start of March. A combined effort from the Visitor Centre, events team, parks team and Three Waters team meant the site was attractive to look at, had great engagement for those who visited and helpful information for any locals wanting to ask questions. Having free corn on a BBQ during each day, run by councillors, proved an effective marketing tactic to get attendees to spend time at the site and learn more about council services, while differentiating the site from others at the event.

The On The Fly Maitaia River Festival used a combination of learnings from previous years, resulting in a move back to River Terrace for the venue. The Events team wanted to maintain the identity of the event to be around fly-fishing and the Maitaia River, while making it more accessible to the community who may not be immediately interested in the sport. This led to the decision to trial a craft beer garden along the river near the food trucks and make the event dog friendly. Poor weather and a morning start meant the beer garden element didn't immediately take off, however,

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enough interest was shown to warrant trying it again in 2025.

Tulloch Takeover! was the Parks Week event for 2024, highlighting Tulloch Park in Mataura. Rather than do a scavenger hunt like in previous years, the Events team decided to focus on the park's strengths, which were the playground, pump track and sporting areas, leading to the creation of a one-day, free community event for families. Beautiful weather on the day led to a great turnout, with many families staying the duration of the event.

Freeze Ya Bits Off Busking followed the same Friday – Sunday format as 2023 after receiving positive feedback, though a clash with a teacher-only day and last-minute cancellations from out-of-town schools resulted in the cancellation of the school competition on Friday. Feedback after the event overwhelmingly indicated a desire to move the school competition back to Thursday, which the team will proceed with for 2025.

Kāhui Whetū secured its place as the second biggest council event, with an estimated 3,200 people attending this year. New sponsorship and renewed funding meant the event could be developed and refined compared to previous years and the resulting feedback was incredibly positive.

## Schedule of Grants

A schedule of other grants paid during the year is included below:

<b>RECIPIENTS</b>	<b>Actual \$ 2024</b>	<b>Annual Plan \$ 2024</b>
Active Southland	30,000	10,000
Amenity Hire Refunds	4,319	-
Catholic Diocese – Canning Street flats rates relief	3,478	-
Children’s Day – Matariki event at Waimumu	-	2,265
Country Music & Songwriters	5,000	5,000
Croydon Aviation Heritage Trust	6,000	6,000
Cycle Tour Southland	1,000	1,000
Eastern Southland Art Gallery	40,000	40,000
Enviro Schools	5,000	5,000
Free Swim School - Primary School	28,832	28,832
Gold Guitar Awards	5,000	5,000
Gore A & P Association	92,414	89,985
Gore Museum	-	11,000
Healthy Homes initiative	15,000	15,000
Heartland Life Education Trust	2,500	2,500
Hokonui Fashion Design Awards Grant	10,000	9,104
Hokonui Heritage Centre Trust	6,500	6,500
Hokonui Pioneer Park	5,000	5,000
Hospital Incentives	422	2,000
Mataura Heritage Centre & Clematis Cottage	9,500	9,500
Mataura School Bus for swim lessons	2,000	8,000
Moonshine Committee	24,500	24,500
Pakeke Lions Recycling Services	14,232	25,282
Rural Halls	2,775	18,419
Scholarships	2,000	2,000
Southern Indoor Charity Dog Trials	500	-
Southland Regional Heritage Trust*	44,666	22,792
Total Mobility	32,233	18,118
Tussock Country	57,456	52,000
Waikaka Domain Board	12,878	12,878
<b>Total</b>	<b>\$463,204</b>	<b>\$437,675</b>

\*Net amount shown

## Statement of Service Performance - Community Services - Arts & Heritage, Libraries, Promotions and Grants

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
We value our history and heritage We live in a creative place	Educating the public about arts & heritage contributes to the Council outcome of valuing our history and heritage	The public appreciates the services and assets of arts and heritage as recorded in the annual resident survey	<b>Target:</b> 90% satisfaction rate <b>Result:</b> 95% - Achieved	90% satisfaction rate	95% (Gallery) + 100% (Moonshine Museum) satisfaction rate - Target achieved
We have a choice of quality places to go and things to do.	Residents and visitors have valued library experiences. Friendly, knowledgeable staff ensure the libraries are a positive choice in terms of quality places to go & things to do	Survey of residents and library users indicates a quality service is provided as indicated in the annual resident survey and targeted library surveys	<b>Target:</b> 90% of surveyed residents or users are satisfied with the quality of library service <b>Result:</b> 94% - Achieved Considering the 3-month closure before opening in the new building, this is a very good response	90% of surveyed residents or users are satisfied with the quality of library service	98% of surveyed residents were satisfied with the quality of library service - Target achieved
	The library service is accessible to residents and visitors, including children, young adults, adults, the elderly, housebound, people who work business hours	Library opening hours per week Gore: 49.25 Mataura: 35	<b>Target:</b> 95% of opening hours are achieved <b>Result:</b> 86% opening hours were achieved. Target not achieved due to Gore Library closure Jan-March for moving to new building and delays to achieving building compliance, an unavoidable consequence of COVID 19 building materials delays - Target not achieved	Target 95% of opening hours are achieved	96% of opening hours was achieved - Target achieved

# GORE DISTRICT COUNCIL

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

### For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	2,090	2,169	2,505
Targeted rates	752	790	895
Subsidies and grants for operating purposes	196	200	857
Fees and charges	449	456	44
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	112
<b>Total operating funding</b>	<b>3,487</b>	<b>3,615</b>	<b>4,413</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	2,466	2,507	2,571
Finance costs	132	172	294
Internal charges and overheads	695	724	884
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>3,293</b>	<b>3,403</b>	<b>3,749</b>
<b>Surplus/(deficit) of operating funding</b>	<b>194</b>	<b>212</b>	<b>664</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	1,938	457	2,681
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>1,938</b>	<b>457</b>	<b>2,681</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	2
- to improve the level of service	293	54	482
- to replace existing assets	1,836	612	91
Increase/(decrease) in reserves	3	3	2,770
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>2,132</b>	<b>669</b>	<b>3,345</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(194)</b>	<b>(212)</b>	<b>(664)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Regulatory and Planning

## Activities

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

- Building Act 2004
- Litter Act 1979
- Dangerous Goods
- Local Government Act Act 1974/2002
- Dog Control Act 1996
- Reserves Act 1977
- Food Act 2014
- Resource Management Act 1991
- Health Act 1956
- Sale and Supply of Alcohol Act 2012
- Council Bylaws

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

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

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987;
- Keeping property files up to date and available for public inquiries;
- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies;
- Promoting the sustainable management of natural and physical resources in the Gore District via the District Plan;
- Processing resource consent applications for land use and subdivision;
- Providing advice and administering the Building Act 2004, including checking that buildings comply with the New Zealand Building Code;
- Processing applications for Project Information Memoranda (PIMS) and Building Consents, including on-site inspections at the building stage, and issuing code compliance certificates upon completion;
- Receiving building warrants of fitness and issuing compliance schedules;
- Investigating complaints related to unauthorised building work;
- Responding to noise complaints;
- Controlling the sale and supply of liquor via the Sale and Supply of Alcohol Act 2012;
- Processing applications for on, off club and special licenses, processing manager's certificates and renewals, and monitoring licensed premises for compliance;
- Promoting the principle of alcohol harm reduction through inter-agency liaison and licence conditions;
- Reviewing the Council's liquor ban bylaw to allow appropriate enforcement.



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## Rationale

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

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

## Significant negative effects

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

## Key points from the 2023/24 year

The reporting period saw the main regulatory functions of the Council continue to perform in challenging circumstances in relation to resource and building consent processing times. Resource consents were, on average, processed within 15.3 days of the 20-day legal requirement, with 93.8% of building consents processed in 10.4 days within the legal requirement of 20 working days and 6.2% exceeded the 20 working day limit.

The District Plan Review project remains a key planning task carrying on from the 2022/2023 financial year. The Proposed District Plan was publicly notified under Clause 5 of the First Schedule of the RMA on 31 August 2023. Notice was served on all parties required by the RMA First Schedule. Letters were sent to all ratepayers with instructions on how to access the Proposed District Plan and make a submission. Following close of the submission period, all submission were summarised and then re-released for further submissions. The Council then appointed a four member Hearings Panel to hear the submissions. Section 42a Reports are required for each hearing Topic. Hearings began in May and will continue with approximately one hearing per month through till February 2025. The Council is required to issue decisions under RMA First Schedule provisions by 31 August 2025.

## Statement of Service Performance - Regulatory and Planning

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
<p>We value and respect our environment</p> <p>A key objective under this outcome is to maintain a regulatory culture that places an emphasis on education, empowerment and collaboration over rigid application of rules and implementation of sanctions</p>	<p>The Council provides a timely resource consent processing service</p>	<p>Percentage of resource consent applications processed in accordance with statutory timeframes (within 20 days of filing)</p>	<p><b>Target:</b> 100%</p> <p><b>Result:</b> 100% - Achieved</p>	<p>100%</p>	<p>100% - Target achieved</p>
	<p>The Council processes, inspects and certifies building work in the Gore District</p>	<p>The Gore District Council maintains its processes so that it meets Building Control Authority accreditation every two years. (IANZ accreditation certificate issued)</p>	<p><b>Target:</b> Accreditation maintained</p> <p><b>Result:</b> Accreditation maintained - Achieved</p>	<p>Accreditation maintained</p>	<p>Accreditation maintained - Target achieved</p>

# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - REGULATORY AND PLANNING

For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	546	536	943
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,134	1,160	1,147
Internal charges and overheads recovered	565	583	1,010
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	93
<b>Total operating funding</b>	<b>2,245</b>	<b>2,279</b>	<b>3,193</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	1,354	1,295	2,840
Finance costs	70	79	212
Internal charges and overheads	1,041	1,079	1,616
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>2,465</b>	<b>2,453</b>	<b>4,668</b>
<b>Surplus/(deficit) of operating funding</b>	<b>(220)</b>	<b>(174)</b>	<b>(1,475)</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	4
Increase/(decrease) in debt	245	209	1,367
Gross proceeds from the sale of assets	-	-	24
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>245</b>	<b>209</b>	<b>1,395</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	4
- to replace existing assets	25	35	265
Increase/(decrease) in reserves	-	-	(349)
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>25</b>	<b>35</b>	<b>(80)</b>
<b>Surplus/(deficit) of capital funding</b>	<b>220</b>	<b>174</b>	<b>1,475</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Democracy and Administration

## Activities

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

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

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

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

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

The Council is required to review its representation structure at six-yearly intervals under Section 19 of the Local Electoral Amendment Act 2002. The Council completed its six-yearly review of its representation arrangements during the 2023/24 year.

