

GO RURAL
DISTRICT COUNCIL **CITY**
RE LIVING

GORE DISTRICT 10 YEAR PLAN 2021 - 2031



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MISSION STATEMENT

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

Role of the Council

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

- enable democratic local decision-making and action by, and on behalf of, local communities, and
- promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

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

Our Vision

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

Our Mission

To achieve our vision by:

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

10 YEAR PLAN

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

A 10 Year Plan outlines:

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

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

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

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

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

The other document relevant to this 10 Year Plan is:

- **The District Plan**

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

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

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

MAYORAL AND EXECUTIVE FOREWORD

The next 10 years for the Gore District will see a continuation of the momentum foreshadowed in the 2015 and 2018 versions of the 10-Year-Plan, where the Council announced a number of key infrastructure projects.

These projects are commonly referred to as “once in a generation” and principally centre around three waters infrastructure and civic amenities.

Over the next decade the Council will be concentrating on the following priorities:

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

Three Waters

An investment in three waters activities – that is wastewater, stormwater and drinking water – will be considerable over the next decade. However, this investment is clouded by major reform of the three waters sector announced by the Government. If these reforms come to pass, responsibility for managing and delivering three waters services will transfer from the Council to a publicly-owned entity likely to have jurisdiction of almost the entire South Island.

In the meantime the Council is still planning on spending an estimated \$54.7 million of capital expenditure over the next 10 years.

Key priorities for the Council are to upgrade both the Gore and Mataura water treatment plants to make them fully compliant with national drinking water standards. Unfortunately, the upgrade of the Gore water treatment plant in East Gore cannot be completed until a resource consent for the new Longford Shared Pathway Bridge is secured. At the time of writing, a hearing in the Environment Court on the issue of a resource consent is awaited.

Irrespective of the timing and magnitude of three waters reform, the Council is committed to upgrading both Mataura and Gore water treatment plants within the next two years.

Roading

Roading is another of our key services where we will need to make significant investment during the lifetime of this 10-Year-Plan. Unfortunately, funding cuts announced by Waka Kotahi New Zealand Transport Agency on the eve of adopting this 10-Year-Plan has curtailed some of our ambitions in this area. Nevertheless, capital expenditure of \$41.4 million will be required as well as an estimated \$69.4 million for maintenance operating costs. With 59% of roading capital and maintenance expenditure being funded by Waka Kotahi, its decisions on how much to invest in this activity have a profound effect locally.

Civic amenities

The advent of COVID-19 last year threw the world and New Zealand into a state of uncertainty. Emerging out of this uncertainty has been the Government’s shovel-ready funding. For the Gore District Council the fund delivered a grant of \$3 million for the comprehensive renovation of the James Cumming Wing into a new library and community space.

This project, which is expected to be completed by the end of 2022, will complement the recently upgraded and expanded civic administration building. Both of these projects will create an attractive civic centre complex to serve the community for decades to come.

Money matters

Last year, in response to COVID-19, we reduced a proposed rate increase of 6.6% to 2.84%. This represented a \$1.147 million decrease in our budget, achieved by the tightening of numerous belts across the organisation.

The situation is not sustainable in the medium to long term. Capital works funding requirements is the main driver behind a rate increase of 6.42% for year 1 of the 10YP.

It is worth noting the combined rate increase for 2020/21 (2.84%) and the proposed rate increase for 2021/22 (6.42%) is 9.26%. If this 9.26% is averaged over two rating years, it is below our self-imposed 5% per annum cap.

The remainder of the years in preview (years 2 - 10), show proposed rates increases under the self-imposed 5% annual cap. The Council will also deliver a balanced budget for eight of the next 10 years with two years showing a lightly unbalanced budget. This slight imbalance has been left as is in order to keep all future rates increases under the self-imposed 5% cap.

Urban rating boundaries

In the 2018 - 2028 10-Year-Plan the Council expanding the urban rating boundaries, effective from 1 July 2020. The onset of Covid-19 pushed this implementation date out to 1 July 2021.

However, in the ensuing period the Council has reflected on the need and desirability of maintaining its current complex rating system. Accordingly, consultation on the 2021 - 2031 10YP was undertaken on the basis of floating the concept of removing the distinct areas of residential, commercial/industrial, heavy industry and rural rating areas and combining into one rating district. The intention of the Council is to further develop this proposal with a view to unveiling a new rating model for consultation in the next 10YP scheduled for 2024.

In the meantime, the Council will defer any action on implementing an expansion to the urban rating boundaries.

Public feedback

The Council sought feedback from the public on three specific issues as part of consultation on the 2021-31 10YP. These issues were:

- Funding the separation of wastewater and stormwater pipelines on private properties
- Determining the future of the old Gore library building
- Determining the future use of the Rural Special Fund.

The Council received a total of 154 submissions, with 16 people speaking at a hearing in support of their submissions.

As a result of the submissions, the Council decided the following:

1. **Funding of the separation of wastewater and stormwater pipeline on private properties.** The Council has determined the cost of private connection to new wastewater and stormwater pipelines installed as part of the stormwater separation programme, will be funded equally between private property owner and the general ratepayer. The amount an individual ratepayer is expected to contribute will be determined once detailed planning and cost estimation for the connection to the street network has been completed.
2. **Future of the old Gore library building.** The Council received mixed views on the options put forward for the future of the former library building in the Arts & Heritage Precinct. No one option found favour with those who submitted on this matter. Given some of the options such as redevelopment as a visitor/tourism business/information centre or transferring ownership to an arts trust, were very conceptual in nature, the Council has deferred making a decision on this matter. Further consultation with the community will be undertaken once more definition around some of the options canvassed is available.
3. **Rural Special Fund.** None of the three options put forward for the future of the Rural Special Fund enjoyed at least 50% support from submitters. Therefore, in response to urgings of some submitters, the Council will undertake further consultation with the rural community on how the fund should be utilised in the future.

Additions to the 10 Year Plan following consideration of submissions

- The Council agreed to underwrite a funding shortfall for the proposed upgrading of the St James Theatre Trust building to a limit of \$237,000. The St James Theatre Trust has raised \$1.054m to date towards this project. Any call on the Council to underwrite is likely to fall in year two of the 10YP.
- A sum of \$20,000 was incorporated into the Council's training budget for cultural competency training for both elected members and management. This impacts years one and two of the 10YP.
- A sum of \$10,000 was set aside to assist with the employment of a coordinator to implement the Sport Southland Regional Places and Spaces Strategy. The funding has been agreed annually for the life of this 10YP.
- A sum of \$25,000 will be provided within the Parks and Reserves budget with effect from 1 July 2022 annually for the remainder of this 10YP to assist the Hokonui Mountain Bike Club to develop and maintain cycle tracks in the District.

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



Tracy Hicks



Stephen Parry



A COUNCIL FOR YOU

Your councillors are just like you – they are businessmen and labourers, mothers and fathers, farmers and retailers. They pay rates, use our wonderful facilities and work hard to fulfil your aspirations for the District. Like you, they are proud to call the Gore District home and look forward to working with you for Gore’s future.



Gore District Councillors (left to right): Cr Nick Grant, Cr Neville Phillips, Deputy Mayor Cr Bronwyn Reid (front), Cr Bret Highsted, Cr Nicky Davis, Cr Doug Grant, Mayor Tracy Hicks, Cr Glenys Dickson, Cr Richard McPhail (back), Cr Cliff Bolger, Cr John Gardyne, Cr Stewart MacDonell

INDEPENDENT AUDITOR'S REPORT ON GORE DISTRICT COUNCIL'S 2021-2031 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Gore District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Deloitte Limited. We completed our report on 21 July 2021.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 120 to 130 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

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

Basis for Qualified Opinion

Lack of condition and age information for water supply and wastewater assets

As outlined on page 33, the Council does not have sufficient reliable information about the condition of the assets in the water supply and wastewater networks, many of which are nearing the end of their useful lives. Further, the exact age of assets more than 60 years old is unknown due to a fire that destroyed the underlying infrastructure records in the 1950's. The Council has used historical failure rates of its assets to determine the investment required to renew these networks.

We consider it unreasonable for the Council to use historical failure rates alone to develop its forecasts for renewing its networks. Planning on this basis increases the risk of asset failures, which could result in reduced levels of service, and increased costs that will need to be funded through either rates or debt.

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

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

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Emphasis of Matters

Without further modifying our opinion we draw your attention to the following matters:

Uncertainty over three waters reforms

Page 35 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because final decisions have not yet been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Breach in statutory adopting deadline

Page 119 states the Council failed to adopt the plan before the commencement of the first year to which it relates. This is a breach of section 93(3) of the Local Government Act 2002.

Responsibilities of the Council and auditor

The Council is responsible for:

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

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

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's 2021 annual report, we have carried out engagements in the areas of debenture trust deed reporting and registry, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council.



Deloitte.

Mike Hoshek - Deloitte Limited

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

FINANCIAL PRUDENCE BENCHMARKS DISCLOSURE STATEMENT

What is the purpose of this statement?

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

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

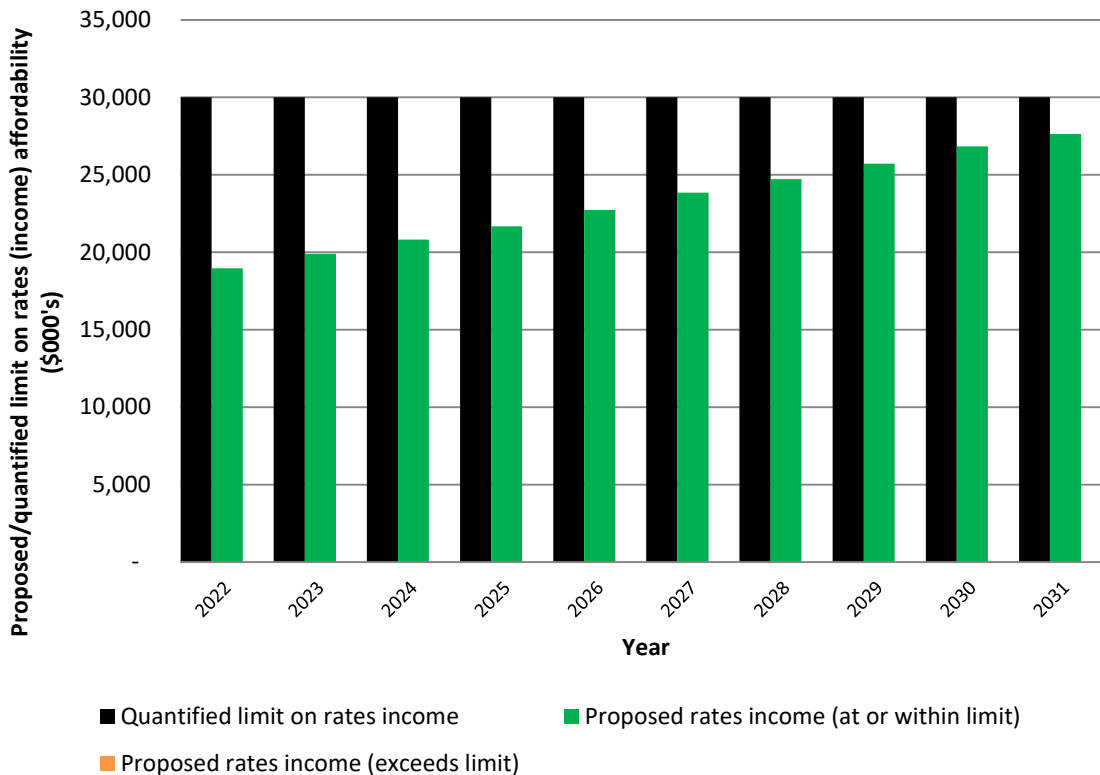
Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

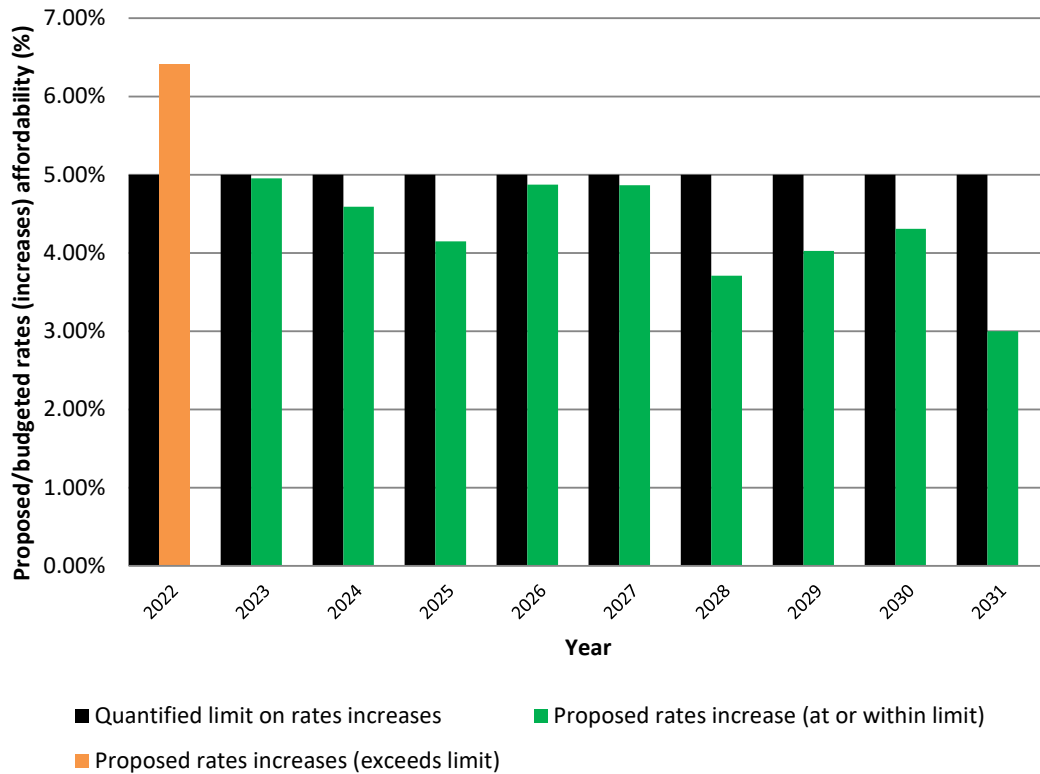
Rates (increases) affordability

The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this 10 Year Plan. The quantified limit is \$30 million.



Rates (income) affordability

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

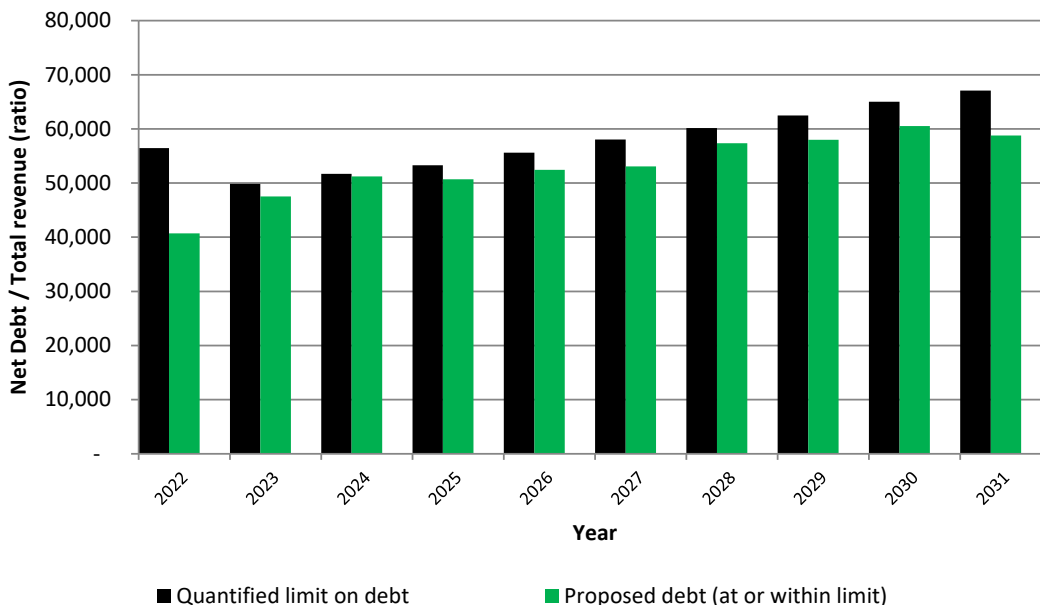


The proposed breach of the rates increase limit in 2022 is largely due to deferred expenditure from 2020/21 that cannot continue to be deferred and an increase in capital projects. This is explained further in the financial strategy on page 13.

Debt affordability benchmark

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

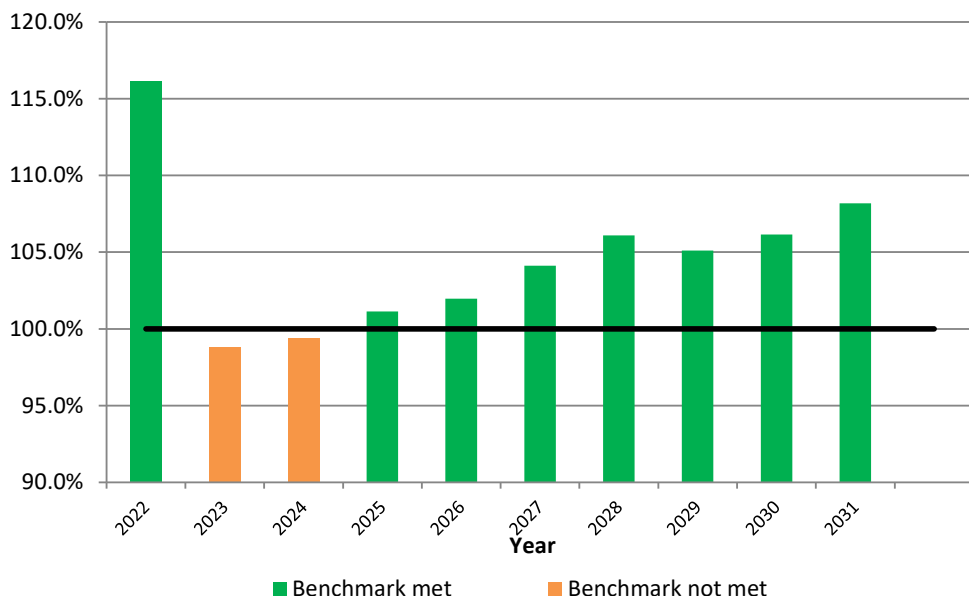
The following graph compares the Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this 10 Year Plan. The quantified limit is 175% of total revenue.



Balanced budget benchmark

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

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses. The significant increase in 2022 is due to the \$3m Government funding to be received for the Library and Community Rooms redevelopment, and the increase to 59% subsidy for roading from Waka Kotahi.

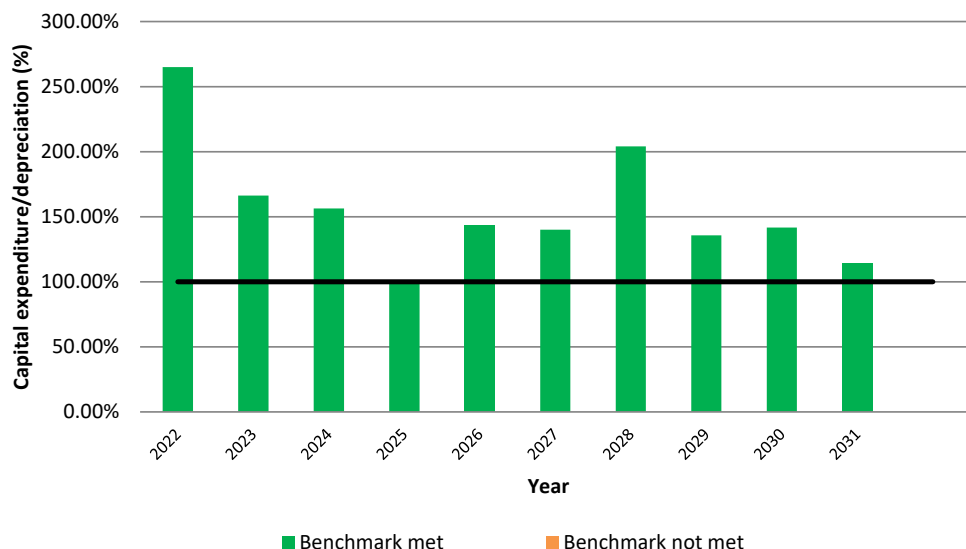


More information can be found about the balanced budget on page 136.

