



GORE DISTRICT
COUNCIL

ANNUAL REPORT

YEAR ENDED 30 JUNE 2004

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GORE DISTRICT COUNCIL DIRECTORY

Mayor	Owen O'Connor JP
Councillors	R J Beale C S Bolger J J Cunningham N J Davis W F Dore JP N A Harvey M J Hellier N McDonough (resigned 5 November 2003) C D McFadzien A J McLennan F T Sutherland

The Mayor and Councillors were elected for a three year term from October 2001.

Executive Staff:	Chief Executive General Manager Customer Services General Manager District Assets	Stephen Parry Alison McKenzie Andrew Henderson	(resigned 31 March 2004)
Bankers:	WestpacTrust Limited Mersey Street Gore		
Auditors:	Deloitte on behalf of the Controller and Auditor-General		
Solicitors:	Bannermans Fairfield Street Gore		
Postal Address:	Gore District Council P O Box 8 Gore		
Locations:	29 Civic Avenue, Gore 1 Bridge Street, Mataura		

MAYORAL FOREWORD

I am pleased to be able to provide an introduction to the Gore District Council's Annual Report for 2003/04. The Annual Report provides actual results in both financial and service performance terms for the year ending 30 June 2004. It provides a comparison against what was forecast in the Annual Plan for the same year, adopted in July 2003.

Overall the Council has reported some very pleasing results for the year under review. The Council has continued the programme of improving its financial position embarked on over the last couple of years and has also advanced some major projects over the past twelve months.

Highlights of the year which I would like to draw readers' attention to are:

Financial Results

The 2003/04 Annual Plan budgeted for a deficit of \$493,000 but recorded an actual cash surplus of \$150,000. However it should be noted that the deficit of \$651,000 shown in the accounts includes a book loss of \$801,000 on the transfer of the Kaiwera and Otikerama rural water schemes to the consumers for nil consideration. Therefore if this book loss is factored out of the financial performance of the Council it can be seen that the tight controls on Council expenditure have continued with operations remaining within budget during the year under review.

Council Debt

It is pleasing to report that significant progress in reducing the level of the Council's indebtedness was made during the 2003/04 financial year. The level of public debt has been a regular topic of discussion and concern both within Council and by ratepayer interest groups in recent years. As at 30 June 2004 the total public debt of the Gore District Council was \$8.4 million compared to \$9.657 million as at 30 June 2003.

The rapid erosion in the Council's debt has been due to both the impact of a debt retirement programme put in place last year and the sale of Council assets such as pensioner housing.

Roundabout on State Highway 1

Undoubtedly the most successful project of the year was the completion of the roundabout at the western end of the bridge on State Highway 1 in Gore. The roundabout, which greatly assisted the flow of traffic at the intersection of River and Norfolk Streets and State Highway 1, was the subject of much debate and contention in terms of whether it would solve congestion in this area and remove heavy vehicles from residential streets in Gore.

By all accounts the project has been an enormous success and is a good illustration of the Council working collaboratively with a government agency – in this case Transit New Zealand – to resolve what has been a long-standing problem. It is now hoped that heavy traffic will utilise this roundabout and the designated heavy vehicle bypass in Gore and enable major residential arterial routes to enjoy a quality of life that in recent times has been disturbed due to the spilling of stock effluent onto roads and noise generated from heavy trucks.

Conclusion

Once again the Council has remained within budget and tackled some major financial and operational problems. A strong platform now exists to enable the Council to plan its future and meet the needs of the community with some confidence.

Owen O'Connor JP
Mayor

CHIEF EXECUTIVE FOREWORD

This brief commentary should be read in conjunction with the foreword provided by His Worship the Mayor. Noteworthy milestones or significant progress achieved on key projects, when viewed from an operational perspective were as follows:

Solid Waste Management

Considerable work was undertaken in the 2003/04 financial year in implementing a strategy for the disposal of the Council's solid waste. After a number of years of intense planning a new regional sanitary landfill was opened at Kings Bend near Winton in July 2004.

In anticipation of the opening of the new regional sanitary landfill, the Council embarked on extensive investigations and public consultation during the year under review to ascertain the best means by which to collect, dispose and transfer the district's waste to Winton. As a result of these investigations and public consultation the Council determined that a single refuse transfer station domiciled at the current Gore landfill site was the most cost effective strategy. The Council also resolved that it wished to own the refuse transfer station facility but had an open mind as to whether it should operate it itself or contract this service out. The consideration of tenders received for the construction and operation of the new refuse transfer station will ultimately determine whether the service will be provided by the Council or by a private contractor. This decision is expected to be taken in the first half of 2004/05.

District Plan

It is pleasing to report that the long awaited development of the draft Gore District Plan came closer to reality during the past year. As reported in the previous year, Council appointed a hearings committee, comprising of Cr Bolger, Cr McFadzien and Cr Sutherland. This committee commenced its hearing of submissions in July 2003 and met regularly throughout the year to consider submissions made on the draft Gore District Plan. At the time of writing the committee had almost completed its hearings and was due to report to the new Council before the end of the 2004 calendar year. It is hoped that the adoption of the new Gore District Plan will be a significant achievement to be reported in the next twelve months.

Annual Plan Performance Measures

Continuing with the improvements made last year the Council has again been successful in terms of achieving the performance measures contained in the Annual Plan. In nearly all instances, across all activities performance measures have been achieved. I wish to acknowledge the great work by all of Council's staff in attaining the performances detailed in pages 17-30 of this report.

New Legislation

The impact of the Local Government Act 2002, which took full effect from 1 July 2003, was felt in terms of the way in which Council operated over the past year. New features such as the adoption of a Code of Conduct and Local Governance Statement were completed during the year along with the preparation of an interim Long Term Council Community Plan.

During the year Council officers and elected members were engaged in the "Our Way Southland" project which is embarking on regional-wide consultation in partnership with other Southland local authorities to determine regional outcomes that will form the basis of Long Term Council Community Plans, which need to be adopted by 1 July 2006.

Whilst other legislation has been passed and impacts on Council operations in different ways, the Local Government Act 2002 continues to heavily influence staff workloads, priorities and the manner in which the business of local government is conducted.

However it needs to be emphasised that total staff numbers have actually reduced slightly, which is in contrast to the general trend within the local government sector at present.

Steve Parry
Chief Executive

REPORT ON LONG-TERM FINANCIAL STRATEGY AND POLICIES

INTRODUCTION

Each local authority is required to prepare and adopt a long-term financial strategy, funding policy, investment policy, and borrowing management policy.

Section 122V of the Local Government Act 1974 specifies that every local authority must provide in its annual report sufficient information about each of the documents listed above to enable an informed assessment of the extent to which the objectives and provisions of the strategy and policies have been met during that year.

LONG-TERM FINANCIAL STRATEGY

The Long-Term Financial (LTFS) as outlined in the Annual Plan identifies significant activities of the Council and provides for associated estimated future expenses, revenues, cash flows and other movements in the Statement of Financial Position. The general aim of the LTFS is to ensure that the Council has adequately considered and accounted for its future operations in accordance with the following six principles:

- prudent management of Council activities in the interest of the district and its inhabitants
- adequate provision for expenditure needs of the Council
- adequate consideration and assessment of benefits and costs of different options
- lawful funding mechanisms that on reasonable grounds can be considered as appropriate
- maintaining prudent levels of debt in accordance with borrowing management policy
- operating revenue to cover all projected expenses

OVERALL PERFORMANCE

A comparison of the Council's achievements in respect of some of the key targets established in the LTFS and the Annual Plan is shown in the table below. The major variances between the targets reported in these two documents are:

Operating Surplus

- Increase in depreciation due to revaluation of infrastructural assets in July 2001
- Increase in operating costs for the new aquatic facility.