The next triennial elections are due to be held in October 2025.

The administrative activities of the Council include customer service functions for Council services, accounting and finance, information technology, human resources, corporate support, communications, policy and senior management functions. The operational costs for this activity have been allocated across the other activities performed by the Council.

## Rationale

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

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

## Significant negative effects

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

## Key events in 2023/24 year

The Council resolved to take the option to defer its 2024 - 2034 Long Term Plan (LTP) and opted to complete an enhanced 2024/25 Annual Plan. The Council will adopt a nine-year LTP by 30 June 2025.

A new Chief Executive, Deborah Lascelles, was appointed and started in early June 2024. This is the first change of Chief Executive that the Council has had in more than two decades.

The 2023/24 year has again been heavily focused on the Government's significant 3 Waters reforms (Local Water Done Well) along with an overhaul of the Resource Management Act. In terms of the 3 Waters issue, Government is working through changes in legislation. The Council will need to produce a Service Delivery Plan by September 2025 and show that it will be financially sustainable by 2028.

In tandem with the water reforms, is a major change to resource management. Again, while the Government has only recently issued an exposure draft about the proposed new legislation, the Council will need a lot more information and time to consider the impact of this review and how it will affect the delivery of regulatory and planning services for the Gore District.

## Statement of Service Performance - Democracy and Administration

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2023	Target 2024	Results
We live in a compassionate, caring community	Direction is set to determine what activities the Council should engage in	Percentage of residents and ratepayers satisfied with the Council's decisions and actions. As measured the annual resident survey within the range of neutral to very satisfied	Target: 75% Result: 58% - Not achieved	80% satisfaction	66% - Target not achieved

# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - DEMOCRACY & ADMINISTRATION

For the financial year ended 30 June 2024

<b>SOURCES OF OPERATING FUNDING</b>	<b>LTP 2022/23 \$'000</b>	<b>LTP 2023/24 \$'000</b>	<b>Actual 2023/24 \$'000</b>
General rates, uniform annual general charges, rates penalties	1,473	1,522	1,871
Targeted rates	-	-	-
Subsidies and grants for operating purposes	8	8	502
Fees and charges	76	77	26
Internal charges and overheads recovered	3,636	3,787	4,626
Local authorities fuel tax, fines, infringement fees and other receipts	78	79	740
<b>Total operating funding</b>	<b>5,271</b>	<b>5,473</b>	<b>7,765</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>			
Payments to staff and suppliers	4,494	4,663	6,588
Finance costs	1	1	65
Internal charges and overheads	538	560	682
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>5,033</b>	<b>5,224</b>	<b>7,335</b>
<b>Surplus/(deficit) of operating funding</b>	<b>238</b>	<b>249</b>	<b>430</b>
<b>SOURCES OF CAPITAL FUNDING</b>			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(77)	196	(38)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
<b>Total sources of capital funding</b>	<b>(77)</b>	<b>196</b>	<b>(38)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>			
Capital expenditure			
- to meet additional demand	-	21	-
- to improve the level of service	-	-	-
- to replace existing assets	169	143	94
Increase/(decrease) in reserves	(8)	281	288
Increase/(decrease) of investments	-	-	-
<b>Total applications of capital funding</b>	<b>161</b>	<b>445</b>	<b>382</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(238)</b>	<b>(249)</b>	<b>(430)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Financial Statements

## GORE DISTRICT COUNCIL STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE For the financial year ended 30 June 2024

REVENUE	Notes	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
Rates	3	22,341	22,417	20,498
Subsidies and grants	4	5,955	4,322	6,421
Fees and charges	5	4,644	4,608	4,360
Finance revenue	6	582	104	307
Other revenue	7	1,285	773	2,980
Other gains/(losses)	8	(429)	-	355
<b>Total revenue</b>		<b>34,378</b>	<b>32,224</b>	<b>34,921</b>
<b>EXPENSES</b>				
Personnel costs	10	9,625	8,983	8,603
Finance expense	11	2,827	2,113	1,889
Other expenses	12	16,891	14,977	18,492
Depreciation and amortisation	19A	8,853	7,163	8,370
<b>Total expenses</b>		<b>38,196</b>	<b>33,236</b>	<b>37,354</b>
<b>Operating surplus/(deficit) before tax</b>		<b>(3,818)</b>	<b>(1,012)</b>	<b>(2,433)</b>
<b>Income tax credit/(expense)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/(deficit)</b>		<b>(3,818)</b>	<b>(1,012)</b>	<b>(2,433)</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>				
<i>Items that will not be reclassified to surplus/(deficit)</i>				
Gains/(losses) on revaluations of assets		-	-	-
<b>Total other comprehensive revenue and expense</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive revenue and expense</b>		<b>(3,818)</b>	<b>(1,012)</b>	<b>(2,433)</b>

## STATEMENT OF CHANGES IN EQUITY For the financial year ended 30 June 2024

	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
Equity at beginning of year	496,846	455,007	499,279
Total comprehensive revenue	(3,818)	(1,012)	(2,433)
<b>Equity at end of year</b>	<b>493,028</b>	<b>453,995</b>	<b>496,846</b>

The accompanying notes form part of these financial statements.

# GORE DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	13	1,456	2,291	2,291
Receivables	14	3,669	4,633	3,901
Inventories	15	726	226	774
Prepayments	16	521	225	495
Other financial assets	17	1,966	1,802	1,866
Derivative financial instruments	18	28	-	46
<b>Total current assets</b>		<b>8,366</b>	<b>9,177</b>	<b>9,373</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	19	542,818	508,265	542,122
Other financial assets	17	1,362	339	987
Derivative financial instruments	18	170	-	405
<b>Total non-current assets</b>		<b>544,350</b>	<b>508,604</b>	<b>543,514</b>
<b>Total assets</b>		<b>552,716</b>	<b>517,781</b>	<b>552,887</b>
<b>CURRENT LIABILITIES</b>				
Payables and deferred revenue	21	3,516	4,450	4,827
Employee benefit liabilities	22	1,025	760	1,016
Provisions	23	-	135	48
Borrowings	24	13,500	11,000	13,500
<b>Total current liabilities</b>		<b>18,041</b>	<b>16,345</b>	<b>19,391</b>
<b>NON-CURRENT LIABILITIES</b>				
Employee benefit liabilities	22	21	-	22
Provisions	23	64	74	66
Borrowings	24	41,500	44,789	36,500
Other financial liabilities		62	2,578	62
Derivative financial instruments	18	-	-	-
<b>Total non-current liabilities</b>		<b>41,647</b>	<b>47,441</b>	<b>36,650</b>
<b>Total liabilities</b>		<b>59,688</b>	<b>63,786</b>	<b>56,041</b>
<b>Net assets</b>		<b>493,028</b>	<b>453,995</b>	<b>496,846</b>
<b>EQUITY</b>				
Retained earnings	26	134,333	140,981	138,374
Revaluation reserves	26	354,609	307,779	354,609
Other reserves	26	4,086	5,235	3,863
<b>Total equity</b>		<b>493,028</b>	<b>453,995</b>	<b>496,846</b>

The accompanying notes form part of these financial statements.



# GORE DISTRICT COUNCIL

## STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2024

	Notes	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from rates revenue		22,270	22,417	20,625
Receipts from other revenue		6,086	5,381	7,202
Subsidies and grants received		5,951	4,322	6,421
Interest received		510	104	307
Payments to suppliers and employees		(27,079)	(23,955)	(28,750)
Finance costs		(2,766)	(2,113)	(1,889)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>31</b>	<b>4,972</b>	<b>6,156</b>	<b>3,916</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, plant and equipment		144	-	-
Proceeds from sale of financial assets		10	-	11
Proceeds sale of investments		-	-	-
Purchase of property, plant and equipment		(10,478)	(11,304)	(17,555)
Loans advanced		(236)	-	-
Purchase of investments		(247)	-	(391)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(10,807)</b>	<b>(11,304)</b>	<b>(17,935)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from borrowing		5,000	16,144	25,500
Repayment of borrowings		-	(11,000)	(11,000)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>5,000</b>	<b>5,144</b>	<b>14,500</b>
<b>Net increase/(decrease) in cash held</b>		<b>(835)</b>	<b>(4)</b>	<b>481</b>
<b>Opening cash balance 1 July</b>		<b>2,291</b>	<b>2,295</b>	<b>1,810</b>
<b>Closing cash balance 30 June</b>		<b>1,456</b>	<b>2,291</b>	<b>2,291</b>
<b>Represented by cash and cash equivalents</b>	<b>13</b>	<b>1,456</b>	<b>2,291</b>	<b>2,291</b>

The accompanying notes form part of these financial statements.