Essential services benchmark

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

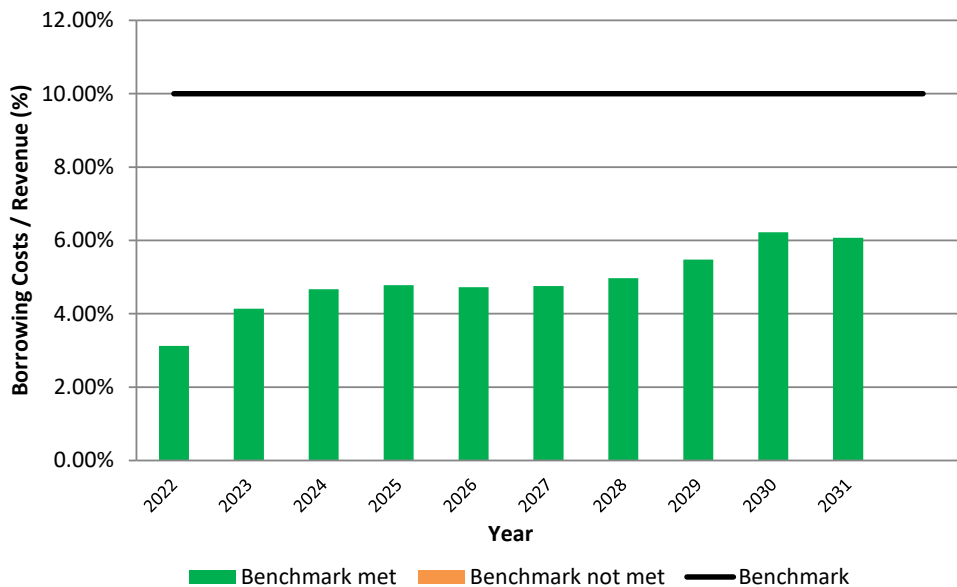
The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



Debt servicing benchmark

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

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



FINANCIAL STRATEGY

The key points of this strategy are:

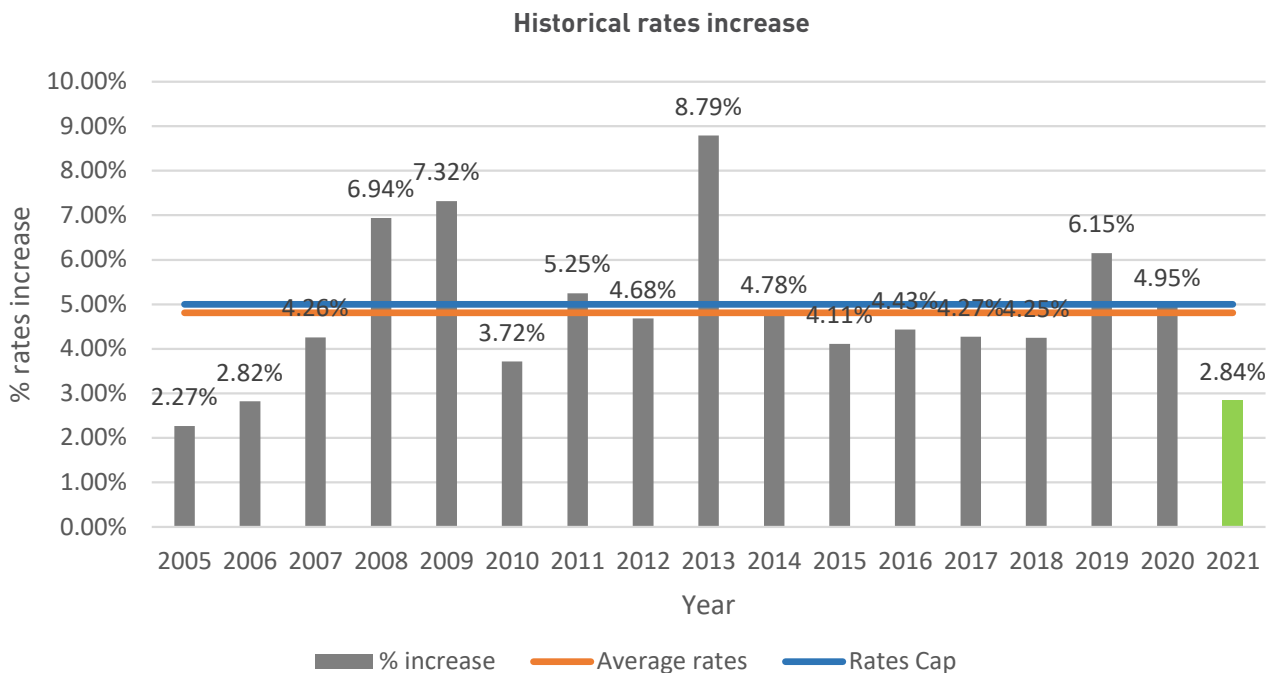
- The Council will continue to apply a cautious and conservative approach to operating expenditure.
- Current levels of service will be maintained, with increased levels of service planned for Gore’s water and wastewater system.
- Rates are the primary source of funding for Council activities.
- Debt levels will increase to accommodate large capital projects, but an active repayment plan is in place throughout the next decade.
- All rate increases are less than the self-imposed 5% limit except for the first year of the plan 2021/22.

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

Introduction

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

Present position



The Council delivered a lower than forecasted rates increase this year, in acknowledgement of the challenges that the community had faced first with the flooding in February 2020, and then the global COVID-19 pandemic. The Council places great emphasis on the long term planning process and believes the two years between revisions of the 10-Year-Plan, when it prepares an Annual Plan, should closely follow the 10-year plan forecasts. This approach gives some certainty to ratepayers about the level of rates they will be asked to pay in the future, and the implications of relevant issues facing the community.

A review of rates increases since the first incarnation of long term plans 17 years ago, shows the average rate increase in the Gore District, up until and including the 2020/21 financial year, has been 4.81%.

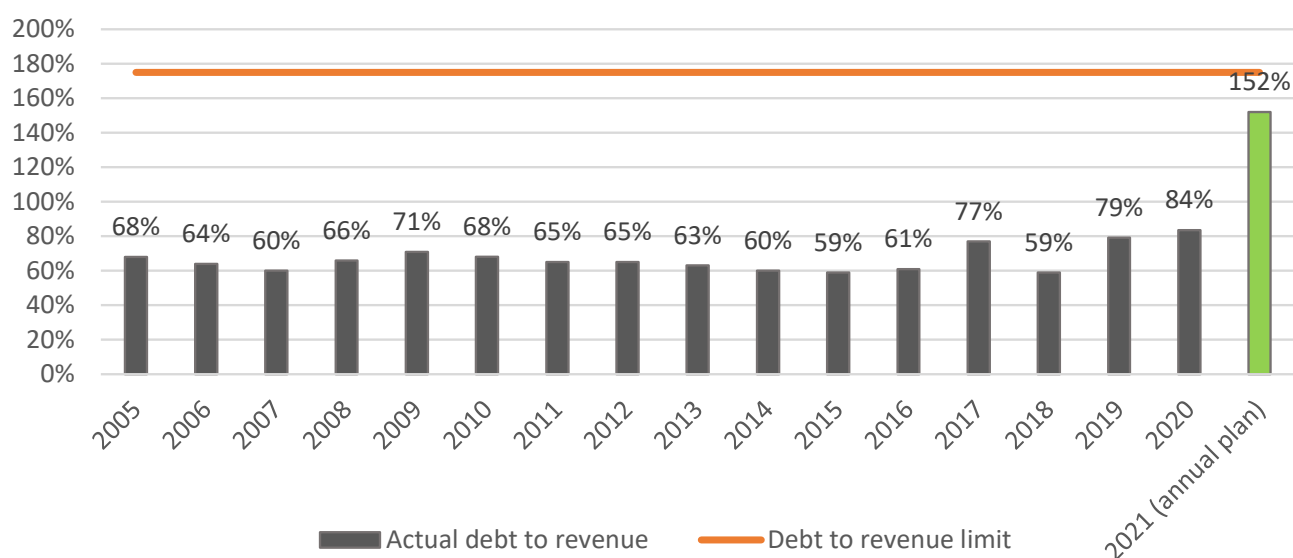
The Council has undertaken large capital works in the form of upgrading wastewater treatment processes in Gore and Mataura, as well as the establishment of the refuse transfer station in Gore, the Council's share of the establishment of the regional landfill in Southland, and the upgrade of the Ajax wastewater pump station in south Gore. The Council has completed the Civic Administration Building upgrade and the Eastern Southland Gallery seismic strengthening projects.

With large capital investments, the ratio of debt to revenue has been relatively static over this time, only climbing in 2016/17 and 2017/18 due to borrowing for the planned Ajax wastewater pump station upgrade and the oxidation ponds desludging project. The increase in 2020 and 2021 is largely due to borrowing for the Gore Water Treatment Plant upgrade to comply with NZ Drinking Water Standards, and the Civic Administration Building upgrade.

Presently (based on 2020 actuals) for every dollar of income, the Council owes 84 cents of debt. To use an analogy, this is like a homeowner having an annual income of \$50,000 and a mortgage of \$42,000. This has enabled the Council to be able to take on new debt to fund once in a generation projects that are on its planning horizon.

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

Historical ratio of debt to revenue



The next 10 years and beyond

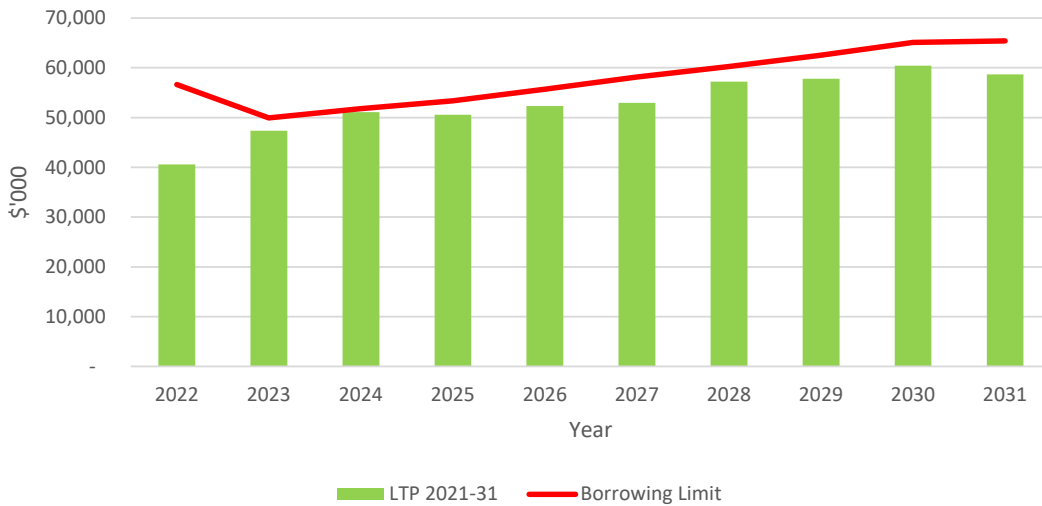
The Council is still committed to completing the projects outlined three years ago in the 2018-2028 10-Year-Plan. Some of these projects were scheduled to commence during 2018-2021 of the 10-Year-Plan. However, some projects like the first stage of the Gore water treatment plant upgrade was delayed. This project will now be completed in the 2021-2031 10-Year-Plan.

As was the case in 2018, the most affordable way to fund these projects is by loans. Choosing to fund these projects with loans means one generation of ratepayers is not unfairly burdened with the cost, as future generations will also experience the benefits from these assets.

Extensive modelling of our 3 Waters network has shown much of our reticulation infrastructure needs to be renewed over the next 30 years. Some of these projects will be significant. In particular, the Council is planning to spend \$22.5 million over the next 30 years to separate Gore's stormwater and wastewater network. This project and others will likely be funded by debt. Therefore, it is imperative that the Council manage debt carefully, as new borrowing as fast as older debt is retired.

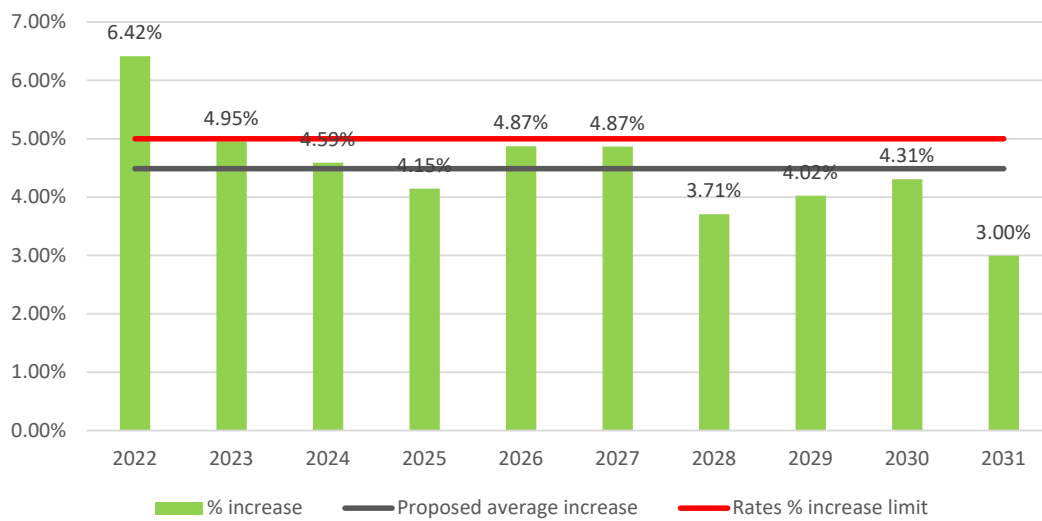
The 2015-2025 10-Year-Plan introduced the strategy of changing the way the Council funds the interest on the loans for 3 Waters assets. Historically the rates collected for depreciation has funded capital work, loan repayments and interest. In the past, this has helped keep rates low. However, this practice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

Projected borrowings



The Council is committed to the strategy set out in 2015. This will be the third long term plan that adopts this strategy, and as such, in year one of the 2021-2031 10-Year-Plan, we will fund interest separately from depreciation. This means a 6.42% average rates increase in the first year which is a breach of the self-imposed rate increase limit. However, given the large capital programme, coupled with rates suppression initiatives undertaken in 2020 to respond to the COVID-19 pandemic, a larger increase is inevitable. However, this will place the Council on a more sustainable financial footing for the next 10 year period.

Proposed rates increases



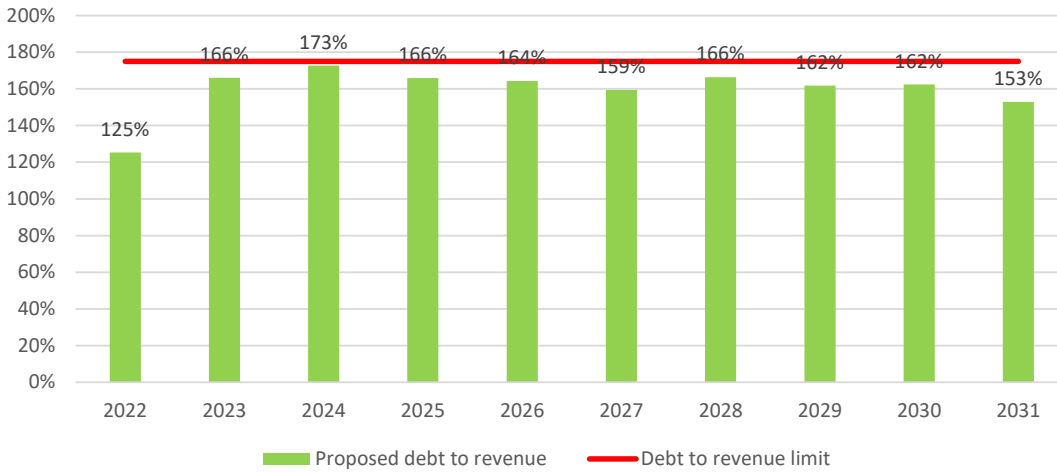
Breaching the rates increase limit once in 2021/22 means the Council:

- can prudently manage the required increased level of borrowing,
- is better placed to undertake large renewal projects scheduled after 2031,
- has more headroom in its self-imposed debt limit to respond to unforeseen infrastructure issues.

The previous plans programmed extra debt repayment from the year 2020 onwards, which would have been after the major capital projects were completed. Delays to some of the large projects due to flooding, COVID-19 and subsequent supply issues mean this extra debt repayment cannot start in 2020 as originally scheduled. The Council will continue with this strategy though, with further debt repayment ramping up in year 2024/25. However, this is going to be offset by additional borrowing required to fund the substantial infrastructure capital programme, particularly in the 3Waters area.

The extra borrowing means our ratio of debt to revenue will increase. However, the initiatives in this strategy will mean that by 2031 our ratio of debt to revenue will be at 153%. This means that for every \$1 of income the Council would owe \$1.53.

Proposed debt to revenue ratio



Financial limits

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

- annual rates increases – not to exceed 5%
- total rates collected not to exceed \$30 million per annum
- debt – not to exceed 175% of revenue.

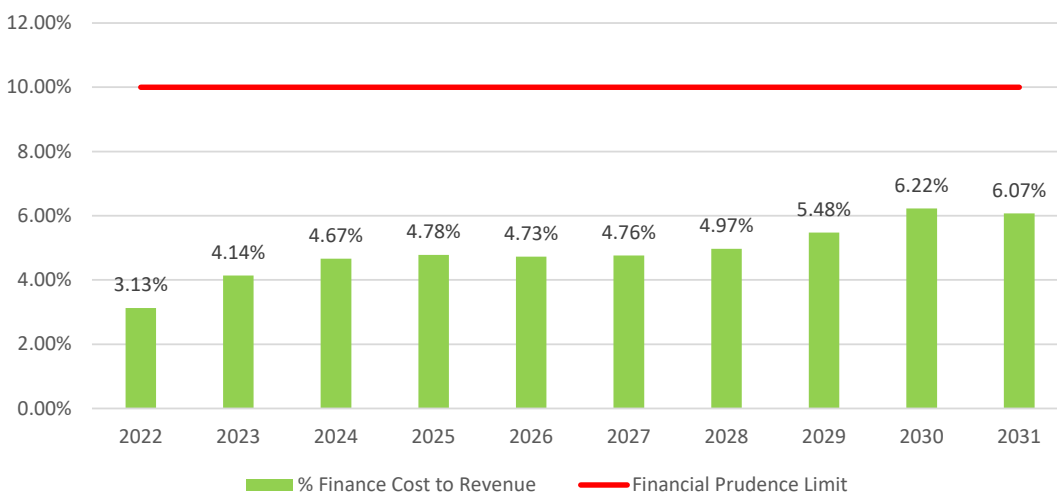
Comment

The 2021-2031 10-Year-Plan provides for increases less than 5% for nine of the next 10 years. The only exception is in the 2021/22 financial year in which total rates are expected to rise by an average 6.42%.

The current debt level (as at 30 June 2020) of the Council stands at \$22.5 million which represents a ratio of 84 cents of debt for every dollar of income. The ratio of debt to revenue will peak at \$1.72 of debt for every \$1 of income in year 3 of the 10-Year-Plan. To use our previous analogy, this is like having an annual income of \$50,000 and a mortgage of \$86,000.

One of the benchmarks set by central government assesses the ratio of borrowing costs to revenue. A local authority the size of the Gore District is deemed to have achieved the benchmark if its borrowing costs, as a portion of revenue, are 10% or less. The 2021-2031 10-Year-Plan meets this prudence test as shown below:

Borrowing costs/revenue



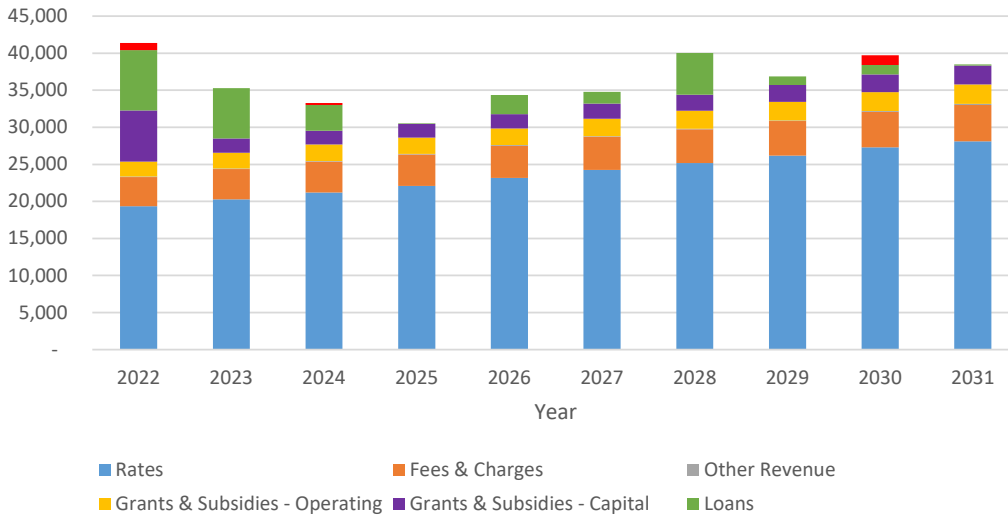
Even though the 2021-2031 10-Year-Plan forecasts debt will be higher than in the 2018-2028 plan, the ratio of borrowing costs to revenue remains very similar. This is mainly due to refinancing the Council’s debt with the LGFA, which lends at lower interest rates to councils.

Funding sources

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

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

Proposed funding sources



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

Levels of service

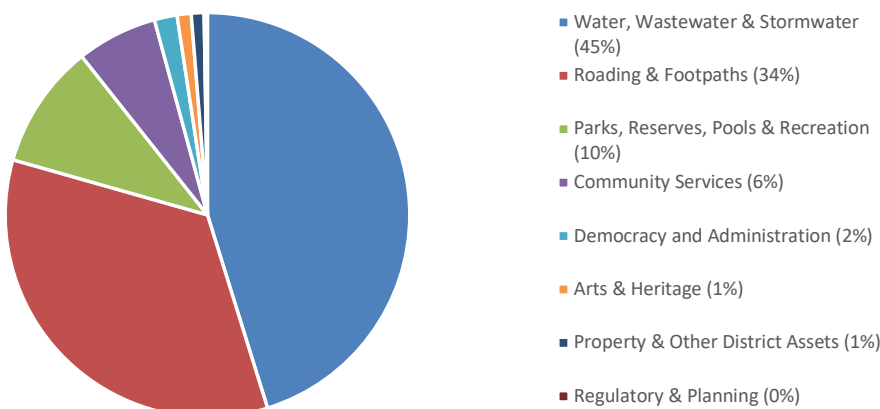
The Council is confident, based on its experience over the past 10 years as illustrated in the historical rates increases graph shown earlier, that it can maintain existing levels of service and the planned increases in levels of service for its water and wastewater activities, within the rates limits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

Capital expenditure on network infrastructure

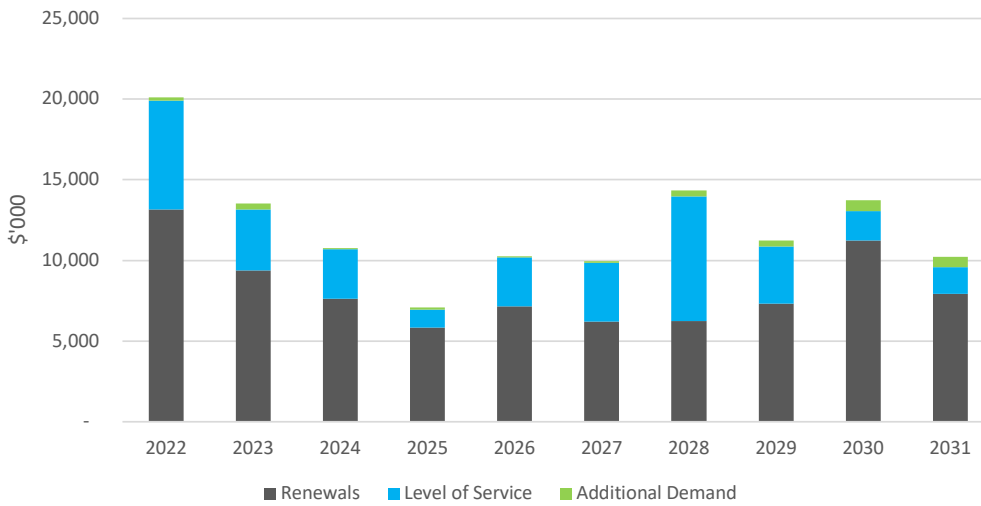
With its large capital projects mentioned previously, the Council is forecasting a relatively stable level of capital expenditure for the renewal of its roading assets but an increased focus on 3 Waters assets.

