



GORE DISTRICT COUNCIL



ANNUAL REPORT 2006 / 07

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GORE DISTRICT COUNCIL DIRECTORY

Mayor:	Tracy Hicks JP
Councillors:	C S Bolger
	N J Davis
	W F Dore JP (resigned June 2007)
	N A Harvey
	M J Hellier
	C D McFadzien (resigned June 2007)
	F S McIntyre (resigned June 2007)
	A J McLennan
	M E Ogg QSO (resigned June 2007)
	F T Sutherland
	L D Turnbull

The Mayor and Councillors were elected for a three year term from October 2004.

Executive Staff:	Chief Executive	Stephen Parry	
	General Manager District Assets	Neil Jorgensen	
	General Manager Community Services	Sukanya Mohan Das	(resigned August 2006)
	General Manger Corporate Services	Russell Duthie	(appointed May 2007)

Bankers: WestpacTrust Limited
Mersey Street
Gore

Auditors: P F Heslin of Deloitte on behalf of the 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

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 2006–2016 Long Term Council Community Plan.

PERFORMANCE

There were no material variations or departures from the Council's Borrowing Policy during the year to 30 June 2007

Details of the Council's debt are disclosed in note 12 of the Financial Statements. Further information in relation to interest rate risk and fair values of the Council's debt are disclosed in note 25 of the Financial Statements.

BORROWING LIMITS

	Actual 30 June 07	Target
Interest expense/operating revenue	3.7%	<10%
Pre-tax funds from operations/interest expense	9.05	>2.5
Term Debt/Total Assets	2.66%	<20%

INVESTMENT POLICY

BACKGROUND

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 Council Community Plan.

Full details of this policy can be found in the Long Term Council Community Plan.

PERFORMANCE

There were no material variations or departures from the Council's Investment Policy during the year to 30 June 2007.

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

COMPLIANCE

The Council and management of the Gore District Council confirm that all the statutory requirements of Section 98 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 ended 30 June 2007 fairly reflect the financial position and operations of the Gore District Council.



28 September 2007

Tracy Hicks JP
MAYOR

Date



28 September 2007

Stephen Parry
CHIEF EXECUTIVE

Date

MAYORAL AND EXECUTIVE FOREWORD

We are pleased to present a brief foreward to the Gore District Council Annual Report for 2006/07. Overall the Council recorded satisfactory results from both financial and non-financial perspectives.

This is the first completed year of a 10 year Long Term Council Community Plan which was adopted on 4 July 2006. When reading the Annual Report it is therefore important to place the results in context of a 10 year planning horizon. This is particularly the case in the area of Statements of Service Performance where customer satisfaction levels, for instance, not due to be measured until the 2007/08 year.

Some of the more notable aspects of the year in review are as follows:

FINANCIAL RESULT

The Council recorded an operating surplus for the year of \$499k as compared to a budgeted surplus of \$323k. It needs to be emphasised that this surplus is not all cash and includes an allowance of \$302k for the value of the Council's financial swaps which were secured in 2003.

In terms of capital expenditure only \$3.143 million was spent in the year under review compared to a budgeted allocation of \$4.816 million. The reason for this reduced amount has been due in the main to indecision in respect of the sighting of the new Community Centre in Mataura affecting the construction timetable and delays in developing a suitable design for the new toilets in Main Street, Gore. Additionally, there were some roading works that could not be completed by the year end and have been carried over into the new financial year.

DISTRICT PLAN

Arguably the biggest highlight of the 2006/07 financial year was the adoption of a new District Plan. Regular readers of the Council's planning and reporting documents will be acutely aware of the tortuous process in developing the new District Plan and the extraordinarily high costs associated with producing a plan that is both legally compliant and acceptable to all sectors within the community. The District Plan was formally approved by the Council on 26 July 2006 and became operational on 31 July 2006.

The benefits of having a modern, progressive and permissive District Plan were felt in the ensuing months of the year. By way of illustration the number of resource consents dropped considerably which is a direct reflection of a degree of flexibility and permissibility of the new plan.

PARKS AND RESERVES

As promised in the forward to the Long Term Council Community Plan, a Council Working Party was instituted to critically examine both service levels and usage of the Districts parks and reserves portfolio. This working party reported its findings to the Council in April 2007. While the working party may have recommended an increase in operational funding to meet desired and expected service levels in the community, it did identify a number of reserves that could potentially be disposed of.

The prospect of divestment of surplus parks and reserves has understandably caused some consternation in the community. Therefore, the Council has opted to wait until after the October 2007 Local Authority Elections, before determining a future course of action in respect of consultation with the community. If nothing else the extensive deliberations of the Parks and Reserves Working Party proved just how much the community values its parks, gardens and open spaces.

COMMUNITY DEVELOPMENT

During the year the Council took some tentative steps towards defining its role in the area of social wellbeing and community development. Visits to other local authorities in both the North and South Islands were undertaken in the first half of the year to find out more about local initiatives that have proved successful in other communities. This was followed by a Community Development Workshop in February 2007.

One of the upshots of this workshop was the realisation within the Council that a greater focus on the needs and aspirations of local youth needed to be taken on board by the Council. As a consequence by the end of the financial year the Council had improved in principle the concept of establishing a Youth Council in the Gore District to enable local youth to be given a designated voice and forum. Once instituted it is hoped that the Youth Council will give the Gore District Council an appreciation of matters of interest or concern that affect local youth and can be factored into the District Council's decision making.

ACCREDITATION AS A BUILDING CONSENT AUTHORITY

A huge amount of work had to be undertaken in the latter half of the year under review to complete the application requirements to have the Council accredited as a Building Consent Authority. This was a huge task given that the building control activity of the Council was short staffed during the latter half of the year and at the same time having to cope with record numbers of building consents to process.

It is a credit to the staff that the application was forwarded to the accreditation agency within the expected timeframe. Accreditation as a Building Consent Authority is expected by the end of the current calendar year.

REPRESENTATION REVIEW

The Council's six yearly review of representation arrangements culminated in a hearing in Gore convened by the Local Government Commission. Following the hearing of appellants to the Council's proposal the Commission issued its determination in March 2007. This determination provides for a 12 member Council (11 Councillors plus the Mayor) with eight Councillors being elected from four wards (Gore (5), Mataura (1), Waikaka (1) and Kaiwera/Waimumu (1)), with three Councillors being elected from the entire District.

The new electoral structure will come into force for the October 2007 Local Authority Elections. It will be interesting to witness both voter reaction to the new system and the dynamics between those members elected for the wards and those elected at large.

CONCLUSION

The 2006/07 year was a very difficult year when viewed from a strict political perspective. The resignations of four Councillors in June 2007, was the direct result of the unpleasant and corrosive political tensions that existed, but have since abated. However, in spite of this situation and its undisputed drain of time, energy and resources, it is pleasing to report that the operations of the Council continued throughout the year with very little disruption. This speaks volumes for the professionalism and dedication of the Council staff, who at times were the subject of unwelcome and ill-informed public speculation.

AUDIT REPORT



AUDIT REPORT TO THE READERS OF THE GORE DISTRICT COUNCIL'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

The Auditor-General is the auditor of Gore District Council (the District Council). The Auditor-General has appointed me, P F Heslin, using the staff and resources of Deloitte, to carry out an audit on his behalf. The audit covers the District Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Council for the year ended 30 June 2007, including the financial statements.

Unqualified Opinion

In our opinion:

- The financial statements of the District Council on pages 14 to 52:
- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect :
- the District Council's financial position as at 30 June 2007; and
- the results of its operations and cash flows for the year ended on that date.
- The service provision information of the District Council on pages 53 to 121 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 28 September 2007, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the 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 the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance



information and the other requirements 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, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. 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 Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements.

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

Responsibilities of the Council and the Auditor

The 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 2007. They must also fairly reflect the results of its



operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

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 conducting the audit of the Long Term Council Community Plan, provision of financial reporting advice and human capital advisory services which are compatible with these independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the District Council.

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

Matters Relating to the Electronic Presentation of the Audited Financial Statements, Performance Information and the Other Requirements

This audit report relates to the financial statements, performance information and the other requirements of Gore District Council for the year ended 30 June 2007 included on the Gore District Council's website. Gore District Council is responsible for the maintenance and integrity of the Gore District Council website. We have not been engaged to report on the integrity of the Gore District Council website. We accept no responsibility for any changes that may have occurred to the financial statements since it was initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, performance information and the other requirements. 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, performance information and the other requirements as well as the related audit report dated 28 September, 2007 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

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

FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL STATEMENT OF FINANCIAL PERFORMANCE For the Financial Year Ended 30 June 2007

	Notes	2007 \$'000	Budget \$'000	2006 \$'000
Income				
Rates revenue	2 (a)	8,655	8,639	8,278
Other revenue	2 (a)	4,772	4,793	4,913
Other gains/ (losses)	2 (b)	324	-	149
Total income	2(g)	13,751	13,432	13,340
Expenditure				
Employee benefits expense	2 (c)	(3,548)	(3,347)	(3,486)
Depreciation and amortisation expense	2 (d)	(3,560)	(3,448)	(3,300)
Finance costs	2 (e)	(485)	(548)	(485)
Other expenses	2 (f)	(5,659)	(5,766)	(5,101)
Total operating expenditure	2(g)	(13,252)	(13,109)	(12,372)
Surplus for the period		\$499	\$323	\$968

The accompanying notes form part of these financial statements.

GORE DISTRICT COUNCIL
STATEMENT OF FINANCIAL POSITION
As at 30 June 2007

	Notes	2007 \$'000	Budget \$'000	2006 \$'000
Current assets				
Cash and cash equivalents	21(a)	224	41	-
Trade and other receivables	5	1,228	900	1,153
Inventories	6	26	-	39
Other financial assets	7	2,151	708	1,077
Other current assets	8	54	-	15
Total current assets		3,683	1,649	2,284
Non-current assets				
Other financial assets	7	334	68	296
Property, plant and equipment	9	308,064	255,561	251,994
Total non-current assets		308,398	255,629	252,290
Total assets		312,081	257,278	254,574
Current liabilities				
Bank overdraft	21(a)	-	-	16
Trade and other payables	10	1,683	1,525	1,060
Employee entitlements	11	450	-	390
Borrowings	12	623	-	500
Total current liabilities		2,756	1,525	1,966
Non-current liabilities				
Borrowings	12	7,675	9,196	7,900
Provisions	13	142	144	188
Total non-current liabilities		7,817	9,340	8,088
Total liabilities		10,573	10,865	10,054
Net assets		\$301,508	\$246,413	\$244,520
Equity				
Reserves	14	166,040	108,891	109,097
Retained earnings	15	135,468	137,522	135,423
		\$301,508	\$246,413	\$244,520

The accompanying notes form part of these financial statements.

GORE DISTRICT COUNCIL
STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the Financial Year Ended 30 June 2007

	Notes	2007 \$'000	Budget \$'000	2006 \$'000
Available-for-sale financial assets valuation gain/ (loss) taken to equity	14(a)	12	-	10
Cash flow hedges transferred to Statement of Financial Performance for the year	14(c)	(44)	-	(44)
Gain / (loss) on property, plant and equipment revaluation	14(b)	56,521	-	-
Net income recognised directly in equity		56,489	-	(34)
Surplus for the period		499	323	968
Total recognised income and expense for the year		<u>\$56,988</u>	<u>\$323</u>	<u>\$934</u>

Statement of Changes in Equity
For the Financial Year Ended 30 June 2007

	2007 \$'000	Budget \$'000	2006 \$'000
Equity at beginning of year	244,520	246,090	243,586
Surplus for the year	499	323	968
Movement in Available-for-sale revaluation reserve	12	-	10
Movement in Hedging Reserve	(44)	-	(44)
Movement in Asset Revaluation Reserve	56,521	-	-
Total recognised income and expenses	<u>\$56,988</u>	<u>\$323</u>	<u>\$934</u>
Equity at end of year	<u>\$301,508</u>	<u>\$246,413</u>	<u>\$244,520</u>

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL
CASH FLOW STATEMENT
For the Financial Year Ended 30 June 2007**

	Notes	2007 \$'000	Budget \$'000	2006 \$'000
Cash flows from operating activities				
Receipts from customers		13,239	13,393	13,113
Interest received		133	29	58
Payments to suppliers and employees		(8,633)	(9,096)	(8,895)
Finance costs		(504)	(565)	(483)
Net cash inflow/ (outflow) from operating activities	21(c)	4,235	3,761	3,793
Cash flows from investing activities				
Proceeds from maturity of other financial assets		20	-	317
Repayment of non-current trade and other receivables		-	10	21
Proceeds from sale of property, plant and equipment		32	-	-
Purchase of property, plant and equipment		(3,083)	(4,816)	(4,241)
Purchase of other financial assets		(862)	-	-
Net cash inflow/ (outflow) from investing activities		(3,893)	(4,806)	(3,845)
Cash flows from financing activities				
Proceeds from borrowings		186	415	499
Repayment of borrowings		(288)	(289)	(503)
Net cash inflow / (outflow) from financing activities		(102)	126	(4)
Net decrease in Cash and cash equivalents		240	(919)	(56)
Cash and cash equivalents at the beginning of the financial year		(16)	1,668	40
Cash and cash equivalents at the end of the financial year	21(a)	\$224	\$749	\$(16)

The accompanying notes form part of these financial statements.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 30 June 2007**

1. SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

The Gore District Council (“the Council”) is a territorial local authority governed by the Local Government Act 2002.

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 for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Statement of Compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for public benefit entities. These are Council’s first financial statements complying with NZ IFRS.

All available public benefit entity reporting exemptions under NZ IFRS have been adopted.

Basis of Preparation

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

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

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

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

The Council changed its accounting policies on 1 July 2006 to comply with NZ IFRS. The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1 *‘First-time Adoption of New Zealand Equivalents to International Financial Reporting Standards’*, with 1 July 2005 as the date of transition. An explanation of how the transition from superseded policies to NZ IFRS has affected the Council’s financial position, financial performance and cash flows is discussed in Note 26.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZ IFRS Balance Sheet as at 1 July 2005 for the purposes of the transition to NZ IFRS.

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council’s functional currency.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

Standards and interpretation issued not yet adopted and which may be relevant to the Council:

NZ IFRS-7

'Financial Instruments: Disclosures' and a complementary amendment to NZ IAS-1 *'Presentation of Financial Statements - Capital disclosures'*.

NZ IFRS-7 introduces new requirements to improve the information on financial instruments that is given in the entity's financial statements. It replaces NZ IAS-30 *'Disclosures in the Financial Statements of Banks and Similar Financial Institutions'* and some of the requirements in NZ IAS-32 *'Financial Instruments: Disclosure and Presentation'*. The amendment to NZ IAS-1 introduces requirements for disclosures about an entity's capital.

NZ IFRS-7 is applicable from 1 January 2007.

NZ IFRS-7 is a disclosure standard so will have no impact on the amounts included in the Council's financial statements. However, the amendments may result in changes to the financial instrument disclosures included in the Council's financial report.

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

SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

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

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

Rates Revenue

Rates revenue is recognised when it is levied.

Other Revenue

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

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

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

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

Dividends are recognised when the entitlement to the dividends 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.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

Grant Expenditure

Non-discretionary grants are those grants 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 retains substantially 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 also spread on a straight line basis over the lease term.

Borrowing Costs

All borrowing costs are recognised in the Statement of Financial Performance in the period in which they are incurred.

Taxation

The Council is exempt from Income Tax in accordance with the Income Tax Act 2004, Section CW32.

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.

Cash and Cash Equivalents

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

Financial Instruments

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

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

(i) Financial Assets

Financial Assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method, referred to below, is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

- Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

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

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

- Held-to-Maturity Investments

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

- Available-for-Sale Financial Assets

Equity securities held by the Council are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described later in this note. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, with the exception of impairment losses which are recognised directly in the Statement of Financial Performance. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the Statement of Financial Performance for the period.

Dividends on available-for-sale equity instruments are recognised in the Statement of Financial Performance when the Council's right to receive payments is established.

- Loans and Receivables

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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for doubtful debts is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is expensed in the Statement of Financial Performance.

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

Short term deposits are included within this classification.

- Impairment of Financial Assets

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

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

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent the carrying amount of the investment at the date of impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) Financial Liabilities

- Trade and Other Payables

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

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

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

Financial Instruments cont.

- Borrowings

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

(iii) Derivative Financial Instruments

The Council enters into certain derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in Note 25 to the financial statements.

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

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

The resulting gain or loss is recognised in the Statement of Financial Performance immediately unless the derivative is designated and effective as a hedging instrument, in which the timing of the recognition in the Statement of Financial Performance depends on the nature of the hedge relationship. The Council has designated certain derivatives as cash flow hedges.

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges are defined in equity. Any gain or loss on the ineffective portion is recognised immediately in profit or loss.

Amounts defined in equity are recycled in the Statement of Financial Performance in the periods when the hedged item is recognised in the Statement of Financial Performance.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss defined in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Financial Performance.

Fair Value Estimation

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

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

Embedded Derivatives

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

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.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

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, recreation 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
- Sewerage reticulation
- Stormwater reticulation
- Roads, bridges and lighting
- Land under roads
- Refuse

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

• Cost/Valuation

Property, plant and equipment is 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 for 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 New Zealand (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2007. Subsequent additions are 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 30 June 2007. In the case of land value for roads, an average of adjacent “underdeveloped land value” has been applied. Subsequent additions are valued at cost. Infrastructural assets are revalued every 3 years.

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 within a class is included at a valuation that is materially different for 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 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 increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Financial Performance will be recognised first in the Statement of Financial Performance up to the amount previously expensed, and then credited to the revaluation reserve 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 Statement of Financial Performance in the year incurred.