# GORE DISTRICT COUNCIL

## FUNDING IMPACT STATEMENT - COUNCIL WIDE

As at 30 June 2024

	Budget 2022/23 \$'000	Actual 2022/23 \$'000	Budget 2023/24 \$'000	Actual 2023/24 \$'000
<b>SOURCES OF OPERATING FUNDING</b>				
General rates, uniform annual general charge, rates penalties	6,643	6,907	7,797	7,907
Targeted rates	13,701	13,591	14,619	14,435
Subsidies and grants for operating purposes	2,198	4,514	2,382	4,086
Fees and charges	4,821	4,314	5,381	4,576
Interest and dividends from investments	-	307	104	582
Local authorities fuel tax, fines, infringement fees and other receipts	25	1,674	-	1,188
<b>Total operating funding</b>	<b>27,388</b>	<b>31,307</b>	<b>30,283</b>	<b>32,774</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>				
Payments to staff and suppliers	22,377	27,096	23,951	26,594
Finance costs	1,216	1,889	2,113	2,827
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding</b>	<b>23,593</b>	<b>28,985</b>	<b>26,064</b>	<b>29,421</b>
<b>Surplus/(deficit) of operating funding</b>	<b>3,795</b>	<b>2,322</b>	<b>4,219</b>	<b>3,353</b>
<b>SOURCES OF CAPITAL FUNDING</b>				
Subsidies and grants for capital expenditure	2,455	1,907	1,940	1,869
Development and financial contributions	-	243	-	244
Increase/(decrease) in debt	9,551	14,500	5,144	5,000
Gross proceeds from the sale of assets	-	5	-	144
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding</b>	<b>12,006</b>	<b>16,655</b>	<b>7,084</b>	<b>7,257</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>				
Capital expenditure				
- to meet additional demand	356	1478	83	36
- to improve the level of service	11,196	6,541	7,783	3,373
- to replace existing assets	4,249	12,557	3,439	6,363
Increase/(decrease) in reserves	-	(1,599)	-	838
Increase/(decrease) of investments	-	-	-	-
<b>Total applications of capital funding</b>	<b>15,801</b>	<b>18,977</b>	<b>11,305</b>	<b>10,610</b>
<b>Surplus/(deficit) of capital funding</b>	<b>(3,795)</b>	<b>(2,322)</b>	<b>(4,219)</b>	<b>(3,353)</b>
<b>Funding balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

## 1. 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, revenue 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. The New Zealand dollar is the Council’s functional currency.

### 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.

The Council has breached Section 67(1) of the Local Government Act 2022, as the annual report was not adopted or made available to the public within three months after the end of the financial year.

These financial statements comply with PBE Standards.

### Implementation of new accounting standards

#### 2022 Omnibus Amendments to PBE standards, issued June 2022

The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. The Council has adopted the revised PBE standards, and the adoption did not result in a significant impact on the financial statements.

#### Disclosure of Fees for Audit Firms’ Services – (Amendments to PBE IPSAS 1)

Disclosure of Fees for Audit Firms’ Services (the amending Standard) was issued in May 2023. This amending standard updates the required disclosures for fees relating to services provided by the entity’s audit or review firm. The fees must be disaggregated into specified categories and there is guidance to assist entities in determining the types

of services to include in each category. It is effective for reporting periods beginning on or after 1 January 2024 however early adoption is permitted. The Council has elected to early adopt the amended standard in preparing the financial statements. The adoption did not result in a significant impact on the Council's financial statements.

### Standards issued but not yet effective

The Council will adopt the following accounting standards in the reporting period after the effective date.

### PBE IFRS 17 Insurance Contracts

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for the reporting periods beginning on or after 1 January 2026 with early adoption permitted. The Council has not assessed in detail the effect of the new standard.

### Changes in accounting policies

There have been no changes in accounting policies.

## Material 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.

### Fees and charges and 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.

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

### Grants and subsidies

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 are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount recognised as revenue.

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 assets/financial liabilities

The Council shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Council becomes party to the contractual provisions of the instrument.

At initial recognition, the Council shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus/(deficit), transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial Assets are classified as either:

1. Amortised Cost
2. Fair value through surplus or deficit, FVTSD, or
3. Fair value through other comprehensive revenue and expenses, FVTOCRE.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b. The contractual terms of the financial asset given rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTSD unless it is measured at amortised cost or at FVTOCRE. However, an entity may make an irrevocable election at initial

recognition for particular investments in equity instruments that would otherwise be measured FVTSD to present subsequent changes in FVTOCRE. Subsequent measurement of financial assets at amortised cost.

### **Term deposits and community loans**

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

### **Subsequent measurement of financial assets at FVTSD**

Financial assets in this category are subsequently measured at fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends are recognised from these financial assets are separately presented within revenue. Other than unlisted shares, bonds and interest rate swaps, the Council has no assets in this category.

### **Subsequent measurement of financial assets at FVTOCRE**

#### **Listed and unlisted shares and bonds**

Financial assets in this category that are debt instruments (Bonds) are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, there is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial Assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. This is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in the other comprehensive revalue and expense is transferred to accumulated funds within equity.

### **Expected credit loss allowance (ECL)**

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability- weighted estimate of credit losses, measure at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expect to receive.

ECLs are discounted at the effective interest rate of the financial asset.

ECL's are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and included forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

### **Financial liabilities are classified as either:**

1. Amortised Cost, or
2. Fair value through profit or loss.

Financial liabilities are generally classified and measured at amortised cost, unless they meet the criteria for classification at fair value through profit or loss.

A financial liability is classified as a financial liability at fair value through profit or loss if it meets one of the following conditions:

- It is held for trading, or
- It is designated by the entity as at fair value through profit or loss (note that such a designation is only permitted if specified conditions are met).

A financial liability is held for trading if it meets one of the following conditions:

- It is incurred principally for the purpose of repurchasing it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

### **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.

The Council currently has sections held for sale in inventory as part of the Matai Ridge subdivision development.

## 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 2022. Subsequent additions are recognised at cost. Land and buildings are re-valued every three years.
- Infrastructural assets are re-valued at least every 3 years. Infrastructural assets (except for land under roads) were subject to a fair value desktop assessment by WSP Limited as at 30 June 2023. The carrying value was not materially different from the fair value assessment and therefore the Council has not adjusted the carrying values. The last full revaluation was undertaken by WSP Limited as at 30 June 2022.

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
Wastewater Reticulation	15 - 60
Stormwater Reticulation	15 - 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 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 risk of causing an 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.

Infrastructural assets (except for land under roads) were subject to a fair value desktop assessment by WSP Limited as at 30 June 2023. The carrying value was not materially different from the fair value assessment and therefore the Council has not adjusted the carrying values.

## 2. Summary Revenue and Expenditure for Groups of Activities

	Actual 2024 \$'000	Actual 2023 \$'000
<b>REVENUE</b>		
Water	2,845	2,329
Wastewater	2,320	2,158
Stormwater	742	763
Roading	7,613	6,537
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	7,999	8,019
Other district assets including Solid Waste and Civil Defence	3,377	3,435
Regulatory and Planning	2,191	2,152
Democracy and Administration	2,888	2,992
Community services - Arts & Heritage, Libraries, Promotions and Grants	4,403	6,536
<b>Total activity revenue</b>	<b>34,378</b>	<b>34,921</b>
<b>EXPENDITURE</b>		
Water	3,412	3,162
Wastewater	4,222	3,742
Stormwater	1,213	930
Roading	6,900	7,328
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	7,921	7,940
Other district assets including Solid Waste and Civil Defence	3,951	3,604
Regulatory and Planning	3,709	3,445
Democracy and Administration	2,929	3,345
Community services - Arts & Heritage, Libraries, Promotions and Grants	3,939	3,859
<b>Total expenditure</b>	<b>38,196</b>	<b>37,355</b>

This shows a breakdown of the total revenue and total expenses, as shown on the Statement of Comprehensive Revenue and Expense, between each Group of Activities.

### 3. Rates

	Actual 2024 \$'000	Actual 2023 \$'000
General rates	7,849	6,616
Targeted rates		
- Water	2,530	2,062
- Wastewater	1,315	1,217
- Stormwater	743	763
- Rooding	3,365	3,181
- Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	4,085	4,012
- Other district assets including Solid Waste and Civil Defence	1,502	1,643
- Regulatory and Planning	-	-
- Democracy and Administration	-	-
- Community services - Arts & Heritage, Libraries, Promotions and Grants	895	713
Rates remissions	(91)	-
Rates penalties	148	291
	<b>22,341</b>	<b>20,498</b>

#### RATINGS BASE

Revenue from rates for Gore District Council was billed on the following information:

Number of rating units at end of preceding year	6,716	6,669
<b>Total capital value of rating units at end of preceding year</b>	<b>5,072,925</b>	<b>3,855,340</b>
<b>Total land value of rating units at end of preceding year</b>	<b>2,798,331</b>	<b>2,221,300</b>

### 4. Subsidies and Grants

	Actual 2024 \$'000	Actual 2023 \$'000
NZ Transport Agency Waka Kotahi roading subsidies	3,567	3,059
Stimulus funding	-	136
Other subsidies and grants	2,388	3,226
<b>Total subsidies and grants</b>	<b>5,955</b>	<b>6,421</b>

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

## 5. Fees and Charges

	Actual 2024 \$'000	Actual 2023 \$'000
Regulatory and planning	1,210	1,298
Water connections and usage	313	267
Wastewater - trade waste	1,003	936
Recreation fees and charges	663	431
Other fees and charges	1,455	1,428
<b>Total fees, charges and metered water supply</b>	<b>4,644</b>	<b>4,360</b>

## 6. Finance Revenue

	Actual 2024 \$'000	Actual 2023 \$'000
Finance revenue	582	307
<b>Total finance revenue</b>	<b>582</b>	<b>307</b>

## 7. Other Revenue

	Actual 2024 \$'000	Actual 2023 \$'000
Regulatory and planning	22	322
Water	4	-
Wastewater	3	5
Recreation	361	431
Rental revenue	146	142
Petroleum tax	152	114
Financial contributions	244	243
Vested assets	-	1,110
Other revenue	353	613
<b>Total other revenue</b>	<b>1,285</b>	<b>2,980</b>

There are no unfulfilled conditions and other contingencies attached to government grants recognised.