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

Capital expenditure by theme



Capital expenditure by type



Funding sources

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

At the time of the 2018 Census, the Gore district experienced a very slight increase in population (363 people).

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

Policy on borrowing security

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

Objectives for holding and managing financial investments and equity securities

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

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

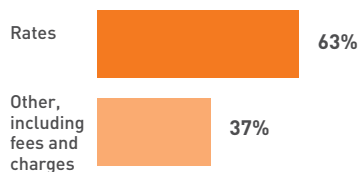
The Council has determined that funds should be invested so as to limit the Council's exposure to loss. With this objective in mind, security of investment shall take precedence over financial return. The Council's investment policy, which is included in this 2021-2031 10-Year-Plan, requires that investments are held with appropriately rated financial institutions, e.g. Standard and Poors.

10 YEAR FINANCIAL OVERVIEW

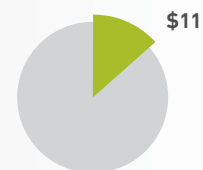
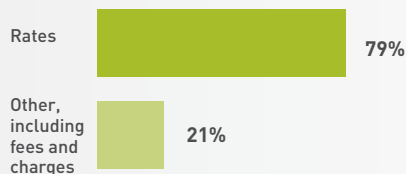
Area of Spend	Capital spend 2021-2031 (\$M)	Operating Spend 2021-2031 (\$M)	How operating costs are funded	Rates Value per \$100
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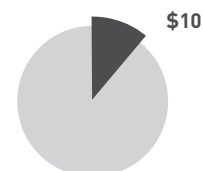
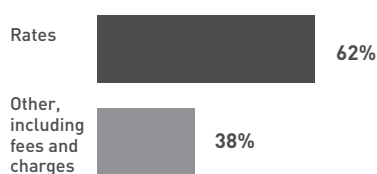
Arts & Heritage



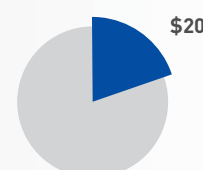
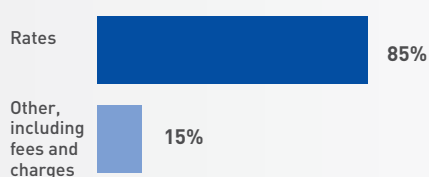
Community Services



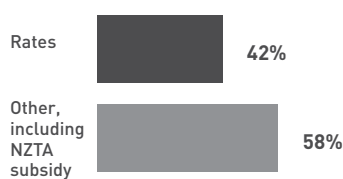
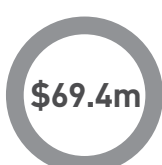
Democracy, Regulatory and Administration



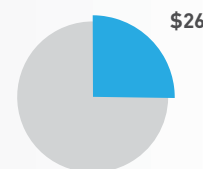
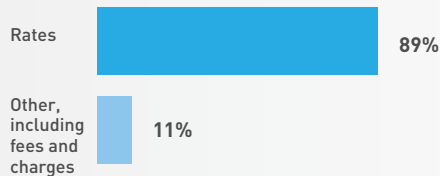
Parks, Reserves, Pools and Recreation



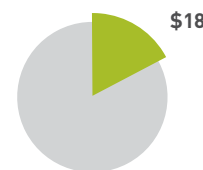
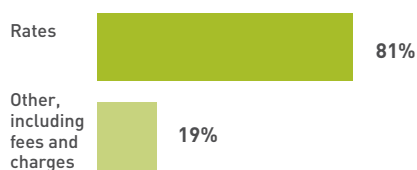
Roading



Water, Wastewater & Stormwater



Property, Solid Waste & other district assets



30 YEAR INFRASTRUCTURE STRATEGY

Executive Summary

Welcome to the third Gore District Council Infrastructure Strategy. Section 101B of the Local Government Act 2002 requires the Council to develop an Infrastructure Strategy (IS). This document sets out the Gore District Council's (GDC) strategic direction for providing and managing infrastructure assets over the next 30 years and beyond. This strategy outlines a 30-year view of strategic issues, expenditure requirements and significant decisions that will need to be made.

The projects identified in the first 10 years of the strategy are funded as part of the GDC's 10-Year-Plan. There is less certainty around the issues and options for the period 2031 to 2051. The information in this infrastructure strategy is drafted as a supporting document to the GDC's 10-Year-Plan 2021-31. It will continue to be refined to reflect feedback into- and decisions resulting from- the formal consultation process.

1.1 Asset Renewals

Aging infrastructure assets and flood damage mean that a large number of asset renewals are needed. The infrastructure installed during the early days is reaching the end of their effective lives, and there is now a growing number of assets requiring renewal. The recent flood has saturated the ground and shortened the remaining life of many 3-Waters assets causing slumps of sealed roads.

While significant water leak detection and CCTV work was completed in the last three years, a considerable amount of water and wastewater leaks/infiltration remains to be investigated and repaired. Over the next 30 years, \$139.1M is planned to be spent on renewals. The Council will deliver \$178.6M in new capital projects over the next 30 years. This expenditure is the most significant component of the Council's planned capital spending, including funding. It is essential to fulfilling one of the two purposes of local government, which is to meet the current and future needs of communities for good-quality local infrastructure and local public services.

1.2 Climate Change

Based on current information, climate change is expected to affect Gore District in the following ways:

- Extended dry weather
- Lower average annual rainfall may result in rivers with lower flows
- Low groundwater levels in shallow bores
- increased rainfall intensity and extensive flooding

Learning to adapt to a changing environment and make decisions in the face of uncertainty will be important steps in addressing the impacts of climate change.

Identifying adaptive pathways, which allow changes to be made in the future as circumstances change, will be key to appropriate infrastructure investment across a range of the Council's core services.

The Council is working across the region on climate change initiatives. Partnering with other Councils, we have invested in baseline reports and are using the NIWA study as an agreed baseline for planning. We have also collectively invested in Great South's work on climate change – and are currently awaiting the publication of the report commissioned by Great South that provides an analysis of climate change in the Southland region.

We are first developing a climate change strategy before setting domain-related targets and action plans (and activities). The Council, in its activities, will be looking at both adaptation and mitigation activities.

Climate change impacts are integrated into our activity management planning and therefore incorporated into our infrastructure planning estimates. Climate change policy work is currently being incorporated into the District Planning review, which

leverages the regional approach. Specific funding for climate change action is not identified, as this will be incorporated into our business-as-usual activities as we roll out a council-specific action plan in time.

The Council has not declared a climate change emergency. The Council recognises climate change impacts by developing a climate change strategy and subsequent action plan, and district plan review work. This work has been allocated to the respective General Managers (GM) for integration into business-as-usual planning (GM Regulatory and Community Services for the policy work; GM Infrastructure for the asset planning).

1.3 Affordability

The Council needs to determine the priority of issues to be addressed and the associated timing and funding for the relevant infrastructure projects. These decisions need to consider the costs and benefits of those projects over the short, medium and long term. Decisions made now must consider the costs and benefits for future generations as well as the current generation.

By necessity, the additional investment by the Council in recent years has in part been funded through deferring otherwise planned renewals. Compounding this situation, the District is approaching the end-of-life for many infrastructure assets built in Gore and Mataura during earlier industrial/ farming booms such as in the 1950s.

Within this context, the Council may have to increase rates to service the District – above the inflation rate – in each year since the flooding. All avenues need to be explored to keep rate increases at the minimum possible. This includes exploring alternative ways of funding the work that needs to be done, alongside prioritising capital investment (both in new assets and replacement of assets) and being prudent with day-to-day operational expenditure. This needs to be done while trying to achieve the strategic priorities, regulatory obligations and community outcomes.

1.4 Our Infrastructure

This strategy covers infrastructure assets and services provided by GDC specifically:

- Roading
- Water
- Wastewater
- Stormwater

The information considered in developing this Infrastructure Strategy includes:

- Asset details
- The condition and performance of assets
- What assets are critical to service delivery?
- The level of service delivered (does it meet the agreed standard?)
- What demands do we expect in the future?
- What changes do we anticipate (e.g. climate change)?
- Where have we identified improvements?

The Council is focussed on engaging with the wider community and making sound decisions. This requires reliable information (the evidence base). This also means there is an action item for improving data. This is especially important where there are data gaps, and decision making could be compromised.

It is essential to know what we don't know.

1.5 Our Challenges

The task of building, operating, and maintaining these infrastructure assets affordably and sustainably is becoming increasingly difficult in view of:

The information considered in developing this Infrastructure Strategy includes:

1.5.1 Legislative Environment

There have been increasing expectations from the Central Government and the public about the standards to which services are provided. National standards and National Policy Statements require New Zealand's drinking water standards to be met and increased wastewater and stormwater treatment and disposal standards.

The Government Three Waters Review led to the establishment of a Water Regulator and a Water Services Bill. This will lead to a significant increase in responsibilities as regulatory coverage extends to all water suppliers, except single household self-suppliers.

Add to this improved stewardship of wastewater and stormwater services and increased community consultation requiring a significantly more holistic approach to Three Waters management.

1.5.2 Aging Infrastructure

The District's infrastructure is aging, and the asset should not be pushed beyond the efficiency threshold, which would mean maintaining the asset is more expensive than renewing it.

Increased investment in our sealed road surfacing is required to return to a sustainable replacement cycle and prioritised drainage maintenance to maximise our underlying pavements' lives. At the same time, the Council (the community share) and our co-funders (NZTA) can afford to do so.

Bridge inspections enabled the development of a robust forward plan of bridge renewal and component replacement.

Water and wastewater mains deteriorate over time and will present a bow wave of breakages or replacements. The mains will not be fit-for-purpose, and failure/breakages will be an ongoing issue resulting in increased interruptions and contamination opportunities. Our Water, Wastewater and Stormwater Renewals Strategies will guide our decision-making to develop a robust Renewal Plan.

1.5.3 Demographic Changes

Our population is ageing, and as a result, there is an increasing proportion of ratepayers who are on fixed incomes, placing greater pressure on the affordability of annual rates increases while addressing changes in levels of service and expectations.

1.5.4 COVID-19

The 2019–21 coronavirus pandemic is ongoing at the time of writing this strategy. The impacts will be wide-ranging and likely include a significant and protracted recession. Taituarā (SOLGM) has set up the COVID-19 Response Unit to guide and support the local government sector through the COVID-19 pandemic. The focus of the COVID-19 Response Unit is on supporting the sector in its response to the pandemic and ensuring that individual councils are prepared with:

- Business Continuity Planning (BCP) and crisis response planning
- Dealing with essential services, including water and solid waste
- Dealing with cemeteries and burials
- Staffing and employer responsibilities.

To date, the COVID-19 Response Unit has provided guidance to the sector on finance and recovery, governance, PPE for non-health essential workers, and drinking and wastewater. Workstreams have been established for essential services, governance, finance and recovery, social well-being and project management.

The indication is that the Gore district will be able to weather the storm as the district's primary industries, agriculture, and forestry are less affected than, for example, tourism. The pandemic presented the Council with an opportunity to collaborate with Central Government to invest and progress infrastructure projects.

1.5.5 Other challenges

Other challenges include

- Infrastructure resilience
- New technologies


























An extremely complex challenge for Council is to manage affordability and sustainability in the context of the abovementioned challenges and our modest ratepayer's base.

The Council's response to the affordability challenge will focus on critical assets and activities. The Council will use targeted rates for customers who benefit from paying for the service. The Financial Strategy will continue to reflect the balancing of ratepayer affordability against community needs and aspirations.

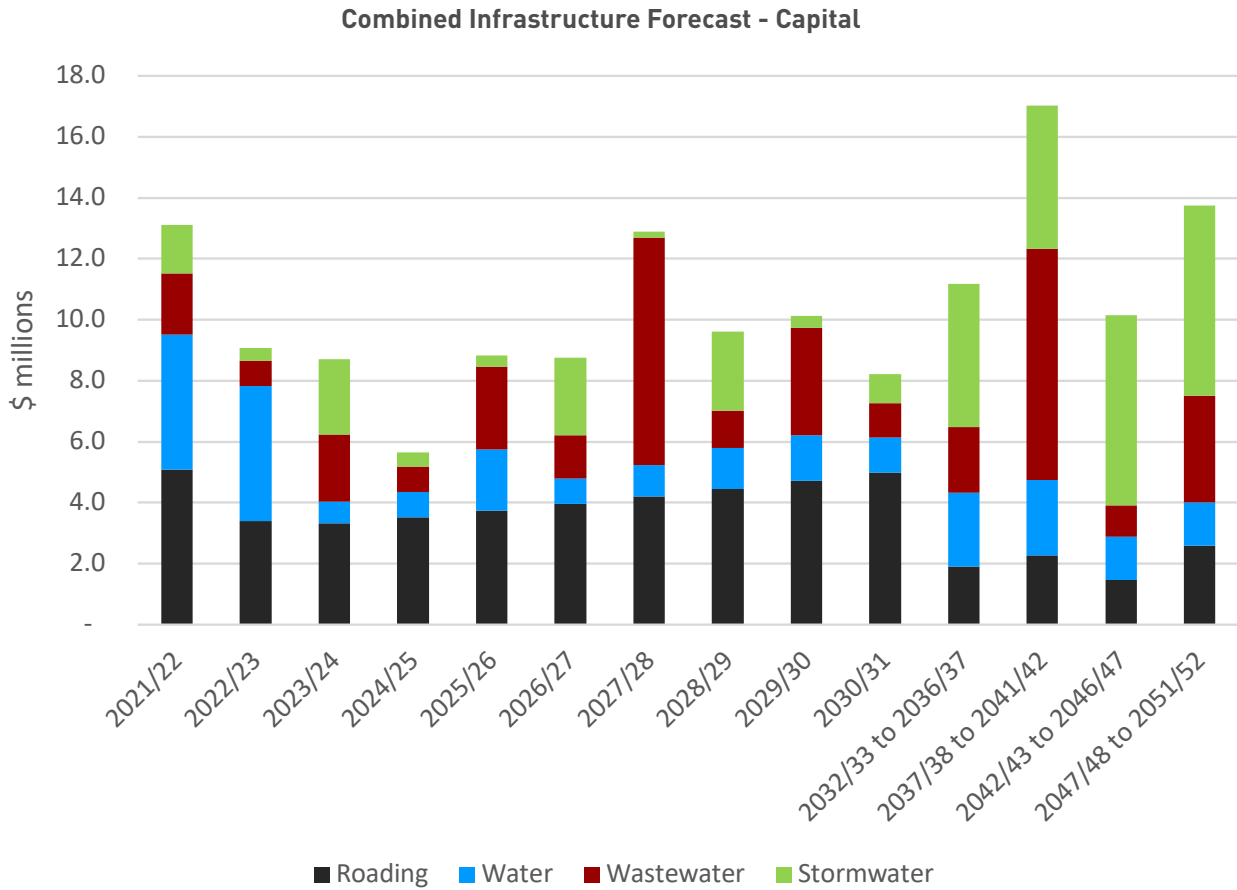
1.6 Key Infrastructure issues

Taking a long term view to the management of infrastructural assets and the core services, Gore District Council needs to make key strategic decisions in a timely manner. In addressing community desires and priorities, the following key decisions have been identified.

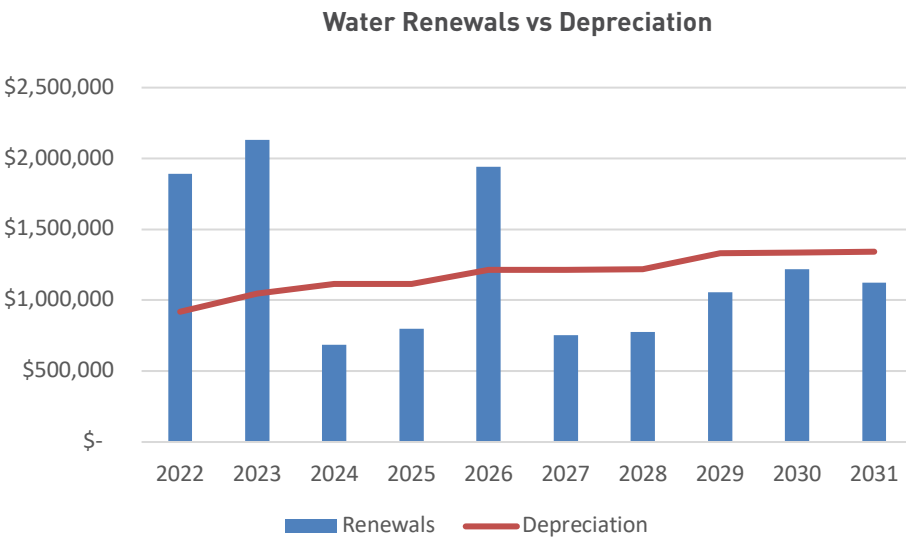
Significant Infrastructure Decisions

	2021 - 2031	2031 - 2041	2041 - 2051
Roads & Footpaths 	 ←	\$49.5M Pavement Rehabilitation \$8.7M Bridge Replacement	→ 
Water 	 \$1.5M Hilbre Reservoir Replacement  \$2.1M Mataura WTP Upgrade	 (\$4.8M Pleura dam pipe renewal included in trunk main renewals)  \$15.3M Trunk Main Renewals  \$27.5M Reticulation Renewals	 \$5.65M Climate Change Resilience 
Wastewater 	 \$2M Mataura WWTP Upgrade  \$6M  \$10.2M Trunk Main Renewals	Gore WWTP Upgrade  \$32M  \$26.4M Reticulation Renewals	Gore WWTP Upgrade  \$12.3M 
Stormwater 	 ←	 \$77.5M Stormwater Separation  \$40.1M Stormwater Quality Improvement	→  → 

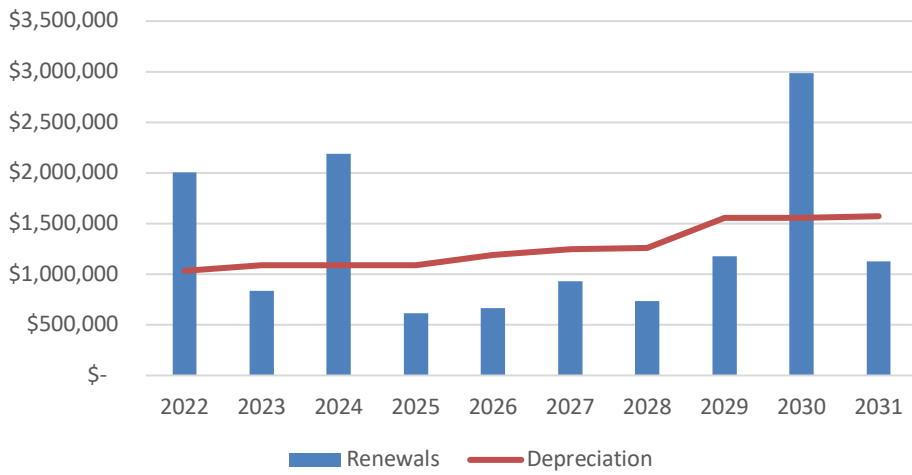
The projected capital expenditure associated with the significant infrastructure assets are graphically represented below:



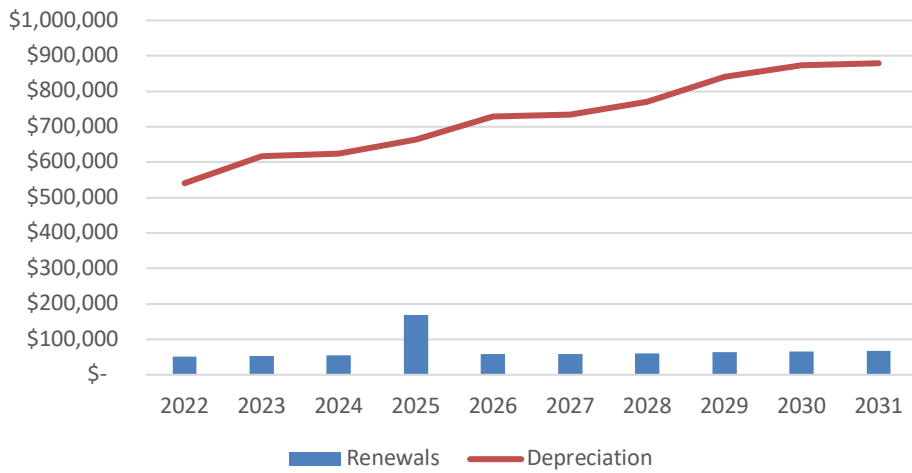
The following graphs clearly show that the Council’s planned Capex (renewals + upgrade works) exceed the projected depreciation take. This confirms the Council’s significant reinvestment in infrastructure assets with no renewals gap.