Net Assets

- Increase due to revaluation of infrastructural assets in July 2001.

Council has also substantially achieved the level of non financial performance as stated in the Statements of Service Performance. Specific targets have been reported on in the individual Cost of Service Statements.

Key Targets	Actual 2004 \$000	Annual Plan 2004 \$000	LTFS 2004 \$000
Operating Surplus (Deficit)	(651)	(493)	203
Total Equity/Net Assets	176,246	174,278	140,689
Investments	68	68	
Public Debt	8,400	10,282	8,938
Capital Projects	2,089	2,946	2,804

EQUAL EMPLOYMENT OPPORTUNITY POLICY

POLICY STATEMENT

The Gore District Council will ensure that equal employment opportunities are promoted and provided within the organisation by selecting the best person for the job based on the job requirements and the ability of that person to perform the job.

The Gore District Council is committed to the principle of equal opportunity in the recruitment, employment, training and promotion of its employees.

The organisation will provide a welcoming positive environment and will implement a purposeful programme of action to ensure its activities and services are carried out with an awareness of, and an intent to eliminate, discrimination in any form.

OBJECTIVES

To ensure that the Council's recruitment and promotion processes are in keeping with the principles of EEO by:

- Ensuring that all job descriptions, advertisements, specifications and related information are in conformity with the principles of EEO
- To continue to enhance the Council's image as an EEO organisation by:
 - a. Ensuring Council publications reflect a commitment to EEO.
 - b. Ensuring qualification requirements do not exclude some groups for consideration.

Performance Measures	Target	Achievement 2003	Achievement 2004
To foster a positive climate in the workplace aimed at encouraging employees to develop their potential and to remove discriminatory barriers to employment.	No complaints	No complaints	No complaints
All employment policies and practices will have regard to the principles of the Treaty of Waitangi and will comply with all other relevant statutes.	No complaints	No complaints	No complaints
Employment decisions will be made solely upon merit, qualifications and work history relevant to the position to be filled.	No complaints	No complaints	No complaints
Opportunities for training, transfer and promotion will be made available to all employees.	No complaints	No complaints	No complaints
To promote a workplace free of discrimination and harassment.	No complaints	No complaints	No complaints

FUNDING POLICY

The Council undertook its funding review based on the significant activities of council as reported in the annual plan.

The mechanisms for funding each activity are reported below. The percentages stated are a proportion of the costs of the activity.

Key

UAGC	Uniform annual general charge- set the same for each property.
LV	Land value as the rating base
CV	Capital value as the rating base
District wide	All rateable properties in the District pay.
Local	Rated only in a particular ward for services in that ward.

Activity/Function	Private Benefit	Public Benefit	2004 Achievement		
			Private Benefit	Public Benefit	
A&P Showgrounds	0%	100%	0%	100%	UAGC
Aquatic Facilities	26%	74%	25%	75%	30% UAGC 70% LV/CV
Arts & Heritage	0%	100%	0%	100%	UAGC
Cemeteries	50%	50%	55%	45%	UAGC
Civic Buildings	40%	60%	32%	68%	UAGC
Civil Defence	8%	92%	5%	95%	CV
Democracy	0%	100%	0%	100%	UAGC
District Promotions	60%	40%	59%	41%	UAGC
Drainage	0%	100%	0%	100%	Local UAGC
Grants	0%	100%	0%	100%	UAGC
Library	7%	93%	6%	94%	30% UAGC 70% LV/CV
Other Property	0%	100%	0%	100%	LV/CV
Community Housing	86%	14%	100%	0%	
Parks and Reserves	0%	100%	0%	100%	LV/CV
Dolamore Park	0%	100%	6%	94%	UAGC
Sportsfields	30%	70%	30%	70%	UAGC
Public Toilets	0%	100%	0%	100%	30% UAGC 70% LV/CV

Activity/Function	2004 Achievement				
	Private Benefit	Public Benefit	Private Benefit	Public Benefit	
Regulatory Services					
- Resource Mgmt	26%	74%	18%	82%	CV
- Building & Drainage Control	87%	13%	100%	0%	
- Health Inspections	67%	33%	87%	13%	CV
- General Inspections	5%	95%	5%	95%	CV
- Liquor Licensing	100%	0%	100%	0%	
Roading	0%	100%	0%	100% (45% subsidised)	LV/CV
Waste	79%	21%	100%	0%	
Water	0%	100%	0%	100%	Water sales. Local UAGC

BORROWING AND INVESTMENT POLICY

BORROWING

BACKGROUND

The main function of the Borrowing Policy is to ensure that the Council's debt and its associated risks are maintained at prudent levels. Details of this policy can be found in the Annual Plan.

PERFORMANCE

There were no material variations or departures from the Council's Borrowing Policy during the year to 30 June 2004.

Full details of the Council's debt are disclosed in note 10 of the Financial Statements. Further information in relation to interest rate risk and fair values of the Council's debt are disclosed in note 13 of the Financial Statements.

BORROWING LIMITS

Specific targets	Acceptable Range	Upper Limit	Actual 30 June 04
Interest expense/operating revenue	0-10%	10%	4.4%
Net debt/operating Revenue	0-1.2	1.2	0.7%

INVESTING

BACKGROUND

The Investment Policy is summarised in the Council's 2003/2004 Annual Plan. The main function of the Investment Policy is to ensure the Council's investments are managed in a prudent manner.

PERFORMANCE

There were no material variations or departures from the Council's Investment Policy during the year to 30 June 2004.

General Objectives	Achievement
Cash investments only. To be made in Local Government, SOE or Government Stock, or institutions with a credit rating of A- or better with Standard and Poors	All funds invested with ANZ Banking Group or Southland Building Society

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

The Council and management of the Gore District Council confirm that all the statutory requirements of Parts VIIA and VIIB of the Local Government Act 1974 regarding financial management and borrowing have been complied with.

RESPONSIBILITY

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

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

In the opinion of the Council and management of the Gore District Council, the annual financial statements for the year ended 30 June 2004 fairly reflect the financial position and operations of the Gore District Council.

Owen O'Connor JP
MAYOR

Date

Stephen Parry
CHIEF EXECUTIVE

Date

Alison McKenzie
GENERAL MANAGER CUSTOMER SERVICES

Date

AUDIT REPORT
TO THE READERS OF
GORE DISTRICT COUNCIL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

The Auditor-General is the auditor of Gore District Council (the District Council). The Auditor-General has appointed me, Patrick Heslin, using the staff and resources of Deloitte, to carry out the audit of the financial statements of the District Council, on his behalf, for the year ended 30 June 2004.

Unqualified Opinion

In our opinion the financial statements of the District Council on pages 1 to 30:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the District Council's financial position as at 30 June 2004;
 - the results of its operations and cash flows for the year ended on that date; and
 - its service performance achievements measured against the performance targets adopted for the year ended on that date.

The audit was completed on 29 September 2004, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the District Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed our audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in the opinion.

Our audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;

- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the District Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support the opinion above.

Responsibilities of the District Council and the Auditor

The District Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. Those financial statements must fairly reflect the financial position of the District Council as at 30 June 2004. They must also fairly reflect the results of its operations and cash flows and service performance achievements for the year ended on that date. The District Council's responsibilities arise from the Local Government Act 2002, which requires the District Council to prepare financial statements under the Local Government Act 1974.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit we have carried out assignments in the areas of accounting support advice and human resource services, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the District Council.



Patrick Heslin
Partner, Deloitte
On behalf of the Auditor-General
Dunedin, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Gore District Council for the year ended 30 June 2004 included on Gore District Council's web-site. The Gore District Council is responsible for the maintenance and integrity of their web site. We have not been engaged to report on the integrity of the Gore District Council's web site. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 29 September 2004 to confirm the information included in the audited financial statements presented on this web site.