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

	Life (years)
Land Under Roads	N/A
Refuse	100
Operational Assets	
Land	N/A
Buildings	20 – 50
Plant and Equipment	4 – 25
Motor Vehicles	4 – 8
Office Furniture and Equipment	4 – 10
Recreation and Cultural	5 – 20
Library Books	N/A
Infrastructural Assets	
Water Reticulation	10 - 100
Sewerage Reticulation	15 - 60
Stormwater Reticulation	60
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, Roadmarkings and Streetlighting	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 Statement of Financial Performance in the period the asset is derecognised.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

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 from 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. Value in use is depreciated replacement cost for 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 it's remaining future economic benefits or service potential. In assessing value in use for cash-generating assets, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 Statement of Financial Performance immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 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 landfills, has a legal obligation under the resource consent to provide ongoing 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 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.

- **Financial Guarantee Contracts**

A financial guarantee contract is a contract that requires the Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability the Council will be required to reimburse a holder for a loss incurred discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if the Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

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 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 Council.

The components of equity are:

- Retained Earnings
- Available-for Sale Revaluation Reserve
- Asset Revaluation Reserve
- Restricted Reserves
- Council Created Reserves

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

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 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.

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

The Council's objectives, policies and processes for managing capital are described in Note 25.

Budget Figures

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

Allocation of Overheads

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

Critical Accounting Estimates and Assumptions

In preparing these financial statements the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Landfill aftercare provision

Note 13 discloses an analysis of the exposure of the Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

- 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 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 are made when determining 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

- under estimating the annual depreciation charge recognised as an expense in the statement of financial performance. 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.

Critical Accounting Estimates and Assumptions cont.

Experienced independent valuers perform the Council’s infrastructural asset revaluations.

Critical Judgements

Management has exercised the following critical judgements in applying the Council’s accounting policies for the period ended 30 June 2007:

Classification of Property

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

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	Notes	2007 \$'000	2006 \$'000
2. SURPLUS FROM OPERATIONS			
(a) Revenue			
Revenue consisted of the following items:			
<u>Rates Revenue:</u>			
General rates		2,759	2,714
Targeted rates (i)		5,896	5,564
		\$8,655	\$8,278
		\$8,655	\$8,278
 (i) Targeted rates attributable to activities			
Community Services		342	291
District Assets		5,544	5,273
Leadership		10	-
		\$5,896	\$5,564
		\$5,896	\$5,564
 <u>Other Revenue:</u>			
Revenue from renderings of services:			
Licence and fees and other revenue		2,533	2,300
		2,533	2,300
Operating lease rental revenue		93	94
Interest revenue:			
Bank deposits		-	-
Other loans and receivables		128	58
		128	58
Dividend revenue		5	-
Government grants – Transfund New Zealand		1,875	2,327
Petroleum tax		138	134
		\$4,772	\$4,913
		\$4,772	\$4,913
There are no unfulfilled conditions and other contingencies attached to government grants recognised.			
(b) Other Gains/(Losses)			
Net gain on disposal of property, plant and equipment		22	25
Net change in fair value of derivative financial instruments classified at fair value through profit or loss (interest rate swaps)		302	124
		\$324	\$149
		\$324	\$149

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	Notes	2007 \$'000	2006 \$'000
2. SURPLUS FROM OPERATIONS cont.			
(c) Employee Benefits Expense			
Salaries and wages		3,474	3,318
Defined contribution plans		47	50
Termination benefits		27	93
Other employee benefits		-	25
		<u>3,548</u>	<u>3,486</u>
		<u>\$3,548</u>	<u>\$3,486</u>
(d) Depreciation and Amortisation Expense			
Depreciation of property, plant and equipment	9	3,560	3,300
		<u>3,560</u>	<u>3,300</u>
(e) Finance Costs			
Interest on loans		485	485
Provisions: discount unwinding (Note 13)		-	-
		<u>485</u>	<u>485</u>
(f) Other Expenses			
Net bad and doubtful debts		18	20
Minimum lease payments operating lease rental		69	77
Rates remissions		46	53
Grants		238	206
Roading repairs and maintenance		1,294	1,598
Donations		-	-
Landfill aftercare provision		(25)	-
Other expenses		4,019	3,147
		<u>4,019</u>	<u>3,147</u>
		<u>\$5,659</u>	<u>\$5,101</u>

Expenses by nature are disclosed under Note 2(g).

Audit fees are disclosed under Note 4.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	2007	2006
	\$'000	\$'000
2. SURPLUS FROM OPERATIONS cont.		
(g) Summary Cost of Services by Activity		
Income		
Community Services	2,343	2,236
District Assets	10,291	10,441
Leadership	2,412	1,978
	<hr/>	<hr/>
Total activity income	15,046	14,655
<u>Add</u>		
Net change in fair value of financial assets carried at fair value through profit or loss (interest rate swaps)	302	124
Gain on disposal of property, plant and equipment	22	25
	<hr/>	<hr/>
	324	149
<u>Less</u>		
Internal recoveries	(1,619)	(1,464)
	<hr/>	<hr/>
Total Income	\$13,751	\$13,340
	<hr/> <hr/>	<hr/> <hr/>
Expenditure		
Community services	2,393	1,967
District assets	10,084	9,859
Leadership	2,394	1,976
	<hr/>	<hr/>
Total activity expenditure	14,871	13,802
<u>Add</u>		
Net change in fair value of equity securities	-	34
<u>Less</u>		
Internal expenditure	(1,619)	(1,464)
	<hr/>	<hr/>
Total Operating Expenditure	\$13,252	\$12,372
	<hr/> <hr/>	<hr/> <hr/>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

3. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the Councillors, Chief Executive and other senior management, being the key management personnel of the entity, is set out below:

Name	Position
Tracy Hicks JP	Mayor
A J McLennan	Deputy Mayor
C S Bolger	Chairperson Finance and Policy Committee
N J Davis	Chairperson Operations Committee
W F Dore JP (resigned June 2007)	Councillor
N A Harvey	Councillor
M J Hellier	Councillor
C D McFadzien (resigned June 2007)	Councillor
F T Sutherland	Councillor
F S McIntyre (resigned June 2007)	Councillor
M E Ogg QSO (resigned June 2007)	Councillor
L D Turnbull	Councillor
S F Parry	Chief Executive
N Jorgenson	General Manager District Assets
A G McKenzie (resigned August 2005)	General Manager Customer Services
S Mohan Das (resigned August 2006)	General Manager Customer Services
D C Walker (resigned December 2006)	Chief Financial Officer
R J Duthie	General Manager Corporate Services

	2007	2006
	\$'000	\$'000
Short-term employee benefits	589	629
Termination benefits	26	-
	<u>615</u>	<u>629</u>

4. REMUNERATION OF AUDITORS

Audit fees for financial statement audit	69	60
Audit fees for assurance and related services	19	37
Fees for tax services	-	-
Fees for other services	5	20
	<u>\$93</u>	<u>\$117</u>

Audit fees for assurance and related services include:
– audit of the Long Term Council Community Plan.
– audit of NZ IFRS transition

The auditor of Gore District Council, for and on behalf of the Office of the Auditor-General, is Deloitte.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	2007	2006
	\$'000	\$'000
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	298	429
Rates receivables	531	477
Allowance for doubtful debts	(125)	(107)
	<u>704</u>	<u>799</u>
Transfund Subsidy	249	215
Sundry receivables and accruals	52	62
Goods and services tax (GST) receivable	223	77
	<u>\$1,228</u>	<u>\$1,153</u>

The Council does not provide for any impairment 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 Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

6. INVENTORIES

Essential Services (at cost)	24	36
Other (at cost)	2	3
	<u>\$26</u>	<u>\$39</u>

The carrying amount of inventories pledged as security for liabilities is \$Nil (2006: \$Nil).

7. OTHER FINANCIAL ASSETS

At fair value through profit or loss:

Current

Interest Rate Swaps	578	320
	<u>578</u>	<u>320</u>

Available-for-Sale at fair value:

Non Current

Equity securities - NZ Local Government Insurance Company shares	124	112
	<u>124</u>	<u>112</u>

Loans and receivables at Amortised Cost:

Current

Short Term Deposits (i)	1,573	711
	<u>1,573</u>	<u>711</u>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

Non-Current

Loans to Community Groups	210	230
	<hr/> 210	<hr/> 230
	<hr/> \$2,485	<hr/> \$1,373
	<hr/> <hr/>	<hr/> <hr/>

Disclosed in the financial statements as:

Current	2,151	1,077
Non-current	334	296
	<hr/> 2,485	<hr/> 1,373
	<hr/> <hr/>	<hr/> <hr/>

There are no impairment provisions for other financial assets.

(i) The total value of Short Term Deposits that can only be used for a specified purpose as outlined in the relevant trust deeds is \$524,000 (2006: \$511,000).

8. OTHER CURRENT ASSETS

Prepayments	54	15
	<hr/> 54	<hr/> 15
	<hr/> <hr/>	<hr/> <hr/>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

9. PROPERTY PLANT AND EQUIPMENT

2007

	Cost /Valuation 1 July 2006	Additions	Disposals	Revaluation	Cost /Valuation 30 June 2007	Accumulated depreciation and impairment charges 1 July 2006	Impairment losses charged in Statement of Financial Performance	Depreciation expense	Accumulated depreciation reversed on disposal	Accumulated depreciation reversed on revaluation	Accumulated depreciation and impairment charges 30 June 2007	Carrying amount 30 June 2007
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Council Operational Assets												
At Cost												
Land	72	-	-	-	72	-	-	-	-	-	-	72
Buildings	200	-	-	-	200	(47)	-	(20)	-	-	(67)	133
Plant and equipment	1,464	110	(15)	-	1,559	(925)	-	(105)	-	-	(1,030)	529
Motor vehicles	1,066	176	(84)	-	1,158	(684)	-	(144)	81	-	(747)	411
Office furniture and equipment	1,196	105	-	-	1,301	(1,028)	-	(49)	-	-	(1,077)	224
Recreation and cultural	531	-	-	-	531	(289)	-	(29)	-	-	(318)	213
Library Books	1,370	-	-	-	1,370	(3)	-	-	-	-	(3)	1,367
Work in progress Buildings	21	193	-	-	214	-	-	-	-	-	-	214
Work in Progress Office Equipment	13	-	(13)	-	-	-	-	-	-	-	-	-
At Valuation												
Land	5,061	-	(3)	2,222	7,280	-	-	-	-	-	-	7,280
Buildings	8,936	-	-	1,500	10,436	(625)	-	(308)	-	933	0	10,436
Total Operational Assets	19,930	584	(116)	3,722	24,121	(3,601)	-	(654)	81	933	(3,241)	20,880
Council Infrastructural Assets												
At valuation												
Water Reticulation	10,090	157	-	504	10,751	(763)	-	(389)	-	1,152	-	10,751
Sewerage Reticulation	10,718	206	-	86	11,010	(635)	-	(325)	-	960	-	11,010
Stormwater Reticulation	6,897	-	-	991	7,888	(466)	-	(234)	-	700	-	7,888
Roads - Formation	120,481	29	-	26,988	147,498	-	-	-	-	-	-	147,498
Roads - Pavement (Non depreciable)	14,952	-	-	2,102	17,054	-	-	-	-	-	-	17,054
Roads - Pavement (Depreciable)	39,354	1,654	-	8,377	49,385	(2,086)	-	(1,240)	-	3,326	-	49,385
Roads - Footpaths, Kerbs, Bridges & Culverts	20,364	428	-	1,730	22,523	(1,175)	-	(607)	-	1,782	-	22,523
Roads - Signs, Roadmarkings and Streetlights	1,124	52	-	53	1,229	(148)	-	(81)	-	229	-	1,229
Land under Roads	15,865	-	-	2,887	18,752	-	-	-	-	-	-	18,752
Refuse	1,021	-	-	-	1,021	(10)	-	(31)	-	-	(41)	980
Work in Progress	82	32	-	-	114	-	-	-	-	-	-	114
Total Infrastructural Assets	240,948	2,559	-	43,718	287,225	(5,283)	-	(2,906)	-	8,148	(41)	287,184
Total Council Property, Plant and Equipment	260,878	3,143	(116)	47,440	311,346	(8,884)	-	(3,560)	81	9,081	(3,282)	308,064

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

9. PROPERTY, PLANT AND EQUIPMENT cont

2006

	Cost /Valuation 1 July 2005	Additions	Disposals	Revaluation	Cost /Valuation 30 June 2006	Accumulated depreciation and impairment charges 1 July 2005	Impairment losses charged in Statement of Financial Performance	Depreciation expense	Accumulated depreciation reversed on disposal	Accumulated depreciation reversed on revaluation	Accumulated depreciation and impairment charges 30 June 2006	Carrying amount 30 June 2006
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Council Operational Assets												
At Cost												
Land	72	-	-	-	72	-	-	-	-	-	-	72
Buildings	200	-	-	-	200	(39)	-	(8)	-	-	(47)	153
Plant and equipment	1,310	191	(37)	-	1,464	(867)	-	(95)	37	-	(925)	539
Motor vehicles	914	251	(99)	-	1,066	(639)	-	(109)	64	-	(684)	382
Office furniture and equipment	1,177	58	(39)	-	1,196	(979)	-	(49)	-	-	(1,028)	168
Recreation and cultural	530	1	-	-	531	(260)	-	(29)	-	-	(289)	242
Library Books	1,370	-	-	-	1,370	(2)	-	(1)	-	-	(3)	1,367
Work in progress Buildings	-	21	-	-	21	-	-	-	-	-	-	21
Work in progress Office Equipment	-	13	-	-	13	-	-	-	-	-	-	13
At Valuation												
Land	5,061	-	-	-	5,061	-	-	-	-	-	-	5,061
Buildings	8,936	-	-	-	8,936	(306)	-	(319)	-	-	(625)	8,311
Total Operational Assets	19,570	535	(175)	-	19,930	(3,092)	-	(610)	101	-	(3,601)	16,329
Council Infrastructural Assets												
At valuation												
Water Reticulation	9,990	100	-	-	10,090	(380)	-	(383)	-	-	(763)	9,327
Sewerage Reticulation	10,569	149	-	-	10,718	(315)	-	(320)	-	-	(635)	10,083
Stormwater Reticulation	6,897	-	-	-	6,897	(233)	-	(233)	-	-	(466)	6,431
Roads - Formation	120,351	130	-	-	120,481	-	-	-	-	-	-	120,481
Roads - Pavement (Non depreciable)	14,789	163	-	-	14,952	-	-	-	-	-	-	14,952
Roads - Pavement (Depreciable)	37,431	1,923	-	-	39,354	(1,007)	-	(1,079)	-	-	(2,086)	37,268
Roads - Footpaths, Kerbs, Bridges & Culverts	19,966	398	-	-	20,364	(585)	-	(590)	-	-	(1,175)	19,189
Roads - Signs, Roadmarkings and Streetlights	1,047	77	-	-	1,124	(73)	-	(75)	-	-	(148)	976
Land under Roads	15,863	2	-	-	15,865	-	-	-	-	-	-	15,865
Refuse	661	360	-	-	1,021	-	-	(10)	-	-	(10)	1,011
Work in Progress	-	82	-	-	82	-	-	-	-	-	-	82
Total Infrastructural Assets	237,564	3,384	-	-	240,948	(2,593)	-	(2,690)	-	-	(5,283)	235,665
Total Council Property, Plant and Equipment	257,134	3,919	(175)	-	260,878	(5,685)	-	(3,300)	101	-	(8,884)	251,994

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007

	2007	2006
	\$'000	\$'000
10. TRADE AND OTHER PAYABLES		
Trade payables (i)	1,099	551
Other accrued charges	261	250
Rates in advance	215	177
Deposits and retentions	59	40
Accrued interest	49	42
	<u>1,683</u>	<u>1,060</u>
	<u><u>\$1,683</u></u>	<u><u>\$1,060</u></u>
(i) The average credit period on purchases is 30 days.		
11. EMPLOYEE ENTITLEMENTS		
Accrued salary and wages	67	62
Annual leave	266	215
Long service leave	53	50
Retirement gratuities	56	54
Sick leave	8	9
	<u>450</u>	<u>390</u>
	<u><u>\$450</u></u>	<u><u>\$390</u></u>
12. BORROWINGS		
At amortised cost		
Secured borrowings (i)	7,798	7,900
Unsecured borrowings (ii)	500	500
	<u>8,298</u>	<u>8,400</u>
	<u><u>\$8,298</u></u>	<u><u>\$8,400</u></u>
Disclosed in the financial statements as:		
Current	623	500
Non-current	7,675	7,900
	<u>8,298</u>	<u>8,400</u>
	<u><u>\$8,298</u></u>	<u><u>\$8,400</u></u>

(i) The Council has borrowings of \$7,798,000 with ANZ National Bank Limited. The Council may draw funding for terms ranging from call to the termination of the agreement, which is 30 June 2010. The security for the borrowings is a general security over future rates.

(ii) The Council has a \$500,000 interest free loan from Southland Building Society (SBS). The loan is currently held on call. Subsequent to balance date, the loan, upon partial repayment was renegotiated and secured over the Ice Sport Southland asset. Refer Note 20.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	2007	2006
	\$'000	\$'000
13. PROVISIONS		
<u>Landfill aftercare provision (i)</u>		
Balance at beginning of year	188	193
Additional provisions recognised	-	11
Reductions arising from payments/other sacrifices of future economic benefits	(21)	(16)
Reductions resulting from re-measurement or settlement without cost	(25)	-
Unwinding of discount and effect of changes in the discount rate	-	-
Balance at end of year	<u>\$142</u>	<u>\$188</u>

(i) Provision for landfill aftercare costs.

Due to the implementation of the Transfer Station, the landfills are now closed.

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 8% (2006: 6%).