## 7a. Operatings Leases as Lessor

	Actual 2024 \$'000	Actual 2023 \$'000
Not later than one year	173	111
Later than one year and not later than five years	526	417
Later than five years	959	975
<b>Total operating leases as lessor</b>	<b>1,658</b>	<b>1,502</b>

## 8. Other Gains/(losses)

	Actual 2024 \$'000	Actual 2023 \$'000
Gain/(loss) disposal of PPE	(177)	72
Gain/(loss) fair value financial instruments	(252)	283
<b>Total gains/(losses)</b>	<b>(429)</b>	<b>355</b>

## 9. Revenue Exchange/Non-Exchange

	Actual 2024 \$'000	Actual 2023 \$'000
<b>REVENUE FROM NON-EXCHANGE TRANSACTIONS</b>		
Rates revenue	22,341	20,498
Subsidies and grants	5,955	6,421
Fees and charges	4,647	4,360
Fees and charges	1,136	2,838
Other gains/(losses)	(252)	283
<b>Total revenue non-exchange</b>	<b>33,827</b>	<b>34,400</b>
<b>REVENUE FROM EXCHANGE TRANSACTIONS</b>		
Other revenue	146	142
Finance revenue	582	307
Other gains/(losses)	(177)	72
<b>Total revenue exchange</b>	<b>551</b>	<b>521</b>

## 10. Personnel Costs

	Actual 2024 \$'000	Actual 2023 \$'000
Salaries and wages	9,077	8,321
Defined contribution plan employer contributions	318	282
Other personnel costs	230	-
<b>Total personnel costs</b>	<b>9,625</b>	<b>8,603</b>

Employer contributions to defined contributions plans include contributions to Kiwisaver.

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

	Actual 2024 \$'000	Actual 2023 \$'000
<b>ELECTED REPRESENTATIVES REMUNERATION</b>		
J T Hicks JP (Mayor)*	-	27,643
B A Reid	23,934	27,533
C S Bolger*	-	8,822
B R Highsted**	-	20,151
N J Davis	-	6,763
G K Dickson	30,915	26,890
A C Fraser#	22,816	-
D I Grant*	-	6,763
J C Gardyne	30,915	26,890
N G Phillips	23,934	23,879
R O McPhail	23,934	25,937
S J MacDonell	30,915	26,890
N W J Grant*	-	6,763
B R Bell (Mayor)^	112,010	80,007
K J Hovell^	35,859	22,121
R J M McKenzie^	23,934	17,115
P N McPhail^	23,934	17,115
J D Stringer^	23,934	17,115
	<b>407,034</b>	<b>388,397</b>

\* elected member up to 8 October 2022

\*\* resigned 3 April 2023

^ elected member from 8 October 2022

# elected member from 13 July 2023

### CHIEF EXECUTIVE REMUNERATION

The Chief Executive of the Council is appointed under section 42 of the Local Government Act 2002.

	Salary	Accrued leave paid on termination	Severance payments	Other benefits	Total remuneration
<b>Chief Executive total remuneration and severance payments paid or payable at 30 June 2024</b>					
Stephen Parry	372,413	81,549	293,415	-	747,377
Lornae Straith	-	-	-	1,500	1,500
Deborah Lascelles	22,711	-	-	-	22,711
<b>Total</b>	<b>395,124</b>	<b>81,549</b>	<b>293,415</b>	<b>1,500</b>	<b>771,588</b>

Mr Stephen Parry was employed as Chief Executive from 1 July 2023 to 31 October 2023. Upon termination, Mr Parry received a severance payment of \$293,415, accrued leave of \$81,549 and he retained his mobile phone and work vehicle. The vehicle had a depreciated book value of \$7,000 and a market value of \$25,000.

The Council employed Mr Parry as Interim Chief Executive from 1 November 2023 to 10 May 2024 and was paid a remuneration package of \$185,891 (included in the table above).

The Council employed Lornae Straith (General Manager Corporate/Chief Financial Officer) as Interim Chief Executive from 11 May 2024 to 2 June 2024 and paid a higher duties allowance of \$1,500 on top of her general manager salary.

The Council employed Deborah Lascelles as Chief Executive from 3 June 2024.

	Salary	Accrued leave paid on termination	Severance payments	Other benefits	Total remuneration
<b>Chief Executive total remuneration and severance payments paid or payable at 30 June 2023</b>					
Stephen Parry	300,101	-	-	-	300,101
<b>Total</b>	<b>300,101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>300,101</b>

	Actual 2024 \$'000	Actual 2023 \$'000
<b>REMUNERATION FOR EMPLOYEES BY BAND AS AT 30 JUNE</b>		
\$300,000 and over	-	1
\$200,000 to \$299,999	1	-
\$140,000 to \$199,999	7	7
\$100,000 to \$139,999	8	7
\$80,000 to \$99,999	20	13
\$60,000 to \$79,999	34	34
\$59,999 and less	77	91
	<b>147</b>	<b>153</b>

The salary bands between \$100,000 and \$139,999, and \$140,000 and \$219,999 have been combined due to there being 5 or fewer employees in those bands.

The number of full time equivalent (FTE) employees as at 30 June 2024 was 104 (2023: 106) where 37.5 hours a week is considered full time.

For the year ended 30 June 2024 Council made severance payments to two employees totalling \$302,415 (2023: One employee totalling \$33,022).

The value of each severance payment for the year ended 30 June 2024 was \$9,000 and \$293,415.

## 11. Finance Expense

	Actual 2024 \$'000	Actual 2023 \$'000
Finance expense	2,827	1,889
<b>Total finance expense</b>	<b>2,827</b>	<b>1,889</b>

## 12. Other Expenses

	Actual 2024 \$'000	Actual 2023 \$'000
<b>EXPENSES INCLUDE:</b>		
<i>Fees to principal auditor</i>		
Audit fees for financial statement audit	174	171
Other assurance services	4	-
Fees to other auditors	-	-
Insurance	637	511
Grants	721	722
Minimum lease payments	33	47
Solid Waste operations	3,199	2,600
Roading operations	2,974	4,085
Impairment of assets	-	-
Other operating expenses	9,149	10,356
<b>Total other expenses</b>	<b>16,891</b>	<b>18,492</b>

The auditor of Council, for and on behalf of the Office of the Auditor-General, is M Hawken of Deloitte Limited.



## 12a. Operating Leases as Lessee

	Actual 2024 \$'000	Actual 2023 \$'000
Not later than one year	78	61
Later than one year and not later than five years	104	41
Later than five years	4	-
<b>Total operating leases as lessee</b>	<b>186</b>	<b>102</b>

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

## 13. Cash and Cash Equivalents

	Actual 2024 \$'000	Actual 2023 \$'000
Cash at bank and in hand	1,456	2,291
Term deposits with maturities under 3 months	-	-
<b>Total cash and cash equivalents</b>	<b>1,456</b>	<b>2,291</b>

The carrying value of short-term deposits with maturity dates of 3 months or less approximates their fair value.

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$296,000 (2023: \$265,000).

## 14. Receivables

	Actual 2024 \$'000	Actual 2023 \$'000
Rates receivables	1,125	1,053
Other receivables	2,735	2,559
GST receivable	-	439
Allowance for expected credit losses	(191)	(150)
<b>Total receivables</b>	<b>3,669</b>	<b>3,901</b>

### TOTAL RECEIVABLES COMPRISE:

Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates.	3,661	3,860
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.	8	41
	<b>3,669</b>	<b>3,901</b>

## Fair value

Debtors and other receivables are non-interest bearing and receipt is normally on 30 days terms, therefore their carrying value approximates their fair value.

## Expected Credit Losses

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

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

The chief executive approved the write-off of rates receivable during the year under the LG(R)A 2002 as follows:

\* Section 90A: \$10,000 (2023: \$1,054)

\* Section 90B: \$Nil (2023: \$Nil)

The ECL rates for other receivables at 30 June 2024 and 1 July 2023 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

The allowance for credit losses on the Councils receivables (excluding rates), based on the credit matrix is as follows:

	Current	31 to 60 days	61- 90 days	More than 90 days	Total
<b>COUNCIL - 30 JUNE 2024</b>					
Gross receivable amount (\$000)	2,141	70	2	522	2,735
<b>COUNCIL - 30 JUNE 2023</b>					
Gross receivable amount (\$000)	1,718	808	6	27	2,559

Movement in the allowance for credit losses is as follows:

	Actual 2024 \$'000	Actual 2023 \$'000
Balance at 1 July	150	144
Additional provisions made during year	42	6
Additional provisions made during year	(1)	-
<b>Balance at 30 June</b>	<b>191</b>	<b>150</b>

## 15. Inventories

	Actual 2024 \$'000	Actual 2023 \$'000
Essential services	130	154
Other	47	42
Matai ridge	549	578
<b>Total inventories</b>	<b>726</b>	<b>774</b>

The carrying amount of inventories pledged as security for liabilities is \$Nil (2023: \$Nil).