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



financial **statements**
year ended 30 June 2004

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2004

REPORTING ENTITY

The Gore District Council is a Territorial Local Authority governed by the Local Government Act 2002.

The financial statements have been prepared in accordance with Section 223E of the Local Government Act 1974 which includes the requirement to comply with generally accepted accounting practice.

MEASUREMENT BASE

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain fixed assets.

ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of results and financial position have been applied:

Revenue Recognition

Rates revenue is recognised when it is levied.

Water billing revenue is recognised on an accrual basis with the meters being read at the end of the year.

Transfund roading subsidies are recognised when the conditions pertaining to eligible expenditure have been fulfilled.

Government assistance is recognised when eligibility is established.

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

Dividends are recognised on an accrual basis net of imputation credits.

Interest is recognised on an accrual basis.

Accounts Receivable

Accounts Receivable are stated at expected realisable value after providing for doubtful or uncollectable debts.

Estimates

The estimate figures are those approved by the Council at the beginning of the year after a period of consultation with the public as part of the Annual Plan process. The estimates have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

Inventory

Inventory is valued at the lower of cost and net realisable value.

Investments

Investments are stated at the lower of cost and net realisable value.

FIXED ASSETS

Fixed assets consist of:

Operational Assets

These include land, buildings, library books, plant and equipment, office equipment, pensioner flats, buildings in support of infrastructure assets, and cultural properties.

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, for example, sewer reticulation includes reticulation piping and sewer pump stations. These assets include water assets, roading assets, land under roads.

Valuation

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

- Land and operational buildings have been valued by Quotable Value New Zealand (Registered Valuers) at market value or where in the valuers opinion the assets are of a specialised nature so that fair value cannot be easily determined using market based evidence, by optimised depreciated replacement cost. Subsequent additions will be valued at cost. Land and Buildings are revalued every 3 years.
- Infrastructural assets have all been valued at depreciated replacement cost by Opus International Consultants Limited as at 1 July 2001. In the case of land value for roads, an average of adjacent "underdeveloped land value" has been applied. Subsequent additions are valued at cost. Infrastructure assets and Buildings are revalued every three years.
- Library books were valued by the District Librarian at estimated market value at 30 June 1993. The stock of library books is maintained at operational levels in perpetuity and is not depreciated. Replacement books are treated as expenses.

All valuations are carried out or reviewed by independent qualified valuers and are carried out at least tri-annually. Valuations will be undertaken more regularly if necessary to ensure that no individual item of property, plant and equipment within a class is included at a valuation that is materially different from its fair value.

The revaluation surplus or deficit is credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Financial Performance. Any subsequent revaluation surplus that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised in the Statement of Financial Performance.

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.

Depreciation

Depreciation is provided on a straight line basis on all fixed assets other than library books, land, and land under roads. Depreciation rates are calculated to allocate the cost (or valuation) less estimated realisable value over the assets estimated useful life.

The estimated useful lives of the major asset classes have been estimated as follows:

	Years
Land	N/A
Buildings at Valuation	50
Buildings supporting Infrastructure Assets	50
Pensioner Flats	20
Plant and Equipment	4-25
Office Equipment	4-10
Recreation and Cultural Properties	5-20
Library Books	N/A
Infrastructural Assets	
Roads	Top Surface (seal) 7-12 ¹
	Pavement (basecourse) - sealed 40-60
	- unsealed N/A
	Formation N/A
	Footpaths 55-70
	Culverts 50-100
	Kerbs 50
	Signs 20
	Street Lights 25
	Bridges 50-100
Water Reticulation	Pipes 45-100 ²
	Valves, hydrants 25
	Pump stations 10-50
	Tanks 100
Sewerage Reticulation	Pipes 60
	Manholes 60
	Treatment plant 15-25
Stormwater system	Pipes 60
	Manholes 60

Assets Under Construction

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated. The current carrying amount of items under construction is disclosed in Note 7.

LEASES

Finance Leases

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. These are capitalised at the lower of the fair value of the asset or the present value of the minimum lease payments. The leased assets and corresponding lease liabilities are recognised in the statement of financial position. The leased assets are depreciated over the period the Council is expected to benefit from their use.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are charged as expenses in the periods in which they are incurred.

¹ Life depends on road type and traffic volume

² Life depends on material of pipe

EMPLOYEE ENTITLEMENTS

Provision has been made in respect of the Council's liability for annual leave, long service leave and retirement gratuities at balance date. This has been calculated on an actual entitlement basis using current rates of pay.

FINANCIAL INSTRUMENTS

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors, creditors, and loans. Financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance. Except for loans, which are recorded at cost, and those items covered by a separate accounting policy, all financial instruments are shown at their estimated fair value. The Council has entered into interest rate swap agreements to reduce the impact of floating interest rates on its term debt. These agreements expose the Council to an off balance sheet interest rate risk.

LANDFILL POST-CLOSURE COSTS

The Council, as operator of the Gore District Council landfills, has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure.

A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises. The provision is measured based on the present value of 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 landfill post closure.

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

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

GOODS AND SERVICES TAX (GST)

The financial statements are prepared on a GST exclusive basis except debtors and creditors which are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

EQUITY

Equity is the community's interest in the Council as measured by total assets less total liabilities. Equity consists of a number of reserves to enable clearer identification of the specified uses that the Council makes of its accumulated surpluses. The components of equity are:

- Accumulated funds
- Restricted reserves
 - Trusts and bequests
 - Special funds
- Council created reserves
- Asset revaluation reserve

RESERVES

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

Restricted reserves are those 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 only be made for certain specified purposes.

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

STATEMENT OF CASH FLOWS

Cash means cash balances on hand, held in bank accounts and demand deposits that Council invests in as part of its day to day cash management. This includes sinking funds which are restricted to future repayments of loans or commitments.

Operating activities include cash received from all income sources of Council and record the cash payments made for the supply of goods and services.

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

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

ALLOCATION OF OVERHEADS

Corporate overheads for central and engineering administration have been allocated to the other significant activities in the Cost of Services Statements and Statement of Financial Performance. The allocation is calculated on the basis of budget expenditure of each activity.

CHANGES IN ACCOUNTING POLICIES

No changes to accounting policies were made during the year ended June 2004.

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

ACTUAL 30 June 03 \$000		NOTE	ESTIMATE 30 June 04 \$000	ACTUAL 30 June 04 \$000
	REVENUE			
7,460	Rates		8,114	8,026
125	Petroleum Tax		115	127
1,843	Government Assistance		1,204	1,266
2,024	Licence Fees and Other Revenue		1,993	2,348
65	Interest and Dividends		40	49
736	Contribution to New Facilities		0	0
(524)	Operating Profits of Business Units		0	0
11,729	TOTAL OPERATING REVENUE		11,466	11,816
	EXPENDITURE			
848	Democracy		789	823
680	Regulatory Services		592	583
2,757	Essential Services		3,169	3,020
3,648	Roading		3,173	3,001
1,908	District Assets		2,122	2,318
1,980	Customer Services		2,108	2,011
402	Administration		6	(90)
0	Rural Water Schemes Impairment		0	801 ³
12,223	TOTAL OPERATING EXPENDITURE	1	11,959	12,467
(494)	OPERATING SURPLUS/(DEFICIT)		(493)	(651)

³ Privatisation of the Kaiwera and Otikerama Rural Water schemes, to be handed over in November 2004.

STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2004

ACTUAL 30 June 03 \$000		NOTE	ESTIMATE 30 June 04 \$000	ACTUAL 30 June 04 \$000
174,082	Opening Equity		174,771	174,422
(494)	Net Surplus/(Deficit)		(493)	(651)
(494)	Total Recognised Revenues and Expenses		(493)	(651)
834	Asset revaluation		0	2,475
174,422	TOTAL EQUITY AT END OF YEAR		174,278	176,246

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

ACTUAL 30 June 03 \$000		NOTE	ESTIMATE 30 June 04 \$000	ACTUAL 30 June 04 \$000
	EQUITY			
134,714	Accumulated funds		135,446	133,005
1,109	Restricted Reserves		1,181	2,200
241	Council Created Reserves		127	251
38,358	Asset Revaluation reserve		37,524	40,790
174,422	TOTAL EQUITY	2	174,278	176,246
	ASSETS			
	Current Assets			
(278)	Bank Account	8	108	116
877	Debtors	3	1,250	1,324
549	Short Term Deposits	4	437	823
35	Inventories	5	0	26
0	Assets held for Sale		0	46
1,183	Total Current Assets		1,795	2,335
	Non Current Assets			
68	Investments	6	68	68
308	Loans to Community Groups		347	272
184,213	Fixed Assets	7	183,836	184,180
184,589	Non Current Assets		184,251	184,520
185,772	TOTAL ASSETS		186,046	186,855
	LIABILITIES			
	Current Liabilities			
1,543	Creditors	9	1,350	2,013
1,040	Current Portion of Term Liabilities	10	0	489
2,583	Total Current Liabilities		1,350	2,502
	Non Current Liabilities			
8,617	Term Liabilities	10	10,282	7,911
150	Landfill Aftercare Provision	11	136	196
8,767	Total Non Current Liabilities		10,418	8,107
11,350	TOTAL LIABILITIES		11,768	10,609
174,422	NET ASSETS		174,278	176,246

Mayor

Chief Executive

Date

Date

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2004

ACTUAL 30 June 03 \$000		NOTE	ESTIMATE 30 June 04 \$000	ACTUAL 30 June 04 \$000
CASHFLOW FROM OPERATING ACTIVITIES				
Cash was provided from:				
12,794	Operating Revenue		11,528	11,443
65	Interest		40	49
12,859			11,568	11,492
Cash was disbursed to:				
9,460	Suppliers and Employees		8,611	7,595
775	Interest		645	542
10,235			9,256	8,137
2,624	NET CASHFLOW FROM OPERATING ACTIVITIES	12	2,312	3,355
CASHFLOWS FROM INVESTING ACTIVITIES				
Cash was provided from:				
336	Sale of Fixed Assets		0	654
42	Repayment of term receivables		0	36
Cash was disbursed to:				
2,631	Purchase of Fixed Assets		3,060	2,120
(2,253)	NET CASHFLOW FROM INVESTING ACTIVITIES		(3,060)	(1,430)
CASHFLOWS FROM FINANCING ACTIVITIES				
Cash was provided from:				
2,983	Loan Funds Applied		570	1,040
Cash was disbursed to:				
4,285	Repayment of Debt		1,000	2,297
(1,302)	NET CASHFLOW FROM FINANCING ACTIVITIES		(430)	(1,257)
(931)	INCREASE (DECREASE) IN CASH HELD		(1,178)	668
1,202	OPENING CASH BROUGHT FORWARD		1,723	271
271	ENDING CASH BALANCES		545	939
Represented by:				
549	Short Term Deposits		437	823
(278)	Plus current account (Overdraft)		108	116
271			545	939

NOTES TO THE FINANCIAL STATEMENTS

1 OPERATING EXPENDITURE

	30 June 03	30 June 04
	\$000	\$000
Fees paid to Auditors		
- Audit services	33	53
- Other services	3	55
Change in the provision for doubtful debts	(22)	5
Debts written off	1	0
Depreciation	3,137	3,225
Entertainment	0	0
Ex Gratia Payments	0	0
Grants	287	256
Insurance premiums	129	152
Interest expense	687	533
Lease costs	116	151
Mayoral Regalia	0	0
Net Loss / (Profit) on sale of fixed assets	157	(61)
Public ceremonies	7	0
Severance Payments	0	0
Subscriptions	108	67

Breakdown on 2004 Depreciation per Asset Class

	30 June 03	30 June 04
	\$000	\$000
Plant and Equipment	130	139
Office Equipment	76	66
Buildings at Valuation	187	187
Pensioner Flats	12	8
Buildings in Support of Infrastructure	65	65
Recreational and Cultural	30	34
Water Assets	899	904
Refuse	8	11
Roading	1,730	1,811
	3,137	3,225

2 EQUITY

	30 June 03 \$000	30 June 04 \$000
Asset Revaluation Reserve		
Balance at 1 July	37,524	38,358
Asset revaluations	834 ¹	2,475
Transfer to Public Equity	0	(43)
Balance at 30 June	38,358	40,790
Special, Trust and Reserve Funds		
Balance at 1 July	1,308	1,350
Transfer from Public Equity	42	1,101
Balance at 30 June	1,350	2,451
Public Equity		
Balance at 1 July	135,250	134,714
Operating surplus (Loss)	(494)	(651)
Transfer from Revaluation Reserve	0	43
Transfer to Special, Trust and Reserve Funds	0	(236)
	- Prior year	(865)
	- Current Year	(42)
Balance at 30 June	134,714	133,005
Total Equity	174,422	176,246

3 DEBTORS

	30 June 03 \$000	30 June 04 \$000
Rates	334	404
Subsidy	161	454
Trade Debtors	268	269
Accruals	117	89
GST	78	194
	958	1,410
Less provision for doubtful debts	81	86
	877	1,324

4 SHORT TERM DEPOSITS

	30 June 03 \$000	30 June 04 \$000
Other	549	823
Sinking Funds	0	0
	549	823

The weighted average interest rate on short term deposits was 5.4% (2003: 5.6%).

5 INVENTORIES

	30 June 03 \$000	30 June 04 \$000
Essential Services	31	21
Other	4	5
	35	26

¹ Roading assets review of remaining useful lives and residual values

6 INVESTMENTS

44,589 shares in NZ Local Government Insurance Co. \$68,087 (2003: \$68,087).

The net asset backing per share as at 30 June 2004 was \$1.98

7 FIXED ASSETS

	Cost/Revaluation		Accum Depreciation		Book Value	
	30/6/2004	30/6/2003	30/6/2004	30/6/2003	30/6/2004	30/6/2003
	\$000	\$000	\$000	\$000	\$000	\$000
Operational Assets						
Plant and Vehicles	1,907	1,797	1,363	1,302	544	495
Office Equipment	1,083	1,023	936	869	147	154
Land at Valuation	5,189	3,159	0	0	5,189	3,159
Buildings at Valuation	8,917	9,240	0	272	8,917	8,968
Pensioner Flats	151	373	18	21	133	352
Buildings in Support of Infrastructure	3,237	3,237	193	128	3,044	3,109
Recreation and Cultural Properties	457	401	224	190	233	211
Library Books	1,370	1,370	2	2	1,368	1,368
Cemetery Development	30	0	0	0	30	0
Total Operational Assets	22,341	20,600	2,736	2,784	19,605	17,816
Infrastructural Assets						
Water Assets	24,315	25,124	2,592	1,795	21,723	23,329
Refuse	0	66	0	11	0	55
Land under Roads	15,356	15,349	0	0	15,356	15,349
Roading	133,446	131,803	5,950	4,139	127,496	127,664
Total Infrastructural Assets	173,117	172,342	8,542	5,945	164,575	166,397
Total Fixed Assets	195,458	192,942	11,278	8,729	184,180	184,213

The Council had land and buildings revalued at 30 June 2004. The infrastructural assets will be valued at 1 July 2004.

Included in infrastructural assets is land under roads valued at \$15,355,611 (2003: \$15,349,304).

8 BANK OVERDRAFT

The bank overdraft is unsecured. The facility totals \$600,000. The current interest rate on the facility is 7.95%. Council has a credit facility totalling \$1,800,000 with ANZ Banking Group. This is covered by a security over rates.