14. RESERVES

Available-for-sale revaluation reserve (a)	22	10
Asset revaluation reserve (b)	163,503	106,982
Hedging Reserve (c)	152	196
Restricted Reserves (d)	2,145	1,742
Council Created Reserves (e)	218	167
	<u>\$166,040</u>	<u>\$109,097</u>

(a) Available-for-Sale Revaluation Reserve

Balance at beginning of year	10	-
Valuation gain/(loss) recognised	12	10
Balance at end of year	<u>\$22</u>	<u>\$10</u>

The available-for-sale revaluation reserve arises on the revaluation of the equity securities. Where a revalued financial asset is sold that portion of the reserve which relates to that financial asset, and is effectively realised, is recognised in the Statement of Financial Performance. Where a revalued financial asset is impaired that portion of the reserve which relates to that financial asset is recognised in the Statement of Financial Performance.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	2007	2006
	\$'000	\$'000
14. RESERVES cont		
(b) Asset Revaluation Reserve		
Balance at beginning of year	106,982	106,982
Revaluation increase / (decrease)		
• Water reticulation	1,656	-
• Sewerage and Stormwater reticulation	2,737	-
• Roads, Bridges and Lighting	47,474	-
• Land	2,222	-
• Buildings	2,432	-
	<u>56,521</u>	<u>-</u>
Transferred from/(to) Retained Earnings	<u>-</u>	<u>-</u>
Balance at end of year	<u>\$163,503</u>	<u>\$106,982</u>

The asset revaluation reserve arises on the revaluation of land and buildings and infrastructural assets. Where a revalued asset is sold that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred directly to retained earnings.

Revaluation Reserve by class of asset

	Water Reticulation	Sewerage & Stormwater Reticulation	Roads, Bridges & Lighting	Land	Buildings	Total
Revaluation increase/ (decrease)	-	-	-	-	-	-
Balance at 30 June 2006	2,054	2,914	99,072	2,720	222	\$106,982
Revaluation increase/ (decrease)	1,656	2,737	47,474	2,222	2,432	56,521
Balance at 30 June 2007	<u>3,710</u>	<u>5,651</u>	<u>146,546</u>	<u>4,942</u>	<u>2,654</u>	<u>\$163,503</u>

	2007	2006
	\$'000	\$'000
(c) Hedging Reserve		
Balance at beginning of year	196	240
Transferred to Statement of Financial Performance - Interest Rate Swaps	<u>(44)</u>	<u>(44)</u>
Balance at end of year	<u>\$152</u>	<u>\$196</u>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

2007 **2006**
\$'000 **\$'000**

14. RESERVES cont

The hedging reserve represents hedging gains or losses recognised on the effective portion of cashflow hedges. The cumulative deferred gain or loss on the hedge is recognised when the hedged transaction impacts the Statement of Financial Performance.

Hedge accounting was required at the date of transition to NZ IFRS on the basis the derivatives were a qualifying hedge for superseded NZ GAAP. Subsequent to transfer to NZ IFRS hedge accounting has been discontinued.

(d) Restricted Reserves

Balance at beginning of year	1,742	1,500
Transfer from/(to) Retained Earnings	403	242
	_____	_____
Balance at end of year	\$2,145	\$1,742

Restricted reserves include:

- trust and bequest funds that have been provided to the Council by various people for specific purposes.
- funds for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate.

(e) Council Created Reserves

Balance at beginning of year	167	1,659
Transfer from/(to) Retained Earnings	51	(1,492)
	_____	_____
Balance at end of year	\$218	\$167

Council created reserves funds are built up annually from general rates and are made available for specific events or purposes.

15. RETAINED EARNINGS

Retained Earnings

Balance at beginning of year	135,423	133,205
Net surplus/(deficit)	499	968
Transfers from/(to) reserves:		
Asset revaluation reserve	-	-
Restricted and Council Created Reserves	(454)	1,250
	_____	_____
Balance at end of year	\$135,468	\$135,423

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

16. COMMITMENTS FOR EXPENDITURE

(a) Capital and Other Expenditure Commitments

Capital and other expenditure commitments at 30 June 2007 were \$Nil (30 June 2006: \$Nil).

(b) Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in Note 18 to the financial statements.

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities at 30 June, 2007 (2006: Nil).

18. LEASES

Disclosures for lessees

(a) Leasing Arrangements

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.

	2007	2006
	\$'000	\$'000
(b) Non-Cancellable Operating Lease Payments		
Not longer than 1 year	32	23
Longer than 1 year and not longer than 5 years	27	-
Longer than 5 years	27	-
	<u>86</u>	<u>23</u>
	<u>\$86</u>	<u>\$23</u>

19. RELATED PARTY DISCLOSURES

(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:

	2007	2006
	\$'000	\$'000
Necklen-McDonald (owned by Councillor Nicky Davis) - purchase of stationery items	19	21

(b) Other Transactions Involving Related Parties

There were no other transactions with related parties.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

20. SUBSEQUENT EVENTS

Subsequent to year end, the Council provided a financial guarantee to SBS for a loan made to Ice Sport Southland. The loan provided to Ice Sport Southland is for \$65,000 and the guarantee provided by the Council is for \$65,000. The Council will be obligated to repay the amount guaranteed only in the event Ice Sport Southland default on the loan.

21. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in bank and short term deposits with maturity dates of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
Cash and cash equivalents	224	-
Bank overdraft	-	(16)
	<u>\$224</u>	<u>(\$16)</u>

(b) Borrowings – Facilities

Secured bank overdraft facility with Westpac Banking Corporation, payable at call.

• Amount used	-	16
• Amount unused	600	584
	<u>\$600</u>	<u>\$600</u>

Secured bank loan facilities with ANZ with various maturity dates through to 30 June 2010 and which may be extended by mutual agreement:

• Amount used	7,798	7,900
• Amount unused	4,022	1,700
	<u>\$11,820</u>	<u>\$9,600</u>

Unsecured bank loan facility with SBS at call. (Refer Note 20 for details of facility renegotiated subsequent to balance date.)

• Amount used	500	500
• Amount unused	-	-
	<u>\$500</u>	<u>\$500</u>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

	2007	2006
	<u>\$'000</u>	<u>\$'000</u>
21. NOTES TO THE CASH FLOW STATEMENT cont.		
(c) Reconciliation of Surplus for the Period to Net Cash Flows From Operating Activities		
Surplus for the period	499	968
Add/(less) non-cash items:		
Depreciation	3,560	3,300
Gain on sale of property, plant and equipment	(22)	(25)
Net change in fair value of derivative financial instruments	(302)	(124)
Net change in the landfill provision	(46)	(5)
Non-current employee entitlements	-	9
	<u>3,190</u>	<u>3,155</u>
Movement in working capital:		
Trade and other receivables	(75)	(20)
Inventories	13	(3)
Other current assets	(39)	-
Trade and other payables	623	(710)
Employee entitlements	60	40
	<u>582</u>	<u>(693)</u>
Items classified as Investing Activities:		
Property, plant and equipment included in trade and other payables	(36)	363
Net cash inflow from operating activities	<u><u>\$4,235</u></u>	<u><u>\$3,793</u></u>

22. SEVERANCE PAYMENTS

For the year ended 30 June 2007 Council made one (2006: Four) severance payments to employees totalling \$26,500 (2006: \$92,560).

23. REMUNERATION

During the year to 30 June 2007, 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:

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

Elected Representatives

	2007	2006
	\$	\$
Tracy Hicks JP (Mayor)	54,120	52,384
A J McLennan (Deputy Mayor)	18,032	16,606
C S Bolger	18,032	16,606
N J Davis	18,032	16,606
W F Dore JP (resigned June 2007)	9,753	9,158
N A Harvey	9,945	9,158
M J Hellier	9,945	9,158
C D McFadzien (resigned June 2007)	17,280	10,391
F T Sutherland	9,945	9,158
F S McIntyre (resigned June 2007)	9,753	9,158
M E Ogg QSO (resigned June 2007)	9,753	14,886
L D Turnbull	9,945	9,158

Chief Executive

Stephen Parry, the Chief Executive of the Council appointed under Section 42 of the Local Government Act 2002 received a salary of \$158,247 (2006: \$140,794).

For the year ended 30 June 2007, the total annual cost including fringe benefit tax to the Council of the remuneration package being received by the Chief Executive is calculated at \$163,868 (2006: \$150,450).

24. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanation of major variations from Council's estimated figures in the 2006/2007 budget, as reflected in the Long Term Council Community Plan, are as follows:

Statement of Financial Performance

There are no major differences in revenue and expenditure when compared to budget.

Statement of Financial Position

In 2007 the revaluation of the Infrastructural Assets was brought forward to fairly reflect the asset carrying value. The amount of the revaluation was \$56,521,000. This revaluation was to be completed in the 2007/08 year.

Statement of Changes in Equity

In 2007 the revaluation of the Infrastructural Assets was brought forward to fairly reflect the asset carrying value. The amount of the revaluation was \$56,521,000. This revaluation was to be completed in the 2007/08 year.

Cash Flow Statement

There were no major differences in cash flows when compared to budget.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

25. FINANCIAL INSTRUMENTS

(a) Capital Risk Management

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

The Local Government Act 2002 (the Act) requires the 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. Retained Earnings is 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 by 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 asset classes 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 Council Community Plan (LTCCP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act sets out the factors that 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.

The Council has the following Council created reserves:

- Reserves for different areas of benefit; and
- Trust and bequest reserves.

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

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.

The Council's overall strategy remains unchanged from 2006.

(b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

25. FINANCIAL INSTRUMENTS cont.

(c) Categories of Financial Instruments

	2007	2006
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	224	-
Trade and other receivables	1,228	1,153
Other financial assets:		
• Fair value through profit or loss		
- held for trading	578	320
• Loans and receivables	1,783	941
• Available-for-sale financial assets	124	112
Financial Liabilities		
Bank overdraft	-	16
Trade and other payables	1,683	1,060
Borrowings	8,298	8,400

(d) Financial Risk Management Objectives

The Council has a series of policies to manage the risks associated with financial instruments. The Council is risk adverse and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way.

The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(e) Market Risk

Interest Rate Risk

The Council is exposed to interest rate risk as it borrows funds at floating interest rates and also invests cash in short term deposits at fixed interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments at fixed interest rates expose the Council to fair value 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 issued at variable interest rates expose the Council to cash flow interest rate risk. The risk is managed by the use of floating-to-fixed interest rate swaps contracts with a range of terms. These swaps have the economic effect of converting borrowings from floating rate to fixed rates. Under the interest rate swaps contracts, the 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 notional principal amounts.

Interest Rate Swap Contracts

Under interest rate swap contracts, the Council agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Council to mitigate the risk of changing interest rates on debt held. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date and are disclosed below. The average interest rate is based on the outstanding balances at the start and end of the financial year.

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

25. FINANCIAL INSTRUMENTS cont.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

Outstanding Floating for Fixed Contracts	Average Contract Fixed Interest Rate		Notional Principal Amount		Fair Value	
	2007 %	2006 %	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Less than 1 year	5.66	-	2,500	-	65	-
1 to 2 years	-	5.66	-	2,500	-	68
2 to 5 years	-	-	-	-	-	-
5+ years	5.93	5.93	5,400	5,400	513	252
			<u>\$7,900</u>	<u>\$7,900</u>	<u>\$578</u>	<u>\$320</u>

Hedge accounting has not been adopted.

(f) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Council.

Other than Transfund New Zealand, the Council has no significant concentrations of credit risk arising from trade receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Council's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(g) Liquidity Risk Management

Liquidity risk is the risk that the Council will encounter difficulty in raising liquid funds to meets commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Council manages liquidity risk by maintaining adequate funds on deposit, reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 21 is a listing of additional undrawn facilities that the Council has at its disposal to further reduce liquidity risk.

The maturity profiles of the Council's interest bearing investments and borrowings are disclosed below.

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007

25. **FINANCIAL INSTRUMENTS cont.**

Maturity Profile of Financial Instruments

The following tables detail the Council's exposure to interest rate risk on financial instruments:

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$'000	Fixed Maturity Dates					Non Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000		
2007									
Financial assets:									
Cash and cash equivalents	0.75	224	-	-	-	-	-	-	224
Trade and other receivables	-	-	-	-	-	-	-	1,228	1,228
Other financial assets									
Interest Rate Swaps	-	-	-	-	-	-	-	578	578
Equity Securities -NZ									
Local Government									
Insurance Company									
Shares	-	-	-	-	-	-	-	124	124
Short Term Deposits	8.16	-	1,573	-	-	-	-	-	1,573
Loans to Community Groups	-	-	-	-	-	-	-	210	210
Financial liabilities:									
Bank overdraft	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	1,683	1,683
Borrowings	8.0	7,798	500	-	-	-	-	-	8,298

	Weighted Average Effective Interest Rate %	Variable Interest Rate \$'000	Fixed Maturity Dates					Non Interest Bearing \$'000	Total \$'000
			Less than 1 year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000		
2006									
Financial assets:									
Cash and cash equivalents	-	-	-	-	-	-	-	-	-
Trade and other receivables	-	-	-	-	-	-	-	1,153	1,153
Other financial assets									
Interest Rate Swaps	-	-	-	-	-	-	-	320	320
Equity Securities -NZ									
Local Government									
Insurance Company									
Shares	-	-	-	-	-	-	-	112	112
Short Term Deposits	7.05	-	711	-	-	-	-	-	711
Loans to Community Groups	-	-	-	-	-	-	-	230	230
Financial liabilities:									
Bank overdraft	9.65	16	-	-	-	-	-	-	16
Trade and other payables	-	-	-	-	-	-	-	1,060	1,060
Borrowings	7.4	7,900	500	-	-	-	-	-	8,400

GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007

25. **FINANCIAL INSTRUMENTS cont.**

(h) **Fair Value of Financial Instruments**

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.
- the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

The Council considers that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

26. **IMPACTS OF THE ADOPTION OF NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Council changed its accounting policies on 1 July 2006 to comply with NZ IFRS. The transition to NZ IFRS is accounted for in accordance with NZ IFRS-1 'First-Time Adoption of New Zealand Equivalents to International Reporting Standards', with 1 July 2005 as the date of transition.

An explanation of how the transition from superseded policies to NZ IFRS has affected the Council's financial position, financial performance and cash flows is set out below:

Reconciliation of Equity under NZ IFRS

	Notes	30 June 2006 \$'000	1 July 2005 \$'000
Total reported equity under superseded NZ GAAP		244,205	243,352
NZ IFRS adjustments:			
Change in fair value of equity securities	a	44	34
Change in fair value of derivative financial instruments – interest rate swaps	b	320	240
Employee entitlements	c	(49)	(40)
		<u>315</u>	<u>234</u>

Reconciliation of Surplus under NZ IFRS

	Notes	Year ended 30 June 2006 \$'000
Total reported surplus under superseded NZ GAAP		853
NZ IFRS adjustments:		
Change in fair value of derivative financial Instruments – interest rate swaps	b	124
Employee entitlements	c	(9)
		<u>115</u>
		<u>\$968</u>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

26. IMPACTS OF THE ADOPTION OF NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS cont.

NZ IFRS-1 exemptions

NZ IFRS-1 permits entities adopting NZ IFRS for the first time some exemptions from the full requirements of NZ IFRS when applying the standards to comparative periods.

The Council has applied the following exemptions:

- The carrying value of Library Books at the date of transition has been assessed as deemed cost under NZ IFRS.

Notes to the Reconciliations of Income and Equity

(a) Equity Securities

Under superseded NZ GAAP, equity securities were stated at the lower of cost and net realisable value. Under NZ IFRS equity securities are classified as "available-for-sale" financial assets and are measured at fair value based on quoted market prices. The difference represents an adjustment to equity on transition to NZ IFRS.

(b) Derivative Financial Instruments

Under NZ IFRS derivative financial instruments are measured at fair value. Such instruments were not measured or recognised under superseded NZ GAAP

Under superseded NZ GAAP, the interest rate swaps held by the Council were designated as effective hedges. Accordingly at transition to NZ IFRS, the fair value of these derivative financial instruments was recognised in the Hedging Reserve.

Under NZ IFRS, the Council does not meet the conditions for hedge accounting and has applied the requirements for discontinuing hedge accounting. The carrying amount in the Hedging Reserve will be amortised to the Statement of Financial Performance, based on a recalculated effective interest rate at the date of transition, such that the carrying amount will be fully amortised by maturity of the financial instrument.

All future changes in the fair value of the interest rate swaps will be recognised directly in the Statement of Financial Performance.

Hedging Reserve

	30 June 2006	1 July 2005
	\$'000s	\$'000s
Total reported retained earnings under superseded NZ GAAP	-	-
NZ IFRS adjustments:		
Change in fair value of derivative financial Instruments – interest rate swaps	240	240
Cash Flow Hedge transferred to Statement of Financial Performance	(44)	-
	<hr/>	<hr/>
	\$196	\$240
	<hr/>	<hr/>

**GORE DISTRICT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
For the Financial Year Ended 30 June 2007**

26. IMPACTS OF THE ADOPTION OF NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS cont.

(c) Employee Entitlements

The adjustment under NZ IFRS relates to long service being calculated on an actuarial basis and sick leave. Under superseded NZ GAAP long service leave was recognised only when the employee reached the resting period and no liability for sick leave was recognised.

(d) Property, Plant and Equipment

The Council elected to measure certain classes of property, plant and equipment on transition to NZ IFRS at carrying value and adopted revaluations performed before the date of transition under superseded NZ GAAP as deemed cost. The following revaluations under superseded NZ GAAP were adopted as deemed cost at the date of transition:

- 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.

(e) Retained Earnings

	30 June 2006	1 July 2005
	<u>\$'000s</u>	<u>\$'000s</u>
Total reported retained earnings under superseded NZ GAAP	135,314	133,211
NZ IFRS adjustments:		
Change in fair value of equity securities	34	34
Change in fair value of derivative financial Instruments – interest rate swaps	124	-
Employee entitlements	(49)	(40)
	<u>109</u>	<u>(6)</u>
	<u>\$135,423</u>	<u>\$133,205</u>

Effect of NZ IFRS on the Cash Flow Statement for the Financial Year Ended 30 June, 2006

There were no material differences between the cash flow statement presented under NZ IFRS and the cash flow statement presented under the superseded policies.