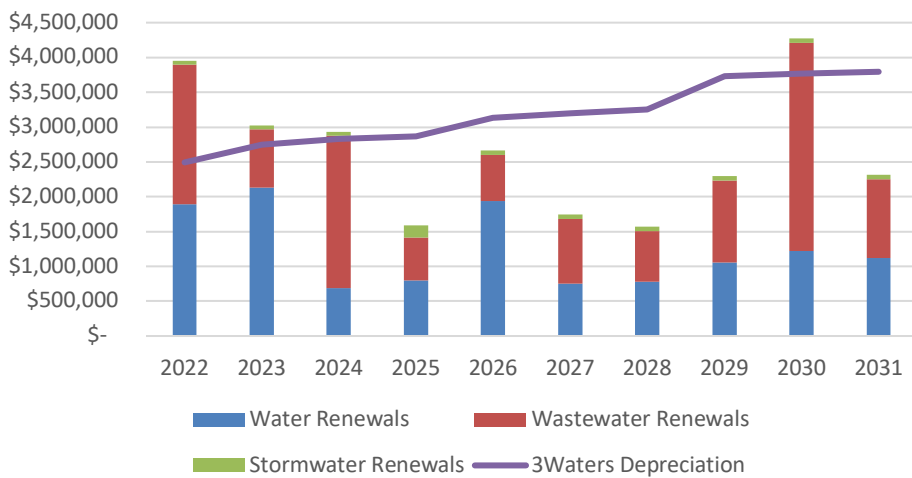
Wastewater Renewals vs Depreciation



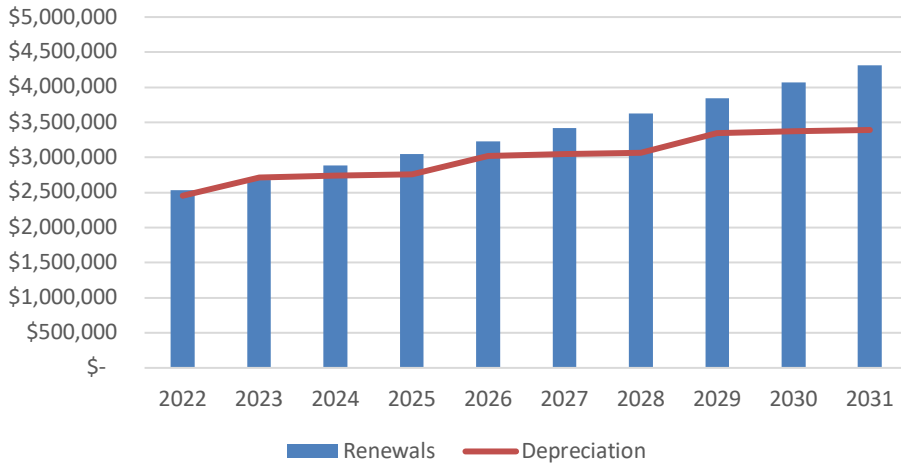
Stormwater Renewals vs Depreciation



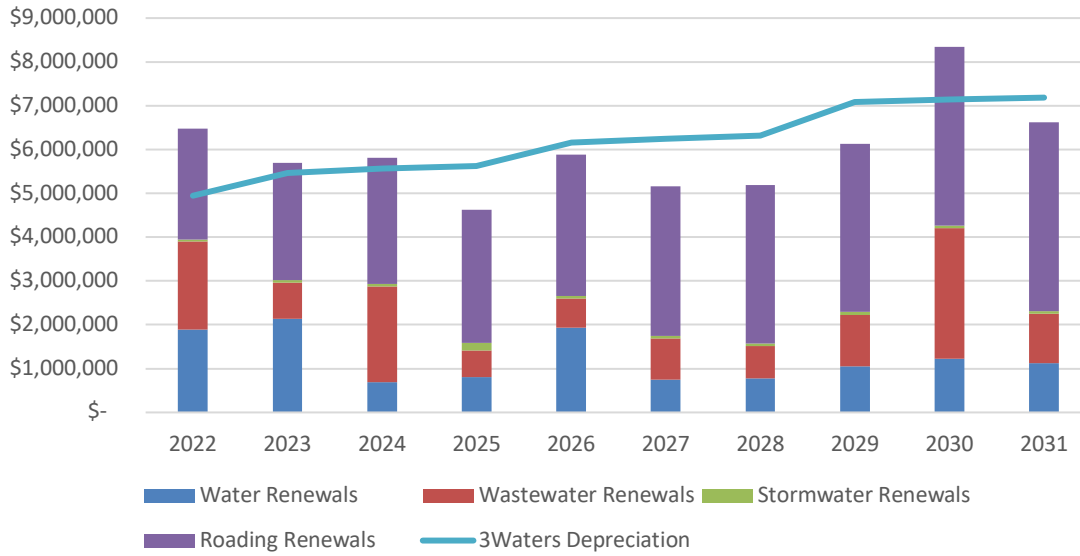
3Waters Renewals vs Depreciation



Roading Renewals vs Depreciation



Infrastructure Renewals vs Depreciation



Introduction

This is Gore District Council’s third Infrastructure Strategy, and it supersedes the Infrastructure Strategy adopted in 2018. It is part of a strategic planning framework, including Activity Management Plans, the 10-Year-Plan (10YP) and the Financial Strategy, all based on Significant Forecasting Assumptions.

The issues discussed reflect the current legislative environment and the communities’ priorities across the District.

The financial forecasts are estimates, and the forecasts’ reliability decreases beyond ten years and towards the 30-year planning horizon.

2.1 Strategy Layout

The Strategy document sections and corresponding LGA Act sections are tabled below:

Table 1: Strategy Layout

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

2.2 Purpose

The purpose of the Infrastructure Strategy (the Strategy), as required by the Local Government Act 2002, is to identify the significant infrastructure issues for the Gore District Council over the next thirty years, the principal options for managing these issues and the implications of the options. In this regard, it is intended to bring infrastructure management issues and their consequences to the attention of the Council and its communities. Its 30-year focus helps make explicit the longer-term options faced by the District and the consequences of investment and service level decisions.

The Strategy should be read alongside the Council’s Financial Strategy, which provides context and guidelines against which to consider the Council’s proposed expenditure. Funding sources are not the Strategy’s focus as the detail about how the Council intends to fund its activities can be found in the Revenue and Financing Policy.

2.3 Gore District Core Infrastructure

The Gore District Council Infrastructure Assets are tabled with 2019 replacement values below:

Table 2: Gore District Key Assets

Asset	Description	Replacement Value	% of total
Roads and footpaths	Roads (arterial, collectors, local; curbs and gutters), bridges, footpaths	\$395m	75%
Water	Water abstraction, treatment and distribution	\$52.5m	10%
Wastewater	Wastewater collection, treatment and discharge	\$47.8m	9%
Stormwater	Stormwater collection and discharge	\$32.5m	6%
TOTAL		\$528m	100%

2.4 Infrastructure Achievements

Over the last three years, we have:

- Maintained, replaced, and constructed various infrastructure
- Identified and investigated infrastructure issues,
- Undertook strategic actions.

The following details improvements achieved over the last number of years:

2.4.1 Roads and Footpaths

- Resurfaced roads, renewed kerb and channel and footpaths
- Maintained unsealed roads and drainage channels
- Bridge repair and renewals
 - River Road bridge abutments shored up
 - Kennedy Road bridge replacement
 - Landslip Valley bridge improvement work
 - Pyramid bridge replacement

2.4.2 Water

- Mataura Water Treatment Plant improvements
- Coopers Well-field “emergency water abstraction” infrastructure and new deeper bore
- Installation of permanent infrastructure at Coopers Well-field to allow “emergency water abstraction” from the Mataura River.
- Resource consent renewals (Pleura dam and Waikana Stream)
- Upgrade and centralisation of the Water Treatment Plants (underway).

2.4.3 Wastewater

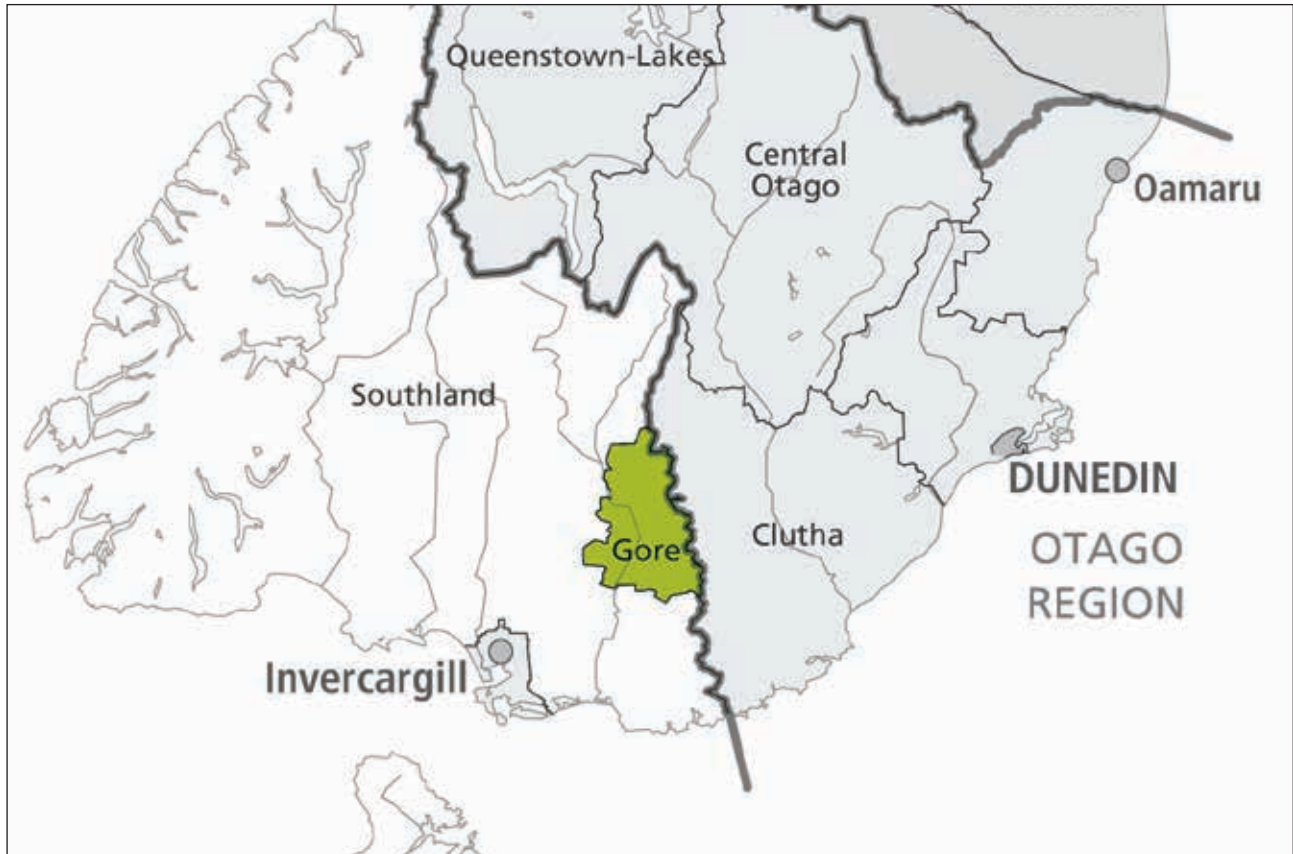
- Commissioning new “Industrial Hub” wastewater treatment plant
- Ajax pump station upgrade
- Renewals
 - Gore Wastewater Treatment plant inlet screen
 - Resource consents (underway)
 - Replacement of Mains at Stuart Street, Hope Street and Culling Terrace

2.4.4 Stormwater

- Development of a Stormwater master plan (SMP) adopted
- Stage one implementation-Elizabeth Street stormwater and wastewater separation design (underway).

Gore District

The Gore District is located within the Southland region and covers 1,251 km². Our neighbouring councils are Southland District and Clutha District. The main township of Gore is 50 minutes from Invercargill and 1.5 hours from Queenstown. The Mataura River runs through the District with Gore and Mataura townships situated on its banks. The river is a focus for the District and provides many recreational opportunities. The District has a strong agricultural-led economy with complementary industries established. Our population was 12,033 in the 2013 Census, but in 2019 it was estimated to be 12,800. We have 3,996 rating units in Gore, 800 rating units in Mataura and 1374 rural rating units. The urban rating units consist of 4,212 residential, 392 commercial and six industrial properties. Gore is the largest urban area with a population of 7,350. Mataura has a population of 1,509. Our Council, in many ways, is a typical example of the majority of its namesakes as a provider of “core” activities. Core activities are considered to be the delivery of roads, water (urban and rural), wastewater, and stormwater services.



3.1 Strategic Context

This Strategy aims to give effect to the Council’s strategic direction.

The Council’s Vision: *To provide an environment that allows people to enjoy the lifestyle and culture of their choice*

Mission	Community Outcomes
<p>Ensuring a sustainable environment for future generations</p> <p>Encouraging participation by the people</p> <p>Providing efficient quality services and facilities that meet the affordable needs and aspirations of the people</p>	<p>We value our history and heritage</p> <p>We live in a creative place</p> <p>We have a choice of quality places to go and things to do</p> <p>We have a quality infrastructure with the potential for growth</p> <p>We live in a compassionate, caring community</p> <p>We value and respect our environment</p>

The Infrastructure Strategy will help in part in delivering this by focusing on;

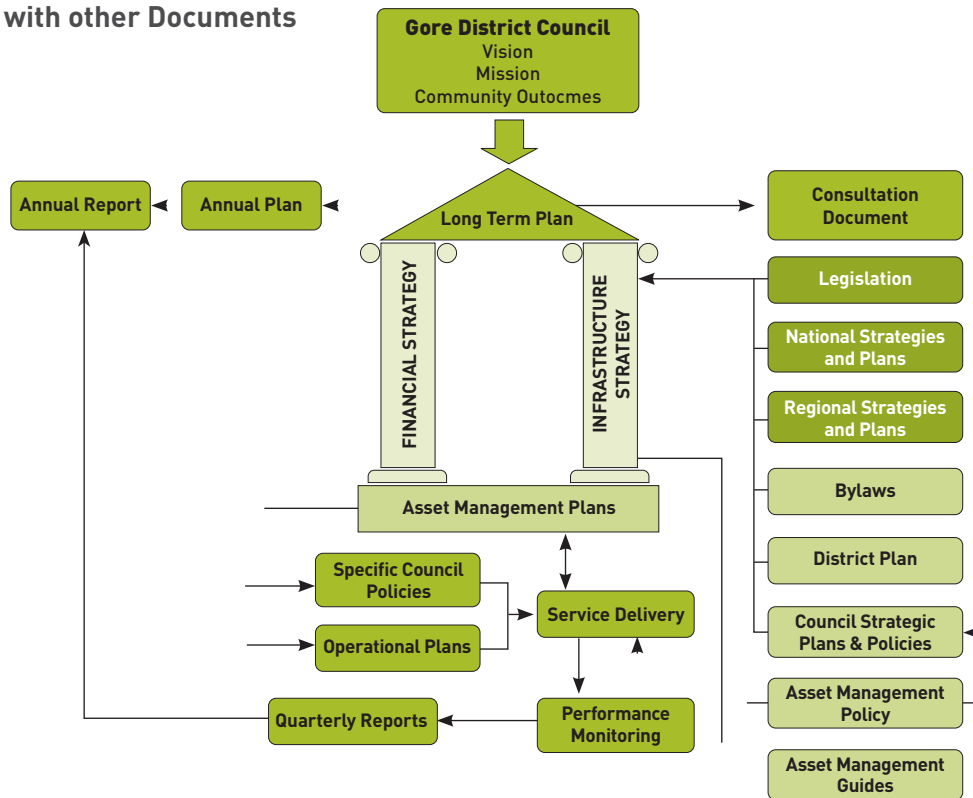
- Asset data: Continuous validation, improvement of asset conditions and GIS layer update
- Meeting regulatory requirements
- Adapting to changing communities and finding alternative solutions
- Developing a better understanding of the reliability of prediction models for asset lives.
- Cabinets decisions on Three Waters Reform

This will put the Council in a better position to plan for the next 10YP period by having more confidence in long term renewal investment decisions.

3.1.1 Linkage with Other Documents

The Infrastructure Strategy and Financial Strategy underpin the 10-Year-Plan. Planning for the Infrastructure Strategy activities is covered within the relevant Activity Management Plans and being informed by other strategies, policies, plans, and legislation, as shown in Figure 1 below.

Linkages with other Documents



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

A number of other strategic, tactical and operational plans relate to and support our infrastructure services delivery and are linked with this Strategy.

The Significance and Engagement Policy identifies the degree of significance attached to particular issues, proposals, assets, decisions and activities.

The Significance and Engagement Policy provides the criteria to determine significance and the approach to appropriate engagement. The Council considers the following assets, or a network of assets, to be strategic assets:

- Water supply
- Rooding
- Stormwater (Land drainage)
- Wastewater.

3.1.2 Asset Management Policy

The objectives of the Council's Asset Management Policy are to:

- support continuous improvement in the asset management system to ensure service delivery is optimised to deliver agreed community outcomes and levels of service for residents, visitors and the environment;
- optimise expenditure over the life cycle of the assets;
- ensure risks are managed appropriately;
- provide confidence to the community and stakeholders of value for money; and
- integrate asset management into Council's strategic, tactical and operational planning frameworks, including corporate, financial, and business planning

The following principles guide activity management planning and decision making:

- Provision of a safe and healthy work environment.
- Effective consultation to determine appropriate levels of service
- Informed decision making using a lifecycle and risk management and inter- generational approach
- Transparent and accountable asset management decision making
- Professional development to improve asset management capability
- Efficient and effective service delivery models

3.2 Gore District Council

3.2.1 Past

The Gore District Council was established in 1989 following the amalgamation of two former territorial authorities of Gore and Mataura Borough Councils and parts of Southland County Council.

3.2.2 Present

Our District consists of two prominent urban areas – Gore and Mataura. Gore is a well-established town, and the primary focus of businesses and industries is to service the robust agricultural sector in the surrounding rural areas. We are known for the events that take place here, such as the Hokonui Fashion Design Awards, Southern Field Days and Hokonui Moonshiners Festival. We have many recreational attractions that appeal to national and overseas visitors. The District is a very safe place to live. It's family-friendly. We are aware that people return to Gore to start their families due to the facilities and community vibrancy. We are committed to prudently investing in creating a vibrant and satisfying lifestyle, a place where people want to live and businesses want to establish. We are focused on providing our core services to our communities. We are financially responsible and consider affordability for our residents. We strive to improve our services for everyone in our District continuously. We are positive about facilitating appropriate growth in our District.

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

The District is divided into five electoral wards represented by a mayor, eleven ward councillors and one community board.

As a local authority, the Gore District Council will comply with any relevant New Zealand legislation. The Council's vision and community outcomes are strategic statements that guide its decision-making in implementing the 2021-31 Long Term Plan and 30 Year Infrastructure Strategy. The community outcomes are recorded in the 2021-31 Long Term Plan document.

3.2.3 Future

We have aspirations and goals as a Council to continue to develop our communities and District to become an even better place to live and work by providing efficient, quality services and facilities that meet the affordable needs and aspirations of our community. Ready for Growth is a community-led development strategy for the Gore District, with an overall objective is to grow the Gore District's population by 1,500 people by 2030.

We believe by 2051; we can provide our residents with the Best Quality of Life in New Zealand. We want to encourage more

tourism ventures and attract more visitors. A tourism strategy is to be developed in the near future. We know we have an ageing population, and these residents wish to remain active in society during their retirement; they will expect different levels of service in the future. We want to continue to maintain facilities and recreational amenities that are exceptional for our District's size whilst meeting expected levels of service. We wish to maximise our opportunities whilst we have a buoyant economy and encourage more industry and businesses to establish or grow within our District. This will create employment opportunities and attract new residents. To reach our goal, we need to ensure our core infrastructure is working effectively and efficiently whilst providing an affordable service that meets our residents' expectations. We want to combine best practice infrastructure management with enhancing our district's liveability.

Core Infrastructure

The core infrastructure is made up of:

- Roothing
- Water
- Wastewater
- Stormwater.

4.1 Asset Description

Following is a brief summary of the Council's infrastructure assets for each group considered in the Strategy.

4.1.1 Roothing

The rooting network consists of 901km of roads, 130 bridges, 99km of footpaths, 1,601 streetlights, 124km of surface drainage and 3,835 culverts, mud tanks and soak pits. There are also five State Highways in the District (SH-1, -90, -93, -94 and -96). The One Network Road Classification (ONRC) is a classification system that divides New Zealand's roads into six categories based on how busy they are and whether they connect to important destinations. Under ONRC, Gore District Council's roads are classified as 24km primary collector, 167km secondary collector, 301km access and 405km low volume roads.

Our roads underpin Gore's ability to do business with the world. The agricultural forestry sectors and manufacturing, particularly primary production manufacturing (meat, milk powder, sawmill & panel products), are the District's top employers. Our roads provide connectivity between productive farmland, processing facilities and our workforce.

The rooting team deliver both assets (such as roads, signs, footpath, bridges and lighting) and non-asset functions (such as road safety promotion). Overall management of the facilities is provided by the Council, with operational work carried out by contractors. Funding for the management and maintenance of the rooting and footpaths network is provided from rates, loans and user charges, together with the central government's financial assistance through NZTA. The Council also utilises professional engineering services to help develop and deliver its renewal and capital programmes.