9 CREDITORS

	30 June 03	30 June 04
	\$000	\$000
Trade Creditors	468	1,188
Employee Entitlements	329	368
Accruals	478	194
Rates in Advance	117	126
Deposits and Retentions	101	96
Accrued Interest	50	41
	1,543	2,013

10 TERM LIABILITIES

30 June 03 30 June 04

	\$000	\$000
Opening Balance	10,959	9,657
Plus Loan Raised	2,983	1,040
Less repayments	(4,285)	(2,297)
	9,657	8,400
Less Current Portion	(1,040)	(489)
	8,617	7,911

The interest rates on the term liabilities ranged from 0.0% - 6.0% (2003: 0.0% - 9.40%) with an average rate of 5.75% (2003: 5.69%).

The expiry date of the interest rate swaps are as follows:

- \$5,400,000 – Expires 5 June 2013
- \$2,500,000 – Expires 5 June 2008

The expiry date of the term loan facilities are as follows:

- \$7,900,000 ANZ loan facility is in place for a rolling period of 3 years and is subject to annual renewal
- \$500,000 Southland Building Society Loan – Expires 30 November 2006

Loans raised are covered by a general security over rates.

11 LANDFILL AFTERCARE PROVISION

Due to the implementation of the Transfer Station the remaining life of the landfills is less than a year. The cash outflows for landfill post-closure are expected to occur between 2005 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 is discounted using a discount rate of 6.0%.

	30 June 03	30 June 04
	\$000	\$000
Opening Balance	136	150
Plus Adjustment for the adoption of FRS15	0	0
Additional provisions	14	46
Less Amounts used	0	0
Closing Balance	150	196

12 RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	30 June 03	30 June 04
	\$000	\$000
Net Surplus (Deficit)	(494)	(651)

Add Non Cash Items		
Depreciation	3,137	3,226
Grant	27	0
Asset Impairment	0	800
Interest Landfill Provision	9	9
	2,679	3,384
Movements in Working Capital		
Increase (Decrease) in Creditors	(530)	470
Decrease (Increase) in Debtors	307	(447)
Decrease (Increase) in Stock	11	9
	(212)	32
Items Classified as Investing Activities		
Loss on Sale of Assets	157	(61)
	157	(61)
Net Cash Flow from Operating Activities	2,624	3,355

13 FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially subject the Council to credit risk principally consist of cash and bank, debtors and short - term deposits.

Maximum exposures to credit risk as at balance date are:

	30 June 03	30 June 04
	\$000	\$000
Debtors	877	1,324
Short Term Deposits	549	823
Loans to Community Groups	308	272

The above maximum exposures are net of any recognised provision for losses on these financial instruments. No collateral is held on the above amounts.

Council minimises credit risk by only investing funds with registered banks, Southland Building Society, or Tower Trust.

Concentration of Credit Risk

The Council is not exposed to any concentration of credit risk.

Interest Rate Risk

The Council is not exposed to interest rate risk because it manages its cost of borrowing by using interest rate swaps.

Fair Values

The estimated fair values of the Councils financial instruments are as follows:

30 June 2003 \$000 Carrying Amount	30 June 2003 \$000 Fair Value		30 June 2004 \$000 Carrying Amount	30 June 2004 \$000 Fair Value
(278)	(278)	Cash and Bank	116	116
877	877	Debtors	1,324	1,324
549	549	Short Term Deposits	823	823
68	79	Shares in Other Companies	68	88
308	308	Loans to Community Groups	272	272
(1,543)	(1,543)	Creditors	(2,013)	(2,013)
(9,657)	(9,657)	Term Debt	(8,400)	(8,400)
0	(131)	Interest rate swaps	0	379

14 REMUNERATION OF THE CHIEF EXECUTIVE

	30 June 03	30 June 04
The Chief Executive of the Gore District Council, appointed under Section 119c (1) (a) of the Local Government Act 1974 receives a salary of:	107,767	120,968
In terms of his contract the Chief Executive also receives a motor vehicle (including FBT)	7,533	7,533
For the year ending 30 June 2004 the total annual cost, including Fringe Benefit Tax, to the Gore District Council of the remuneration package being received by the Chief Executive is calculated at	115,300	128,501

15 COUNCILLORS REMUNERATION

During the year remuneration paid to Councillors totalled \$167,707. (2003: \$147,564)

16 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2004 (2003: Nil).

17 IN HOUSE PROFESSIONAL SERVICES

Disclosure required under Section 31 Transit New Zealand Act.

	2002/2003 \$000	2003/2004 \$000
In house services for Transfund assisted work	213	150
Operating expenses	175	150
Net Surplus (Deficit)	38	0

18 EVENTS SUBSEQUENT TO BALANCE DATE

No significant events have occurred after balance date that has an impact on these financial statements.

19. COMMITMENTS

		ACTUAL 30 June 03 \$000	ACTUAL 30 June 04 \$000
Non cancellable operating lease commitments			
Plant and Equipment	not later than 1 year	88	93
	later than 1 year, less than 2 years	66	43
	later than 2 years, less than 5 years	32	4
Other non cancellable contracts			
Service contracts	not later than 1 year	77	112
	later than 1 year, less than 2 years	77	42
	later than 2 years, less than 5 years	0	14
Noxious weed spraying	not later than 1 year	0	40
	later than 1 year, less than 2 years	0	0
	later than 2 years, less than 5 years	0	0
Rubbish collection	not later than one year	70	14
	later than 1 year, less than 2 years	0	0
	later than 2 years, less than 5 years	0	0
Road Maintenance Contract	not later than 1 year	1,112	1,186
	later than 1 year, less than 2 years	27	169
	later than 2 years, less than 5 years	0	0
Animal Control Contract	not later than 1 year	35	35
	later than 1 year, less than 2 years	35	0
	later than 2 years, less than 5 years	0	0

20 RELATED PARTY TRANSACTIONS

During the year Councillors and key management were involved in minor transactions (eg payment of rates) with the Council as part of a normal customer relationship. In addition the Council entered into the following transactions with local businesses in which councillors are co-owners:

- purchased stationery items to the value of \$29,715 from Necklen-McDonald



statements of *service performance*
and cost of service
for significant activities

DEMOCRACY

DESCRIPTION

Democracy is the political arm of the Councils' operation, comprising of:

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

Objective	Performance Measure	Measured by:	Actual
The Council is responsible to the ratepayers for the establishment of clear policy and direction	Develop a Code of Conduct Prepare and adopt Local Governance Statement	Documents adopted by Council by 31 Dec 03	Code of Conduct and Local Governance Statement adopted 25 November 2003
The Council remains open and accountable to the community it represents	Hold election for Mataura Community Board	An election held within 24 months of resolution to establish the Board	Election held 29 August 2003
	Produce public newsletters	At least 3 newsletters produced per year	3 newsletters produced
The Council will support community organisations	Grants made to appropriate community groups	Grants administered within budget constraints	Grants administered within budget

STATEMENT OF COST OF SERVICE

Actual 2003 \$000		Estimate 2004 \$000	Actual 2004 \$000
	Revenue		
38	Grants	0	0
637	Rates	789	766
675		789	766
	Operating Expenses		
165	Elected Members	177	171
197	Employee costs	197	226
228	Administration costs	301	308
258	Grants and Donations	114	118
848		789	823
(173)	Net Operating Surplus (Deficit)	0	(57)

CENTRAL ADMINISTRATION

DESCRIPTION

The administrative activities of Council include accounting and treasury functions, and information technology. It also includes the General Manager District Assets and the General Manager Customer Services.