COMMUNITY OUTCOMES AND REPORT ON PROGRESS

Outcomes Description (a joint statement by Gore District, Southland District, Invercargill City and Environment Southland)

To maintain and improve the lifestyle we have in Southland, residents have identified, through the ‘Our Way Southland’ project, the following as the outcomes they want for themselves, their families and their communities. The ‘Our Way Southland’ report not only describes the seven community outcomes identified by Southlanders, it identifies the layers of intermediate outcomes and outputs that support them. The Long Term Council Community Plan contains further information on these outcomes.

Outcome 1: Southland is a great place to live.

Lifestyle and Culture

- 1.1 We value our history and heritage
- 1.2 We have a choice of quality places to go and things to do
- 1.3 We embrace and respect a diverse community
- 1.4 We are proud to be Southlanders
- 1.5 We live in a creative place

Outcome 2: A diverse economy built from our strengths for growth and prosperity.

Economy and Employment

- 2.1 We have a quality infrastructure with potential for growth
- 2.2 We have an innovative and vibrant culture that supports business
- 2.3 We have a business friendly environment in which to operate
- 2.4 We have an economy built on our competitive advantage
- 2.5 We have full employment and rewarding careers
- 2.6 We retain and build on our skills base
- 2.7 We keep the things about living here that we value

Outcome 3: Safe places in a caring society that is free from crime.

Law and Order

- 3.1 We have safe roads
- 3.2 We have safe homes
- 3.3 We have public places safe for children and families
- 3.4 We apprehend and hold law breakers appropriately accountable
- 3.5 We support the victims of crime

Outcome 4: We are healthy people.

Health and Wellbeing

- 4.1 We are able to live healthy lifestyles
- 4.2 We have good quality affordable housing
- 4.3 We live in a compassionate caring community
- 4.4 We have equity of access to health services

Outcome 5: Strong, effective leadership taking us into the future.

Leadership

- 5.1 Citizens and communities are inspired, motivated and empowered
- 5.2 Decisions are progressive, forward looking and robust
- 5.3 The community has confidence in its leaders

Outcome 6: A treasured environment which we care for and which supports us now and into the future.

Environment

- 6.1 We have an informed community
- 6.2 We have a healthy, safe and accessible built environment
- 6.3 We have an environment protected from the negative effects of human activities

Outcome 7: A well-educated and skilled community continually seeking further opportunities to learn.

Education and Training

- 7.1 We have accessible learning opportunities
- 7.2 We have high quality learning opportunities available to meet community needs and demands
- 7.3 We deliver innovative, integrated and effective learning programmes
- 7.4 We have a culture of continuous learning

Council's Contribution to Outcomes

Include in here anything the individual council wants to include about your own contributions if you choose.

Measuring the Community's Progress Towards Outcomes

Councils are required to monitor and report on the community's progress towards achieving the outcomes at least every three years as well as reporting the results of any measurement of progress carried out during the year in the annual report. The outcomes identified belong to all of Southland and therefore a collective approach is required for monitoring and reporting procedures. As stated in the Long Term Council Community Plan 2006-2016, the councils are currently working on the development and implementation of monitoring and reporting arrangements with other organisations around the region.

Once acceptable arrangements are put in place to capture relevant performance data in respect of the seven outcomes, this data will be analysed at regular intervals. The Shared Services Forum will manage the monitoring and reporting phase of the community outcomes process. This approach will enable progress in attaining or contributing to outcomes to be regularly assessed and, if necessary, corrective measures put in place to stimulate improvement.

The four councils within Southland are still in the process of identifying and agreeing which measures will be used to assess progress towards achievement of the community outcomes. As such, the Council has not carried out any specific benchmarking or measurement of these during the 2006/2007 year and therefore does not have any data to report in this Annual Report.

The Benchmark Report, which will use a range of information to describe where Southland is currently sitting in terms of the seven outcomes, will be prepared in the 2007/2008 year. A full report will then be produced on whether any progress has been made towards the outcomes by October 2008. This report will also include any actions and/or recommendations proposed.

While the legislation requires the Council to produce a report on progress being made every three years (in this case by 30 June 2009), the four councils have agreed that the report should be completed earlier to allow any related projects and funding to be included in each of the councils draft Long Term Council Community Plan 2009-2019. Representatives of the four councils have met and agreed to recruit a regional community outcomes co-ordinator who will work with other organisations to prepare the benchmark and full community outcomes report as well as facilitating discussions with organisations to identify projects, actions and recommendations which will address any needs and opportunities.

In addition, during the year the four councils have been working with the Ministry of Social Development (MSD) on their Local Services Mapping process (in both Gore and in Invercargill/Bluff). The process involves government agencies, local government, iwi and community-based services and aims to improve the development, planning, delivery and funding of social services to families in communities. This three step process involves the production of a community report, followed by an action plan which looks at responses to the community report and lastly, implementation of the actions. The process involves collecting socio-demographic data, conducting stock takes of social service providers, analysing gaps, needs and opportunities for service planning and delivery and developing agreed actions or recommendations to respond to these. In Gore, this information has been released in a community report and an action plan has been prepared which lists parent education/support, income levels for Māori, promotion of healthy lifestyles and boosting youth opportunities/outlooks as the priorities. In Invercargill/Bluff, the information has been summarised into a draft community report which is expected to be released by the MSD in November 2007. Several of the key issues identified in this phase include the need for respite care; supported accommodation, further co-ordination and collaboration, teen parent education, access to residential drug and alcohol services, improving educational outcomes for Māori as well as discussion around outcomes-based contracting by government.

As this process has provided a large amount of information, particularly about social wellbeing, it is expected that some of this information will also be used to report on the 'social wellbeing' related community outcomes (such as health and wellbeing) in the Community Outcomes Benchmark Report.

COMMUNITY SERVICES

ARTS AND HERITAGE

Introduction

Arts & Heritage is a department within the Council that facilitates the sustainable development of community-owned, non-profit arts and heritage enterprises, facilities and infrastructures. It also manages, in partnership with key public providers, cultural property and programmes for the benefit of the people of Gore 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.

Gore District hosts a significant range of award-winning cultural facilities, museums and collections. Items of movable cultural property include heritage collections and art collections of local, regional, national and international significance.

Departmental resources are spread over a number of sites within Gore District. Staff of the department play a pivotal role in facilitating the development of arts, culture and heritage resources in the district. They actively seek capital funding from external sources for arts and heritage initiatives in the District, perform project management functions in the implementation phase of building arts and heritage facilities, as well as provide on-going management of related collections and programmes.

The department fills a wider cultural and developmental brief by entering into community partnerships that meet agreed criteria articulated in Council policies relating to Events, Community and Economic Development.

Through its 'heritage' brief, the department actively participates in the work of key regional heritage organisations, including: the NZ Historic Places Trust (Southland Branch) and Southland Regional Heritage Committee.

By virtue of its 'arts' brief, the department is an active participant in the work of key regional arts organisations, including: Creative Communities Scheme (Gore District) and Creative Southland.

From time to time, the department collaborates with organisers of local cultural tourism events, for instance, the Hokonui Moonshiners' Festival, NZ Country Music Festival, and the Hokonui Fashion Design Awards.

In addition, the department networks with local business and community development entities, such as Focus Forum (Eastern Southland Chamber of Commerce) and Venture Southland, in the interest of promoting and facilitating cultural tourism opportunities in Gore District.

With regard to public education, the department actively encourages the interest of education providers, groups and organisation in the arts and cultural collections and histories of Gore District. To this end, opportunities and access are afforded to an increasing number of stakeholders, in particular:

- Primary Schools (local and regional)
- Intermediate Schools (local and regional)
- Secondary Schools (local and regional)
- Technical Institutes (regional and national)
- Universities (national and international)
- Organised Groups (local, regional, national)
- Tourism Providers (national and international)

Why is the Service Provided?

The current arts and heritage infrastructure in Gore District is the result of considerable investment on the part of individuals, groups, businesses, public sector funding agencies and major philanthropists. The desire for a significant local cultural infrastructure is clearly articulated by the seven public stakeholder organisations (listed above) and their substantial combined membership.

With the exception of a \$150,000.00 capital development grant from the Gore District Council for the purposes of establishing the Hokonui Heritage Centre, the current combined arts and heritage asset value of \$7.9 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 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.

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the Council’s arts and heritage department
<i>Lifestyle and Culture</i> ‘Southland is a great place to live’	Arts, culture and heritage facilities that are well-maintained and carefully developed increases the diversity of arts, culture and heritage attractions available to residents, thus promoting their quality of life.
<i>Education and Training</i> ‘A well-educated and skilled community continually seeking further opportunities to learn’	Arts, culture and heritage facilities help people connect with their history and culture. Exhibits featuring arts and cultural artefacts from other cultures may help foster a broader appreciation for arts, culture and heritage.

Levels of Service 2006 – 2009/16

The following Levels of Service and Performance Measures apply for each year of the Long Term Council Community Plan, from financial year 2006 through to 2016.

Objective – What we planned on providing to the Community (Levels of Service)

To provide for the cultural well-being of the people of Gore District through supporting the effective and sustainable management and development of arts and heritage facilities

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **To maintain the current arts and heritage activity programme**

A summary of current and future performance targets is as follows:

Hold at least 6 exhibitions and 4 arts related projects and performances each year

Performance in 2006/07:

- 12 Exhibitions
- 12 Performances/Projects/Activities

- **Maintain public accessibility to the Hokonui Heritage Centre**

A summary of current and future performance targets is as follows:

- **Ensure the Centre is open 362 days per year**
 - It is intended that the current customer satisfaction rate of 80%, as measured by entries in the Visitors book, will be maintained.
- **Provide accessible heritage research services**

A summary of current and future performance targets is as follows:

- Services are available 250 days per year

Performance in 2006/07:

- Services were provided on 256 days.

- **To educate and foster an appreciation for arts, culture and heritage resources located in the District**

A summary of current and future performance targets is as follows:

- The arts and heritage precinct to attract an average of 50 school and special interest group visits per year.
- It is intended that the current customer satisfaction rate of 80%, as measured by entries in the Visitors book will be maintained.

Performance in 2006/07:

- 48 visits from schools and special interest groups.
- 96% visitor satisfaction in visitor's book.

- **To sustainably expand and develop the District's arts and heritage facilities in keeping with community aspirations for high quality arts, cultural and heritage activities.**

A summary of future performance targets is as follows:

- Formulation of a development plan for the physical expansion of arts, cultural and heritage facilities in the Arts & Heritage Precinct by 30 June 2008.
- In the event contestable funding for the project is received by 30 June 2010, the target date for project completion is 30 June 2012.

Performance in 2006/07:

- A statement of Proposal for Stage 1 of the physical expansion of the arts cultural and heritage facilities in the Arts and Heritage Precinct was circulated for public submission in May 2007.

ARTS & HERITAGE - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
253	General Rates	326	327
4	Other Income	0	0
257	TOTAL OPERATING REVENUE	326	327
	EXPENDITURE		
143	Staff Expenses	198	172
127	General Expenses	136	163
270	TOTAL OPERATING EXPENDITURE	334	335
(13)	OPERATING SURPLUS/(DEFICIT)	(8)	(8)
31	CAPITAL	0	0
44	TOTAL FUNDING REQUIRED	8	8
	FUNDED BY		
5	Depreciation	8	8
39	Transfer from Reserves	0	0
44		8	8

DISTRICT LIBRARIES

Introduction

The Council provides and maintains two libraries, one in Gore and the other in Mataura, which also serves as a Council Service Centre. In addition, a book bus service is provided to the residents of the four rural communities of Pukerau, Waikaka, Willowbank and Te Tipua by arrangement with neighbouring Southland District Libraries.

The libraries provide the public with access to a broad range of print and audio-visual material, the internet, research, and related support services. The extensive collections afford the public ready access to general information, basic literacy, business and career information, consumer information, current topics and titles, cultural awareness, formal and informal learning support, local history, recreational reading/viewing/listening, Council and government information, including items for the print and hearing disabled.

Gore District Libraries also deliver library services/material to the Housebound, rest homes and specific community groups, as well as run specialised programmes throughout the year, for example: the Summer Reading Programme for children, Authors in the Library, Sundays @ the Library, and so forth.

The Library provides areas for casual reading and study, along with being a community meeting place, and providing display space for local groups to promote their activities.

Why is the Service Provided?

By providing access to information, the library service directly contributes to the community's aspiration to provide opportunities for creativity, leisure, diversity, and being involved. The library collections and facilities are a collective resource that is greater than any individual ratepayer could accommodate.

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

- Supporting recreational reading
- Providing a repository for local history
- Supporting information for education; and
- Maintaining relationships with the community

CONTRIBUTION TO COMMUNITY OUTCOMES

Community Outcome	Contribution from the District Libraries
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	The district libraries contribute to the quality of people's lives by providing books, magazines, music, videos, DVDs and computers for recreational or leisure use. Events and specialised programmes organised by library staff also help to make the district a fun and creative place to live.
<i>Education and Training</i> 'A well-educated and skilled community continually seeking further opportunities to learn'	The extensive collections held by the district libraries, and including computers, photocopiers and other equipment provide people with information and educational tools.

Levels of Service 2006 – 2009/16

The overall objective of this activity is to promote and enhance the quality of life of the District's residents, as demonstrated by the above statement on community outcomes, through the provision of cost-effective access to a wide range of library services and materials.

Two key assumptions underlying the levels of service provided by the district's libraries are:

- The need to maintain good quality library services for residents of Gore District (and which are also accessed by residents from surrounding areas), as is consistent with the above mentioned community outcomes; and
- The importance of improving efficiency and bringing the district libraries budget to a more sustainable level, without reducing current levels of service
- The general demographic trends, which suggest a gradual decline in the population of the district

The level of funding allocated for the district libraries, over the ten years of this Long Term Council Community Plan, reflects the above principles. The activities of the district libraries are primarily financed by general and targeted rates, supplemented by fees collected and penalties charged.

Objectives – What we planned on providing to the Community (Levels of Service)

To provide quality library services to meet the leisure, information, and cultural needs of the people of the Gore District.

Performance Measures and Targets – How are we going to measure and report progress over the period 2007–2016

- **The district libraries are accessible to residents**

A summary of current and future performance targets is as follows:

- At present 61% of residents are members of the district libraries
- The intended target for library membership is for 65% of residents by 30 June 2009

Performance in 2006/07:

- 60% of residents are members of the library.

- **Increase the level of library usage (measured by borrowing)**

A summary of current and future performance targets is as follows:

- Current levels of borrowing (per capita) is 1.29
- It is intended that levels of borrowing will be improved to a minimum of 2.39 by 30 June 2009.

Performance in 2006/07:

- The level of borrowing is 2.6 per capita.

- **Library services are provided in a cost-effective manner**

A summary of current and future performance targets is as follows:

- The current cost to the Council for running the libraries in Gore and Mataura is \$2.90 for each item issued
- It is intended that these costs will be reduced to no more than \$2.20 per item issued, by 30 June 2009 (this target will be driven by increasing the number of issues as set out above)

Performance in 2006/07:

- The cost to the Council for running the libraries was \$2.28 for each item issued.

- **Communities in the Gore District are satisfied with the range of available material in the district libraries.**

A summary of current and future performance targets is as follows:

- A survey of residents conducted in May 2005, reported an 84% satisfaction rate with the range of material available in the district libraries
- It is intended that future (two-yearly) community surveys will have a satisfaction rate of at least 85% by 30 June 2009.

Performance in 2006/07:

- A survey of residents has not taken place in the 2006 – 2007 period. A strategic review of the library service will take place in the 2007 – 2008 period and a comprehensive survey of users and non-users will be part of this review. It is envisaged that the survey methods will be questionnaires and focus groups.

- **Communities in the Gore district are satisfied with the levels of service provided by the district libraries**

A summary of current and future performance targets are as follows:

- A survey of residents conducted in May 2005, reported a 90% satisfaction rate with services provided by the district libraries
- It is intended that future (two-yearly) community surveys have a satisfaction rate of at least 95% by 30 June 2009.

Performance in 2006/07:

- A survey of library users has not taken place in the 2006 – 2007 period. Following the strategic review and customer service training for all existing staff customer satisfaction levels will be measured. It is envisaged that the survey methods used will be a questionnaire and “mystery shopping”.

LIBRARY - STATEMENT OF COST OF SERVICE

ACTUAL		ESTIMATE	ACTUAL
30 June 06		30 June 07	30 June 07
\$000		\$000	\$000
	REVENUE		
16	Fees Collected	20	17
12	Other Revenue	14	11
342	General Rates	208	208
291	Targeted Rates	306	306
661	TOTAL OPERATING REVENUE	548	542
	EXPENDITURE		
342	Staff Expenses	270	280
25	Occupancy Expenses	24	26
3	Interest - Public Debt	4	0
38	Depreciation	39	38
200	General Library Expenses	215	212
608	TOTAL OPERATING EXPENDITURE	552	556
53	OPERATING SURPLUS/(DEFICIT)	(4)	(14)
1	CAPITAL	29	19
30	TRANSFER TO RESERVES	6	5
60	LOAN REPAYMENTS	0	0
38	TOTAL FUNDING REQUIRED	39	38
	FUNDED BY		
38	Depreciation	39	38
38		39	38

DISTRICT PROMOTIONS

Introduction

This activity consists of a number of categories and roles. The department manages the districts Visitors Centre which is part of the national i-SITE Visitor Centre network. The Centre serves as a booking outlet for residents and visitors to make their domestic travel arrangements, as well as being a source of professional tourism related advice and recommendations. With the Visitors Centre located at the Hokonui Heritage Centre, it also acts as front of house reception to the Hokonui Moonshine Museum and Heritage Centre, promoting the facility, and managing the retail sales component of the museum.