It is anticipated that bridge maintenance/renewal and pavement rehabilitation needs will substantially increase over the next 10-20 years as our bridges and pavements age and approach the end of their useful lives.

Over the last three years, there has been a focus on network data. The present data confidence (historical data) sits around 60/70%, with an improvement plan to further improve and validate data quality.

4.1.2 Water

The Council owns and operates two community potable water supplies and one rural stock water supply located at:

- Community supplies:
 - Gore
 - Mataura
- Rural stock water
 - Otama.

The management and operation of the water supplies are mainly through Council committees, with the Otama scheme governed through a private scheme committee. Note – It is planned to transfer ownership of the Otama Rural Stockwater Scheme to a private company before 30 June 2021.

Council engineers consider the condition and performance of the water supply assets to be moderate to poor. Improving the accuracy and reliability of asset data is critical in developing a robust renewals programme, and evidence-based decision making is a major focus moving forward.

There is a lack of reliable information about the age and condition of pre-1960s water and wastewater networks. While we know these assets are nearing the end of the useful lives, there's had to be some estimates about how well or badly the infrastructure has aged.

We acknowledge this increases the risk of these assets failing, causing a decrease in the level of service.

We have mitigated risks by:

- having spare parts on hand for critical assets to reduce the risk of impact on level of service;
- having plans in place to enable reactive maintenance as required to ensure minimal impact to the level of service.

We have begun performing assessments of critical pipes by using CCTV to learn more about the condition of these pipes.

The upgrade of the Gore water treatment plant is expected to be completed by August 2021. Currently, the Council is reviewing the options for treating Mataura water supply to meet the Drinking Water Standards for New Zealand (2018).

The new drinking water regulatory framework will significantly impact the source, treatment, and delivery of drinking water services. The impacts of the new regulatory framework are mainly unknown.

4.1.3 Wastewater

The Council owns and operates three wastewater systems that collect, treat and dispose of liquid waste to acceptable environmental standards located at:

- Gore
- Mataura
- Waikaka.

The management and operation of the wastewater systems are via the Council organisation.

There is a lack of reliable information about the age and condition of pre-1960s water and wastewater networks. While we know these assets are nearing the end of the useful lives, there's had to be some estimates about how well or badly the infrastructure has aged.

We acknowledge this increases the risk of these assets failing, causing a decrease in the level of service.

We have mitigated risks by:

- having spare parts on hand for critical assets to reduce the risk of impact on level of service;
- having plans in place to enable reactive maintenance as required to ensure minimal impact to the level of service.

We have begun performing assessments of critical pipes by using CCTV to learn more about the condition of these pipes.

Separation of the stormwater and wastewater systems and environmental compliance are significant challenges moving forward. Our existing treated effluent discharges are to water that doesn't meet current environmental standards.

4.1.4 Stormwater

The Council owns and operates five stormwater systems that provide a degree of protection against rainfalls of a moderate intensity, located at:

- Gore
- Mataura
- Mandeville
- Pukerau
- Waikaka.

The management and operation of the stormwater systems are via the Council organisation.

The existing stormwater systems are basic, and Council engineers consider the stormwater assets' condition to be moderate to good. However, the systems' capacity is very limited, causing flooding of private properties and the road reserve, including overflows during significant rainfall events.

The confidence of the asset data held in AssetFinda is considered to be moderate. Renewals are typically triggered by a failure or rapid decline in the level of service performance.

Separation of the stormwater and wastewater systems and delivery of an effective capital work programme to improve stormwater collection and capacity, treatment and disposal across the District while complying with the ever-increasing environmental compliance framework and standards are significant challenges moving forward.

4.2 Assumptions and Risk

4.2.1 Asset Life Cycle Assumptions

Asset information was updated last on 30 June 2019. This is based on GIS and historical asset data. Note- there is currently some confusion regarding the ownership and responsibility of cesspits/sumps/mud tanks and public soakholes. These are included in the 3-Waters Asset register however are maintained and budgeted by the Roading department. A review of this to ensure the responsibility of these assets is clarified will be completed over the next three years.

Maintenance and operations allocation is based on maintaining current service levels.

No backlogs in maintenance or renewals are currently identified. However, it is expected that as the Council improves the asset data management system, backlogs will be identified. This assumption is based on the number of reactive renewals that are being completed on an ad-hoc basis.

The asset condition data is currently under review. The 2019 condition rating is summarised below:

- Wastewater: 60% good, 35% fair, 5% poor
- Water: 60% good, 35% fair, 5% poor
- Stormwater: 80% good, 20% poor

4.2.2 Levels of Service (LoS) Assumptions

LoS are key business drivers and influence all asset management decisions. Council's Wastewater, Water and Stormwater activities contribute to the following community outcomes:

- Reliable and Affordable Infrastructure
- Community Needs
- Valuing Our Environment

The key individual LoS provision statements for the Three Waters.

Water LoS

- Provide a quality, continuous, safe, uninterrupted, cost-effective and adequate urban water supply system accessible throughout the District's urban and commercial areas that comply with the Drinking Water Standards.
- Customers are provided with adequate safe drinking water with reasonable pressure and flow.
- Managing the effects of development upon the existing network and provide sustainable solutions for future generations and educating communities about water conservation and demand management.

Wastewater LoS

- To provide high quality, efficient and reliable wastewater systems that are affordable and meet the needs of the urban and commercial areas.
- Minimise any possible health hazards from the collection or management of wastewater
- Facilities provided are safe with no danger of accident injury to users
- Protection of the environment by mitigating the quantity of contaminants discharged into receiving waters.

Stormwater LoS

- Provide a quality continuous, safe, uninterrupted, cost-effective and adequate urban stormwater system accessible throughout the District's urban and commercial areas.
- Protection of public health and property by collecting, conveying, appropriate treatment and disposal of stormwater run-off.
- Protection of the environment by mitigating the quantity of contaminants discharged into waterways.

We have a comprehensive approach to risk management across all of our activities. Independent assessments have been completed for our core infrastructure activities. The establishment of a risk framework has developed a risk-aware culture across our organisation. The framework applies a logical and systematic way of determining risks, their likely consequences and the most effective way of managing and monitoring risks to minimise potential losses and ensure optimal operation of services. We are also currently undergoing an organisational review on risk management to ensure our risk exposure is appropriately managed. We also have a designated Council committee that considers risk associated with our activities.

Through the Department of Internal Affairs, the Government is currently undertaking reform of 3-Waters services provision to address affordability challenges associated with meeting the current drinking water standards and soon to be developed wastewater discharge standards. In the Government's view, the most effective means to achieve this is to aggregate 3-Waters service provision into large asset-owning multi-region corporate entities. The Otago and Southland Councils have jointly formed a water secretariat office to carry out a comprehensive option and impacts assessment of this reform programme. The evaluation is already underway and will soon be put to elected members to discuss and evaluate.

The scope of the reforms are far-reaching and will have significant implications for our Council and the communities we serve. Moreover, we spend an average of 25 per cent of the operational expenditure on 3-Waters annually.

The Council must have a thorough understanding of reforms and the choices ahead by weighing up the costs and benefits of this process. The Council decided to sign the '3- Waters reform Memorandum of Understanding (MoU)', and following negotiations with the other Southland local authorities, the Council is expected to receive

\$2,707,702 of stimulus funding. The Council has also approved a delivery plan, which outlines how stage 1 of the 3-Waters Reform Stimulus funding will be allocated and implemented.

The Government is proposing to establish four publicly-owned entities to take responsibility of drinking water, wastewater and stormwater infrastructure across New Zealand. Cabinet has agreed to the proposed boundaries of the four water providers, and some further details on the proposed water services entities, including governance arrangements, the role of iwi, and how they would be regulated. Government remains interested in continuing discussion with local government and iwi/Māori most affected by the proposed boundaries for feedback on these before progressing them in legislation.

4.2.3 Implications of uncertainty

Much of the transportation programme planned over the next 30 years is greatly reliant on NZTA funding investment. If the level of investment changes significantly, this could substantially impact the programme Council delivers. This could affect the level of service provided.

Table 3: Significant Assumptions

Assumption	Risk	Level of uncertainty (Year 1-10)	Level of uncertainty (Year 11-30)	Potential impact consequence if the assumption is wrong	Mitigation measures
Financial data, as provided in the June 2019 asset valuation, using BERL inflationary index, has been used for planning purposes.	BERL inflationary rates do not reflect actual market values.	Medium	Medium	Financial forecasts for operational and capital programmes do not reflect actual market values.	
Outside of capital projects identified in the previous Strategy to replace/improve assets, levels of service within the planning period shall remain the same.	Demand for services may change due to changes in zoning, and new industrial activities.	Medium	Medium	Unplanned increase or decrease in levels of service expectations. Non-forecast capital or operational expenditure.	Review of Levels of Service triennially. Annual customer satisfaction survey to audit asset performance from residents' point of view. 6 weekly levels of service performance reporting to Council.
Growth predictions are based upon Statistics New Zealand data and historical data collated by the Council, eg consents data. The forecasts show the district will experience small growth. The District will experience slight growth, which will have minimal impact on the rating income. Initiatives from the Southland Regional Development Strategy and Industrial development like the Mataura Valley Milk plant will continue to attract people to the district. The average age of the population is older. The arrival of new migrants may create a more diverse society than at present, with more vibrancy, choice, and skill sets. Due to the impacts of COVID-19 the population trends going forward are uncertain.	That population growth is higher or lower than projected, putting pressure on the Council to provide appropriate infrastructure and services. Major industry closes or does not perform well. Local young people keep leaving the District, and immigration does not continue at the same rate, resulting in a hole in the population.	Medium	Medium	Population small increase should be accommodated within existing system capacities. Where additional infrastructure is required, this will be a combination of development contributions and loan funded. Small decreases in the population may not necessarily result in a lower number of ratepayers as, on average, the number of people per house is decreasing. A consistent decline in population would adversely affect the ability of the Council to set rates at a level that was affordable to the community.	Use of best information available for population forecasting. Financial Strategy considers affordability across the long term.
The Council shall continually support implementing the stormwater master plan, based on forecast rainfall data used in the modelling for the forecast of climate change impacts.	Climate change-related impacts occur faster than expected, and/or the effects are greater than what was projected. The community may assume that the Council will protect their property against natural hazards, in particular against flooding.	High	High	Where requirements change or work is required for consent conditions, the Council would have to provide additional funding through rates and/or loans to meet the capital projects requirements or request a change of consent conditions.	The Council will continue to monitor the response of the central government and adapt its response where required. The Council will integrate climate change impacts into infrastructure and town planning and design considerations.

Table 3: Significant Assumptions continued ...

Assumption	Risk	Level of uncertainty (Year 1-10)	Level of uncertainty (Year 11-30)	Potential impact consequence if the assumption is wrong	Mitigation measures
There will be no major legislative changes or change in government policy that will significantly impact the Council.	Legislative change is usually signalled over a reasonable time period. The risk is usually associated with uncertainty around implementation.	High	High	Unrealised impacts of legislation may create greater than expected impacts on operating budgets, staff workloads, increased time and resource availability. These may lead to additional or less costly for the resident or ratepayer.	The Council will regularly review existing and potential legislative change. The Council may jointly or independently submit on legislation where appropriate to encourage reduced or improved impacts. The Council will seek to achieve the most efficient and cost-effective way forward.
There will be no significant earthquakes, flooding, or other hazards outside of expected risk assessments.	The Council may not be adequately prepared or resourced to respond to a major natural disaster event or succession of events.	High	High	A significant natural event would demand immediate funding, including high unforeseen costs and resources to manage recovery and response rapidly.	The Council is part of Civil Defence planning preparing for natural events. Any major natural disaster that results in significant repair costs to the Council is likely to be funded largely by insurance and/or government assistance. Additional borrowing required may also impact future rating levels.
The Council will be required to provide service delivery for 3-Waters and maintain asset ownership throughout the life of the 10YP.	Conditions of discharge consents are altered significantly, requiring the Council to undertake significant capital works in relation to 3-Waters compliance requirements by the consents.	High	High	Where requirements change or work is required for consent conditions, the Council would have to provide rate funding/loan to meet the capital projects requirements or request a change of consent conditions.	The Council will monitor the development of relevant standards and review the impact on any significant changes. The Council works closely with Environment Southland and other agencies to understand and stay abreast of changing standards and DIA decisions in forming a new entity. The Council will use these standards when planning projects and undertaking monitoring. Compliance monitoring ensures that work is in accordance with new consent conditions.

Table 3: Significant Assumptions continued ...

Assumption	Risk	Level of uncertainty (Year 1-10)	Level of uncertainty (Year 11-30)	Potential impact consequence if the assumption is wrong	Mitigation measures
<p>New Zealand Transport Agency (NZTA) requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.</p> <p>The NZTA subsidy the Council has used in the LTP is:</p> <p>Years 1 - 3 59%</p> <p>Years 4 - 10 55%</p> <p>The Council will remain as a member of the Local Government Funding Agency. Existing external borrowing</p>	<p>Changes in subsidy rate and variation in criteria for inclusion in subsidised works programme.</p>	High	High	<p>NZTA funding priorities may change as a result of the Land Transport Management Act 2003. Funding constraints on the NZTA may result in a revision and smaller programme of work.</p>	<p>The Council will review the budget annually through the LTP/Annual Plan process and may adjust work programmes/ budget where necessary.</p>
<p>The LTP assumes that the effect of COVID-19 going forward will be minimal.</p>	<p>That lockdowns become more frequent and lockdown at higher levels are sustained.</p> <p>Levels of service may be affected.</p>	High	Medium	<p>LOS are not met, income is impacted in the Multisports, parking and solid waste areas.</p>	<p>The Council will reduce spending in ways that do not require reductions to service levels and potentially defer large capital projects. Levels of Service review as and when required.</p> <p>The Council is likely to require government assistance. Additional borrowing may be required.</p>

Thirty Year Strategy

This 30-year Infrastructure Strategy is part of the Council’s continued shift from the traditional siloed approach of infrastructure provision to a collaborative strategic approach based on a well-informed understanding of stakeholder requirements obtained through appropriate engagement and supported by data-based analysis of asset condition and performance data to provide appropriate and effective assets to the community in the most efficient means practicable.

5.1 The Organisation’s Priorities

The main theme of this Infrastructure Strategy is to demonstrate:

- Gore District Council as a responsible custodian of key infrastructure.

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

At a high level, the Council’s priorities are:

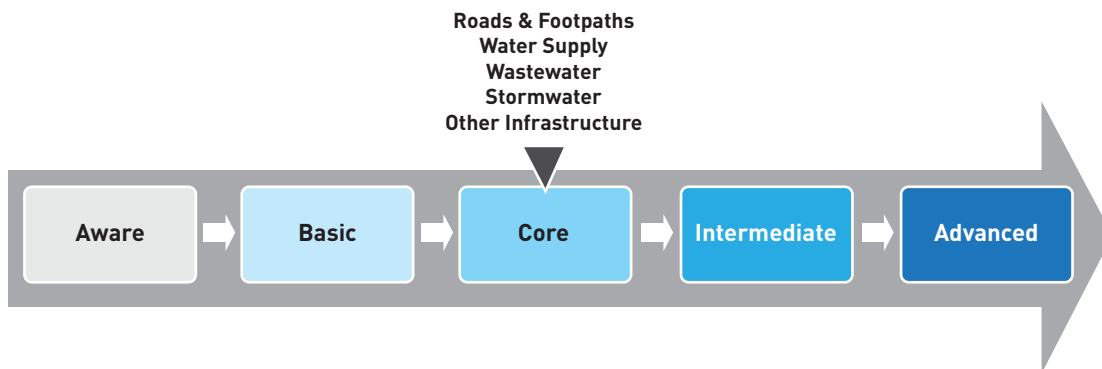
- At a minimum, maintaining existing levels of service
- Compliance with legislative requirements
- Replacing ageing infrastructure in a timely manner
- Plan for and being able to respond to natural events and climate change
- Providing long term affordable services.

5.2 Asset and Service Management Strategy

In providing services to residents and visitors through the use of infrastructural assets, the Council has an Asset Management Policy. This policy is to be reviewed by 2023 for improving AMP. However, the current policy stated purpose is:

“The purpose of Asset and Activity Management (AM) is to provide a desired level of service (as defined by the community of Gore District) through the management of assets in the most cost-effective and sustainable manner for present and future customers. AM planning provides direction for future management of assets and activities and a robust basis for long term financial forecasts”.

The Council’s Asset Management Policy defines the appropriate level of asset management planning in line with the discussion contained in the International Infrastructure Management Manual (2015). The appropriate levels are shown in the diagram below:



Each activity plan will list improvements to close the gap between the existing level of asset management planning and the desired level of asset management planning.

5.3 Sustainable Service Delivery

Sustainability can be defined as meeting the needs of the current generation without compromising the ability of future generations to meet their own needs.

The LGA 2002 requires Local Authorities to take a sustainable development approach while conducting their business.

Section 10 of the LGA 2002 states – Purpose of local government

1. The purpose of local government is—
 - a. to enable democratic local decision-making and action by, and on behalf of, communities; and
 - b. to promote the social, economic, environmental, and cultural well-being of communities **in the present and for the future.**

5.3.1 How will the Council respond to Affordability and Sustainability?

The Council would like to provide all services to a level of excellence. However, this is not a sustainable or affordable practice, and all services are managed, operated and maintained to an optimum level appropriate for that specific service. The Council endeavours to always act in the best interest of the community. As a result, affordability and sustainability are at the forefront of any plan, design, and operational tasks that the Council undertakes in relation to the assets and service provision.

The relationship between costs, levels of service and levels of satisfaction is close and will require careful balancing. In some cases, an effort may need to be put into lowering expectations rather than raising service levels. In any event, the Council will continue to pay close attention to managing any debt that it may take on in the next decade and the level of rates and fees and charges and the relationship of all of this to the cost of living.

The Council's response to the affordability challenge will focus on critical assets and activities. The Council will use targeted rates in order for customers who benefit pay for the service. The Southland Regional Development Strategy Action Plan includes a range of projects to give the region a broader and more resilient base by targeting population growth, economic diversity, and strengthening employment, skills and incomes. This forms part of the Council's response and aims to grow the rating base. Furthermore, the Council will consider alternative revenue streams and increase existing revenue streams where possible. While keeping rates as affordable and sustainable as possible through prudent financial management that complements asset management. The Financial Strategy will continue to reflect the balancing of ratepayer affordability against community needs and aspirations.

The Council's approach to all challenges and emerging trends focus on affordability and sustainability.

Managing affordability and sustainability is extremely complex in the context of:

- the intense infrastructure challenges the Council is facing
- our modest ratepayer base.

Managing Challenges and Emerging Trends

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

- Continually changing legislative environment (central and regional Government)
- Demographic changes
- Climate change
- Ageing infrastructure
- Infrastructure resilience
- Customer aspirations/New technologies.

6.1 Changing Legislative Environment

Any significant unannounced change in the regulatory or legislative environment poses a risk to the Council. The ever-changing legislative environment is discussed below:

6.1.1 Four Well-beings

Section 10 of the Local Government Act restores the four aspects of community well-being by requiring local authorities to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The reinstatement of the four well-beings acknowledges that the Council has a broader role in looking after our communities than simply providing core services.



Our response to the four Well-beings

The Local government (Community Well-being) Act moved away from the previous efficient, effective and appropriate service delivery focus by restoring the four community well-beings of:

- Cultural
- Economic
- Environmental
- Social.

The Council welcomes this move as it acknowledges the Council's broader role in looking after our communities than merely providing core services.



Cultural



Economic



Environmental



Social

The Council's initial assessment of each significant infrastructure project's contribution to the four well-beings is included within Section 7 Significant Infrastructure Issues. This initial assessment is very subjective, and the Council will further develop these contributions to the four well-beings in alignment with national guidance.

6.1.2 Land Transport

The Government Policy Statement on Land Transport (GPS) sets out the government's priorities for expenditure from the National Land Transport Fund over the next 10 years (2018 – 2028). These priorities include:

- safety on local roads
- public transport
- walking and cycling
- regional improvements
- network resilience.

Waka Kotahi (NZTA) announced the People pilot fund in 2020 for supporting the projects that transition streets to be safer and more liveable by building sector capability in 'tactical urbanism'. The fund offered approximately \$7 million in 2020/21 nationally to co-fund projects from councils (with a 90% Funding Assistance Rate), so the Council can test out transitional street changes that support the great quality of life and reduce the dominance and dependency on private vehicles in our towns and cities.

6.1.3 Water

Te Mana o te Wai is a concept for freshwater that encompasses several different aspects of the integrated and holistic health and well-being of a water body. The Statement of National Significance in the Freshwater NPS describes the concept of Te Mana o te Wai as the integrated and holistic well-being of the water. It is up to communities and councils to consider and recognise Te Mana o te Wai in their regions.

There is increased focus from the Central Government on the sensible, sustainable management of water. The Havelock North water incident provided the catalyst for the Three Waters Review. Outcomes from the HN Water Inquiry and Three Waters Review include establishing a Water Regulator (Taumata Arowai) and a Water Services Act, expected to be enacted and operational by mid-2021.

In July 2020, the Government announced a stimulus funding package (the funding) of

\$761 million to provide post-COVID-19 stimulus, as part of the three-year programme of reform of local government water service delivery arrangements and to support the establishment and operation of Taumata Arowai (the new Water Services Regulator). This \$761 million funding package is stage one of three planned funding packages as part of proposed 3-Waters reforms.

Access to the funding was conditional on each Council signing a Memorandum of Understanding (MoU) which committed the Council to participate in the first stage of the reform process. At the Council meeting held on 11 August 2020, the Council resolved to sign the MoU.