Objective	Performance Measure	Measured by:	Actual
Maintain Council offices at Gore and Mataura to ensure ratepayers have access to the information and services they require	Offices open 40 hours per week	Actual hours open	Average hours open per week: 40.75
	Services available to include: Rates information Receipting of payments Dog registration Information regarding local essential services	Services provided	All services provided
To prudently manage the financial affairs of Council	Regular and timely reports available to Council and managers	Reports produced	Achieved
	Working within financial parameters of legislation and Council policy	Untagged audit report	Achieved

STATEMENT OF COST OF SERVICE

Actual 30 June 03 \$000		Estimate 30 June 04 \$000	Actual 30 June 04 \$000
	Revenue		
65	Interest and Dividends	40	49
35	Other Income	8	15
0	Rates Penalties	45	83
(524)	Business Unit Operating Results	0	0
1,102	Internal Recoveries	1,332	1,332
678	TOTAL OPERATING REVENUE	1,425	1,479
	Expenditure		
616	Employee Costs	620	674
888	Administration Costs	718	568
1,504	TOTAL OPERATING EXPENDITURE	1,338	1,242
(826)	OPERATING SURPLUS (DEFICIT)	87	237
	CAPITAL WORKS		
0	Administration	9	41
0		9	41

DISTRICT ASSETS

ESSENTIAL SERVICES

Essential services cover the provision of water, drainage and sanitation, and refuse disposal services and facilities within the Gore District.

TRADE WASTE

Objective	Performance Measure	Measured by:	Achievement
To minimise the impact of trade waste discharge on the environment	To have all known trade waste discharges apply for a resource consent	All known premises have a consent by June 2004	73 consents issued.
Ensure treated discharge meets resource consent conditions	To monitor trade waste discharges to ensure compliance with resource consents	1 discharge randomly monitored each month	6 discharges monitored every two months. Target not achieved due to reprioritisation in other areas. Target will be achieved in 2004/05.

WATER

The water reticulation systems comprise approximately 172km of water mains, 6 bores, 2 river intakes, and 7 reservoirs serving 4,000 consumers in the urban areas and 176 consumers in the rural schemes.

Objective	Performance Measure	Measured by:	Achievement
Water supplies are safe to drink	Urban water supplies are monitored in compliance with NZ drinking water standards	99.5% of the test results for turbidity, FAC, E Coli, and pH comply with health standards	No health transgressions recorded in Gore. Heavy rain caused adverse readings for 3 days in Mataura during August.
	Barriers are created to prevent contamination from Giarda and Cryptosporidium	Protection programme to be commenced by June 2004 and completed by June 2006	Programme not implemented. Awaiting introduction of new Drinking Water Standards (due early 2005)
To provide a continuous water supply to areas serviced	Water is supplied continuously	Less than 20 unplanned interruptions per user in rural areas	3 interruptions per user recorded.
	Valve maintenance programme is implemented to limit disruption to consumers	20% of faulty valves repaired in each of the next 5 years	21% repaired
	Water reticulation faults are responded to promptly	4 hours in urban areas 2 days in rural	Faults responded to within set timeframe

Objective	Performance Measure	Measured by:	Achievement
Water supplies have useable pressure and flow	Residents are satisfied with customary water supply pressure	Less than 50 individual consumer complaints received	No complaints recorded for pressure faults.
	Adequate flow from hydrants for fire fighting purposes	70% of hydrants comply with minimum flow standards	80% in Maitua 93% in Gore

REFUSE

Household collections are carried out in Gore and Maitua. Unsanitary landfill sites are maintained at Gore and Maitua. A skip bin service operates at Waikaka and Pukerua.

Objective	Performance Measure	Measured by:	Achievement
To operate Gore and Maitua landfills in accordance with their resource consents and management plans	Landfill sites have minimal effect on the environment	Landfill sites comply with resource consent condition	All conditions met.
	Sites are open in accordance with published operating hours	Sites open a minimum of 45 hours per week (Gore) and 20 hours per week (Maitua)	52 hours per week (Gore). 26 hours per week (Maitua)
Provide an effective kerbside service to urban areas	Household collections are carried out in Gore and Maitua	Weekly service is uninterrupted and approved bags are collected	Uninterrupted service delivered.
Work with the community to minimise the quantity of residual solid waste being generated	Cooperate with community and private groups, and other councils on reduction, reuse, and recycling initiatives	Provide information via newsletter Coordinate Gore activity for Clean Up NZ day	Newsletter published April 2004. Clean Up NZ Week co-ordinated. Interested groups doing own activities.
	Investigate kerbside recycling proposals	Proposal to be drafted by June 04 and implemented by June 2006	Ongoing. Part of Southland Waste Management Plan to be released by Dec 2004.
	Formulate Waste strategy	Waste strategy drafted by June 2004 and implemented by June 2006	Ongoing. Part of Southland Waste Management Plan to be released by Dec 2004.
Provide a long term economically and environmentally sustainable solution for the disposal of residual waste in Southland	Cooperate with other local authorities in the region to establish a regional waste solution	New landfill to be operating by Dec 2006	Landfill opened 1 June 2004.

WASTEWATER DRAINAGE

The wastewater systems at Gore, Mataura and Waikaka comprise three oxidation ponds, 18 pump stations and a comprehensive reticulation network for the collection and transportation of wastewater.

Objective	Performance Measure	Measured by:	Achievement
Waste water disposal is an effective odour controlled process with minimal impact on the environment	Waste water disposal system is reliable	Blockages are responded to within 4 hours of notification	29 reported blockages responded to in set time frame.
	Effluent discharges have minimal impact on the environment	Total failure of pump stations are responded to within 1 hour of notification	4 failures responded to in set time frame.
		Effluent discharge meets resource consent requirements	Met for 99% of the time in Gore and 98% in Mataura. There were 5 days in Gore over limit and 9 days in Mataura. Maximum recovery period for these breaches was 4 days.
Stormwater system is effective	Capacity is sufficient to ensure minimal flooding occurs	Initial response to overflows occurs within 4 hours of notification	1 major stormwater overflow event responded to in set time frame.
		By June 2004, to complete condition assessments for stormwater systems and prepare a plan for improvements to stormwater removal.	3115 metres inspected. Balance to be completed by June 2005.

STATEMENT OF COST OF SERVICE

Actual 30 June 03 \$000		Estimate 30 June 04 \$000	Actual 30 June 04 \$000
	Revenue		
290	Water	256	289
97	Drainage	117	125
357	Refuse Disposal	535	530
1,764	Rates	1,797	1,889
2,508	TOTAL OPERATING REVENUE	2,705	2,833
	Expenditure		
1,310	Water	1,564	1,400
915	Drainage	1,097	1,066
532	Refuse Disposal	508	554
0	Impairment Rural Water Schemes	0	801
2,757	TOTAL OPERATING EXPENDITURE	3,169	3,821
(249)	Operating Surplus (Deficit)	(464)	(988)
	Capital Works		
33	Water	256	45
105	Drainage	130	46
0	Refuse	26	0
138		412	91

ROADING

The Gore District roading network comprises 338km sealed roads and 554km gravelled roads. All work is performed by contractors. Major work (including reseals, seal widening, shape correction and bridge renewals) is subject to competitive tendering. Design and supervision of major works are undertaken by consultants.

Objective	Performance Measure	Measured by:	Achievement
Achieve a safe and efficient roading network that meets the requirements and aspirations of ratepayers and road users	Users are satisfied with the standard of the roading infrastructure	Customer complaints acknowledged and appropriate action taken	Customer requests acknowledged and actions taken.
To complete all works in the National Roding Programme by 30 June 2004	Transfund programme met	To reseal 20km of road	16.2km resealed. Late completion of pre-reseal repairs by maintenance contractor resulted in non completion of full reseal programme.
		To extend 1.8km of seal	1.43km seal extended, including 1.3km on Pinnacle Road and 0.13km on River Road Bridge 202 approaches. Km Reduction due to increased construction costs.
		3.2km of Area Wide Pavement Treatment	846m completed. Reduced length due to unavailability of funds.
Maintain the existing footpath network and construct new works to meet the demands of the users	To construct, repair and resurface footpaths	160m of footpath improvements	630m of footpath improvements completed.
Continuous improvement in service offered to residents	Minimise maintenance costs through timely intervention and constant monitoring of contractors performance	Expenditure within existing budgets	Expenditure within budget.