The department assists in the development, management and promotion of events in the Gore District. This includes the coordination of one major council funded event, the Hokonui Moonshiner's Festival as well as assisting other organisations in the promotion of their local events.

Why is the Service Provided?

The promotion of Gore District as a desirable place to live, work, visit and undertake business provides economic benefits to the community. The provision of event and tourism support assists in developing the profile of the district and encourages visitor, residential and commercial growth.

Contribution to community outcomes

Community Outcome	Contribution from the Council's District Promotion Activities
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	The Council's district promotions activity promote Gore District as an amazing place to visit, live, work and do business and thereby benefits local enterprises and the economy.
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Events organised by the district promotions team (e.g. the Hokonui Moonshiner's Festival) and facilities such as the Visitors Information Centre, provide residents and visitors with a choice of activities and a wealth of information and travel services.

Levels of Service 2006 – 2009/16

The levels of service and performance measures described in the following table, reflect the above mentioned community outcomes, in that the Council's district promotion activity clearly is aimed at promoting economic growth, tourism and employment

opportunities in the district, as well as organising events and providing services which boost the quality of life enjoyed by residents and visitors to the district.

charges collected, as well as general rates.

Objectives – What we planned on providing to the Community (Levels of Service)

The objective of the Gore Visitors Centre is to provide a booking service for residents and visitors where they can make their domestic travel arrangements, as well as receive professional tourism related advice.

The objectives of district promotional activities are to: assist in the development, management and promotion of events in Gore District that could bring economic benefits to the district; as well as promote the Gore District as a desirable place to live, work, visit and undertake business (thereby raising the profile of the district and encouraging tourism, residential and commercial growth).

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **The Gore Visitors Centre will continue to be a part of the national i-SITE Visitors Centre network.**

A summary of current and future performance targets is as follows:

- Currently the visitors centre has a bi-annual inspection to ensure that the centre meets the criteria of the Visitors Information Network (VIN) Standards.
- By 30 June 2009, the Centre is expected to have obtained Qualmark accreditation, which is the Tourism New Zealand quality assurance benchmark.
- It is intended that the Visitors Centre will maintain the standards for continued membership of the VIN network and Qualmark accreditation for the remaining years of the Plan.

Performance in 2006/07:

- The bi-annual audit by VIN will occur in 2007/08. The mystery shopper engaged by VIN to assess customer service standards at the Gore i site in March 2007, resulted in a rating of 97%.
- **The Gore Visitors Centre will display and have available a large selection of brochures, tourism products and services to meet the needs of locals and visitors to the district.**

A summary of current and future performance targets is as follows:

- We currently measure our performance through in-house customer surveys. At present 85% of customers feel that the Visitors Centre provides the information they require.
- By 30 June 2009, it is intended that the percentage of customers who feel that the Centre provides them with the information they require, will have increased to 90%.

Performance in 2006/07:

- Monthly customer service surveys show a total satisfaction rate of 99.6% for the entire year.
- **The District Promotions Department will coordinate the Hokonui Moonshiners Festival annually and assist with the promotion of events for the district to encourage economic benefit for the community.**

- The Department currently coordinates and organises the annual Hokonui Moonshiners Festival. The Department also provides technical advice to local community groups on event organisation, and assists with the promotion of their events.
- By 30 June 2009, it is expected that the Hokonui Moonshiners Festival will have a prominent national profile and that the Festival is developed into a destinational event for Gore, with a minimum of 2000 people attending the event each year.

Performance in 2006/07:

- 2200 people attended the Hokonui Moonshine Festival in February 2007. The event also attracted prominent publicity from visiting media who were from outside the Southland region.
- **To promote the Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors.**
 - By 30 June 2009, the Department expects to expand its activities to attending two promotional trade shows per year: one international and one domestic. The Department also expects to host two national media publications and two trade familiarisation tours each year.
 - By 30 June 2016, the Department expects to work with the regional tourism organisation towards bringing a minimum of two national media publications to Gore District each year (with a view to increasing the District's national profile and image).

Performance in 2006/07:

- No trade shows were attended due to the District Promotions Manager being on maternity leave for over half the year under review. i Site staff attended a Fiordland familiarisation tour in October 2006.
- In April 2007, the Gore i Site hosted Otago University tourism students to help with the investigation of Gore as a tourism destination.
- **To promote Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors using visually appealing imagery.**
 - The Department intends to have produced a promotional DVD for the Gore District by 30 June 2009; and a new Gore District brochure by 30 June 2016.

Performance in 2006/07:

- The new Gore brochure is in the advanced design phase and due for release in the summer of 2007/08.
- **To promote Gore District as a place to live, work and play to its residents, other New Zealanders, and international visitors through the Gore website.**
 - The Gore website was developed by the Eastern Southland Chamber of Commerce with the assistance of council funding. The Department monitors and responds to email requests and administers and promotes the Gore website to our local, domestic and international visitors. Usage of the website is monitored by the webmaster on a monthly basis.

- By 30 June 2009 we expect that the website will have a greater profile and in turn we should be actioning and responding to 5 emails per day directly from the website.

Performance in 2006/07:

- On average approximately six e-mails were received each week from the Gore website.

DISTRICT PROMOTIONS - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
21	Agency Fees Collected	34	38
254	General Rates	267	268
275	TOTAL OPERATING REVENUE	301	306
	EXPENDITURE		
105	Staff Expenses	113	127
157	General Expenses	188	186
262	TOTAL OPERATING EXPENDITURE	301	313
13	OPERATING SURPLUS/(DEFICIT)	0	(7)
29	CAPITAL	5	0
0	TRANSFER TO RESERVES	4	2
16	TOTAL FUNDING REQUIRED	9	9
	FUNDED BY		
7	Depreciation	9	9
9	Transfer from Reserves	0	0
16		9	9

GRANTS

Introduction

Grants are provided to selected organisations to assist with the provision of economic, social (health and recreation), and cultural services to the community. For example, recipients of Council grants in financial years 2004/5 and 2005/6, include the A & P Association, Venture Southland, Total Mobility, The Salvation Army, Clematis Cottage and the Hokonui Heritage Centre Trust amongst others.

The Council also provides support to selected community organisations by appointing a representative to sit on the organisation's board.

Why is the Service Provided?

The provision of grants to organisations assists them to provide valuable community services which are not provided by the Council or main stream providers, and/or where there are significant gaps in service delivery from existing providers.

The appointment of Councillors to the Boards of recipient organisations provides the organisations with independent advice, as well as a 'voice' around the council table.

Contribution to community outcomes

Community Outcomes	Contribution from the Council's Grants
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Council grants for the A & P Association and regional enterprise activities undertaken by Venture Southland promote economic growth and potentially attract skilled workers to the district.
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Council grants to local arts and heritage organisations contributes to the quality of arts and heritage facilities and events hosted in the district and help to make Gore District a great place to live.
<i>Health and Wellbeing</i> 'We are healthy people'	Council grants to Total Mobility and the Hospital Incentives programme contribute to the health and wellbeing of people in Gore District.

Levels of Service 2006 – 2009/16

The Council's support to community organisations is a contribution to the economic, cultural, environmental, and social well-being of residents in Gore District. With regard to the underlying rationale or assumptions on which grants are made to community organisations, the Council reviews each application for grant funding on its own merits. As the provision of Council grants is discretionary, the Council does not advertise the availability of grant funding but reviews requests or applications for funding as and when it is approached by community organisations.

Funding for the Council's grants is derived from the general rates.

The appointment of council representatives is regulated by the Council's policy on the Appointment and Remuneration of Directors. This document can be found with Council's other major policies in the last section of this document.

Objective – What we planned on providing to the Community (Levels of Service)

To assist selected community organisations which deliver key economic, social and cultural services to communities in the Gore District, and in particular, where gaps have been identified in service delivery from existing service providers.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Grants are made to appropriate community groups**

A summary of current and future performance targets is as follows:

- The Council reviews each application for grant funding on its own merits. As the provision of Council grants is discretionary, the Council does not advertise the availability of grant funding but reviews applications for funding as and when they are received.
- It is intended that a review of the Council's grant activity will be undertaken by 30 June 2007. The review is expected to focus on the selection criteria, reporting requirements and how the Council will evaluate progress and the actual outcomes achieved by recipient organisations.

It is intended that the current levels of service will be maintained for the ten year duration of this plan.

Performance in 2006/07:

- A workshop on community development which included the Council's role in the area of grants was held on 16 February 2007. The Council also reviewed its policy on grants made to rural halls in May 2007. A further review of grants including the option of setting aside a set sum for contestable funding will occur in 2007/08.

GRANTS - STATEMENT OF COST OF SERVICE

ACTUAL		ESTIMATE	ACTUAL
30 June		30 June	30 June
06		07	07
\$000		\$000	\$000
	REVENUE		
210	General Rates	208	208
0	Targeted rates	35	36
210	TOTAL OPERATING REVENUE	243	244
	EXPENDITURE		
206	Grants	243	238
206	TOTAL OPERATING EXPENDITURE	243	238
4	OPERATING SURPLUS/(DEFICIT)	0	6
4	Transfer to Reserves	0	6
0	Total Funding Required	0	0

REGULATORY

Introduction

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

- Building Act 1991
- Dangerous Goods Act 1974
- Dog Control Act 1996
- Food Act 1981
- Health Act 1956
- Council Bylaws
- Litter Act 1974
- Local Government Act 2002
- Reserves Act 1977
- Resource Management Act 1991
- Sale of Liquor Act 1989

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

Why is the Service Provided?

The provision of these activities is required under the legislation listed above and provide for the protection and safety of the people and resources that make up Gore District. They are also fundamental to the achievement of a clean, green environment.

Contribution to community outcomes

Community Outcome	Contribution of the Council’s Regulatory Activities to Community Outcomes
<i>Economy and Employment</i> ‘A diverse economy built from our strengths for growth and prosperity’ [and a regulatory environment that is applied consistently, as well as clear and focused’]	The Council’s regulatory services staff provide efficient service and clear and consistent advice to individuals and business enterprises on the regulatory requirements that guide the conduct of their activities. In so doing, the Council provides an environment that is conducive to business and economic growth in the district.
<i>Environment</i> ‘A treasured environment which we care for and which supports us now and into the future’	The Council’s resource management activities directly contribute to the sustainable use of land, water and other natural resources in the district.
<i>Law and order</i> (public safety and security) ‘Safe places in a caring society that is free from crime’	A clear regulatory framework and consistent enforcement of statutory requirements relating to environmental health and safety, sale of liquor, animal control and so forth

Levels of Service 2006 – 2009/16

The Council’s environmental health services are provided by the Southland District Council under contract. Likewise, animal and noise control services are provided by private providers under contract to the Council, with the support of Council reception staff, who respond to telephone enquiries and provide over-the-counter advice.

The Council employs the services of a consultant to provide the public with advice regarding resource management issues and to manage the processing of consent applications made under the Resource Management Act. The consultant is also charged with managing the finalisation of the Councils District Plan. All other services are provided by in-house council employees.

Funding of the Council's regulatory activities is primarily derived from user-charges (cost recovery) and general rates. It is pertinent to note that the ten year financial projections in this Long Term Council Community Plan include an expected revenue (cost-recovery) of \$75,000 per annum from regulatory services (to be levied on applications for variations to the District Plan, development contributions for new sub-divisions, applications for resource consents and so forth).

Objectives – What we planned on providing to the Community (Levels of Service)

To efficiently and courteously administer Council's statutory requirements to safeguard environmental health, public welfare and safety.

To 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.

To provide dog control pursuant to the Dog Control Act 1996 and the Gore District Council Dog Control Bylaw 2004.

Performance Measures and Targets – How are we going to measure and report progress over the period 2007 – 2016

- **To inspect premises where food is prepared for sale to the public, as measured by staff records.**

A summary of current and future performance targets is as follows:

- At present, all premises used to prepare food for sale to the public is inspected annually

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- 45 food premises were inspected. This represents 42% of the total number (107) of licences held in the District.

- **To monitor all premises licensed under the Sale of Liquor Act 1989, as measured by staff records.**

A summary of current and future performance targets is as follows:

- At present 50% of premises licensed to supply liquor are inspected by the Council for compliance, each year.

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- 18 premises were inspected. This represents 55% of the total number (33) of licensed premises in the District.

- **To investigate infectious, notifiable disease cases within 24 hours of notification, as measured by staff records.**

A summary of current and future performance targets is as follows:

- At present, any such cases are investigated within the prescribed time frame of 24 hours.

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- 75 cases of infectious disease were brought to the attention of the Council during the year. All cases were actioned within 24 hours.

- **Nuisance/noise complaints are investigated promptly, as measured by the noise control contractor's log**

A summary of current and future performance targets is as follows:

- At present, nuisance related complaints are investigated promptly and well within the two hour–maximum time for responding to a complaint.

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- 91 noise complaints were received. All complaints (100%) were responded to within two hours.
- **Develop a District Monitoring programme that provides the Council with a framework to meet its District Plan, consents, and state of the environment reporting requirements, as measured by staff reports**

A summary of current and future performance targets are as follows:

- The Council's target for completing a draft district monitoring programme is 30 June 2007

The Council intends to maintain performance targets stipulated in the district monitoring programme, once it has been finalised/adopted, for the remaining years of this Plan.

Performance in 2006/07:

- A draft district monitoring strategy had been developed by 30 June 2007 and was due to be considered by the Council at its July 2007 Ordinary meeting.
- **Processing applications for resource consents in accordance with statutory requirement (within 20 days of filing), as measured by staff reports**

A summary of current and future performance targets are as follows:

- In the first half of the 2006/07 financial year, only two applications for resource consents were processed outside the 20 day period.

The Council intends to improve its performance in this area to ensure that all resource consent applications will be processed within the 20–day maximum period stipulated by law, for the remaining years of this Plan.

- **To comply with the statutory 20–day maximum processing time for processing Building Consents, as measured by staff reports**

A summary of current and future performance targets are as follows:

- Building consents for all properties are processed within 20 days.

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- 632 building consents were issued in the year under review, with 631 consents being issued within the statutory 20 day maximum processing time. This represents a compliance rate of 99.8%.

- **All complaints relating to building issues are investigated promptly, as measured by staff reports**

A summary of current and future performance targets are as follows:

- Verbal complaints are investigated within 2 days; while written complaints are investigated within 10 days.

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- All verbal complaints were investigated within two days and all written complaints investigated within 10 days. Details of these complaints are recorded in a customer services log and the relevant property file.

- **All complaints relating to dogs are dealt with promptly, as measured by staff reports**

A summary of current and future performance targets are as follows:

- At present, complaints about dogs which are of a public safety nature, are responded to within 30 minutes of a report being received.
- All other complaints (verbal and written) are actioned by Council staff within 48 hours.

The Council intends to maintain the existing performance target for the remaining years of this Plan.

Performance in 2006/07:

- All complaints about dogs which were of a public safety nature were actioned within 30 minutes of receipt. All other verbal complaints were actioned by Council staff within 48 hours. In the past year the Council received two written complaints. Both complaints involved dangerous dogs and the question of whether destruction should be pursued. In both instances action was instigated within 48 hours of receipt.

REGULATORY - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
305	Inspection and Licencing	330	421
93	Resource Management	148	90
95	Dog Control	98	99
100	Parking Control	81	113
240	General Rates	201	201
833	TOTAL OPERATING REVENUE	858	924
	EXPENDITURE		
227	Staff Expenses	252	248
48	Interest on Public Debt	58	40
20	Depreciation	20	23
326	Other Expenses	469	640
621	TOTAL OPERATING EXPENDITURE	799	951
212	OPERATING SURPLUS/(DEFICIT)	59	(27)
0	CAPITAL	14	14
176	DEBT REPAYMENT	68	68
93	TRANSFER TO RESERVES	0	16
57	TOTAL FUNDING REQUIRED	23	125
	FUNDED BY		
10	Depreciation	20	23
47	Transfer from Reserves	3	102
57		23	125

DISTRICT ASSETS

AQUATIC SERVICES

Introduction

Gore District Council operates two public swimming facilities, the Mataura War Memorial Pool and the Gore swimming pool (located in the Gore District Multisports Complex) as part of its overall aim to ensure that residents of the district have access to a full range of recreational and sporting opportunities. The Council's aquatic services team operates, monitors and maintains the two swimming pools and associated assets to a level that meets the community's expectations, as well as national pool water quality and safety standards.

Why is the Service Provided?

The two swimming pools provide recreational and sporting opportunities for people living in the district. The swimming pools provide high quality services, including a number of specialised swimming programmes, at a subsidised rate, to all residents in the district. The facilities therefore enable all members of the community to engage in healthy leisure and competitive sporting activities and enables residents to enjoy a high quality of life. The provision of these services also contributes to the Southland Leisure Strategy, which seeks to increase people's participation in sporting and other active leisure time activities.

Contribution to Community Outcomes

Community Outcome	Contribution from the Council's Aquatic Services
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	The Council's swimming pools provide residents with easy access to recreational facilities, thus offering them a better quality of life.
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's swimming pools provide residents with a safe environment to pursue physical activities, which are important for personal health and well-being.
<i>Education and Training</i> 'A well-educated and skilled community continually seeking further opportunities to learn'	The Council's swimming pools provide residents with opportunities for learning about water safety, and a chance to obtain new skills and abilities.

Levels of Service 2006 – 2009/16

The goal of the aquatic services activity is to provide the residents of the district with affordable and quality aquatic leisure, health and fitness services in modern, well maintained facilities. While the following table sets out the envisaged levels of service and performance measures for the Council's swimming pools, it is pertinent to note that there may be some changes to the levels of service during the period 2006–16. Please see the section on future changes for more details.

The underlying assumption(s) on which the above levels of service is based are that there will be no significant changes in what the Community wants in the way Aquatic Services are provided to the Community. The 100,000 user target is an ultimate goal of pool usage, it is unlikely to be realised in the next few years.