Regulatory coverage will extend to all water suppliers, except individual household self-suppliers. It will also include a multi-barrier approach to drinking water safety, including mandatory disinfection of water supplies, stronger obligations on water suppliers and local authorities to manage risks to drinking water sources, and strengthened compliance, monitoring and enforcement of drinking water regulation.

Gore's water infrastructure is well overdue for investment as the treatment plants, reservoir, and pipes reach the end of their useful lives. Environmental expectations are increasing, and the consequences of climate change, including more frequent and more intense droughts or floods, require urgent attention. On top of that, most wastewater treatment plants will require re-consenting within the next two years, and almost a quarter are operating on expired consents. All of this adds up to high costs for the Council and ratepayers. Conservative estimates are that the cost of upgrades and renewals will be measured in multimillion dollars. This would potentially add thousands of dollars to annual rates bills.

These are all issues the Government's Three Waters review is bringing to the fore. The review is considering how to improve New Zealand's 3-Waters service delivery and funding arrangements. It has been examining whether local councils, which primarily own and deliver 3-Waters assets and services, are best placed to manage this. Bold, decisive actions are required to achieve better long-term outcomes. Recently, the Government confirmed its commitment to partnering with local government to consider options for transitioning to new service delivery arrangements regionally, allowing for safer, more affordable and reliable 3-Waters services across the country.

6.1.4 Urban Development

Central Government is consulting on a proposal for a new National Policy Statement on Urban Development (NPS-UD). The NPS-UD will provide clear direction to local government about how to enable development opportunities in New Zealand's urban areas in a way that delivers quality urban environments for people, now and in the future. The NPS-UD will replace the National Policy Statement on Urban Development Capacity 2016.

6.1.5 Fresh Water Reforms

The Minister for the Environment and the Minister for Agriculture have announced the Action for Healthy Waterways package. It introduces new rules and regulations to:

- stop further degradation of New Zealand's freshwater resources and improve water quality within five years; and
- reverse past damage and bring New Zealand's freshwater resources, waterways, and ecosystems to a healthy state within a generation.

The current Central Government trajectory signals improved stewardship of wastewater and stormwater services. This has renewed the focus on the very high standard of care and diligence required to supply drinking water and collect, treat and discharge wastewater and stormwater. A significantly more holistic approach to Three Waters management is dawning.

6.1.6 New Zealand Coastal Policy Statement

The New Zealand Coastal Policy Statement guides local authorities in their day to day management of the coastal environment. It sets out the policies and objectives that will help achieve the RMA's purpose in relation to the coastal environment. The Council must give consideration to the Policy during consent consideration of activities along the coast.

6.1.7 Climate Change Response (Zero-Carbon) Amendment Act

The Zero Carbon Act will drive climate change action in New Zealand. The Act will commit New Zealand to zero carbon by 2050 or sooner, set a legally binding pathway to this target, and require the Government to take action.

Our response to the Changing Legislative Environment

The ever-changing legislative environment has resulted in the need to upgrade infrastructure, particularly in terms of water supply. The following government directives will impact on the Council:

- National Policy Statement for Freshwater – Te Mana o te Wai
- Action for Healthy Waterways
- New Water Services Act & Water Regulator

Additional capital expenditures will need to be made to the management, operation, maintenance, monitoring and reporting of infrastructure assets and service delivery.

The current levels of service that the Council provides for its infrastructure assets are also being put under pressure by increasing community expectations for an increase in the level of provision.

Higher regulatory standards arising from new legislation, national standards and regional plans will result in the need to upgrade infrastructure, particularly in terms of water supply, wastewater and stormwater discharges. Governments will change over time, but it is not expected that the drive for an increased level of service across all activities will falter.

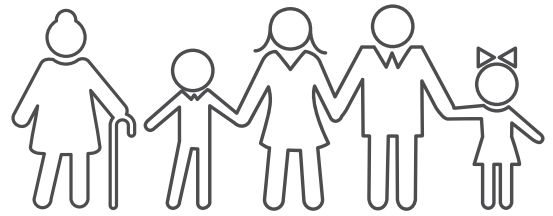
The Council will:

- Maintain a close watching brief on the Government's intentions and be open to finding optimum solutions that meet new Government requirements
- Anticipate future directions signalled and plan changes accordingly
- Communicate with Environment Southland on Regional Plan changes
- Take part in the Southland Economic Project as part of a Territorial Authority Working Party to assist decision making for the limit setting process.



6.2 Demographic Changes

Population: the population is likely to grow slightly. The Mataura Valley Milk plant is operational and created a number of full-time jobs. Gore doesn't attract as many "out of town" people as other towns and cities, so it is reasonably dependent upon locals staying in the District. However, the percentage of people born overseas has increased, indicating that Gore is an attractive place for immigrants. Demand for overall services is likely to remain static with an extension of existing services in approved areas.



It is important to note that the Southland Regional Development Strategy aims to grow Southland's population by 10,000 over the next ten years.

Household Occupancy and Elderly: We have a lower occupancy rate than average, and we expect our residents will remain active throughout their retirement. The household occupancy rates remained the same from 2006 to 2013 at 2.4 compared with the national average of 2.7. The 65+ age group makes up 19% of the population. It is also important to note that people are generally healthier than 40 years ago, and with the predicted wave of baby boomers starting to retire, they are more likely to be active and travel. This generation is expected to remain very active in society during retirement and want recreational opportunities. This could lead to requirements for additional smaller properties (units etc.) and increases in the number of people living alone. This may increase water demand, wastewater discharge volumes and stormwater runoff. The increasing 65+ age group want to utilise good quality footpaths and road infrastructure with low risk of trip hazards. This generation tends to utilise pedestrian assets much more, and planning for asset upgrades and replacements takes this expectation into account.

Economic Growth: We want to see our District continue to prosper and attract residents. The Mataura Valley Milk Plant provided new employment opportunities and will feed into the maintenance and service sector. Our District is heavily dependent on the economic success of our agricultural sectors. Our communities flourish when these sectors are buoyant. Many of our residents are employed within this sector. Primary industries (eg agriculture, forestry) accounted for the largest proportion of GDP in the District, followed by secondary industries (eg mining, manufacturing). We are aware that these industries experience cyclical highs and lows. Affordability is regularly considered in our financial planning and reporting.

Employment: Employment is heavily dependent upon local industries, so if these were to close, there would be a corresponding impact upon the population. However, it appears that employment opportunities are reasonably sound with the current low unemployment rate.

Changes in the industry could have a reasonable impact on the water supply infrastructure.

The 2019–21 coronavirus pandemic is ongoing at the time of updating this Infrastructure Strategy. The impacts will be wide-ranging, and likely include a significant and protracted recession. This may affect the expected economic and population growth of the District.

Our response to Demographic Changes

The Council will continue to:

- Commission detailed population and household forecasts
- Maintain existing infrastructure and add on to existing systems where required
- Investigate options to grow our communities
- Review Levels of Service
- Consult with communities

6.3 Climate Change

Climate change is an important consideration in the Council's long-term planning. Guidance from the New Zealand government, based on the best available climate science, is used to support the planning.

The Ministry of the Environment's website provides a summary of projected climate changes over the period 2031-2050 and 2081-2100, compared with 1986-2005 and the key impacts this is likely to have.



- Temperatures are likely to be 0.6°C to 0.9°C warmer by 2040 and 0.6°C to 2.8°C warmer by 2090.
- Southland is expected to become wetter, particularly in winter and spring. Seasonal projections show winter rainfall increasing by 7 to 22 per cent in Invercargill by 2090.
- The region is likely to experience significant decreases in seasonal snow.
- Less winter snowfall and an earlier spring melt may cause marked changes in the annual cycle of river flow in the region. For rivers where the winter precipitation currently falls mainly as snow and is stored until the snowmelt season, there is the possibility for larger winter floods.
- The frequency of extremely windy days in Southland by 2090 is likely to increase by between 2 and 7 per cent.
- Future changes in the frequency of storms are likely to be small compared to natural inter-annual variability. Some increase in storm intensity, local wind extremes and thunderstorms is likely to occur.
- New Zealand tide records show an average rise in relative mean sea level of 1.7 mm per year over the 20th century. Globally, the rate of sea-level rise has increased, and further rise is expected in the future.

For Southland/Gore, this means:

Flooding – Climate change is expected to increase the risk of flooding, landslides and erosion in Southland. The capacity of stormwater systems may be exceeded more frequently due to heavy rainfall events, which could lead to surface flooding, damage to infrastructure and road closures.

Water availability – Water security is most likely to be an issue in parts of Southland where drought is already a major constraint. Droughts are likely to increase in both intensity and duration over time. In other areas, such as around Invercargill, drought severity and irrigation demand may decrease slightly as average annual rainfall increases.

Coastal hazards – There is likely to be increased risk to coastal roads and infrastructure from coastal erosion and inundation, increased storminess and sea-level rise.

Biosecurity – Warmer temperatures, particularly with milder winters, could increase the spread of pests and weeds.

Agriculture – Warmer temperatures, a longer growing season and significantly fewer frosts could provide opportunities to grow new crops. Farmers might benefit from faster growth of pasture and better-growing conditions. However, these benefits may be limited by climate change's negative effects, such as increased flood risk or greater frequency and intensity of storms.

The Council will factor these likely key impacts into the planning for our infrastructure assets. It is expected that the central government will provide more information to assist and guide local government in its decision making.

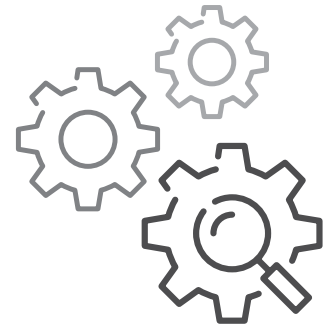
Our response to Climate Change

The impacts of climate change are real and present. Our long-term infrastructure planning must promote resilience to the effects of climate change to ensure we meet communities' future needs.

The Council will:

- Participate in the development of a regional climate model so as to base future decisions on a model commonly used across the province.
- Require engineers to be aware of changing weather patterns and to make every effort to acquire the latest available rainfall data when calculating hydraulic capacities for relevant infrastructure design
- Work with other local authorities and Environment Southland to ensure a coordinated response
- Work with Environment Southland on flood mitigation measures and emergency response.

6.4 Aging Infrastructure



The District's infrastructure is ageing, and the District is approaching a critical period to ensure that its infrastructure assets continue to meet the community's current and future needs.

Areas of the District have been built over decades, and today there are infrastructure (underground and aboveground) that is well past its expected life. As infrastructure ages, reactive maintenance will increase. A key challenge for the District is the balance between reactive maintenance, programmed

maintenance, and the inevitable rehabilitation or replacement of assets that have both physically and economically run past the point of repair.

A review of the Roothing activity's asset management practices has identified that we are managing our assets at a basic level. Previously a lot of decision making for renewals was based on the institutional knowledge of the key staff. It is clear there needs to be a re-focus on the fundamentals of asset management for the roading activity to ensure renewals programming is adequate. It appears that the rehabilitation of pavement via Area Wide Treatments and bridge replacements has been underfunded historically. To ensure we have an accurate understanding of these assets' remaining life, we plan to assess the condition and performance of these assets in the short term and develop our asset management practices to better interpret information for planning purposes.

The majority of piped assets were installed during the 1950s-80s. Assets that were built at the same time generally require renewal at the same time, causing peaks in renewals cost. There is a need for renewal planning to reduce the impact of a bow-wave of pipe renewals. We have annual capital expenditure for replacing pipe that is reaching the end of its economic life. Renewal planning for piped assets is a work in progress and will improve as we collect more and improved asset condition and performance data. Our renewal plans need to include consideration for capacity issues that may exist. Our Stormwater Management Plan has highlighted the need to include performance and capacity as part of our renewal planning.

To date, the Council managed the risk associated with limited asset data through practical experience and skilled staff to maintain the level of service. This approach has generally been sufficient. As the value of the built asset rises, levels of service expectations rise, and threshold limits for cultural and environmental impacts tighten, the need for improved asset data increases.

Currently, the condition of assets is ascertained when carrying out repairs or renewals. The Council plans to formalise condition assessment of underground assets to aid the long term planning of asset renewals. Condition assessments to date indicate that the pipes are in moderate condition.

An extensive CCTV inspection programme is planned for the wastewater piped assets to improve the quality of information, understand the condition and performance of assets to allow evidence-based decision-making.

6.4.1 Renewals Strategies

The Water Renewals Strategy will build on:

- Asset criticality
- Water Treatment compliance (DWSNZ 2018)
- Demand management

The Wastewater and Stormwater Renewals Strategy will focus on:

- Asset criticality
- Stormwater Master Plan
- Environmental Standards

These Renewal Strategies identify three focus areas and detail the forward programme with specific reference to high criticality facilities and mains, assessments, implications and development of a robust renewal programme.

Our response to Aging Infrastructure

The Council will:

- Closely monitor maintenance costs to show trends in failing assets as a guide to optimum renewal times
- Identify critical assets, capture better data and maintenance information and use optimised decision-making processes for our capital programmes
- Assess the condition and performance of assets
- Develop our asset management practices to better interpret information for planning purposes
- Improve and formalise condition monitoring
- Develop more reliable and doable renewal programmes
- Drive our asset management interventions by data about the factors that determine the cost of service to our customers.

6.5 Infrastructure Resilience

From the Office of Auditor- General (OAG)- Matters arising from our audits of the 2018-28 long-term plans, we consider a need for councils to have a comprehensive discussion about resilience and climate change issues with the communities. The discussion needs to cover financial and non-financial effects.

Council customers have a high expectation of continuing functionality and service delivery. Resilience is based on a design philosophy that acknowledges that failure will occur. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system.

Recent high profile natural disasters have raised public awareness, but there is still a significant need to increase actual preparedness – both in general (eg household plans and emergency supplies) and for specific circumstances, eg flood preparedness.

However, resilience applies to natural hazards and needs consideration at an operational level where an asset failure is not necessarily a service failure.

Redundancy (duplication) does not provide resilience. Resilience requires early detection and recovery, but not necessarily through re-establishing the failed system. Robust systems are designed to prevent failure. Resilience is about the ability to plan and prepare for adverse events, the ability to absorb the impact and recover quickly, and the ability as a community to adapt to a new environment.

We have to consider managing and mitigating the risks and the resilience of our infrastructure assets from natural disasters. The Council acknowledges that resilience is not only about physical assets; it is about the people. It includes but is not limited to:

- connecting people and communities (neighbour to a neighbour; educate; access to household resilience items, etc.)
- supporting community organisations
- the built environment and asset systems, which are robust

Our response to Infrastructure Resilience

Adverse events/natural disasters/climate change and the related impacts cannot be avoided, and as a result, the Council has to factor this into long term planning, civil defence planning and determining the infrastructure requirements moving forward to ensure the community's expectations are met with regard to safe and reliable services and general wellbeing.

Both physical and system resilience are crucial. This means:

- Design and construction standards (where cost-effective) that ensure infrastructure is able to withstand natural hazards and long term changes in circumstances such as those resulting from climate change.
- Organisations and networks of organisations with the ability to identify hazards must share information, assess vulnerabilities, and plan for and respond to emergencies.

- Acknowledging the value of adaptability and redundancy in the network to improve business confidence.
- Identifying and managing cross-sector dependencies, such as power supply for communications infrastructure. Engineering Lifelines groups have already undertaken work in this area (NIP 2011).

In order to improve resilience, the Council’s approach will be to:

- Actively participate in CDEM planning and activities at both regional and local levels
- Investigate options for alternative service provision and system redundancy
- Identify critical assets and ensure mitigation methods are developed
- Obtain insurance where this is deemed to be the most cost-effective approach
- Apply lessons learnt from Canterbury earthquakes and incorporate them into planning, design and operation
- Complete organisation-wide risk assessments & business continuity plans.

6.6 New Technologies

Mainstream discussion around new technologies suggests that there will be a considerable social shift over the coming years as these technologies affect what work is done, how it is done, and then how this flows on to affect economic and social paradigms. Consideration of the following issues should be considered in future development planning and discussions.

Business	Transportation	3-Waters
<p>There is an increasing amount of discussion around:</p> <ul style="list-style-type: none"> • A shift toward intellectual service economies resulting in workers offering services to multiple employers as opposed to the traditional model of working for one organisation. • Historical large central office spaces will potentially be replaced by small satellite office spaces based on a time-share basis and/or ‘work-from-home’ type arrangements. • In the retail and public services sector, a shift towards an online model. <p>As a result, the traditional concept of the CBD is coming under pressure, and future investment in infrastructure will need to consider the changing needs and impacts.</p>	<p>Autonomous vehicles, electric vehicles and electric bikes are three examples of vehicle technologies that are currently emerging.</p> <p>The New Zealand Ministry of Transport states - <i>New technologies are rapidly developing, which promise to revolutionise transport. Many of these technologies have the potential to help make New Zealand’s transport system more effective, efficient, clean, resilient, safe and responsible.</i></p> <p><i>The Government has a key role in encouraging these technologies by ensuring that New Zealand’s laws enable new beneficial technologies to be used.</i></p> <p><i>The Government’s transport technology work is focused particularly on intelligent transport systems (ITS) across air, sea, road and rail transport, and in June 2014, published the ITS Technology Action Plan.</i></p>	<p>New technology is more evident in the areas of:</p> <ul style="list-style-type: none"> • new pipe materials, • non-destructive condition assessments, • environmentally sustainable treatment processes, • monitoring and data capture • Alternative wastewater systems (eg low pressure, vacuum) eliminating the need for ‘deep’ gravity systems.
<p>Industry practices are constantly evolving, and technological advancements are an ongoing improvement. The Council will:</p> <ul style="list-style-type: none"> • Investigate, consider and use new technologies as and when appropriate to improve the efficiency and effectiveness in service delivery. 		

6.7 Other Trends

Apart from the challenges mentioned earlier, there are also other challenges emerging that Council should also consider. These include but are not limited to:

- Economic activity and constraints
- Tourism
- Skills shortage (capacity and capability).

6.8 Evidence Base

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

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

6.8.1 Information Systems

Information and Data Systems provide Council staff with the ability to obtain, store, analyse and report on the significant quantities of data associated with the 3-Waters and roading activities.

Infrastructure information management is a core aspect of asset management, and there are a range of process and systems across the Council's asset portfolio. The core infrastructure activities have more complex and detailed asset systems. Continuous asset data improvement is applied across the asset portfolio.

Asset information informs a wide range of asset management activities, including:

- Asset performance monitoring
- Asset condition assessments
- Customer complaints and mitigations
- Maintenance and repairs record keeping and analysis
- Consent monitoring and management
- Modelling
- Renewal planning
- Growth planning
- Asset revaluations
- Financial forecasting
- Performance reporting

6.8.2 3Waters Data Confidence

Managing our assets for their full lifecycle requires integrated planning and good underlying data. Decision-makers need reliable information about assets to manage maintenance and renewal needs and to make sound decisions about when to invest in new infrastructure assets. Accurately and regularly assessing the condition of many of our infrastructure assets can be difficult, particularly for those that are underground, like water supply pipes.

Wastewater, water and stormwater data were given a combined rating of B – C which is a confidence level (±25%). The asset confidence rating is current as of the 2019 valuation.

The B – C rating clearly shows the Council’s data within the current database (Univerus, formerly AssetFinda) has anomalies and requires further attention. To address this Council is considering increased condition assessments and training staff to the improved Asset Management (AMS) system for Three Waters.

As shown above, we have moderate information about some of our 3-Waters assets’ age and condition. This will continue to be a focus over the next few years.

The data collection approach and its improvement will be discussed in the respective activity management plans, and budgets included where appropriate.

6.9 Significant Decisions Required

Taking a long term view to the management of infrastructural assets, Gore District Council needs to make key decisions in a timely manner. In addressing community desires and priorities, the following key decisions have been identified.

Figure 2: Significant Infrastructure Decisions

	2021 - 2031	2031 - 2041	2041 - 2051
Roads & Footpaths		\$49.5M Pavement Rehabilitation \$8.7M Bridge Replacement	
Water	\$1.5M Hilbre Reservoir Replacement \$2.1M Mataura WTP Upgrade	(\$4.8M Pleura dam pipe renewal included in trunk main renewals) \$15.3M Trunk Main Renewals \$27.5 Reticulation Renewals	\$5.65M Climate Change Resilience
Wastewater	\$2M Mataura WWTP Upgrade \$6M \$10.2M Trunk Main Renewals	Gore WWTP Upgrade \$32M \$26.4M Reticulation Renewals	Gore WWTP Upgrade \$12.3M
Stormwater		\$77.5M Stormwater Separation \$40.1M Stormwater Quality Improvement	

Significant Infrastructure Issues

Section 101B of the Local Government Act 2002 states:

(2) The purpose of the infrastructure strategy is to—

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

In developing this 30-Year Strategy, the Council identified the anticipated significant infrastructure issues over the 30 years and considered each significant action and its benefits. The significant infrastructure issues faced by Gore District Council with the benefits and costs are tabled below.

Each project includes an assessment of the project contribution to the four well- beings. The project contribution assessments consist of Low, Moderate and High.



Low



Moderate



High

7.1 Roothing

The Council's goal for the roading activity is:

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

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

7.1.1 Roothing Issue 1

Issue - Preserving our Pavement Assets

Sealed road condition and smoothness is projected to deteriorate due to under-investment in the past three years. Deterioration modelling indicates we should be sealing 24km per year to sustain service levels and preserve the underlying pavement. At the moment, we are achieving 20km per year, which is declining each year as costs increase and rates remain unchanged. If not restored to sustainable replacement rates, the customer will begin to experience rougher roads, more frequent road maintenance and cost increases. It is proposed to increase investment in sealed road surfacings back to a sustainable replacement cycle and prioritised drainage maintenance to maximise the underlying pavement's life. Provided the community and our co-funders (NZTA) can afford to do so.