STATEMENT OF COST OF SERVICE

Actual 30 June 03 \$000		Estimate 30 June 04 \$000	Actual 30 June 04 \$000
	Financially Assisted Roading Revenue		
1,843	Financial Assistance	1,204	1,266
125	Petroleum Tax	115	127
0	Other Revenue	0	5
1,270	Rates	1,057	1,026
3,238	Total Operating Revenue	2,376	2,424
	Operating Costs		
823	General Maintenance	579	568
127	Amenity/Safety Maintenance	95	108
69	Bridge Repairs	41	10
272	Professional Services	164	247
3	Street Lighting	53	39
132	Traffic Services	46	71
31	Street Cleaning	25	26
1,730	Depreciation	1,873	1,812
322	Old Coach Road	0	0
3,509	Total Operating Expenditure	2,876	2,881
(271)	Operating Surplus/(Deficit)	(500)	(457)
	Capital Works		
277	Drainage improvements	220	216
0	Minor safety	146	124
51	Traffic Services	28	40
2	Bridges	115	24
136	Area Wide Pavement	535	250
1	Street lighting	11	4
702	Sealing	550	456
400	Professional Services	98	98
1,569		1,703	1,212
	Non Assisted Roading Revenue		
523	Rates	691	670
7	Other Revenue	0	0
530	Total Operating Revenue	691	670
	Operating Costs		
15	Footpath Maintenance	7	18
54	Street Cleaning	58	47
18	Pest Plant Control	45	38
0	Depreciation	120	0
52	General Maintenance	8	0
0	Professional Services	59	18
139	Total Operating Expenditure	297	121
391	Operating Surplus/(Deficit)	394	549
	Capital Works		
127	New Footpaths	23	0
0	Footpath Rehabilitation	98	112
0	Development Work	6	0
235	Seal Extensions	207	183
0	Bridge Intersection	150	141
362		484	436

DOMAINS AND SPORTSFIELDS

The Gore District Council has 275ha of parks with a total number of 66 individual parks which equate into 22.07ha per thousand residents. Within this the Council supplies and maintains 26 individual playgrounds with a combined total of 117 items of equipment. Of total reserves maintained, just over 5.3ha are comprised of garden and shrub beds along with 129ha of grass maintained. Not all grass maintained is designated recreation reserve, a fair portion of this is roadside maintenance.

Objective	Performance Measure	Measured by:	Achievement
To encourage residents to participate in healthy lifestyles	Ensure play equipment complies with relevant safety standards NZS 5828	Six-monthly audits of playgrounds conducted.	2 audits conducted.
		All serious defects rectified within 24 hours of notification	No serious defects notified.
	Support development and construction of a skateboard park	Actively assist Skateboard Development Committee in its fundraising endeavours	\$10,000 received.

PROPERTY

This activity includes Council offices, community halls, leasehold properties, and rental housing.

Objective	Performance Measure	Measured by:	Achievement
To maintain a property register for Council land and buildings	Register accurately reflects Council's current property holdings	Register is up to date and accurate	Register up to date.
To ensure that the property holdings cost is neutral to the ratepayer	Market rentals set	No ongoing funding is required by ratepayers	Activity 100% funded by Users
	To prepare an asset management plan for Council buildings and property holdings	Plan complete by 31 December 2004	

CIVIL DEFENCE

Objective	Performance Measure	Measured by:	Achievement
To ensure the district is prepared for emergency situations.	To continue to provide a trained team of staff and volunteers who will be competent in : - Emergency management - Response to community needs at a time of emergency	Training nights for Wardens and Welfare Managers and a Regional civil defence exercise	4 Training nights and 1 regional civil defence exercise attended.
	To ensure all emergency equipment is maintained in a state of readiness	Equipment ready to use at all times	Equipment checked quarterly.
To be part of the wider Southland team of Civil Defence.	Attend all Regional CDO meetings. Participate in regional training programmes where appropriate.	Meetings attended	10 Regional meetings attended.

STATEMENT OF COST OF SERVICE

Actual 30 June 03 (\$000)		Estimate 30 June 04 (\$000)	Actual 30 June 04 (\$000)
	REVENUE		
78	Cemeteries	89	83
39	Domains and Sports Fields	14	23
124	Civic Buildings	40	38
90	Housing and Other Property	103	372
1,560	Rates	1,873	1,823
1,891	TOTAL OPERATING REVENUE	2,119	2,339
	EXPENDITURE		
153	Cemeteries	154	151
1,037	Domains and Sportsfields	1,344	1,325
59	Public Conveniences	66	64
331	Civic Buildings	337	384
298	Housing and Other Property	168	358
30	Civil Defence	53	36
1,908	TOTAL OPERATING EXPENDITURE	2,122	2,318
(17)	OPERATING SURPLUS/(DEFICIT)	(3)	21
	CAPITAL WORKS		
0	Cemeteries	30	30
44	Domains and Sports Fields	135	84
0	Public Conveniences	7	6
12	Civic Buildings	26	1
0	Housing and Other Property	12	14
56		210	135

CUSTOMER SERVICES

AQUATIC FACILITIES

The Council provides two public swimming facilities (Mataura War Memorial Pool and the Gore Multisport Complex) as part of its overall aim to ensure that the community has access to a full range of recreational and sporting opportunities.

The Council aims to provide the residents of the district with:

- affordable and quality aquatic health, fitness, sport education and leisure services
- in modern, well maintained facilities
- with good customer service.

Objective	Performance Measure	Measured by:	Achievement
To provide efficient services in a safe environment	Maintain water quality within NZ standard 5826	Lab results within standard required	Tests all within required standard
	Pool supervision is provided in accordance with NZ guidelines	All staff are National Pool Lifeguard trained All staff hold current workplace first aid certificates Ongoing training conducted	All staff trained All staff hold these certificates NC Aquatics level 3 and 4 training in progress.
To provide services and programmes to meet the needs of users	User satisfaction with services provided	85% of users surveyed rate the services as good or better	85% of users agree the Pool services are good.
	Pools open to public	Attain a minimum of 105,000 visitors per year	76,436 visitors.
		Gore 360 days per year Mataura 205 days per year	Gore opened 361 days, Mataura opened 205 days.
To increase the swim and fitness activities of Gore district residents	To initiate new programmes	3 new programmes operating cost effectively by June 2004	Canoe Polo league Learn to Kayak programme Participated in Over-40s triathlon
	To increase the services of the swim school	Swim school offered year-round	Classes conducted throughout the year
	To promote learn to swim programmes for schools	Three schools using new programme by June 2004	Five schools using new programme

LIBRARY SERVICES

The Council provides and maintains two libraries, one in Gore and the other in Mataura, which are run as a District-wide service. In addition, an arrangement with neighbouring Southland District Libraries provides a book bus service to three rural communities in the Gore District.

The District Libraries have 7600 members, over 70,000 items in their collections and issue more than 200,000 items each year.

Objective	Performance Measure	Measured by:	Achievement
To provide quality library services to meet the leisure, information and cultural needs of the people of the Gore District	Satisfaction with range of books no less than 85%	Customer survey	93% satisfaction

Objective	Performance Measure	Measured by:	Achievement
Provide systems and facilities which enable people to access the collections	Residents have easy access to and use the library and its information	55% membership	71.6% membership
		7 visits per capita	5.9 visits per capita
	95% satisfaction with friendliness and helpfulness of staff	Cost per issue less than \$2.30 Customer survey	\$2.81 97% satisfaction
Provide skilled and knowledgeable staff to help people find the information they need	85% satisfaction with information provided	Customer survey	88% satisfaction

DISTRICT PROMOTIONS

This activity has two major components. To assist in the development and management of events in the Gore District and to manage the *i*-SITE Visitors Centre.