The above activities are financed primarily through general and targeted rates and supplemented by user-fees collected at the two swimming pools.

Objective – What we planned on providing to the Community (Levels of Service)

Quality aquatic services that are safe and have a wide public appeal.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Water quality is maintained as measured by the customer service log.**

A summary of current and future performance targets is as follows:

- In the year ending June 2006, there were no complaints recorded relating to sore eyes, skin infection, sickness or infection.
- It is intended to maintain the target of less than five complaints per month relating to sore eyes or skin irritation, and no reported sickness or infection from pool use, for the entire duration of this plan.

Performance for 2006/07:

- There was 1 complaint lodged in this period.
- No reports of sickness or infection reported.

- **Adequate pool supervision is to be provided as measured by maintenance of ACC Pool Safe accreditation and by no drownings at Council pools:**

A summary of current and future performance targets is as follows:

- In the year ending June 2006, there were no drownings and ACC Pool Safe accreditation was maintained.
- It is intended to maintain the existing levels of service and performance for the entire duration of this plan.

Performance for 2006/07:

- No drownings occurred.
- Pool Safe accreditation achieved at both pools.

- **Water safety confidence and awareness is increased as measured by initiating Swim for Life programme and providing swim tuition throughout the year.**

A summary of current and future performance targets is as follows:

- In the year ending June 2006 classes were provided throughout the year and teachers were provided for 65% of the surrounding schools in the district.
- It is intended to maintain the existing levels of service and performance for the entire duration of this plan.

Performance for 2006/07:

- Swim for Life programmes were offered throughout the year.
- **To attain a high level of usage of the aquatic facilities as measured by the number of annual usages (visits).**

A summary of current and future performance targets is as follows:

- In the year ending 30 June 2006 there were 57,600 usages of the Gore pool and 5,400 usages of the Maitara pool recorded giving a total of 62,000 pool usages.
- It is expected that by 2009 there will be 85,000 annual usages.
- It is intended to increase the number of usages to 100,000 each year, by the end of the plan in 2016.

Performance for 2006/07:

- Patronage at Gore was 63,164 usages, while Maitara recorded 3,443 usages.
- **The pools are available to the public for use as measured by the number of days each pool is open per year.**

A summary of current and future performance targets is as follows:

- In the year ending 30 June 2006 the Gore pool was open 360 days and the Maitara pool was open 209 days per year.
- It is expected that by 2009 the Gore pool will be open 360 days per year and the Maitara pool will be open 205 days per year.
- It is intended to maintain the existing levels of service and performance for the entire duration of this plan.

Performance for 2006/07:

- Gore open on 360 days.
- Maitara open on 207 days.
- **The users of aquatic services are satisfied with the aquatic services provided as measured by a Community survey every two years.**

A summary of current and future performance targets is as follows:

- As of May 2005, 72% of users were satisfied with the aquatic services provided.
- It is expected that by 2007, 80% of users will be satisfied.
- It is intended to have 85% user satisfaction by 2016.

Performance for 2006/07:

- The bi-annual community survey will be conducted in 2007/08.

AQUATIC SERVICES - STATEMENT OF COST OF SERVICE

ACTUAL		ESTIMATE	ACTUAL
30 June		30 June	30 June
06		07	06
\$000		\$000	\$000
	REVENUE		
200	Admissions	226	210
68	Other Revenue	78	75
365	General Rates	298	299
310	Targeted Rates	439	441
943	TOTAL OPERATING REVENUE	1,041	1,025
	EXPENDITURE		
331	Staff Expenses	369	353
238	Occupancy Expenses	256	248
107	Interest - Public Debt	146	119
144	Depreciation	142	147
262	General Expenses	270	280
1,082	TOTAL OPERATING EXPENDITURE	1,183	1,147
(139)	OPERATING SURPLUS/(DEFICIT)	(142)	(122)
55	Capital	0	2
0	TRANSFER TO RESERVES	0	23
194	TOTAL FUNDING REQUIRED	142	147
	FUNDED BY		
144	Depreciation	142	147
50	Transfer from Reserves	0	0
194		142	147

PARKS AND RESERVES

Introduction

Under the Reserves Act 1977, the Council has responsibility for the provision, maintenance, and preservation of reserves on behalf of the community. The types of reserves administered by the Council include:

- Sportsgrounds
- Parks
- Rural reserves
- Playgrounds
- Roading and esplanade reserves
- Public open spaces

The above recreational areas are part of the Council's on-going support to the Southland Leisure Strategy and its objectives to increase public participation in sporting and more active leisure time pursuits. The provision of parks and reserves is also consistent with the Council's commitment to continue its work with Sport Southland in implementing an "active community" programme in the Gore District.

Why is the Service Provided?

The provision and maintenance of parks, reserves, sportsgrounds and street gardens creates a pleasant environment in which to live and work, and thereby promote the quality of life. The district's network of safe, functional, and attractive parks and reserves has a positive effect on the community's sense of place and provides them with a variety of locations to pursue outdoor activities. Providing and maintaining these areas also help to ensure that our environment is appreciated, protected and sustained for future generations.

Likewise, the development and maintenance of sports areas by the Council helps fulfil the community's need for sports and recreational facilities.

Contribution to Community Outcomes

Community Outcome	Contribution from the Council's Parks and Reserves
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	The District's well maintained parks and reserves, sports fields and other recreational areas contribute to the quality of life enjoyed by residents and visitors, and make the District a great place to live.
<i>Environment</i> 'A treasured environment which we care for and that supports us now and into the future'	The District's well maintained gardens beautify the urban environment, while its rural parks and reserves fulfil a conservation function through the planting of native plant species and other measures.

Levels of Service 2006 – 2009/16

The goal of the parks and reserves activity is to provide the residents of the district with a range of safe, well maintained, parks, reserves and sportsgrounds, which is consistent with community outcomes identified above.

The above levels of service and performance measures are based on an assumption of no significant changes to the overall number of parks, reserves, sportsgrounds and other outdoor recreational areas maintained by the Council and no significant changes to current levels of service. It is pertinent to note that there may be changes to the levels of service during the period 2006–16, details of which are provided in the section on future changes, below.

The forecast statement of cost of service does not take into account any potential changes in the level of service because the Parks and Reserves working party had not yet begun its review (see Future Changes for more information).

In terms of funding, the Council's parks and reserves activity is funded primarily through general and targeted rates, and supplemented by the SPARC (central government) grant and user-fees.

Objective – What we planned on providing to the Community (Levels of Service)

To provide quality parks and reserves that enhances and enriches the Community.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Premier parks are accessible and provide a high quality experience for users as measured by staff audit reports showing maintenance is kept to a high standard in line with industry best practice and by a Community survey every two years.**

A summary of current and future performance targets is as follows:

- It is intended that by 2007 staff audits will show maintenance of Premier Parks are kept to a high standard and that by 2008, 90% of the Community is proud of the Premier Parks provided (first survey planned in 2008).
- It is intended to maintain the existing levels of service and performance for the entire duration of this plan.

Performance for 2006/07:

- Work on developing an audit system is underway.
 - The community will be surveyed in 2007/08.
- **Play areas are safe and accessible as well as provide a range of challenges as measured by staff audit reports, the customer services log, New Zealand Recreation Association reports and there is a playground or neighbourhood reserve within 500m of 75% of urban homes.**

A summary of current and future performance targets is as follows:

- The Council intends to reduce the number of playgrounds to more closely align itself with the national average, whilst at the same time ensuring that 75% of urban homes are located within 500m of a playground or neighbourhood reserve, and that 75% of playgrounds meet the NZ playground standard by 2009. It seeks to ensure that no more than two complaints in any one month will be received from the public in relation to playground safety.
- The Council will continue to adjust the number of playgrounds in the district in order to be consistent with the national average from 2009 onwards. The Council will also endeavour to increase the number of playgrounds meeting the NZ playground standard to 100%, whilst maintaining the other performance targets at the 2009 level.

Performance for 2006/07:

- No complaints received regarding playground safety.
 - A Council working party undertook an investigation into service levels and use of parks and reserves. This working party provided a report to the Council and recommended that a number of reserves be disposed of. The Council is expected to consult with the community on what action, if any, will be taken in 2007/08.
- **Good quality sports fields are available and fit for purpose, as measured by the customer service log and a Community survey every two years.**

A summary of current and future performance targets is as follows:

- It is intended to maintain the existing levels of service and performance through to 2009, with the exception that complaints would not be counted if due to abnormal weather conditions.
- It is intended that the levels of service and performance will lead to no less than 80% community satisfaction, as reported in the first Community survey, to be conducted by 30 June 2008.
- It is intended to maintain the 2009 performance targets for the remaining life of the plan.

Performance for 2006/07:

- There have been no complaints regarding quality or availability of sports fields.
 - A community survey will be conducted in 2007/08.
- **Communities have healthy trees that will benefit future generations, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- Less than 20 complaints being received each year resulting from lack of tree maintenance.
- It is intended to maintain the existing levels of service and performance for the entire life of the plan.

Performance for 2006/07:

- There has been one complaint regarding a lack of tree maintenance.

- **The Parks and Reserves team respond to customer complaints in a timely manner, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- Less than 10 complaints being received annually relating to service request times.
- It is intended to maintain the existing levels of service and performance for the entire life of the plan.

Performance for 2006/07:

- There have been no complaints relating to response times for Parks and Reserves customer service enquiries.

PARKS & RESERVES - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 06 \$000
	REVENUE		
12	Rent Received	14	12
16	Fees and other income	3	32
1,427	Targeted Rates	1,287	1,291
1,455	TOTAL OPERATING REVENUE	1,304	1,335
	EXPENDITURE		
627	Staff Expenses	661	704
112	Depreciation	117	137
125	Repairs & Maintenance	131	130
453	Other Expenses	395	368
1,317	TOTAL OPERATING EXPENDITURE	1,304	1,339
138	OPERATING SURPLUS/(DEFICIT)	0	(4)
238	CAPITAL	156	162
12	TRANSFER TO RESERVES	0	0
112	TOTAL FUNDING REQUIRED	156	166
	FUNDED BY		
112	Depreciation	117	138
0	Transfer from Reserves	39	28
112		156	166

ROADING

Introduction

The Gore District roading network comprises 341 km sealed roads and 553 km gravelled roads. 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.

The Council supports the objectives of the Land Transport Strategy, Road Safety Strategy 2010 and Land Transport New Zealand to improve road safety throughout the region. Council staff work with other councils and transport stakeholders to further Land Transport New Zealand initiatives – e.g. targeting excessive speed, drink driving campaigns, developing and promoting safety management systems.

The Council compiles an annual land transport programme to give it access to Government partnership finance. The programme takes into consideration transport initiatives, strategy development and monitoring, travel demand assessments, road safety issues, stock truck effluent transfer sites, alternatives to roading options, regional development initiatives, and monitoring passenger and mobility services.

Why is the Service Provided?

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

Contribution to community outcomes

Community Outcomes	Contribution of the Council's Roothing Activities
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Efficient and safe transportation networks (in addition to State Highways operated by Transit NZ) are part of the essential infrastructure for economic growth and development
<i>Law & Order</i> (Public safety & security) 'We have safe roads'	Safe and well maintained roads, footpaths and road verges promote safety of all road users, including pedestrians

Levels of Service 2006 – 2009/16

The rationale underlying the levels of service for the Council's roading activities is to provide the most effective (i.e. most value given the costs) roading network for residents and visitors to Gore District. In line with this philosophy, the Council provides gravel roads for low traffic-volume routes and sealed roads for routes with high traffic volumes. Footpaths are provided where significant pedestrian numbers warrant them. Each road and footpath is inspected regularly to ensure that it continues to provide safe and efficient passage for all users.

An essential aspect of the Council's roading activities is the programming and execution of regular roads maintenance. By programming regular road inspections, the Council is able to take pre-emptive maintenance or repairs prior to a reduction in the required level of safety or efficiency on the districts roads. The Roding Activity Management Plan provides further detail in relation to how maintenance, renewal and replacement work is undertaken.

The Council is committed to ensure that faults observed on roads or footpaths, and which may potentially reduce the safety or efficiency below that required, are repaired in a timely manner. Improvements such as seal extension, pavement widening and new footpaths are made as a result of forecast or actual needs, which arise within the community.

The Council also provides assistance in the event of emergencies occurring on roads or footpaths, and thereby contributes to the restoration of safe and effective passage of traffic. Appropriate signage and pavement markings are provided to ensure safety and accurate guidance to road users.

In light of the above, it is clear that the rationale underlying the Council's roading activities is consistent with the achievement of community outcomes, as inefficient and unsafe roading networks would be a barrier to economic growth and pose significant risks to public safety.

Objective – What we planned on providing to the Community (Levels of Service)

A safe, efficient and reliable roading and pedestrian network.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Total road maintenance expenditure is equal or less than the average of other South Island District Councils*, as measured by the annual Land Transport NZ Local Authority Road Maintenance Cost Comparison report in \$k/km.**

A summary of current and future performance targets is as follows:

- In the year ending 2004, the Gore District spent \$1400/km, while the average South Island District Council spent was \$2280/km.
- It is intended to maintain the existing target for the entire duration of the plan.

It is pertinent to note that the lower costs are due to competitive pricing, gentle topography, the compact size of the district and other contributing factors.

- Excludes Christchurch City, Nelson City, Invercargill City, Dunedin City, Queenstown-Lakes District, Chatham Islands

Performance for 2006/07:

- Road maintenance expenditure figures for other RCA's have not been published yet, by LTNZ, for the 2007 financial year. A comparison cannot be done until then. However, road maintenance expenditure was within overall budget.

- **The average roughness of sealed roads is better than the target levels as measured by NAASRA count surveys*.**

* The National Association of Australian State Road Authority developed a sealed road roughness test resulting in a NAASRA count. The lower the number is, the smoother the road. For example, an asphalt surface like that of Irk Street has an average count of about 60, whilst a rough urban street such as Devon Street, has an average count of about 150.

A summary of current and future performance targets is as follows:

The current performance is as listed below Rural roads:

- 1000 – 5000 vehicles per day has a count of 59
- 200 – 1000 vehicles per day has a count of 59
- 50 – 200 vehicles per day has a count of 62
- Less than 50 vehicles per day has a count of 66
- Urban roads:
 - 1000 – 5000 vehicles per day has a count of 100
 - 200 – 1000 vehicles per day has a count of 105
 - Less than 200 vehicles per day has a count of 108
- It is intended to maintain NAASRA counts less than:
 - 100 for rural roads with 1000–5000 vehicle movements per day
 - 110 for rural with 200–1000 and urban roads with 1000–5000 vehicle movements per day
 - 120 for rural with 50–200 and urban roads with 200–1000 vehicle movements per day
 - 140 for rural with less than 50 and urban roads with less than 200 vehicle movements per day.
- It is intended to maintain performance to these targets for the entire duration of the plan.

Performance for 2006/07:

The latest roughness survey was carried out in March 2007. Results are as follows:

- Rural roads with 1000–5000 vehicle movements per day had an average count 58.
- Rural roads with 200–1000 vehicle movements per day had an average count 58.
- Rural roads with 50–200 vehicle movements per day had an average count 61.
- Rural roads with less than 50 vehicle movements per day had an average count 70.
- Urban roads with 1000–5000 vehicle movements per day had an average count 100.
- Urban roads with 200–1000 vehicle movements per day had an average count 104.
- Urban roads with less than 200 vehicle movements per day had an average count 108.
- All categories bettered the roughness target. They all improved or were static compared to the previous survey except for the rural roads with less than 50 vehicle movements per day which slightly deteriorated.

- **The trend in the number of injury crashes on district roads is improving as measured by crashes per 100 million vehicle kilometres travelled over five years, as reported by Land Transport NZ.**

A summary of current and future performance targets is as follows:

- It is expected that by 2007, the five year trend will show less than 40 crashes per 100 million vehicle kilometres travelled in urban areas and less than 25 in rural areas. By 2008 less than 39 in urban and 24 in rural and by 2009, less than 38 in urban and 23 in rural.
- It is intended to continue to decrease the trend over the remaining life of the plan, so that each year is an improvement on the previous year.

Performance for 2006/07:

- The actual performance measures will not be able to be reported on until LTNZ publishes the figures in its Road Safety Issues report.

- **The number of complaints relating to the condition of footpaths decreases each year, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- It is expected that by 30 June 2007 there will be less than 41 complaints, by 30 June 2008 there will be less than 40 complaints and by 30 June 2009 there will be less than 39 complaints relating to the condition of footpaths.
- It is intended to continue to decrease the trend throughout the remaining life of the plan, so that each year is an improvement on the previous year.

Performance for 2006/07:

- 41 customer service requests were received during 2006/07 relating to the condition of footpaths. This equals the target. It should be noted that nine requests related to issues over which the Council had little or no control, such as graffiti, ice and debris on footpaths.

- **The roading maintenance Contractor maintains gravel roads, as per specifications in the network maintenance contract, as measured by Contract audits conducted by staff.**

A summary of current and future performance targets is as follows:

- It is intended that a target of greater than 80% compliance (of audited sections of road) with contract specifications will be achieved by 30 June 2007 and that this target will be maintained throughout the remaining life of the plan.

Performance for 2006/07:

- The overall compliance on gravel roads as per the contract audits was 96%. The lowest individual component compliance was 89% for potholes and corrugations.
- **Communities in Gore District are satisfied with the roading network, as measured by community surveys conducted every two years.**

A summary of current and future performance targets is as follows:

- It is expected that by 2008, 70% of the Community will be satisfied with the roading network, which is when the first two-yearly survey is planned.
- It is intended that the 2008 target will be maintained throughout the remaining life of the plan.

Performance for 2006/07:

- The community will not be surveyed until 2008. However, the relatively low volume of customer complaints received, indicate that the community is reasonably satisfied.