Main Options	Implication of Options
Option 1 - Status Quo	<p>Maintain existing surface renewal programme and investment of 20 km per year.</p> <p>Pros: No change to existing budgets.</p> <p>Cons: Reduced pavement integrity over the long term. Will generate pressure from NZTA to preserve pavements. Potential premature pavement failure causing costs increases in the future and service level decline.</p> <p>Decision: Not recommended</p>
Option 2 – Restore to sustainable levels	<p>Increase annual resurfacing quantities by 20% to 24 km per year.</p> <p>Pros: Pavement condition preserved with ride-quality levels of service maintained until at least 2040. Slows the consumption of the underlying pavement assets. Likely to get support from our co-funder (NZTA), who want an appropriate level of investment over time.</p> <p>Cons: Increase annual budget by 20% from \$1.15m to \$1.38m pa over ten years. Reliant on achieving economic resurfacing rates.</p> <p>Decision: Consider</p>
Option 3 – Invest now for the future	<p>Increase overall resurfacing quantities 10% to 22km per year. Increase annual budget by 10% from \$1.15m to \$1.265m in year one and then 3% increase per annum. Investigate methods to address the unsustainable increase in resurfacing prices.</p> <p>Pros: Pavement condition preserved, the road user improved beyond 2040. NZTA will more likely support the least lifecycle cost option.</p> <p>Cons: Increase in road resurfacing percentage rates (circa 5.5 -6%).</p> <p>Decision: Recommended</p>
Time period	2021 - 51
Cost	\$49.5m Capex
What is the driver	LoS/Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of the Council

Project Contribution to the Four Well Beings



Cultural

The transport system ensures communities are connected and desirable



Economic

Providing 24/7 access for industry, businesses and consumers for the efficient movement of people and goods



Environmental

Council endeavours to avoid, where practicable, adverse effects on the environment and mitigate others



Social

Progressive and proactive improvement of safety features of roads and footpaths

7.1.1 Roading Issue 2

Issue - Bridge Replacement

Our bridges are nearing the end of their economic life within the next 30 years, with some requiring significant renewal works. The number and weight of trucks on our bridges are also increasing due to regulatory changes and improvements in land productivity.

From the last two bridge inspections, we now have a good set of data showing how our structures are deteriorating, enabling the development of a robust forward plan of bridge renewal and component replacement.

Main Options	Implication of Options
Option 1 - Status Quo	<p>Bridges will continue to deteriorate at a faster rate than our level of attendance.</p> <p>If bridge renewal investments remain the same, the service levels will reduce, which will increase the risk of bridge failure.</p> <p>Further Bridge load restrictions will become necessary. This will restrict access to large, heavy vehicles, leading to increased travel times and increased freight costs that will potentially limit economic growth in the district.</p> <p>Not recommended</p>
Option 2 – Increase investment	<p>Increase the annual bridge renewal investment by almost \$100,000 and bridge maintenance investment by \$40,000 in year one. This will allow a small bridge replacement each year along with more component replacement. Then a 3% increase per annum in renewals and maintenance:</p> <p>Recommended</p>
Time period	2021 - 51
Cost	\$8.7 Capex \$94k average Opex/year
What is the driver	LoS/Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of Council.

Project Contribution to the Four Well Beings



Cultural

The transport system ensures communities are connected and desirable



Economic

Providing 24/7 access for industry, businesses and consumers for the efficient movement of people and goods



Environmental

Council endeavours to avoid, where practicable, adverse effects on the environment and mitigate others



Social

Progressive and proactive improvement of safety features of roads and footpaths

7.2 Water

The Council's goal for the water activity is:

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

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

7.2.1 Water Supply Issue 1

Issue - Hilbre Avenue Reservoir Replacement

The Hilbre Avenue Reservoir has been identified as a critical risk during an earthquake, and it provides limited storage capacity, especially during high demand periods.

Main Options	Implication of Options
Option 1 - Status Quo	Maintaining the existing asset may result in insufficient storage during high demand periods and risk failure during a natural event.
Option 2 - Replace	Replace the existing reservoir with no increase in capacity will reduce the risk of failure during a natural event but not provide sufficient storage during high demand periods.
Option 3 – Increase investment	Replace the existing reservoir and increase capacity to optimise the treated water storage capacity and strengthen infrastructure resilience.
Time period	2021 - 22
Cost	\$1.5 Capex
What is the driver	LoS/Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of the Council. A new regulatory agency will be formed, which will bring a change to the regulatory standards for drinking water. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services.

7.2.2 Water Supply Issue 2

Issue - Mataura WTP Upgrade

Upgrade the Mataura WTP to meet the DWSNZ 2018 and comply with the Health Act. Refer to the Mataura Water Treatment Plant Options Summary report completed by Beca in 2020 for further details.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

Main Options	Implication of Options
Option 1 - Status Quo	Maintaining the existing asset will not comply with the DWSNZ 2018 and the Health Act
Option 2 - Mataura water treatment upgrade	Upgrade the existing treatment system and addition of ultra-violet radiation to meet DWSNZ at the cost of \$2.12 million. Note this will also require the future replacement of the raw water main from the Pleura Dam in the next 10 - 15 years at the cost of \$4.8 million.
Option 3 – Full replacement of the Mataura Water treatment plant with a membrane plant	This option’s estimated capital cost is \$3.7 million (plus the required \$4.8 million to renew the Pleura Dam pipeline in the future. Additionally, the annual operating costs would be \$60,000 per annum more than option 2. This option would, however, provide increased resilience against an earthquake.
Option 4 – Supply Mataura from Gore	This would require the installation of a \$9.5 million pipeline between Gore and Mataura. It is expected that this level of investment will be deemed unaffordable by the Council.
Option 5 – A joint water supply with Alliance Meat works	Although the option of working in collaboration with Alliance could have merit, there are a number of issues that would need to be addressed due primarily to the differing priorities between an industrial site and municipal water treatment. The estimated capital cost costs are expected to exceed the option of upgrading the existing plant, and hence this option is not recommended.
Time period	2022 - 23
Cost	<p>Stage 1 \$2.1m Capex \$140,000/ annum Opex</p> <p>Stage 2 – Pleura Dam pipeline renewal \$4.8m Capex (2035/36)</p>
What is the driver	<p>LoS/Renewal</p> <p>The lower discount rate of 3% favours higher upfront capital cost. The long-term water supply from Gore to Mataura is estimated to be similar to the long-term cost upgrading and continue to operate the existing WTP. East Gore’s supply should be preferred between these two options, as it is likely to have lower risks and drought- resistant supply. Recommending this option is possible only if we prove adequate raw water supply at Gore. The compliance monitoring and reporting costs are likely to increase with time, favouring the centralisation of the treatment. However, this option does have a high capital cost. A workshop is planned with the Council to explore the options further.</p> <p>In the interim, the existing Mataura plant’s lower-cost upgrade can be completed after updating the Water Safety Plan as per New Zealand Drinking-water Safety Plan Handbook dated May 2019.</p>
Assumption	<p>That the useful life of significant assets will be the same as set out in the accounting policies of the Council.</p> <p>A new regulatory agency will be formed, which will bring a change to the regulatory standards for drinking water. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services.</p>

7.2.3 Water Supply Issue 3

Issue - Trunk Main Renewals

There are more than 10km of mains of DN250 and greater. This is mainly Asbestos Cement which will reach the end of its expected useful life within the next 30 years.

Main Options	Implication of Options
Option 1 - Status Quo	The mains will deteriorate over time and will present a bow wave of breakages or replacements. The trunk mains will not be fit-for-purpose, and failure/ breakages will be an ongoing issue resulting in increased interruptions and contamination opportunities.
Option 2 – Programmed trunk main renewals	Undertake condition assessment of critical pipelines and programme proactively trunk main renewals to ensure continuity of service and integrity of the distribution network.
Time period	2021/22 - 2050/51
Cost	\$15.3m Capex
What is the driver	Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of the Council. A new regulatory agency will be formed, bringing a change to the regulatory standards for drinking water. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.2.4 Water Supply Issue 4

Issue - Network Renewals

There are more than 166km of mains of DN100 to DN 225. The majority of this is Asbestos Cement and Cast Iron, which will reach the end of its expected useful life within the next 30 years.

Main Options	Implication of Options
Option 1 - Status Quo	The mains will deteriorate over time and will present a bow wave of breakages or replacements. The mains will not be fit-for-purpose, and failure/breakages will be an ongoing issue resulting in increased interruptions and contamination opportunities.
Option 2 - Programmed main renewals	Programme main renewals to ensure continuity of service and integrity of the distribution network.
Time period	2021/22 - 2050/51
Cost	\$27.5m Capex
What is the driver	Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of the Council. A new regulatory agency will be formed, which will bring a change to the regulatory standards for drinking water. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.2.5 Water Supply Issue 5

Issue - Resilience to Climate Change

It is anticipated that climate change will result in increased frequency and intensity of severe events such as severe droughts and floods. Therefore, the Council must be aware of the effects of climate change and integrate these into the standard council considerations to ensure the water activity in the District is sustainable for the future. Water may become scarcer in quantity and quality due to changes in climate and rainfall patterns, resulting in an increased frequency of flooding and droughts. Many factors contribute towards the scarcity of drinking water: consumption and run-off; an increase in water-intensive industrial activities; a lack of adequate pre-treatment arrangements; leaks and losses from inefficient water distribution.

Additional information on the effect of climate change on water supplies is expected to be available over the next decade. The Council will consider the impact that climate change may have on the security of supplies when additional information is available and there is greater certainty on the impact that this may have locally.

Main Options	Implication of Options
Option 1 - Status Quo	Employ a reactive approach to potential climate change impacts.
Option 2 - Plan and secure sustainable water resources	Develop a Climate Change Strategy, including considering raw water storage and/or developing a deep groundwater source.
Time period	2021/51
Cost	\$550k Capex (2021-23) \$5.1m Capex (2040/41)
What is the driver	Level of Service
Assumption	Climate change will have a significant impact on water security, quality and quantity. Floods are expected to become larger across the district.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.3 Wastewater

The Council's goal for the wastewater activity is:

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

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

7.3.1 Wastewater Issue 1

Issue - Mataura WWTP Upgrade

The Mataura WWTP resource consent to discharge expires in 2021. The existing discharge is to water, while current environmental standards require discharge to land. The existing system is not expected to meet increased environmental standards.

Main Options	Implication of Options
Option 1 - Status Quo	Maintaining the existing system will not meet environmental standards and neither comply with regional rules. This will not contribute to social, cultural and environmental well beings.
Option 2 – Upgrade Mataura WWTP	Consider all the options and upgrade the Mataura WWTP. The Council will work with Environment Southland, local iwi and other stakeholders to find appropriate long term solutions for wastewater discharge that meet National Freshwater Policy and Te Mana o te Wai principles. Provide interim upgrade and desludging to extend long term resolution.
Time period	2024-26
Cost	\$2m Capex 2024-26 \$70,000/annum Opex
What is the driver	LoS/Renewal
Assumption	There will be a change to the regulatory standards for drinking water, and a new regulatory agency (Taumata Arowai) will be functional. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services. Changing delivery models and increasing standards impacts The Council's regulatory, monitoring and infrastructure requirements.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.3.2 Wastewater Issue 2

Issue - Gore WWTP Upgrade

The Gore WWTP resource consent to discharge expires in 2023. The existing discharge is to waterways, while current environmental standards require discharge to land. The existing system is not expected to meet high environmental standards without significant external agency/government assistance.

Main Options	Implication of Options
Option 1 - Status Quo	Maintaining the existing system will not meet environmental standards and neither comply with regional rules. This will not contribute to social & cultural, and environmental well beings.
Option 2 – Upgrade Gore WWTP	Consider all the options and upgrade the Gore WWTP. Council will work with Environment Southland and local iwi to find appropriate long term solutions for wastewater discharge that meet National Freshwater Policy and Te Mana o te Wai principles. Provide interim upgrade and desludging to extend long term resolution.
Time period	Stage 1: 2025-29 Stage 2: 2037-39 Stage 3: 2047-49
Cost	Stage 1: \$6m Capex/ \$300,000 per annum Opex – this assumes additional \$6m industry (SFF) funding will be obtained. Stage 2: \$32.8m Capex/ \$800,000 per annum Opex Stage 3: \$12.3m Capex/ \$300,000 per annum Opex
What is the driver	LoS/Renewal (New works)
Assumption	There will be a change to the regulatory standards for drinking water, and a new regulatory agency will be formed. It is assumed that the Council will continue to be responsible for the delivery of its existing range of water, wastewater and stormwater services Changing delivery models and increasing standards impacts the Council's regulatory, monitoring and infrastructure requirements.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.3.3 Wastewater Issue 3

Issue - WW Trunk Main Renewals

There are more than 6km of mains of DN600 and greater. This is mainly concrete pipe installed during the early 1900s. These mains will potentially reach the end of their expected useful lives within the next ten years – Note one of these mains (Wigan Street) has recently failed, and 135 m of its failed part has been renewed. The CCTV data suggests that the remaining part of this main also requires immediate replacement.

Main Options	Implication of Options
Option 1 - Status Quo	The mains will deteriorate over time and will present a bow wave of breakages or replacements. The trunk mains will not be fit-for-purpose, and failure/breakages will be an ongoing issue resulting in increased interruptions and environmental contamination opportunities.
Option 2 - Programmed trunk main renewals	Undertake a condition assessment and programme trunk main renewals to ensure continuity of service and integrity of the collection network.
Time period	2022-33
Cost	\$10.2m Capex
What is the driver	Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of the Council. A new regulatory agency will be formed, which will bring a change to the regulatory standards for drinking water. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.3.4 Wastewater Issue 4

Issue - WW Main Renewals

There are more than 98km of mains of DN150 to DN500. A significant portion of this is earthenware installed during the early 1900s. These mains will reach the end of their expected useful lives within the next 30 years.

Main Options	Implication of Options
Option 1 - Status Quo	The mains will deteriorate over time and will present a bow wave of breakages or replacements. The mains will not be fit-for-purpose, and failure/breakages will be an ongoing issue resulting in increased interruptions and environmental contamination opportunities.
Option 2 – Programmed main renewals	Programme main renewals to ensure continuity of service and integrity of the collection network.
Time period	2021-51
Cost	\$26.4m Capex
What is the driver	Renewal
Assumption	That the useful life of significant assets will be the same as set out in the accounting policies of the Council. A new regulatory agency will be formed, which will bring a change to the regulatory standards for drinking water. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

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Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.4 Stormwater

The Council's goal for the stormwater activity is:

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

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

7.4.1 Stormwater Issue 1

Issue - Stormwater Separation (Gore + Maitua)

Approximately 40% of the Gore and 25% of the Maitua wastewater network consists of a combined wastewater/stormwater system. This is a prohibited activity under adopted Regional Plan rules and environmental standards. The existing drainage work has significant capacity constraints, which leads to flooding, often contaminated with wastewater. The drainage networks combined nature also results in high flows through the Council's wastewater treatment plant affecting its treatment performance and/or resulting in raw wastewater overflows to the environment. Please refer to the Council's 2018 Stormwater Master Plan and current asset management plan for further details.

Main Options	Implication of Options
Option 1 - Status Quo	Maintaining the existing system will not meet environmental standards and neither comply with Regional Plan rules. This will not contribute to social, cultural and environmental well beings.
Option 2 – Increased Investment	Separate the stormwater and wastewater systems. Address stormwater capacity constraints and meet the required standards (1:5 year event). Apply an integrated approach to stormwater management.
Time period	2021-71
Cost	\$200 m Capex over 50 years (\$77.5m over first 30 years) \$300,000/annum Opex (increasing gradually over the next 50 years)
What is the driver	LoS/Renewal
Assumption	There will be a change to the regulatory standards for drinking water, and a new regulatory agency will be formed. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services. Changing delivery models and increasing standards impacts the Council's regulatory, monitoring and infrastructure requirements.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

Our water services are reliable, affordable and enable development in the District



Environmental

Our water services support the sustainable use of natural resources



Social

Our water services endeavours to keep our people safe and healthy

7.4.2 Stormwater Issue 2

Issue - Stormwater Quality Improvements

There is increased focus from the Central Government on the sensible, sustainable management of water. Stormwater management moves from “to collect, convey, discharge” to a more integrated approach of “slow it down, spread it out, and soak it in”. This approach includes quantity and quality considerations, multiple-use facilities, riparian corridors, recreation, wetland preservation and groundwater recharge.

Main Options	Implication of Options
Option 1 - Status Quo	Maintaining the existing system will not meet environmental standards and neither comply with Regional Plan rules. This will not contribute to social, cultural and environmental well beings.
Option 2 – Increased Investment	Develop and construct infrastructure to improve the stormwater discharge quality and meet regional rules and environmental standards. Apply an integrated approach to stormwater management.
Time period	2031-51
Cost	\$40.1m Capex over 20 years Increasing to \$200,000 /annum Opex
What is the driver	LoS/Renewal
Assumption	There will be a change to the regulatory standards for drinking water, and a new regulatory agency will be formed. It is assumed that the Council will continue to be responsible for delivering its existing range of water, wastewater and stormwater services. Changing delivery models and increasing standards impacts the Council’s regulatory, monitoring and infrastructure requirements.

Project Contribution to the Four Well Beings



Cultural

The water services acknowledge and considers the cultural values



Economic

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Environmental

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Social

Our water services endeavours to keep our people safe and healthy

7.5 Summary of Significant Infrastructure Issues (30 years)

Activity	Issue #	Description	Capex	Opex/Year	Period	New Capital	Renewal
Roading	1	Pavement Rehabilitation	\$49.5m	-	2021-51		\$49.5m
	2	Bridge Replacement	\$8.7m	\$94k	2021-51		\$8.7m
Water	1	Hilbre Reservoir Replacement	\$1.5m	-	2021-23		\$1.5m
	2	Mataura WTP Upgrade	\$2.2m	\$140k	2021-23	\$2.2m	
			\$4.8m Pleura dam pipeline included in Trunk main renewals			Included below	
	3	Trunk Main Renewals	\$15.3m	-	2021-51		\$15.3
	4	Reticulation Renewals	\$27.5m	-	2021-51		\$27.5
	5	Climate Change Resilience	\$550k	-	2021-30	\$0.55m	
\$5.1m			-	2040/41	\$5.1m		
Wastewater	1	Mataura WWTP Upgrade	\$1.8m	\$70k	2024-26	\$1.8m	
	2	Gore WWTP Upgrade	\$6.0m	\$300k	2025-28	\$6.0m	
			\$32.8m	\$800k	2037-39	\$32.8m	
			\$12.3m	\$300k	2047-49	\$12.3m	
	3	Trunk Main Renewals	\$10.2m	-	2022-33		\$10.2m
4	Network Renewals	\$26.4m	-	2021-51		\$26.4m	
Stormwater	1	Stormwater Separation	\$200m	\$75 -300k	2021-71	\$77.5m	
	2	Stormwater Quality Improvements	\$40.1m	\$50-200k	2031-51	\$40.1m	
TOTALS						\$178.55	\$139.1

Financial Estimates

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

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

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

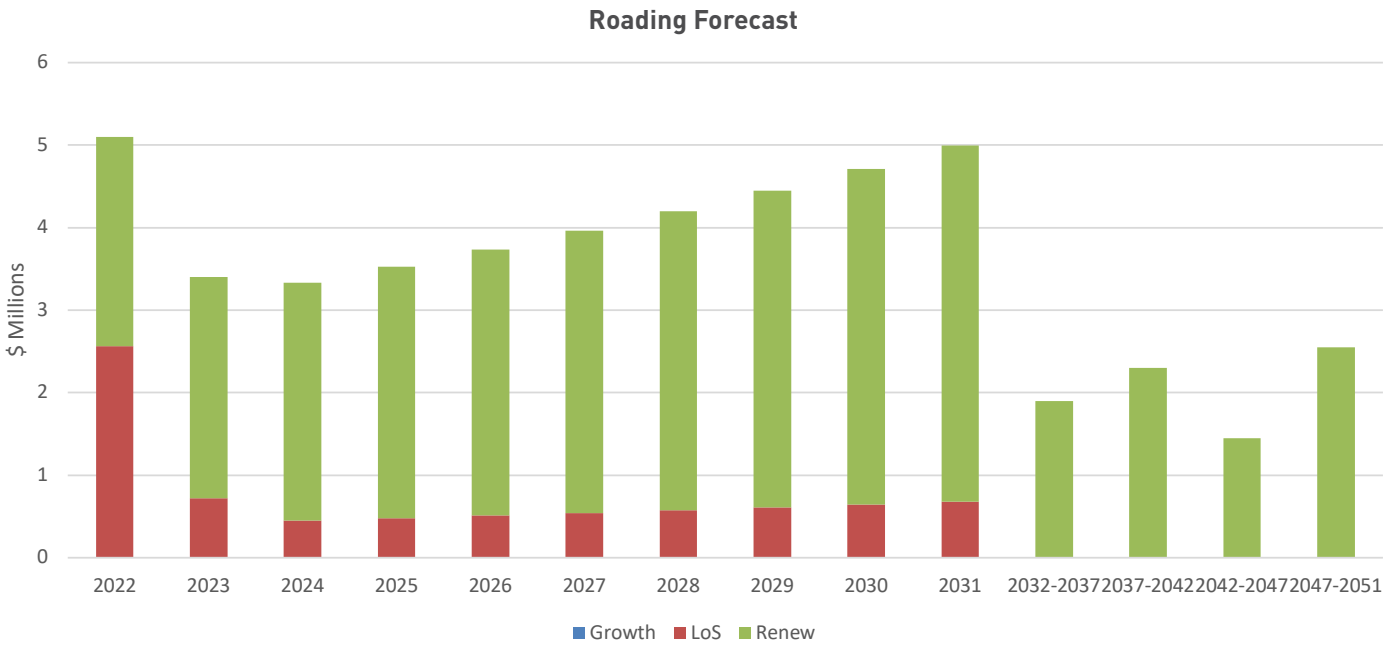
(i) in each of the first ten years covered by the Strategy; and

(ii) in each subsequent period of five years covered by the Strategy.