Objective	Performance Measure	Measured by:	Achievement
Meet and maintain the standards required for membership to the Visitor Information Network	Pass VIN annual inspection	VIN report	Passed annual inspection.
Provide a range of products and services to meet the needs of locals and visitors to the district	80% of customers strongly agree that the Information Centre provides information they require.	Customer survey	86% agree that the Information Centre provides information they require
	80% of customers strongly agree that the Information Centre provides a high quality service	Customer survey	95% agree service is prompt and competent, and staff are friendly, helpful, and well presented.
To promote the Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors	To arrange or assist with events, functions or activities that promote the District	Economic impact surveys	Assisted with promotion and ticket sales for the Gold Guitar Awards, MLT Songwriting Awards, and Tui Awards. Attended NZ Trade Expo.
	To arrange the production of promotional material for the District.	Quality material available	Provided promotional material for the NZ Rhododendron Conference.

ARTS CULTURAL AND HERITAGE

The Arts and Heritage activity provides advice and assistance to community arts, culture and heritage organisations in the district. It also provides reports and advice to Council on arts, culture, and heritage issues in the district.

Objective	Performance Measure	Measured by:	Achievement
To facilitate the development of arts and heritage facilities in the Gore District	Fully fundraise, complete and commission the John Money Collection displays	John Money Wing to be open by 31 Dec 2003	John Money Wing Opened 12 Dec 2003

Objective	Performance Measure	Measured by:	Achievement
	Complete concept plan for the proposed Mātaura Heritage Centre project	Plan complete by 30 June 2004	Project format completed. Display plan to be completed by October 2004.
To effectively manage, or assist in the management of, arts and heritage facilities in the Gore District	Maintain public accessibility to the Hokonui Heritage Centre	Centre open 362 days per year	Centre open 362 days
	Provide accessible heritage research services	Services available 250 days per year	Services available for 250 days
To make arts and heritage facilities, events, and programmes accessible to the residents of the Gore District	Maintain an activity programme with associated support	6 exhibitions and 6 arts related projects or performances per annum 80% of visitors are satisfied with the facilities provided	13 exhibitions and 12 arts related projects/ performances 96% visitor satisfaction with facilities provided

CUSTOMER SERVICES - STATEMENT OF COST OF SERVICE

Actual 30 June 03 (\$000)		Estimate 30 June 04 (\$000)	Actual 30 June 04 (\$000)
Revenue			
301	Aquatic Services	369	267
32	Library	35	32
68	District Promotions	38	42
32	Economic Development	0	0
736	Contribution to new facilities	0	0
1,474	Rates	1,678	1,629
2,643	Total Operating Revenue	2,120	1,970
Expenditure			
841	Aquatic Centre	1,050	975
553	Library	594	575
265	Arts and Heritage	203	218
321	District Promotions	261	243
1,980	Total Operating Expenditure	2,108	2,011
663	Operating Surplus (Deficit)	12	(41)
Capital Works			
284	Aquatic Services	82	105
0	Library	46	46
4	Arts and Heritage	0	0
288		128	151

REGULATORY ACTIVITIES

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

- Health Act 1956
- Local Government Act 2002
- Building Act 1991
- Sale of Liquor Act 1989
- Litter Act 1974
- Dangerous Goods Act 1974
- Reserves Act 1977
- Dog Control Act 1996

- Food Act 1981
- Council Transitional and proposed District Plans
- General Bylaws
- Resource Management Act 1991

INSPECTION AND LICENSING

Objective	Performance Measure	Measured by:	Achievement
To efficiently and courteously administer Council's statutory requirements to safeguard environmental health, public welfare and safety	To inspect premises where food is prepared for sale to the public	All premises inspected annually	67 (100%) premises inspected
	To monitor all premises licensed under the Sale of Liquor Act 1989	50% of premises inspected each year	28 (70%) premises inspected
	To investigate infectious notifiable disease cases	All cases investigated within 24 hours of notification	59 cases notified and investigated within set timeframe
	To inspect premises having hazardous substances or conducting offensive trades	20% of premises inspected each year	One of 11 offensive trade premises inspected. Five dangerous goods premises inspected. Responsibility for this was transferred to OSH from 1 April.
	Nuisance/noise complaints are investigated promptly. Complainants advised of outcome.	Within 2 hours	64 complaints investigated all within timeframe set
		Within 5 days	
To prepare a District Plan as required under the Resource Management Act 1991	District Plan adopted by Council	Submissions heard by October 2004	Submission hearings on-going. Expected to be completed on target
		Plan adopted by Council by March 2005	Target expected to be met
Provide dog control pursuant to the Dog Control Act 1996 and the Gore District Council Dog Control Bylaw 1996	Complaints dealt with in accordance with the Dog Control Act	Complaints responded to within 30 minutes	470 animal control complaints received. All dealt with as per standard set
Monitor, gather information, and report on the state of the district's environment as required by the Resource Management Act for efficient, effective and sustainable management of resources within the District	Processing applications for resource consents in accordance with statutory requirements	20 working days (non notified consents)	74 consents processed. 81% of landuse consents processed within 20 days, balance were granted an extension to allow applicant to respond to proposed consent conditions. 42% of subdivision consents processed within timeframe. Balance took longer due to time taken to obtain LINZ approval. Procedures are being changed to ensure this approval is sought earlier in the process.
		To comply with statutory time guidelines in processing Building Consents	10 working days < \$500,000 Otherwise 20 working days

Objective	Performance Measure	Measured by:	Achievement
	Develop a District Monitoring programme that provides the Council with the framework to be able to meet its District Plan, consents, and state of the environment reporting requirements	Draft programme completed by 30 June 2004	Monitoring system for consents operational. Balance will follow once District Plan is operational.

REGULATORY - STATEMENT OF COST OF SERVICES

Actual 30 June 03 \$000		Estimate 30 June 04 \$000	Actual 30 June 04 \$000
	Revenue		
233	Inspection and Licensing	182	221
50	Resource Management	28	16
69	Dog Control	61	70
84	Parking Control	76	85
0	Reserves Contributions	0	52
232	Rates	229	223
668	TOTAL OPERATING REVENUE	576	667
	Expenditure		
280	Inspection and Licensing	208	175
123	Resource Management	29	88
93	District Planning	178	151
47	Dog Control	45	39
108	Parking Control	52	42
29	Regulatory Co-ordination	80	88
680	TOTAL OPERATING EXPENDITURE	592	583
(12)	Operating Surplus/(Deficit)	(16)	84
	Capital Works		
0	Inspection and Licensing	0	23
0		0	23

STATEMENT OF RESOURCES

This statement reflects the physical resources involved in Councils' operations.

EMPLOYEES

Full time	55
Part time	10 full time equivalents

ESSENTIAL SERVICES

Council operates the following schemes:

Water schemes	Urban	2	
	Rural		3 (2 to be privatised, Nov 04)
Refuse disposal systems	Urban	2	
	Rural		1
Rooding systems	Sealed roads	339 km	
	Gravelled roads	554 km	

COMMUNITY SERVICES

Council operates the following schemes-

Town halls	2
Libraries	2 plus shared book bus services with Southland District Council
Pensioner Flats	6 units
Swimming Pools	2
Offices	1 Administration 1 Service Centre/library 1 Works Depot
Cemeteries	5 totalling 18.3 ha
Reserves	66 totalling 275 ha
Playgrounds	26 totalling 5.1 ha