ROADING - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
134	Petroleum Tax	123	138
2,327	Government Assistance	2,054	1,875
0	Other Income	23	0
1,606	Targeted Rates	1,755	1,760
4,067	TOTAL OPERATING REVENUE	3,955	3,773
	EXPENDITURE		
388	Urban Road Maintenance	289	375
219	Urban Footpath Maintenance	150	117
991	Rural Road Maintenance	722	802
5	Rural Noxious Weed Control	65	72
	Roading Administration	248	129
1,752	Depreciation	1,891	1,935
3,355	TOTAL OPERATING EXPENDITURE	3,365	3,430
712	OPERATING SURPLUS/(DEFICIT)	590	343
	CAPITAL WORKS		
540	Urban Roads	810	750
2,154	Rural Roads	1,689	1,425
0	Roading Admin	14	20
2,694	TOTAL CAPITAL WORKS	2,513	2,195
	TRANSFER TO RESERVES	0	125
1,982	TOTAL FUNDING REQUIRED	1,923	1,977
	FUNDED BY		
1752	Depreciation	1,891	1,935
230	Transfer from Reserves	32	42
1,982		1,923	1,977

WATER SUPPLY

INTRODUCTION

The Council's water supply activity provides sustainable and safe water for domestic, commercial and industrial use, as well as for fire fighting purposes.

Drinking water is supplied to urban areas of the district through two Council operated schemes: the Gore and the Maitland schemes. The Council also operates the Otama rural water scheme which supplies water for livestock.

While the Council is the primary supplier of water to communities in the district, water supply to some rural areas, for instance, Otikerama and Kaiwera have been privatised. Furthermore, rural communities in Arthurton, Greenvale, Maitland, Pukerau, and Waikaka are served by the Glenkenich rural water supply, operated by Clutha District Council, while Mandeville village is not served by a communal water supply system.

The Council regularly monitors the quality of water it supplies. Although the Council water supplies do not currently comply with the New Zealand Drinking Water Standards 2005, the drinking water supplied by the Gore and Maitland schemes is tested each week in compliance with the new standards and water supplied via the Otama scheme is tested on a monthly basis. In 2005, the Council's water supply services team developed Public Health Risk Management Plans for both the Gore and Maitland schemes. New capital works identified by the public health risk management plans are expected to reduce potential public health risks and raise the standard of water supplied to water users.

In addition to monitoring water quality, the Council's water supply services team also conducts routine maintenance and repairs on the water supply network, and is charged with the management of water resources and planning for the future water supply needs throughout the district. In connection with the latter, a water services assessment was conducted in 2005, and its findings largely incorporated in the Water Supply Activity Management Plan. As part of its efforts to conserve water and minimise wastage, a leak detection survey was initiated in 2005 and there are plans to continue the survey in different locations in the district each year. The Council also imposes water restrictions during dry spells as part of its water supply demand management duties.

Why is this service provided?

Water supply activities undertaken by the Council are in keeping with its statutory obligations to protect public health and property, as well as the need to ensure efficient and sustainable management of water resources in the district. The Council's water supply activities are also crucial for economic well-being and the success of commercial and industrial activities in the district. The following table sets out the 'Community Outcomes' which are served through the Council's water supply activities.

Contribution to community outcomes

Community Outcome	Contribution of water supply activities
<i>Health & Wellbeing</i> 'We are healthy people'	High quality drinking water safeguards public health and safety by minimising the risk of water-borne diseases. Adequate pressure and volume of water to enable effective fire-fighting is also essential for public safety and wellbeing.
<i>Economy & Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	An efficient water supply distribution network is a core component of the infrastructure needed to foster a diverse and vibrant economy.
<i>Environment</i> 'A treasured environment which we care for and which supports us now and into the future'	The Council's management of the District's water resources include measures for water conservation and techniques for demand management, including the use of water restrictions to control water use during summer and dry periods. These measures help to ensure sustainable use and replenishment of water resources.

Levels of service 2006–2009

While the level of service for the Council's water supply activity from financial year 2006 through to 2016 is not anticipated to expand beyond the current supply network, the quality of water supplied by the Council is expected to improve over the next ten years.

The specific levels of service, performance measures and target dates for the Council's water supply activities are listed below.

Objective – What we planned on providing to the Community (Levels of Service)

A reliable and quality potable (drinkable) water supply in urban areas.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Water supplied is in compliance with the New Zealand Drinking Water Standards 2005, as reported by Public Health South on behalf of the Ministry of Health.**

A summary of current and future performance targets is as follows:

- Mataura is expected to reach compliance in 2007 with the supplies in Gore reaching compliance by 2009.
- It is intended that compliance with the 2005 drinking water standards will be maintained throughout the remaining life of the plan (from 2007 in Mataura and 2009 in Gore).

Performance in 2006/07:

- Grading is currently being completed. With the changeover to DSW 2005 the Council will continue to report on the basis of the supply's compliance with the DWSNZ 2000 until 30 June 2008.
- **Achievement of Cc grading for water supplies, as measured by Public Health South on behalf of the Ministry of Health.**

A summary of current and future performance targets is as follows:

- It is expected that both Gore and Mataura will achieve Cc water grading by 2009.
- It is intended to maintain the Cc grading throughout the remaining life of the plan (from 2009–2016).

Performance in 2006/07:

- Planning was advanced for the upgrading of treatment plants in Gore and Mataura. Implementation of the upgrades in treatment process will occur over the next two years.

- **There are less than two complaints in any week regarding smell, unusual taste or colour, as recorded in the customer services log.**

A summary of current and future performance targets is as follows:

- It is expected that by 2007 there will be less than two complaints in any one week in both Gore and Mataura.
- It is intended that the 2007 performance target will be maintained for the remaining life of the plan.

Performance in 2006/07:

- There were no occasions when there were two or more complaints in one week. A total of 19 complaints were recorded during the year.

- **Fire hydrants are able to provide adequate flows (greater than 12.5 litres per second), as measured by annual Fire Service testing.**

A summary of current and future performance targets is as follows:

- 93% of tested hydrants in Gore and 80% of tested hydrants in Mataura currently meet this standard.
- It is intended to maintain the above standard in 2007, increase Gore to 94% and Mataura to 82% by 2008 and have 95% of hydrants complying in Gore and 84% in Mataura complying by 2009, and 95% complying in Gore and 90% in Mataura by 2016.

Performance in 2006/07:

- No complaints reported on flow. The fire hydrant testing for the year involved 55 hydrants. Of this total, 85% met the required flow of 12.5 litres per second.

- **Household supplies have an adequate flow rate of water (at least 15 litres per minute) and pressure (at least 200 kPa), as measured by staff on request from customers.**

A summary of current and future performance targets is as follows:

- It is intended to meet a target of less than 5 measurements annually as a result of customer requests that do not meet 15 litres per minute flow or 200 kPa pressure by 2007.
- It is intended to maintain the 2007 levels of service and performance for the remaining years of the plan.

Performance in 2006/07:

- There were two complaints regarding flow.
- **The maximum disruption of service in urban areas is 8 hours, in the rural areas it is 48 hours; with 75% of disruptions being 4 hours in urban and 24 hours in rural areas, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

Performance in 2006/07:

- There were no disruptions that exceeded the set times.
- **The maximum response times for an emergency is two hours, for a major urban leak 8 hours and for a major rural leak 24 hours and minor leaks will be responded to within 21 days, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

Performance in 2006/07:

- Six major leaks reported for both urban and rural. 298 minor leaks reported with eight leaks exceeding the 21 day response period.

WATER - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
393	Water Charges	371	411
12	Other Revenue	2	1
826	Targeted Rates	869	866
1,231	TOTAL OPERATING REVENUE	1,242	1,278
	EXPENDITURE		
251	Staff Expenses	223	164
91	Chemicals	83	79
106	Asset Operation & Maintenance	152	125
66	Interest - Public Debt	66	68
398	Depreciation	427	389
318	Other Expenses	307	390
1230	TOTAL OPERATING EXPENDITURE	1258	1215
1	OPERATING SURPLUS/(DEFICIT)	(16)	63
145	CAPITAL EXPENDITURE	378	157
	TRANSFER TO RESERVES	24	271
276	DEBT REPAYMENT	24	24
420	TOTAL FUNDING REQUIRED	442	389
	FUNDED BY		
22	Transfer From Reserves	15	0
398	Depreciation	427	389
420		442	389

WASTE WATER AND STORM WATER ACTIVITY

Introduction

The Council’s waste and storm water drainage activities consist of the collection, treatment and disposal of waste water, storm water and sewerage in order to safeguard public health and safety, and protect property, while minimising to the extent possible, adverse environmental impacts arising from these activities.

The Gore, Maitāwhiri and Waikaka waste water schemes operated by the Council, serve communities located in these three townships. Rural areas and the villages of Mandeville and Pukerau are not served by the Council’s waste water services. Instead waste water from these areas are collected and discharged into individual septic tanks.

A robust system for monitoring waste water quality and maintenance of waste water treatment, as well as storm water infrastructure has been put in place by the Council. Waste water quality is monitored on a weekly basis, while the Council’s waste and storm water team has a three-tiered maintenance regime for routine, planned and reactive maintenance of waste and storm water assets and infrastructure. Current maintenance standards conform to industry best practice and meet the appropriate New Zealand standards.

Why is the Service Provided?

The collection, treatment and disposal of waste water is an essential service for the benefit of residents and businesses throughout the district. The Council’s waste and storm water activity protects the health and physical environment of the community, and is indispensable to economic growth and development. The effective control of storm water is also necessary to safeguard public safety and minimise risks to property. The Local Government Act 2002 requires that councils must continue to provide waste water services to their communities and maintain Council capacity to provide such services.

Contribution to Community Outcomes

Community Outcome	Contribution from the Council’s waste & storm water management activities
<i>Health and wellbeing</i> ‘We are healthy people’	Robust processes for treatment and monitoring of waste water quality safeguards public health and safety by minimising the risk of water-borne diseases. Efficient storm water infrastructure is likewise essential for public safety and wellbeing
<i>Economy and employment</i> ‘A diverse economy built from our strengths for growth and prosperity’	An efficient waste and storm water management infrastructure is a core component of the infrastructure needed to foster a diverse and vibrant economy
<i>Environment</i> ‘A treasured environment which we care for and which supports us now and into the future’	Weekly monitoring of effluent discharged from waste water treatment facilities mitigates negative environmental impacts on the Districts water ways

Levels of Service 2006 – 2009/16

The current level of service for the Council's waste and storm water activity is derived from the expectation of rate-payers, that waste water will be disposed without significant negative effects, and that storm water will be removed before it floods or causes damage to public and private property. The level of service therefore reflects the community's expectations as indicated by the above community outcomes.

The following table sets out the level of service and performance measures for the Council's waste and storm water activity.

The Council's waste and storm water activity is funded primarily by targeted rates, and supplemented by trade waste charges (approximately 20%).

Objective – What we planned on providing to the Community (Levels of Service)

Waste and storm water systems that are effective and comply with environmental standards.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **The maximum response times for an emergency or pump station failure is two hours, a sewer blockage is 4 hours and for flooding 12 hours, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

Performance in 2006/07:

- There have been no emergency or pump station failures.
- **Less than ten complaints per year are received relating to smell from oxidation ponds, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- It is intended to continue to maintain the existing levels of service and performance for the entire duration of the plan.

Performance in 2006/07:

- There have been no odour complaints logged for this period.
- **Trade waste discharges are monitored for compliance each year, as measured by the number of actual trade waste discharges monitored.**

A summary of current and future performance targets is as follows:

-

- It is intended to continue maintain the target level of twelve discharges monitored throughout the entire duration of the plan.

Performance in 2006/07:

- 12 trade waste samples have been completed this year.
- **No prosecutions taken against the wastewater treatment facilities for non-compliant events or activities.**

A summary of current and future performance targets is as follows:

- It is intended to continue maintain existing levels of service and performance to ensure discharges from wastewater treatment facilities are within the prescribed limits and do not lead to prosecutions for non-compliance, throughout the entire duration of the plan.

Performance in 2006/07:

- No prosecutions against wastewater treatment.

WASTE WATER - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
154	Fees & Charges	162	176
11	Other Revenue	0	5
886	Targeted Rates	890	891
1,051	TOTAL OPERATING REVENUE	1,052	1,072
	EXPENDITURE		
110	Staff Expenses	80	51
64	Asset Operation & Maintenance	90	81
99	Interest - Public Debt	93	101
571	Depreciation	555	559
275	Other Expenses	328	287
1,119	TOTAL OPERATING EXPENDITURE	1,146	1,079
(68)	OPERATING SURPLUS/(DEFICIT)	(94)	(7)
218	CAPITAL EXPENDITURE	264	244
150	DEBT REPAYMENT	197	197
122	TRANSFER TO RESERVES	0	69
558	TOTAL FUNDING REQUIRED	555	517
	FUNDED BY		
558	Depreciation	555	517
558		555	517

SOLID WASTE

Introduction

The Council operates a transfer station located in Gore and contracts out the provision of a household kerbside bag collection in Gore and Mataura. A skip bin service operates in Mataura on Sunday afternoons at the old landfill site and a private contractor offers a kerbside wheelie bin service throughout the district including the villages of Mandeville, Pukerau and Waikaka.

Why is the Service Provided?

Solid waste management is necessary for the health and quality of life of the community, the local economy, and the environment. The Council's aim is to provide for the safest, most cost-effective and efficient disposal of the district's solid waste.

Contribution to community outcomes

Community Outcome	Contribution of the Council's Solid Waste Activity
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's solid waste services allow for efficient and hygienic disposal of solid waste generated in the district. Solid waste services discourage the proliferation of pests and thus safeguards public health and safety.
<i>Economy and employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Hygienic and cost-effective solid waste disposal is a core component of the infrastructure needed to foster a diverse and thriving economy

Levels of Service 2006 – 2009/16

The Levels of Service and performance measures for Solid Waste services provided by the Council reflect the above community outcomes, in that they focus on ensuring hygienic and cost effective disposal of solid waste in the district, for the benefit of all residents, including the business community.

The Council's solid waste activity is funded primarily through user-charges with relatively minimal contributions from targeted and general rates.

Objective – What we planned on providing to the Community (Levels of Service)

A quality and effective refuse disposal service.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **A quality transfer station is open to meet the needs of the Community, as measured by transfer station opening hours and the customer services log.**

A summary of current and future performance targets is as follows:

- The transfer station is open between 35 to 40 hours per week, and less than 5 complaints are received each month relating to the operation of the transfer station.

- It is intended to maintain the existing levels of service and performance for the entire life of the plan.

Performance in 2006/07:

- Transfer station open over 40 hours per week.
- Only one complaint received relating to transfer station operation.
- **An effective kerbside collection service is available in urban areas, as measured by the customer services log.**

A summary of current and future performance targets is as follows:

- Less than 10 complaints are received per month relating to the kerbside collection.
- It is intended to maintain existing levels of service and performance for the entire life of the plan.

Performance in 2006/07:

- On no occasions were there more than 10 complaints reported in one month.
- Only seven complaints were received during the entire year.
- **The disposal system encourages waste minimisation and the separation of waste for recycling, as measured by user charges and a Community survey every two years.**

A summary of current and future performance targets is as follows:

- It is intended to maintain the existing levels of service and performance relating to user charges and have 60% of the Community satisfied with the availability of recycling options when related to cost by 2008 (first survey planned for 2008).
- It is intended to maintain the 2008 performance target for the remaining duration of the plan.

Performance in 2006/07:

- Glass, metal, paper, cardboard and green waste are currently being separated.
- 22% of recyclables were removed from the waste stream.
- A community survey will be undertaken in 2007/08.
- **The closed landfills have a minimal effect on the environment, as measured by compliance with resource consent conditions.**

A summary of current and future performance targets is as follows:

- In the year ending 30 June 2005 consent monitoring showed the landfills complied with resource consent conditions.
- It is intended to maintain the existing levels of service and performance for the entire life of the plan.

Performance in 2006/07:

- Monitoring of the closed landfill sites was carried out in November 2006.

SOLID WASTE - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
564	Fees Collected	698	606
	Sale Of Goods		
14	Other Revenue	0	8
102	General Rates	134	134
102	Targeted Rates	134	134
782	TOTAL OPERATING REVENUE	966	882
	EXPENDITURE		
122	Staff Expenses	96	97
475	Regional Landfill Expenses	540	486
34	Asset Operation & Maintenance	59	24
22	Solid Waste Collection	23	20
69	Interest - Public Debt	95	89
29	Depreciation	37	38
171	Other Expenses	153	164
922	TOTAL OPERATING EXPENDITURE	1,003	918
(140)	OPERATING SURPLUS/(DEFICIT)	(37)	(36)
361	CAPITAL EXPENDITURE	0	0
	TRANSFER TO RESERVES	0	25
501	TOTAL FUNDING REQUIRED	37	61
	FUNDED BY		
29	Depreciation	37	38
180	Transfer from reserves	0	23
292	Loans	0	0
501		37	61

CIVIL DEFENCE

Introduction

The Civil Defence activity is conducted under the Civil Defence Emergency Management Act 2002. The Gore District Council is a member of the Southland Civil Defence and Emergency Management Group.

Why is the Service Provided?

Legislation requires councils to take a lead role in promoting community awareness, resilience, and preparedness to respond to an emergency situation.

The safety and welfare of the districts residents are enhanced when the district has plans in place to ensure that natural disasters and civil emergencies have minimal negative effects on communities, and when there is well-trained group of individuals who can provide leadership in the event of an emergency.

Contribution to community outcomes

Community Outcome	Contribution from the Council's Civil Defence and Rural Fire Activities
<i>Health and Wellbeing</i> 'People are prepared for emergency situations'	The Council's civil defence activities enable timely preparation and an effective response to natural disasters, civil emergencies and other untoward events

Levels of Service 2006 - 2009/16

The goal of the civil defence activity is to ensure that residents are prepared for an emergency so that the impact on the community is minimised and the people are safe, and is entirely consistent with the community outcome identified above. Funding of the Council's civil defence is derived primarily from targeted rates.