The inventories cost has been amended for net realisable value.

## 16. Prepayments

	Actual 2024 \$'000	Actual 2023 \$'000
Prepayments	521	495
<b>Total prepayments</b>	<b>521</b>	<b>495</b>

## 17. Other Financial Assets

<b>CURRENT PORTION</b>	Actual 2024 \$'000	Actual 2023 \$'000
Short term deposits	1,863	1,866
LGFA Borrower Notes	103	-
<b>Total current portion</b>	<b>1,966</b>	<b>1,866</b>

### **NON-CURRENT PORTION**

#### *Investments in CCOs and similar entities*

LFGA Borrower Notes	1,038	890
NZLG Ins Corp Ltd (unlisted shares)	51	49
Southland Regional Development (shares)	27	27
<b>Total investments in CCOs and similar entities</b>	<b>1,116</b>	<b>966</b>

#### *Investments in CCOs and similar entities*

Community loans	236	25
Community loans impairment provision	-	(25)
Clean air	10	21
<b>Total investment in other entities</b>	<b>246</b>	<b>21</b>
<b>Total non-current portion</b>	<b>1,362</b>	<b>987</b>

## Fair value

### Short term deposits

The carrying amount of short term deposits approximates their fair value.

### Community loans

Community loans have recognised an impairment provision of \$NIL (2023: \$25,000). The Council does not hold any collateral for the impaired loans. There were no other impairment expenses or provisions made for other financial assets..

## 18. Derivative Financial Instruments

	Actual 2024 \$'000	Actual 2023 \$'000
<b>CURRENT ASSET PORTION</b>		
Interest rate swaps	28	46
<b>NON-CURRENT ASSET PORTION</b>		
Interest rate swaps	170	405
<b>Total derivative financial instrument assets</b>	<b>198</b>	<b>451</b>
<b>CURRENT LIABILITY PORTION</b>		
Interest rate swaps	-	-
<b>NON-CURRENT LIABILITY PORTION</b>		
Interest rate swaps	-	-
<b>Total derivative financial instrument liability</b>	<b>-</b>	<b>-</b>

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2024 were \$10,700,000 (2023: \$15,900,000). Maturity dates range from September 2024 to December 2025 (2023: September 2023 to December 2025).

At 30 June 2024, the interest rates for interest rate swaps vary from 2.85% to 4.79% (2023: 2.85% to 4.79%).

The fair value of interest rate swaps have been determined by calculating the expected cashflows under the terms of the swaps and discounting these values to present value.

# 19. Property, Plant and Equipment

2024

	Cost / Valuation 1 July 2023	Transfers	Additions	Disposals	Revaluation	Valuation 1 July 2024	Cost / impairment charges 1 July 2023	Impairment losses charged in Statement of Comprehensive Equity	Depreciation expense	Accumulated depreciation & impairment charges disposed/ revaluation	Accumulated depreciation & impairment charges 30 June 2024	Carrying amount 30 June 2024
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>COUNCIL OPERATIONAL ASSETS</b>												
<b>AT COST</b>												
Buildings	233	37	126	-	-	396	(171)	-	(7)	-	(178)	218
Plant and equipment	5,073	121	289	(147)	-	5,336	(2,906)	-	(314)	120	(3,100)	2,236
Motor vehicles	2,217	-	381	(289)	-	2,310	(1,368)	-	(360)	202	(1,526)	784
Office furniture and equipment	3,548	-	129	(3)	-	3,674	(2,345)	-	(249)	2	(2,592)	1,082
Recreation and cultural	1,937	-	164	(1)	-	2,100	(854)	-	(119)	1	(972)	1,128
Library books	1,179	-	83	-	-	1,262	(822)	-	(66)	-	(888)	374
Work in progress buildings	2,832	(2,798)	-	(34)	-	-	-	-	-	-	-	-
Work in progress office equipment	6	-	-	(6)	-	-	-	-	-	-	-	-
Work in progress recreation & cultural	22	(22)	463	-	-	464	-	-	-	-	-	464
Work in progress land	163	(163)	-	-	-	-	-	-	-	-	-	-
<b>AT VALUATION</b>												
Land	25,295	186	147	-	-	25,628	-	-	-	-	-	25,628
Buildings	44,787	2,824	987	(76)	-	48,520	(1,354)	-	(974)	8	(2,320)	46,199
<b>Total Operational assets</b>	<b>87,292</b>	<b>185</b>	<b>2,769</b>	<b>(556)</b>	<b>-</b>	<b>89,690</b>	<b>(9,820)</b>	<b>-</b>	<b>(2,090)</b>	<b>334</b>	<b>(11,576)</b>	<b>78,113</b>

## COUNCIL INFRASTRUCTURAL ASSETS

	Cost / Valuation 1 July 2023	Transfers	Additions	Disposals	Revaluation	Valuation 1 July 2024	Cost / impairment charges 1 July 2023	Impairment losses charged in Statement of Comprehensive Equity	Depreciation expense	Accumulated depreciation & impairment charges disposed/ revaluation	Accumulated depreciation & impairment charges 30 June 2024	Carrying amount 30 June 2024
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>AT VALUATION</b>												
Water reticulation	25,015	2,787	1,136	-	-	28,938	(931)	-	(1,008)	-	(1,939)	26,999
Wastewater reticulation	46,333	3,794	1,330	-	-	51,457	(2,088)	-	(2,030)	-	(4,118)	47,340
Stormwater reticulation	11,951	1,266	665	-	-	13,882	(722)	-	(736)	-	(1,458)	12,423
Roads - formation	222,982	-	-	-	-	222,982	-	-	-	-	-	222,982
Roads - pavement (non depreciable)	36,168	-	-	-	-	36,168	(39)	-	(38)	-	(77)	36,091
Roads - pavement (depreciable)	59,594	-	1,959	-	-	61,553	(1,382)	-	(1,561)	-	(2,943)	58,611
Roads - footpaths, kerbs, bridges & culverts	38,742	-	837	-	-	39,579	(1,175)	-	(1,187)	-	(2,362)	37,217
Roads - signs, roadmarkings and streetlights	1,909	-	204	-	-	2,113	(181)	-	(184)	-	(365)	1,748
Land under roads	18,765	-	-	-	-	18,765	(10)	-	-	-	(10)	18,755
Refuse - at cost	1,105	-	19	-	-	1,124	(348)	-	(19)	-	(368)	756
Work in progress stormwater	2,931	(2,931)	-	-	-	-	-	-	-	-	-	-
Work in progress roads	-	-	379	-	-	379	-	-	-	-	-	379
Work in progress wastewater	3,475	(2,812)	228	-	-	891	-	-	-	-	-	891
Work in progress water	2,556	(2,289)	246	-	-	513	-	-	-	-	-	513
<b>Total Infrastructural assets</b>	<b>471,526</b>	<b>(185)</b>	<b>7,003</b>	<b>(566)</b>	<b>-</b>	<b>478,344</b>	<b>(6,877)</b>	<b>-</b>	<b>(6,763)</b>	<b>-</b>	<b>(13,640)</b>	<b>464,704</b>
<b>Total Council property, plant and equipment</b>	<b>558,818</b>	<b>-</b>	<b>9,772</b>	<b>(566)</b>	<b>-</b>	<b>568,034</b>	<b>(16,697)</b>	<b>-</b>	<b>(8,853)</b>	<b>334</b>	<b>(25,216)</b>	<b>542,818</b>

## 19. Property, Plant and Equipment

2023

	Cost /Valuation 1 July 2022	Transfers	Additions	Disposals	Revaluation	Cost /Valuation 1 July 2023	Accumulated depreciation & impairment charges 1 July 2022	Impairment losses charged in Statement of Comprehensive Equity	Depreciation expense	Accumulated depreciation & impairment charges reversed on disposal/ revaluation	Accumulated depreciation & impairment charges reversed on impairment	Accumulated depreciation & impairment charges 30 June 2023	Carrying amount 30 June 2023
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>COUNCIL OPERATIONAL ASSETS AT COST</b>													
Buildings	233	-	-	-	-	233	(167)	-	(4)	-	-	(171)	61
Plant and equipment	4,770	-	352	(49)	-	5,073	(2,604)	-	(320)	-	-	(2,906)	2,167
Motor vehicles	2,051	-	404	(238)	-	2,217	(1,231)	-	(333)	-	-	(1,367)	850
Office furniture and equipment	2,791	-	757	-	-	3,548	(2,115)	-	(230)	-	-	(2,345)	1,203
Recreation and cultural	1,697	-	240	-	-	1,937	(743)	-	(111)	-	-	(854)	1,083
Library books	1,152	-	27	-	-	1,179	(738)	-	(84)	-	-	(822)	357
Work in progress buildings	6,196	(5,664)	2,300	-	-	2,832	-	-	-	-	-	-	2,832
Work in progress office equipment	9	-	-	(3)	-	6	-	-	-	-	-	-	6
Work in progress recreation & cultural	-	-	22	-	-	22	-	-	-	-	-	-	22
Work in progress land	42	-	121	-	-	163	-	-	-	-	-	-	163
<b>AT VALUATION</b>													
Land	24,450	-	845	-	-	25,295	-	-	-	-	-	-	25,295
Buildings	34,189	5,664	4,934	-	-	44,787	(578)	-	(776)	-	-	(1,354)	43,433
<b>Total Operational assets</b>	<b>77,580</b>	<b>-</b>	<b>10,002</b>	<b>(289)</b>	<b>-</b>	<b>87,292</b>	<b>(8,176)</b>	<b>-</b>	<b>(1,858)</b>	<b>214</b>	<b>-</b>	<b>(9,820)</b>	<b>77,472</b>