Objective - What we are going to provide to the Community (Levels of Service)

Ensure that the community is prepared for emergencies.

Performance Measures and Targets - How we are going to measure and report progress over the period 2007 - 2016

- **Maintain a presence at Regional Civil Defence meetings for Local Government, as measured by meetings attended.**

A summary of current and future performance targets is as follows:

- In the year ending 30 June 2006, all meetings were attended.
- It is intended to maintain the existing performance target for the entire life of the plan.

Performance in 2006/07:

- All meetings have been attended. Attendance has also been made at pandemic meetings and welfare advisory group.

- **Emergency equipment is ready for use at all times, as measured by a staff report.**

A summary of current and future performance targets is as follows:

- In the year ending June 2006, a staff report indicated that equipment was regularly checked and ready for use at all times.
- It is intended to maintain the existing levels of service and performance for the entire life of the plan.

Performance in 2006/07:

- Rescue equipment has been checked and added to. PEP gear is being supplied to all squad members. Radios (hand held) are checked bi-monthly.

- **Key response personnel receive at least one training opportunity each year, as measured by training records.**

A summary of current and future performance targets is as follows:

- It is intended that a more formal training record will be maintained for key personnel by June 2007.
- It is intended that the 2007 levels of service and performance will be maintained over the remaining years of the plan.

Performance in 2006/07:

- The rescue squad has been training regularly each alternate Thursday evening. Four members have achieved Orange Card status in rescue.

**CIVIL DEFENCE & RURAL FIRE - STATEMENT OF COST
OF SERVICE**

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
78	Targeted Rates	62	62
2	Other Revenue	3	2
80	TOTAL OPERATING REVENUE	65	64
	EXPENDITURE		
22	Staff Expenses	29	28
61	General Expenses	36	39
83	TOTAL OPERATING EXPENDITURE	65	67
(3)	OPERATING SURPLUS/(DEFICIT)	0	(3)
0	CAPITAL	0	2
0	TRANSFER TO RESERVES	0	3
3	TOTAL FUNDING REQUIRED	0	8
	FUNDED BY		
0	Depreciation	0	1
3	Transfer from Reserves	0	7
3		0	8

CEMETERIES

Introduction

The Gore District has five designated cemeteries. Four are operated by Council: Gore, Maitara, Pukerau and Charlton Park. The Waikaka cemetery is operated by cemetery trustees and the Otaria cemetery has now been formally closed.

The Gore District cemeteries were established in the 1870s to serve the residents of the District. There is a total of 20.15ha of designated cemetery within the Gore District, however only 10.1 ha of that is currently in use.

The cemeteries have been recognised throughout New Zealand by industry peers for their high level of maintenance and design. Charlton Park cemetery holds a New Zealand monumental award for best design and placement in a cemetery. Families are encouraged to participate in the planting of roses, flowers, and shrubs to remember loved ones by.

In managing its cemeteries the Council strives to provide an efficient and sensitive burial service and to maintain an attractive setting for all families to visit.

Why is the Service Provided?

The Burial and Cremation Act 1964 requires all local authorities to ensure that sufficient provision is made for the burial of bodies and to establish and maintain suitable cemeteries.

The cemeteries are regarded as a community asset in terms of the history, heritage, architecture, monumental artistry, open spaces, and recreational potential contained in them. They are also regarded as having educational potential by schools, churches and historical groups, as well as spiritual value.

Contribution to community outcomes

Community Outcome	Contribution of the Council's cemeteries
<i>Health and wellbeing</i> 'We live in a compassionate caring society' 'People and communities provide for their own wellbeing'	The provision of well-maintained cemeteries is an essential service that contributes to the spiritual and mental well being of residents in the district. The Council's attractive cemeteries fulfil the community's need for peaceful settings in which they may bury/inter and remember their dead.

Levels of Service 2006 – 2009/16

The level of service for the Council's cemeteries reflects the community outcomes highlighted above, in that efforts are made to ensure that the operations and maintenance activities undertaken by the Council provide the community with courteous service, and attractive, well-managed cemeteries. Funding of the Council's cemeteries is derived from general rates and user-charges.

The underlying assumption(s) on which the above levels of service is that there will be little change in demand for the service and therefore the existing levels of service will remain unchanged.

Objective – What we planned on providing to the Community (Levels of Service)

An attractive, respectful and peaceful facility.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Dealings with the public are always conducted in a sensitive manner, as measured by the customer service log and annual survey of Funeral Directors.**

A summary of current and future performance targets is as follows:

- It is intended that no more than three complaints per year are received relating to the quality of service as recorded in the customer services log and for the Funeral Directors to be satisfied with the service as per an annual survey by 2007.
- It is intended to maintain the 2007 levels of service and performance for the remaining years of the plan.

Performance in 2006/07:

- No complaints received regarding quality of service.
- A community survey will be undertaken in 2007/08.

- **The facilities are presented to a high standard, as measured by the customer service log.**

A summary of current and future performance targets is as follows:

- It is intended to maintain the target of receiving less than three complaints regarding the standard of facilities in any one year.

Performance in 2006/07:

- No complaints received regarding the standard of facilities.

CEMETERIES - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
82	Fees	93	86
86	General Rates	88	88
168	TOTAL OPERATING REVENUE	181	174
	EXPENDITURE		
75	Staff Expenses	85	80
45	General Expenses	96	97
120	TOTAL OPERATING EXPENDITURE	181	177
48	OPERATING SURPLUS/(DEFICIT)	0	(3)
34	CAPITAL	35	38
48	TRANSFER TO RESERVES	0	0
34	TOTAL FUNDING REQUIRED	35	41
	FUNDED BY		
13	Depreciation	13	21
21	Transfer from Reserves	22	20
34		35	41

PUBLIC CONVENIENCES

Introduction

The Council provides 14 individual blocks of public toilets in high usage visitor areas throughout the district. In providing these facilities, the Council strives to provide clean conveniences to meet both user expectations as indicated by the community outcomes described below, and New Zealand standards.

Why is the Service Provided?

Public toilets are essential for public hygiene and the strategic location of these facilities in the central business areas, reserves and parks directly support economic and recreational activities, including tourism.

Contribution to community outcomes

Community Outcomes	Contribution of Public Conveniences to Community Outcomes
<i>Health and Wellbeing</i> 'We are healthy people'	The Council's public conveniences are hygienic and well maintained,
<i>Economy and Employment</i> 'A diverse economy built from our strengths for growth and prosperity'	Hygienic and well maintained public conveniences are an important amenity for residents and visitors to the District, and thus support tourism and other economic activities.

Levels of Service 2006 – 2009/16

The Council provides 14 public toilet facilities in 11 locations throughout the district. These facilities are physically accessible, appropriately located, designed and built, and are cleaned and maintained to standards that safeguard public health.

The Gore District Council public toilets, although ageing, are adequate for their intended purpose of providing facilities for public use at strategic locations.

Funding for the Council's public toilets comes from general and targeted rates.

Objective – What we are planning on providing to the Community (Levels of Service)

A reasonable standard of public convenience.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **The facilities are kept clean, as measured by the customer service log.**

A summary of current and future performance targets is as follows:

- It is intended to receive no more than three complaints in any one week regarding cleanliness of the facilities by 2007.

- It is intended to maintain the 2007 levels of service and performance for the remaining life of the plan.

Performance in 2006/07:

- Less than one complaint recorded per week. (Four received over 52 weeks).
- **The Community is satisfied with the adequacy of public conveniences, as measured by a Community survey every two years.**

A summary of current and future performance targets is as follows:

- It is intended to increase Community satisfaction to 70% by 2008, which is when the toilet upgrade projects have been completed.
- It is intended to maintain the 2008 levels of service and performance target for the remaining duration of the plan.

Performance in 2006/07:

- One new Novaloo toilet block was installed in October 2006 at the Triangle site and all the feedback has been positive.
- The Main Street public convenience upgrade is currently in the design and development stage.

PUBLIC CONVENIENCES - STATEMENT OF COST OF SERVICE

ACTUAL		ESTIMATE	ACTUAL
30 June		30 June	30 June
06		07	07
\$000		\$000	\$000
	REVENUE		
23	General Rates	19	19
53	Targeted Rates	44	44
76	TOTAL OPERATING REVENUE	63	63
	EXPENDITURE		
0	Staff Expenses	0	0
61	Other Expenses	66	56
61	TOTAL OPERATING EXPENDITURE	66	56
15	OPERATING SURPLUS/(DEFICIT)	(3)	7
0	CAPITAL	415	105
	TRANSFER TO RESERVES	0	13
20	LOAN REPAYMENTS	0	0
5	TOTAL FUNDING REQUIRED	418	111
	FUNDED BY		
3	Depreciation	3	3
0	Loans	415	108
2	Transfer from Reserves	0	0
5		418	111

PROPERTY

Introduction

Gore District Council owns a number of properties within the District. Properties include the civic offices in Gore, the service centre and library in Mataura, the Gore library and Carnegie building, as well as community halls, leasehold properties, and rental housing. Details of the Council's property portfolio is included in the Reserves and Community Facilities Activity Management Plan.

Why is the Service Provided?

Community and civic halls provide an environment for a diverse range of social, cultural, and community based activities. Buildings are also required to accommodate council staff and elected members, provide pensioner flats, house central administration and provide a range of over-the-counter services for the public.

Contribution to community outcomes

Community Outcome	Contribution from the Council's Property Activities
<i>Lifestyle and Culture</i> 'Southland is a great place to live'	Community halls provide places for meeting and socialising, thus improving the quality of life.
<i>Health and Wellbeing</i> 'We have good quality and affordable housing'	The Council's residential properties provide an adequate standard of housing for people who may otherwise be unable to afford a reasonable quality of housing
<i>Leadership</i> 'Citizens and communities are inspired, motivated and empowered '	Community halls provide the physical space for fostering community spirit, civic mindedness and community leadership. The Council's civic offices in Gore and Mataura allow for easy public access to local government services and elected Council members.

Levels of Service 2006 – 2009/16

The goal of the property activity is to ensure that the above mentioned community outcomes can be served through the different properties maintained by the Council, as well as provide adequate facilities for the Council's operations.

A key assumption or principle underlying the Council's property activity is the need to divest itself of properties that are not considered to be productive or of strategic importance to the Council or the community.

Funding of the Council's property activity is sourced from general and targeted rates, as well as user-fees.

Objective – What we planned on providing to the Community (Levels of Service)

Soundly managed property assets responsive to the activities that occur in them.

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **All buildings and properties are maintained in a healthy and safe condition over the life of the asset, as measured by the customer services log, building warrant of fitness and Asset Management Plan maintenance schedules.**

A summary of current and future performance targets is as follows:

- It is intended that the planned maintenance of Council properties will be undertaken, as demonstrated by staff audits of the Asset Management Plan, 100% of building warrant of fitness certificates are displayed correctly and maintain less than 10 complaints per year regarding building cleanliness by 2009.
- It is intended to maintain the 2009 levels of service and performance for the remaining duration of the plan.

Performance in 2006/07:

- No complaints relating to building cleanliness.
- Current building warrants of fitness certificates are displayed.

PROPERTY - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
52	Rent Received	52	51
42	Room / Hall Hire	37	42
0	Other Income	0	0
398	General Rates	475	477
82	Targeted Rates	55	55
574	TOTAL OPERATING REVENUE	619	625
	EXPENDITURE		
80	Staff Expenses	46	84
178	Occupancy Expenses	245	201
81	Interest - Public Debt	90	68
139	Depreciation	139	137
92	General Property Expenses	162	166
570	TOTAL OPERATING EXPENDITURE	682	656
4	OPERATING SURPLUS/(DEFICIT)	(63)	(31)
	CAPITAL EXPENDITURE		
0	Civic Buildings	909	90
21	Housing and Other Property	0	0
21	TOTAL CAPITAL EXPENDITURE	909	90
31	TRANSFER TO RESERVES	67	123
96	LOAN REPAYMENTS	0	0
144	TOTAL FUNDING REQUIRED	1,039	244
	FUNDED BY		
144	Depreciation	139	138
0	Transfer from Reserves	900	106
144		1039	244

LEADERSHIP

LEADERSHIP - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07	ACTUAL 30 June 07 \$000
	REVENUE		
0	Democracy	0	6
183	Central Administration	129	247
1,464	Internal Recoveries	1,580	1,619
331	Rates	539	540
1,978	TOTAL OPERATING REVENUE	2,248	2,412
	EXPENDITURE		
318	Democracy	539	578
1,658	Central Administration	1,668	1,816
1,976	TOTAL OPERATING EXPENDITURE	2,207	2,394
2	OPERATING SURPLUS/(DEFICIT)	41	18
51	CAPITAL	98	72
8	TRANSFERS TO RESERVES	29	82
57	TOTAL FUNDING REQUIRED	86	136
	FUNDED BY		
50	Depreciation	81	75
7	Transfer from Reserves	5	61
57		86	136

DEMOCRACY

Introduction

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

- 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.

Why is the Service Provided?

New Zealand law requires councils to hold elections and provide the support services needed to enable elected representatives to hold regular meetings and deliberate on community issues in an informed and timely manner. The democratic function of the Council is provided in order to ensure that the aspirations, concerns, and initiatives of residents and ratepayers of Gore District are represented at the Council.

Contribution to community outcomes

Community Outcomes	Contribution of the Council's Democracy activities
<p><i>Leadership</i> 'Strong and effective leadership taking us into the future', 'Citizens and communities are inspired, motivated and empowered' 'Leaders are accountable, available, communicative, enthusiastic, honest, inclusive, open, encouraging and pro-active'</p>	<p>The Mayor and Councillors maintain a close rapport with people living in their respective wards and elsewhere in the district; actively participate in Council and Committee meetings; take a keen interest in all issues affecting the district, and are accountable and transparent in their decision-making.</p> <p>The Council's Management team and Managers provide reports and technical advice to the Mayor and Councillors, to enable sound and effective decision-making by the elected representatives</p>
<p><i>Lifestyle and Culture</i> 'Southland is a great place to live'</p>	<p>Effective leadership and stewardship of the district and its resources contribute to the quality of life and overall well being of communities and make Gore District a great place to live</p>

Levels of Service 2006 – 2009/16

The goal of the democracy activity and the underlying rationale for the levels of service detailed below, is to ensure compliance with the Council's statutory obligations under the Local Government Act 2002, and thereby provide high quality governance to ensure that the above communities outcomes are achieved in the most efficient and timely manner.

The Council's democracy activity is funded by the general rates.

Objective – What we planned on providing to the Community (Levels of Service)

The Council remains open and accountable to the community it represents

Performance Measures and Targets – How we are going to measure and report progress over the period 2007 – 2016

- **Elections will be held triennially**

A summary of current and future performance targets is as follows:

- Elections to the Gore District Council have thus far been conducted in compliance with legislative requirements and it is intended that elections conducted during the duration of this Plan, will also be conducted in full compliance with the law.

Performance in 2006/07:

- Elections will be conducted in October 2007.

- **The Council will regularly publish any issues of interest relating to its activities in the Newslink weekly**

A summary of current and future performance targets is as follows:

- A Council ‘information page’ will be published at least ten times each year. This is a new performance measure and it is intended that the target of ten Council information pages published a year will be maintained throughout the ten-year duration of this Plan.

Performance in 2006/07:

- The Council published an information page 12 times during the 2006/07 year.

- **The district’s communities are consulted regarding significant issues before decisions are made**

A summary of current and future performance targets is as follows:

- Since the Local Government Act 2002 entered into force, the Council has endeavoured to ensure full compliance with consultative procedures set out in part 6 of the Act. The Council intends to continue to consult with communities as provided for under the Act, throughout the duration of this Plan.

Performance in 2006/07:

- The Council undertook consultation with the community on specific proposals relating to recycling options, recreation strategy and the expansion of the Gore Arts and Heritage Precinct.

DEMOCRACY - STATEMENT OF COST OF SERVICE

ACTUAL 30 June 06 \$000		ESTIMATE 30 June 07 \$000	ACTUAL 30 June 07 \$000
	REVENUE		
0	Election Fees & Recoveries	0	6
331	General Rates	529	530
0	Targeted Rates	10	10
331	TOTAL OPERATING REVENUE	539	546
	EXPENDITURE		
17	Staff Expenses	8	3
180	Elected Members	202	189
0	Election Expenses	7	12
121	Administration Expenses	312	359
	Community Halls Expenses	10	15
318	TOTAL OPERATING EXPENDITURE	539	578
13	OPERATING SURPLUS/(DEFICIT)	0	(32)
13	CAPITAL	14	38
8	TRANSFER TO RESERVES	0	0
8	TOTAL FUNDING REQUIRED	14	70
	FUNDED BY		
8	Depreciation	9	15
0	Transfer from Reserves	5	55
8		14	70

CENTRAL ADMINISTRATION

CENTRAL ADMINISTRATION - STATEMENT OF COST OF SERVICE

ACTUAL		ESTIMATE	ACTUAL
30 June 06		30 June 07	30 June 07
\$000		\$000	\$000
	REVENUE		
58	Interest & Dividends	29	128
18	Other Income	5	0
107	Rates Penalties	95	119
1,464	Internal Recoveries	1,580	1,619
1,647	TOTAL OPERATING REVENUE	1,709	1,866
	EXPENDITURE		
920	Staff Expenses	918	910
738	Administration Expenses	750	906
1,658	TOTAL OPERATING EXPENDITURE	1,668	1,816
-11	OPERATING SURPLUS/(DEFICIT)	41	50
38	CAPITAL	84	34
0	TRANSFER TO RESERVES	29	82
49	TOTAL FUNDING REQUIRED	72	66
	FUNDED BY		
42	Depreciation	72	60
7	Transfer from Reserves	0	6
49		72	66