### COUNCIL INFRASTRUCTURAL ASSETS

	Cost /Valuation 1 July 2022	Transfers	Additions	Disposals	Revaluation	Cost /Valuation 1 July 2023	Accumulated depreciation & impairment charges 1 July 2022	Impairment losses charged in Statement of Comprehensive Equity	Depreciation expense	Accumulated depreciation & impairment charges reversed on disposal/ revaluation	Accumulated depreciation & impairment charges reversed on impairment	Accumulated depreciation & impairment charges 30 June 2023	Carrying amount 30 June 2023
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>AT VALUATION</b>													
Water reticulation	18,207	6,032	776	-	-	25,015	(30)	-	(901)	-	-	(831)	24,084
Wastewater reticulation	46,160	-	173	-	-	46,333	(3)	-	(2,085)	-	-	(2,088)	44,245
Stormwater reticulation	11,934	-	17	-	-	11,951	-	-	(722)	-	-	(722)	11,229
Roads - formation	222,982	-	-	-	-	222,982	-	-	-	-	-	-	222,982
Roads - pavement (non depreciable)	36,168	-	-	-	-	36,168	-	-	(39)	-	-	(39)	36,129
Roads - pavement (depreciable)	57,911	-	1,683	-	-	59,594	-	-	(1,382)	-	-	(1,383)	58,212
Roads - footpaths, kerbs, bridges & culverts	38,194	-	547	-	-	38,742	(1)	-	(1,174)	-	-	(1,175)	37,567
Roads - signs, road markings and streetlights	1,669	-	240	-	-	1,909	-	-	(181)	-	-	(181)	1,728
Land under roads	18,752	-	13	-	-	18,765	-	-	(10)	-	-	(10)	18,755
Refuse - at cost	1,105	-	-	-	-	1,105	(330)	-	(19)	-	-	(349)	756
Work in progress stormwater	815	-	2,116	-	-	2,931	-	-	-	-	-	-	2,931
Work in progress roads	919	-	-	(918)	-	-	-	-	-	-	-	-	-
Work in progress wastewater	604	-	2,871	-	-	3,475	-	-	-	-	-	-	3,475
Work in progress water	6,306	(6,032)	2,282	-	-	2,556	-	-	-	-	-	-	2,556
<b>Total Infrastructural assets</b>	<b>461,727</b>	<b>-</b>	<b>10,719</b>	<b>(918)</b>	<b>-</b>	<b>471,526</b>	<b>(365)</b>	<b>-</b>	<b>(6,512)</b>	<b>-</b>	<b>-</b>	<b>(6,877)</b>	<b>464,650</b>
<b>Total Council property, plant and equipment</b>	<b>539,307</b>	<b>-</b>	<b>20,721</b>	<b>(1,207)</b>	<b>-</b>	<b>558,818</b>	<b>(8,540)</b>	<b>-</b>	<b>(8,370)</b>	<b>214</b>	<b>-</b>	<b>(16,696)</b>	<b>542,122</b>

## CORE INFRASTRUCTURE ASSET DISCLOSURES

Included in the Council infrastructure assets are the following core assets:

	Closing book value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets
<b>2024</b>				
<b>WATER:</b>				
- treatment plants and facilities	12,013	3,277	-	17,532
- other assets (such as reticulation systems)	14,989	647	-	54,734
<b>WASTEWATER:</b>				
- treatment plants and facilities	18,218	2,207	-	27,906
- other assets (such as reticulation systems)	29,122	2,917	-	104,296
<b>STORMWATER:</b>				
Flood protection and controls works**	-	-	-	-
Roads and footpaths	375,393	3,001	-	462,406
<b>2023</b>				
<b>WATER:</b>				
- treatment plants and facilities	9,015	6,439	-	14,255
- other assets (such as reticulation systems)	15,071	369	-	54,087
<b>WASTEWATER:</b>				
- treatment plants and facilities	16,569	72	-	25,699
- other assets (such as reticulation systems)	27,676	101	-	101,379
<b>STORMWATER:</b>				
Flood protection and controls works**	-	-	-	-
Roads and footpaths	375,362	2,484	-	459,405

\*\* Council does not own any assets in this class.

## WORK IN PROGRESS

Property, plant, and equipment in the course of construction by class of asset is detailed below:

	Actual 2024 \$'000	Actual 2023 \$'000
Buildings	-	2,832
Office equipment	-	6
Recreation and cultural	464	23
Subdivision	-	163
Roads	379	-
Wastewater	891	3,474
Water	513	2,558
Stormwater	-	2,931
	<b>2,247</b>	<b>11,987</b>

## INSURANCE ON ASSETS

	Actual 2024 \$'000	Actual 2023 \$'000
The following information relates to the insurance of Council assets as at 30 June.		
The maximum amount to which insured assets are insured	364,346	284,788
The total value of all Council assets covered by insurance contracts	138,410	131,287
Value of funds maintained for self insurance	57	57

## CAPITAL COMMITMENTS

The amount of contractual commitments for acquisition of property, plant and equipment is:

Capital and other expenditure commitments	5,254	1,657
	<b>5,254</b>	<b>1,657</b>

## WATER SERVICES REFORM PROGRAMME

Council had included within the Annual Plan, recognition of its three water assets following the announcement by the Local Government Minister on 13 April 2023 regarding a staged approach to the “go live” date for the ten new entities from early 2025 to 1 July 2026 rather than the original start date of 1 July 2024. With the change of government in October 2023 and a new Local Water Done Well reform program, the previous government’s asset transfer intentions were reversed through new legislation. Whilst the new program is comprehensive and new legislation was passed, with more to come, the outcome for the Annual Report period was no change to the accounts.

## 19a. Depreciation and Amortisation Expense

	Actual 2024 \$'000	Actual 2023 \$'000
Water	1,014	907
Wastewater	2,030	2,085
Stormwater	736	722
Roading	2,999	2,820
Parks, reserves, aquatic facilities, civic buildings and recreation	1,343	1,132
Other district assets including solid waste and civil defence	245	249
Regulatory and planning	63	63
Democracy and administration	222	206
Community services - arts & heritage, libraries, promotions and grants	201	186
	<b>8,853</b>	<b>8,370</b>



## 20. Joint Operations

The Council has a joint arrangement with KLFT for the Matai Ridge subdivision.

The Council's interest in the joint operations are as follows:

	Actual 2024 \$'000	Actual 2023 \$'000
Current assets (inventories)	549	578
Current asset (accounts receivable)	568	413
Revenue (section sales)	60	532
Expenses (COGS)	(41)	429

## 21. Payables and Deferred Revenue

	Actual 2024 \$'000	Actual 2023 \$'000
Trade creditors	1,920	3,512
Accrued charges	529	412
Rates in advance	437	357
Deposits and retentions	78	56
Accrued interest	552	490
<b>Total trade and other payables</b>	<b>3,516</b>	<b>4,827</b>

Trade payables and deferred revenue are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and deferred revenue approximates their fair value.

## 22. Employee Benefit Liabilities

	Actual 2024 \$'000	Actual 2023 \$'000
Accrued salaries and wages	379	377
Annual leave	593	568
Long service leave	50	47
Retiring gratuities	24	46
<b>Total employee benefits</b>	<b>1,046</b>	<b>1,038</b>

### COMPRISING:

Current	1,025	1,016
Non-current	21	22
<b>Total employee benefits</b>	<b>1,046</b>	<b>1,038</b>

## 23. Provisions

	Actual 2024 \$'000	Actual 2023 \$'000
<b>A. LANDFILL AFTERCARE PROVISION</b>		
Opening balance	66	68
Additional provisions made during the year	-	-
Amounts used during the year	-	-
Increase / (decrease) due to discount rate changes and assessment of liability	-	-
Discount unwinding	(2)	(2)
<b>Closing balance</b>	<b>64</b>	<b>66</b>

Due to the implementation of the Transfer Station, the landfills are now closed. The Council has responsibility to provide ongoing maintenance and monitoring of the landfills post-closure of the sites.

The cash outflows for landfill post-closure are expected to occur in between 2007 and 2033. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 4% (2023: 4%).

	Actual 2024 \$'000	Actual 2023 \$'000
<b>B. OUVEA PREMIX REMOVAL PROVISION</b>		
Opening balance	48	48
Amounts used during the year	(48)	-
<b>Closing balance</b>	<b>-</b>	<b>48</b>

### TOTAL PROVISIONS

Current	-	48
Non-current	66	66
<b>Total provisions</b>	<b>66</b>	<b>114</b>

## 24. Borrowings

	Actual 2024 \$'000	Actual 2023 \$'000
<b>AT AMORTISED COST</b>		
<b>CURRENT</b>		
Secured loans	13,500	13,500
<b>Total current borrowings</b>	<b>13,500</b>	<b>13,500</b>
<b>NON-CURRENT</b>		
Secured loans	41,500	36,500
<b>Total non-current borrowings</b>	<b>41,500</b>	<b>36,500</b>
<b>Total borrowings</b>	<b>55,000</b>	<b>50,000</b>

The Council's borrowings are secured through a debenture trust deed over rates.

The current borrowings will be refinanced in the upcoming year. The borrowings are likely to be refinanced to a longer term depending on interest rates at the time of maturity. The Council has headroom of \$6.9 million over and above the combined current and non-current borrowing of \$55 million.

Long term borrowings are at market rates, therefore carrying amounts approximate their fair values.

Interest is charged on a floating rate basis. At balance date the current weighted average effective interest rate on the bank borrowings is 4.90% (2023: 4.41%).

The Council has a credit card facility with Westpac with a credit limit of \$100,000 (2023: \$100,000).

## 25. Contingencies

### LOCAL GOVERNMENT FUNDING AGENCY

The Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. It has a current credit rating from both Standard and Poors and Fitch rating agencies of AA+.

As at 30 June 2024 the Council is one of 31 local authority shareholders and 72 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. It has uncalled capital of \$1.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, the Council is a guarantor of all of the LGFA's borrowings. At 30 June 2023, NZLGFA had borrowings totalling \$20.55 billion (2023: \$17.68 billion).

PBE Accounting Standards require the Council to initially recognise the guarantee liability by applying the 12-month expected credit loss (ECL) model (as fair value could not be reliably measured at initial recognition), and subsequently at the higher of the provision for impairment at balance date determined by the ECL model and the amount initially recognised. The Council has assessed the 12-month ECL of the guarantee liability, based on market information of the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the very low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### Hokonui Moonshine Museum Trust

On 6 October 2022 the Council approved bridging finance of up to \$85,000 to enable the finishing touches of the upgraded museum to be completed. To date this has not been called on.

### Contingent assets

There are no contingent assets at balance date (2023: \$Nil).

## 26. Equity

	Actual 2024 \$'000	Actual 2023 \$'000
<b>ACCUMULATED FUNDS</b>		
As at 1 July	138,374	139,594
Surplus/(deficit) for the year	(3,818)	(2,433)
Separate funds	(223)	1,213
<b>As at 30 June</b>	<b>134,333</b>	<b>138,374</b>
<b>COUNCIL RESERVES</b>		
As at 1 July	3,863	5,076
Transfers from reserves	(420)	(1,535)
Transfers to reserves	643	322
<b>As at 30 June</b>	<b>4,086</b>	<b>3,863</b>

## ASSET REVALUATION RESERVES

As at 1 July	354,609	354,609
Revaluation gains/(losses)	-	-
Revaluation reserve gains/(losses)	-	-
<b>As at 30 June</b>	<b>354,609</b>	<b>354,609</b>

<b>Total equity</b>	<b>493,028</b>	<b>496,846</b>
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## ASSET REVALUATION RESERVES CONSIST OF:

Water Reticulation	16,071	16,071
Wastewater and Stormwater Reticulation	36,460	36,460
Roads, Bridges and Lighting	259,813	259,813
Land	19,820	19,820
Buildings	22,445	22,445
<b>Total</b>	<b>354,609</b>	<b>354,609</b>

## Capital Management

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

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

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

The Act requires the Council to make adequate and effective provision in its Long Term Plan and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's 10YP.

Council has the following Council created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

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

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events.

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

Information about reserve funds held for a specific purpose is provided below:

		30 June 2023	Additions \$,000	Withdrawals \$,000	30 June 2024
<b>(A) SPECIAL BEQUESTS</b>					
A M A Dolamore	Maintenance and improvement of Dolamore Park	77	9	-	86
C A Coster	Provision or extension of amenities in Matura area	115	14	-	129
Dolamore Trust	Purchase of library books	6	1	-	7
Dorothy Newman Trust	Maintenance and improvement of Gore parks and reserves	20	2	-	22
J H Dolamore	Maintenance and improvement of Gore parks and reserves	47	5	-	52
<b>(a) Special Bequests Total</b>		<b>265</b>	<b>31</b>	<b>-</b>	<b>296</b>
<b>(B) COUNCIL CREATED RESERVES</b>					
Airport reserve	Funding future operations	13	-	-	13
Council wide asset replacement and maintenance reserves	Funding long term maintenance and replacement of council assets	2,859	325	(420)	2,764
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	57	-	-	57
Matura initiatives reserve	Funding future initiatives in Matura	(2)	-	-	(2)
Rural halls reserve	Funding future maintenance costs of rural halls	20	-	-	20
Rural special fund	Provision of amenities in rural areas of the district	588	69	-	657
Rural roading reserve	Funding future rural roading works	(11)	218	-	207
Sister city reserve	Funding future sister city initiatives	9	-	-	9
Young ambassador reserve	Funding future young ambassador initiatives	1	-	-	1
<b>(B) council created reserves total</b>		<b>3,598</b>	<b>612</b>	<b>(420)</b>	<b>3,790</b>
<b>Grand total</b>		<b>3,863</b>	<b>643</b>	<b>(420)</b>	<b>4,086</b>

## 27. Related party transactions

### A. TRANSACTIONS WITH RELATED PARTIES

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

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

	Actual 2024 \$'000	Actual 2023 \$'000
Yrless Limited (owned by Councillor Joe Stringer)		
- purchase of IT services	(7)	(6)
Cave FM Limited (owned by Councillor Robert McKenzie)		
- purchase of advertising services	(1)	(1)
Southern Office Products Depot (owned by Councillor Nicky Davis)		
- purchase of stationery items	-	(12)
PaperPlus Gore (owned by Councillor Doug Grant)		
- purchase of stationery items	-	(5)

Further, no disclosure has been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

### (B) OTHER TRANSACTIONS INVOLVING RELATED PARTIES

		Actual 2024 \$'000	Actual 2023 \$'000
Community Networking Trust (Councillor Glenys Dickson is a Trustee)	Payments	-	(12)
	Receipts	1	4
Gore Health Limited (Councillor Glenys Dickson is a Director)		13	19
Southern REAP (Councillor Glenys Dickson is a Board Chair)		(1)	(7)
Gore River Valley Lions (Councillor Bronwyn Reid is a Member)		(1)	(1)
SBS St James Theatre (Councillor Paul McPhail)	Payments	-	(5)
	Receipts	1	1
Tussock Country (Councillor Bronwyn Reid is a Trustee)		-	(10)
Otama Rural Water Limited (Councillor John Gardyne is a Director)		6	6
Keith Hovell (Commissioner on the District Plan)		22	-
Glenys Dickson (Commissioner on the District Plan)		3	-

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2023: No).

## KEY MANAGEMENT PERSONNEL COMPENSATION

	Actual 2024 \$'000	Actual 2023 \$'000
<b>COUNCILLORS</b>		
Full-time equivalent members	12	12
Remuneration	407	389
<b>SENIOR MANAGEMENT TEAM, INCLUDING THE CHIEF EXECUTIVE</b>		
Full-time equivalent members	6	6
Remuneration	1,227	1,147
<b>Total full-time equivalent personnel</b>	<b>18</b>	<b>18</b>
<b>Total key management personnel remuneration</b>	<b>1,634</b>	<b>1,536</b>

Due to the difficulty in determining the full time equivalent for Councillors, the full time equivalent figures is taken as the number of Councillors.

## 28. Events after balance date

### Water services reform programme - “Local Water Done Well”

The New Zealand Government is implementing its policy “Local Water Done Well” – a plan to deliver financially sustainable, affordable water services while retaining local control of water assets. In February 2024, the Water Services Act Repeal Bill received the Royal assent, repealing the key legislation that underpinned the ‘Affordable Water Reform’ programme. The second stage in the reform process is the enactment of the Water Services Preliminary Arrangements Bill which received Royal assent on 2 September 2024. This will come into effect on 1 July 2025. A third bill, the Local Government Water Services Bill will establish the enduring settings for the new water services system, which includes economic regulation. The Council is required to produce a Water Services Delivery Plan (WSDP) and illustrate how it will be financially sustainable by 2028. The Council is collaborating with other Councils in the Southland and Otago regions on potential options for water services delivery going forward.

### Ongoing obligation relating to New Zealand Mutual Liability Riskpool scheme

Riskpool provides public liability and professional indemnity insurance to its members. The Council was a member of Risk Pool until 30/6/2017. The Trust Deed of Risk Pool provides that, if there is a shortfall (whereby claims exceed contributions of members and reinsurance recoveries) in any Fund year, then the Board may make a call on members for the fund year.

There were no other significant events subsequent to balance date.

## 29. Financial instruments

	Actual 2024 \$'000	Actual 2023 \$'000
<b>FINANCIAL ASSETS</b>		
<i>Mandatorily measured at FVTSD</i>		
Derivative financial instrument assets - not hedged accounted	198	451
Other financial assets:		
- Investments in debt securities	-	-
<b>Total at FVTSD</b>	<b>198</b>	<b>451</b>
<i>Amortised Cost</i>		
Cash and cash equivalents	1,456	2,291
Trade and other receivables	3,669	3,901
Other financial assets:		
- Term deposits	1,863	1,866
- Community loans	246	21
- Investment in other entities	1,141	890
<b>Total at amortised cost</b>	<b>8,375</b>	<b>8,969</b>
<i>FVTOCRE</i>		
Other financial assets:		
- Listed bonds		
- Unlisted shares	78	76
<b>Total at FVTOCRE</b>	<b>78</b>	<b>76</b>
<b>FINANCIAL LIABILITIES</b>		
<i>Mandatorily measured at FVTSD</i>		
- Derivative financial instrument liabilities – not hedge accounted	-	-
<b>AMORTISED COST</b>		
Trade and other payables	3,516	4,827
Borrowings:		
- Bank overdraft	-	-
- Lease liabilities	-	-
- Secured loans	55,000	50,000
Other financial liabilities	62	62
<b>Total financial liabilities at amortised cost</b>	<b>58,578</b>	<b>54,889</b>



## Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30 - Fair Value Measurement, the Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement unobservable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

	VALUATION TECHNIQUE			
	Total	Quoted market price	Observable inputs	Significant non-observable inputs
	\$000	\$000	\$000	\$000
<b>30 JUNE 2024 - COUNCIL</b>				
<b>FINANCIAL ASSETS</b>				
Derivatives	198	-	198	-
Investments in debt securities	-	-	-	-
Shares	78	-	-	78
<b>FINANCIAL LIABILITIES</b>				
Derivatives	-	-	-	-
<b>30 JUNE 2023 - COUNCIL</b>				
<b>FINANCIAL ASSETS</b>				
Derivatives	451	-	451	-
Investments in debt securities	-	-	-	-
Shares	76	-	-	76
<b>FINANCIAL LIABILITIES</b>				
Derivatives	-	-	-	-

There were no transfers between the different levels of the financial hierarchy.

*Valuation techniques with significant non-observable inputs (level 3)*

The table below provides a reconciliation from the operating balance to the closing balance for the level 3 fair value measurements:

	2024 \$'000	2023 \$'000
Balance as at 1 July	76	81
Gain and losses recognised in the surplus or deficit	2	(5)
Balance as at 30 June	78	76

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

## FINANCIAL INSTRUMENTS RISKS

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk

#### Currency risk

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

#### Interest rate risk

##### *Fair value interest rate risk*

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Borrowings and investments issued at fixed rates expose the Council to fair value interest rate risk. Council's Liability Management policy outlines the level of borrowing that is to be sourced using fixed rate instruments.

##### *Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Council manages its cash flow interest rate risk on borrowings by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed national principal amounts.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to Council, causing the Council to incur a loss. Council has no significant concentrations of risk, as it has a large number of customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council invests funds in accordance with its Investment policy which limits the amount of credit exposure to any one institution and ensures dispersion and minimisation of risk.

Council has no other collateral or other credit enhancements for financial instruments that give rise to credit risk, apart from the LGFA exposure as disclosed in note 25.

Council's maximum credit exposure for each class of financial instrument is as follows:

	Actual 2024 \$'000	Actual 2023 \$'000
Cash at bank and term deposits	3,319	4,157
Trade and other receivables	3,669	3,901
Community loans	246	21
- Investment in other entities	1,141	890
Investments in debt securities	-	-
Derivative financial instrument assets	198	451
<b>Total credit risk</b>	<b>8,573</b>	<b>9,420</b>

All cash at bank and term deposits are neither past due nor impaired and are made with registered banks with Standard and Poor's credit ratings of A1 or better short term.

All investments in debt securities are neither past due nor impaired and are made with counterparties with Standard and Poor's credit ratings of BBB or better long term or with other local authorities.

Community loans are with counterparties with no defaults in the past.

### LIQUIDITY RISK

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

In meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months and ensure all investments are readily tradable.

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy.

These policies have been adopted as part of the Council's Long Term Plan.

#### *Contractual maturity analysis of financial liabilities, excluding derivatives*

The table below analyses Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<b>COUNCIL 2024</b>					
Trade and other payables	3,516	3,516	-	-	-
Secured loans	55,000	13,500	11,000	25,500	5,000
<b>Total</b>	<b>58,516</b>	<b>17,016</b>	<b>11,000</b>	<b>25,500</b>	<b>5,000</b>

#### **COUNCIL 2023**

Trade and other payables	4,827	4,827	-	-	-
Secured loans	50,000	13,500	5,000	23,500	8,000
<b>Total</b>	<b>54,827</b>	<b>18,327</b>	<b>5,000</b>	<b>23,500</b>	<b>8,000</b>

#### *Contractual maturity analysis of derivative financial instruments*

The table below analyses Council's maturity dates for interest rate derivative financial instruments.

	Carrying amount \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2024	198	28	170	-	-
Council 2023	451	46	99	306	-

#### *Contractual maturity analysis of financial assets*

The table below analyses Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Carrying amount \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>COUNCIL 2024</b>				
Cash and cash equivalents	1,456	1,456	-	-
Trade and other receivables	3,669	3,669	-	-
Unlisted shares	78	-	-	78
Other financial assets:				
- term deposits	1,863	1,863	-	-
- community loans	246	-	10	236
- investment in debt securities	1,141	103	913	125
<b>Total</b>	<b>8,453</b>	<b>7,091</b>	<b>923</b>	<b>439</b>

<b>COUNCIL 2023</b>				
Cash and cash equivalents	2,291	2,291	-	-
Trade and other receivables	3,901	3,901	-	-
Unlisted shares	76	-	-	76
Other financial assets:				
- term deposits	1,866	1,866	-	-
- community loans	21	-	21	-
- investment in debt securities	979	89	690	200
<b>Total</b>	<b>9,134</b>	<b>8,147</b>	<b>711</b>	<b>276</b>

### Sensitivity Analysis

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

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

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

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

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

- Surplus would decrease/increase by \$224,500 (2023: \$197,200). This is mainly attributable to the Council's exposure to interest rates on its borrowings.
- Other equity reserves would remain unaffected.

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

## 30. Explanation of major variances against budget

Explanation of major variations from Council's estimated figures in the 2023/2024 budget, as reflected in the Annual Plan, are as follows:

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Council made a net deficit of \$3.818m compared to a budgeted deficit of \$1.012m after other comprehensive revenue. This resulted in a variance of \$2.806m.

Revenue had a favourable variance of \$2.154m. The difference in revenue arose in three main areas - grants and subsidies (\$1.633m), other revenue (\$512k) and finance revenue (\$478k). The Council received Better Off Funding grants (\$1.274m) and Mayor's Taskforce for Jobs contributions (\$242k). These were unbudgeted in the 2023/24 Annual Plan, mostly due to the announcement of funding being made available after the Council had adopted the Annual Plan. The movement in other revenue was largely due to the financial contribution from Mataura Valley Milk towards the Library refurbishment project (\$240k), reimbursement from NZTA Waka Kotahi towards safety measures on State Highway One near Hamilton Park (\$120k) and a receipt from Rio Tinto in relation to the administration of the Ouvea Premix situation (\$100k). The \$478k variance in costs was the result of interest rates being higher than anticipated which had a positive impact on the Council's interest earning investments.

There were a number of factors that contributed to the increase in expenditure against the Council's Annual Plan. These included:

- Additional depreciation costs of \$1.69m due to the revaluation of the Council's assets at 30 June 2022. The timing of the revaluation meant that the 2023/24 Annual Plan figures could not be updated.
- \$714k unbudgeted increase in interest expenditure. At the time that the Council's 2023/24 Annual Plan was adopted, there was no indication that the interest rates would increase at speed and level that eventuated.
- \$642k predominantly due to an employment issue, and a number of positions being externally funded but not budgeted for as the funding had not been confirmed at the time the 2023/24 Annual Plan was adopted.
- Other expenses are over budget by \$1.914m. The main contributors to these expenses are District Plan (\$969k) which was anticipated to be substantially completed, however, it has experienced delays and additional challenges to sections which has pushed out the completion date and increased the costs associated with delivering it. Rural roading overspent in contractor maintenance (\$492k - partially offset by an underspend in urban roading contractor maintenance). The costs of an unanticipated resource consent and additional contractor waste disposal charges equated to an overspend (\$436k) in solid waste's other expenses. Increases in the costs of chemicals above what had already been budgeted for resulted in an overspend in wastewater chemicals (\$258k).

### STATEMENT OF FINANCIAL POSITION

Current assets are lower than the Annual Plan primarily due to unanticipated additional expenses that contributed to the Council's deficit.

Property, plant and equipment are higher than the Annual Plan as a result of timing of the revaluation of assets that were undertaken at 30 June 2022. The outcomes from the revaluation were not known until after the 2023/24 Annual Plan had been adopted by the Council

### 31. Reconciliation of net surplus/(deficit) after tax to net cash flow from operating activities

	Actual 2024 \$'000	Actual 2023 \$'000
Surplus/(deficit) after tax	(3,818)	(2,433)
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation	8,853	8,370
Vested assets	-	(1,110)
(Gains)/losses in fair value of financial instruments	252	(283)
Other	607	(987)
<b>Add/(less) items classified as investing or financing activities:</b>		
(Gains)/losses on disposal of property, plant and equipment	177	(72)
<b>Add/(less) movements in working capital items:</b>		
Accounts receivable	232	1,096
Inventories	48	(224)
Prepayments	(26)	(13)
Accounts payable and deferred revenue	(1,311)	(528)
Employee entitlements	8	102
Provisions	(50)	(2)
Income tax payable	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>4,972</b>	<b>3,916</b>

# Liability Management Policy

## Background

Section 104 of the Local Government Act 2002 requires each local authority to have a Liability Management Policy that includes policies for:

- Interest rate exposure
- Liquidity
- Credit exposure
- Debt repayment
- Specific borrowing limits
- Giving of securities

Full details of this policy can be found in the 2021-2031 Long Term Plan.

## Performance

There were no material variations or departures from the Council's Borrowing Policy during the year to 30 June 2024.

Details of the Council's debt are disclosed in note 24 of the Financial Statements. Further information in relation to interest rate risk and fair values of the Council's debt is disclosed in note 29 of the Financial Statements.

The Council borrows from the New Zealand Local Government Funding Agency.

## Borrowing Limits

	Actual 30 June 2024	Limit
Net Debt as a percentage of total revenue	150.3%	<175%
Net interest as a percentage of total revenue	6.5%	<10%
Net interest as a percentage of rates	10.1%	<25%

# Investment Policy

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## Background

The Council manages funds for the following purposes:

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

Full details of this policy can be found in the 2021-2031 Long Term Plan.

## Performance

This policy was reviewed and updated during the year. There were no material variations or departures from the Council's Investment Policy during the year to 30 June 2024.