8.1 Roads and Footpaths

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

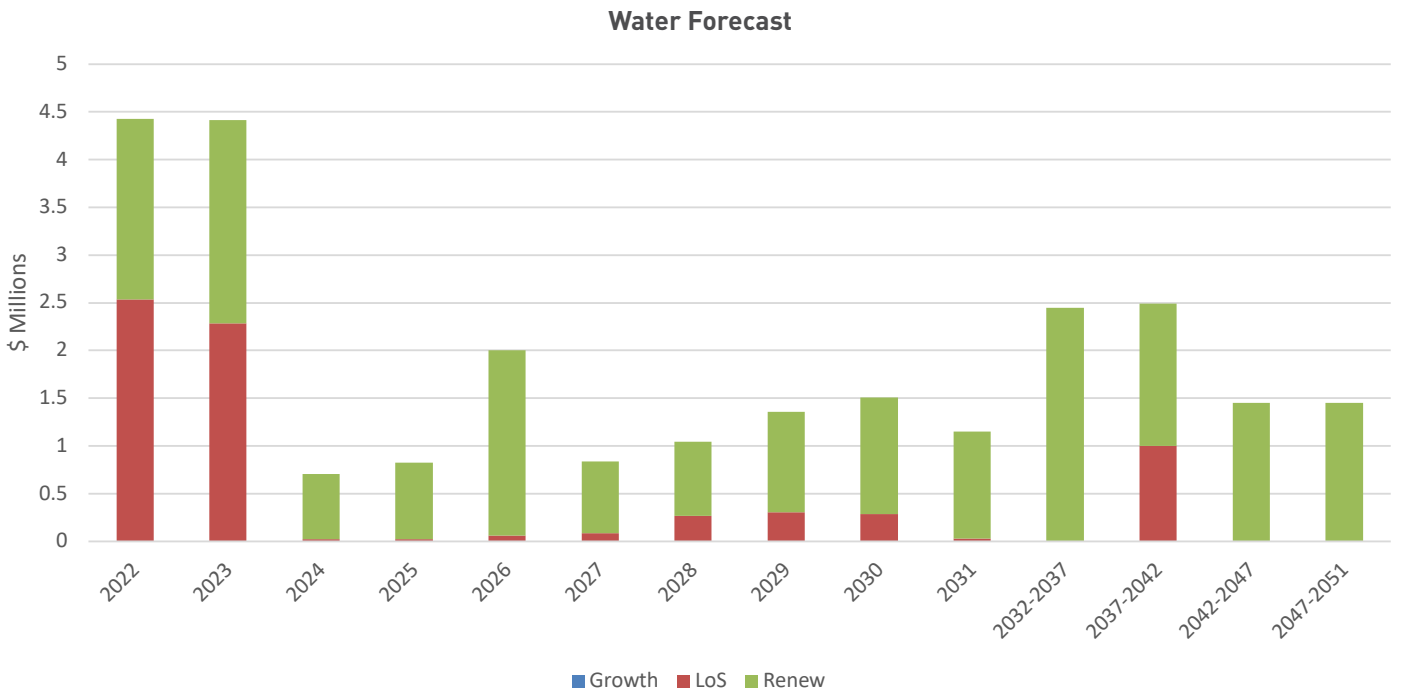
Figure 3: Projected Capital Expenditure – Roads and Footpaths



8.2 Water

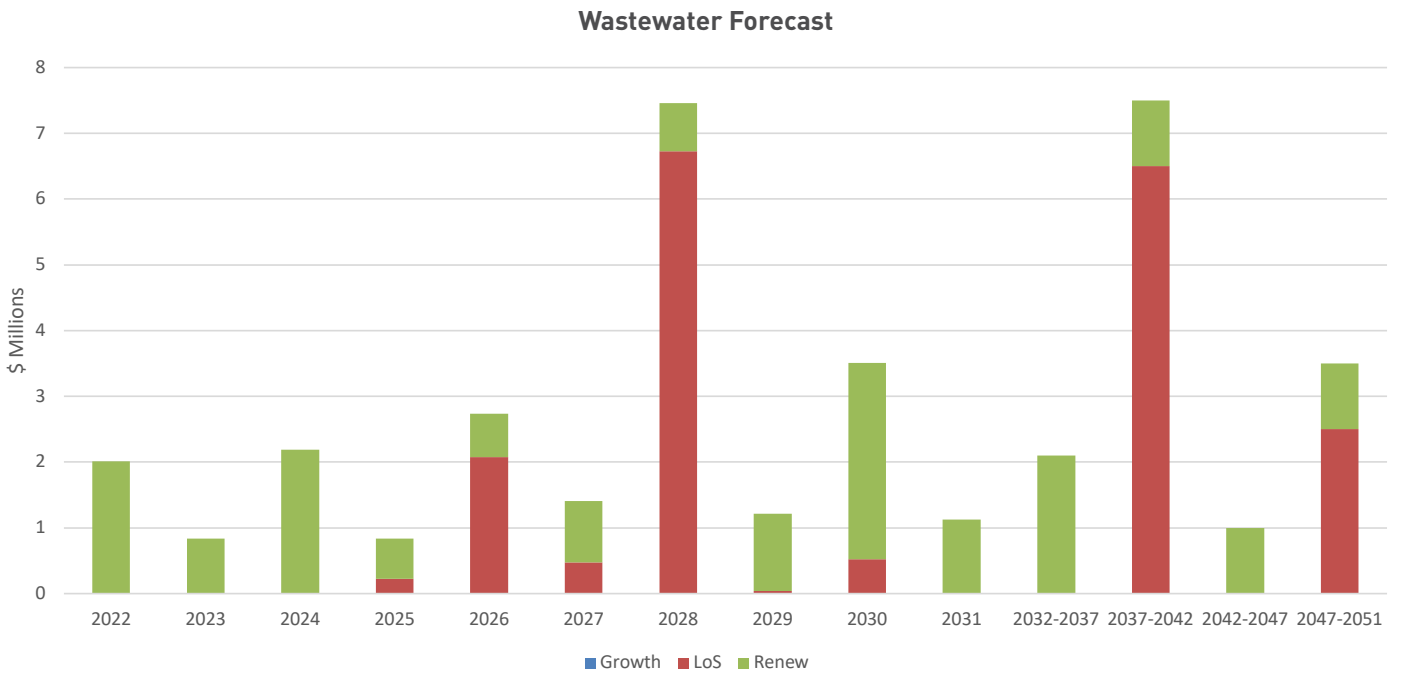
The projected capital expenditure associated with the water infrastructure assets are graphically represented below:

Figure 4: Projected Capital Expenditure - Water



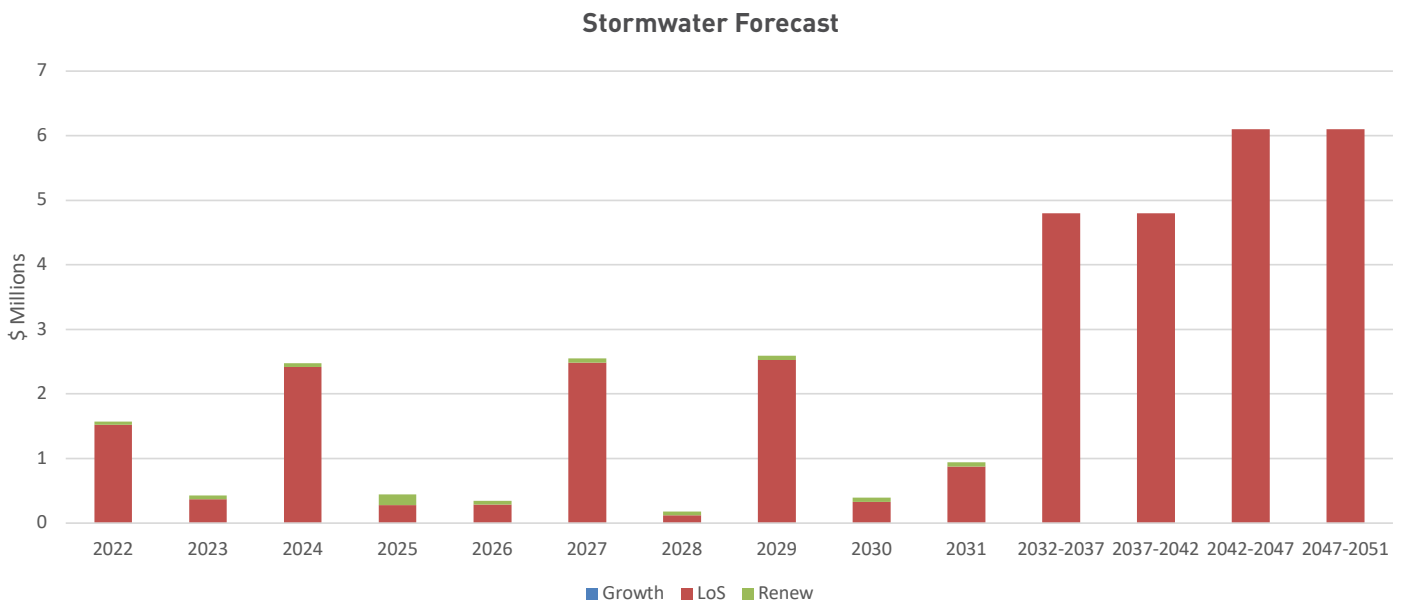
8.3 Wastewater

Figure 5: Projected Capital Expenditure - Wastewater



8.4 Stormwater

Figure 6: Projected Capital Expenditure – Stormwater



8.5 Total Expenditure

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

Figure 7: Projected Capital Expenditure- Infrastructure Assets

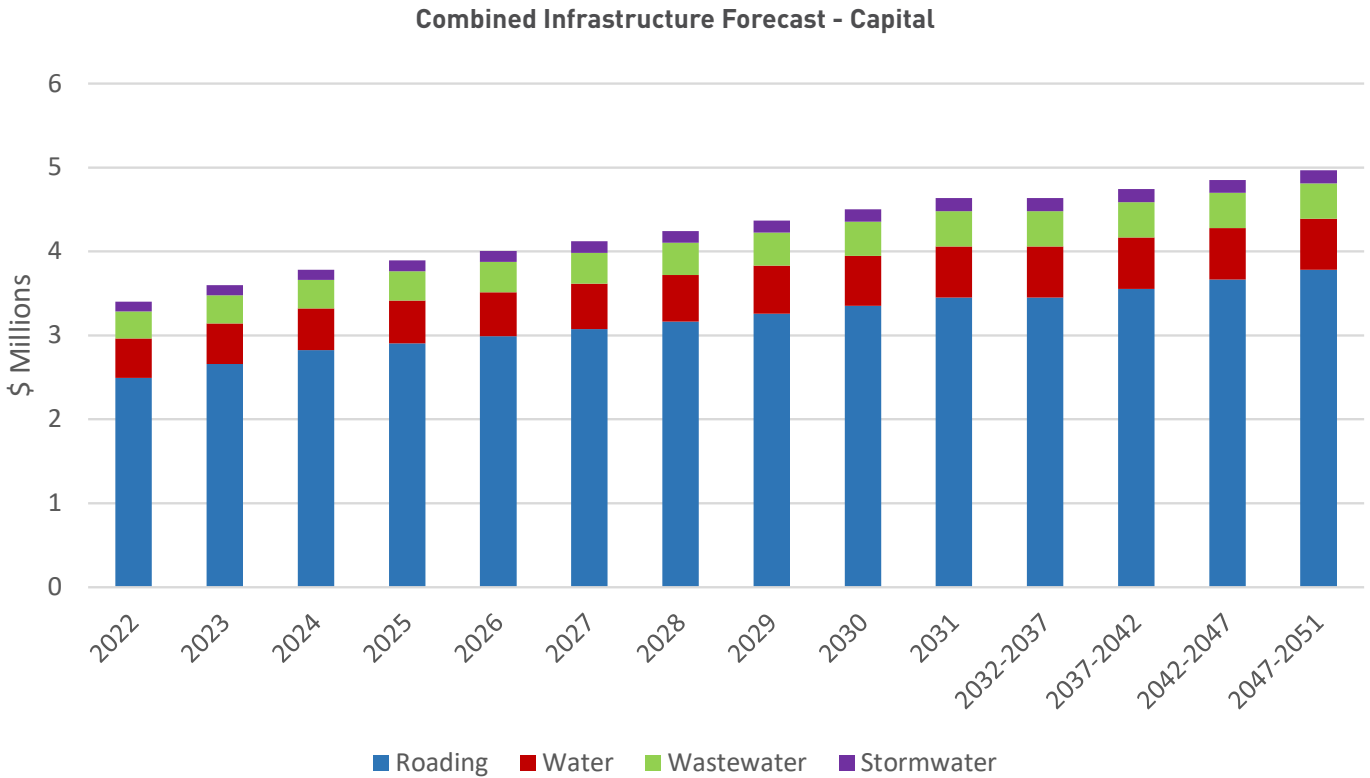
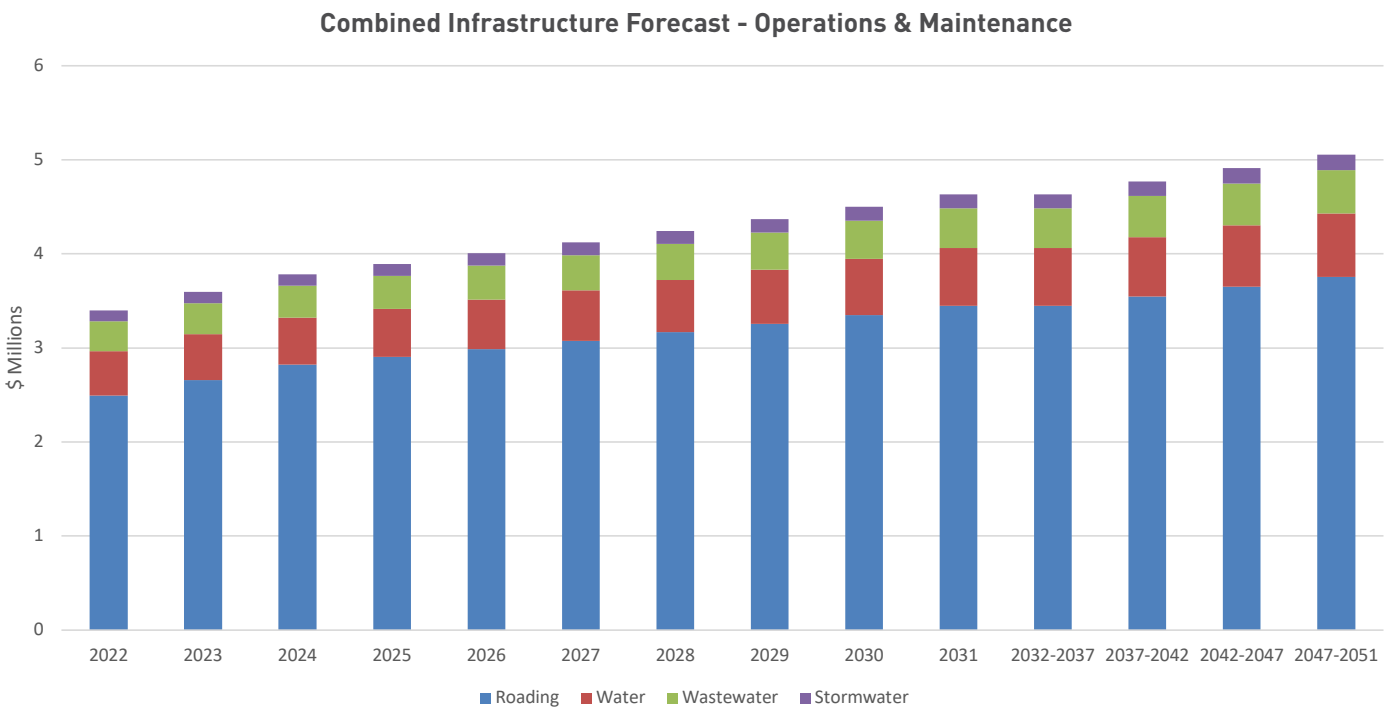


Figure 8: Projected Operational Expenditure –Infrastructure Assets



Summary of Well-being Contribution

The Council welcomes the four well-beings reinstatements as it acknowledges the Council's broader role in looking after our communities than simply providing core services.

Each project identified in the Infrastructure Strategy includes an assessment of its contribution to the four well-beings. A summary of contributions to the Four Well-beings is graphically shown below:

Figure 9: Summary of Contributions to the Four Well Beings



- **Cultural – Overall Moderate Contribution**

- Our activities acknowledge and consider cultural values
- Our activities encourage connected communities and participation in cultural events
- Our activities may also have adverse effects on the cultural wellbeing of our communities.

- **Economic – Overall Moderate Contribution**

- Our activities provide access and services for industry and business
- Our activities encourage growth and development
- Our activities create employment opportunities
- Our activities come at a cost.

- **Environmental – Overall Low Contribution**

- Our activities endeavour to avoid, where practicable, adverse effects on the environment
- Our activities support the sustainable use of natural resources
- Our activities have adverse effects on the environment.

- **Social – Overall High Contribution**

- Our activities endeavour to keep our people safe and healthy
- Our facilities encourage participation in social, recreational, educational and health activities.

This initial assessment is very subjective, and the Council will further develop these contributions to the four well-beings in alignment with national guidance.

COMMITTEE STRUCTURE

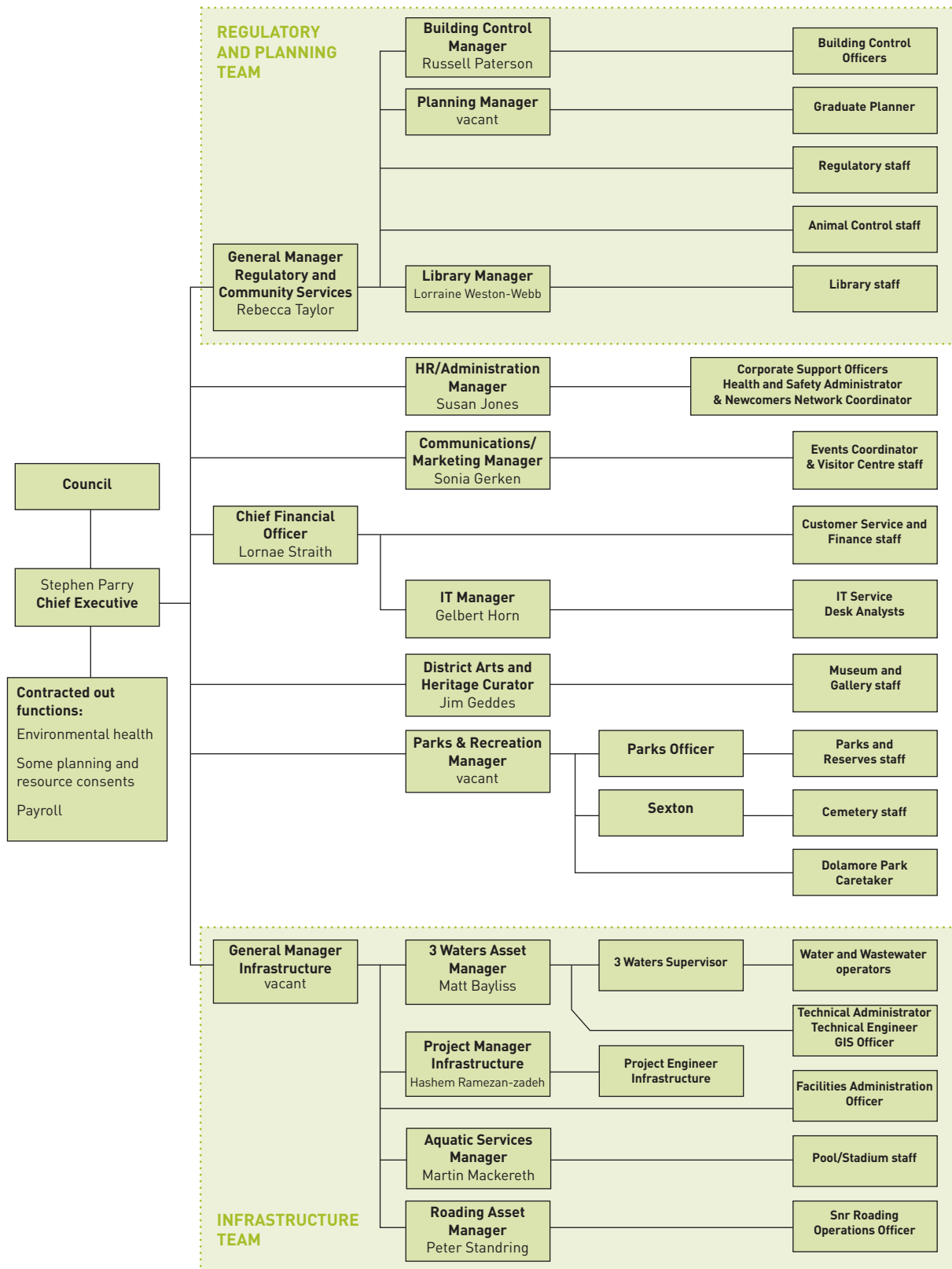
The Council has four Committees which meet to discuss various issues.

Committee	Area of responsibility	Chairperson	Members	Meeting frequency
Audit and Risk	To provide governance and oversight of the effectiveness of risk management and internal control practices.	Cr Bret Highsted	His Worship the Mayor Cr Nicky Davis Cr John Gardyne Cr Doug Grant Cr Richard McPhail Cr Stewart MacDonell Cr Bronwyn Reid Mr Michael Chamberlain <i>(independent)</i>	Quarterly
Capital Works	To provide governance, oversight and strategic input into the Council's capital works programme.	Cr Cliff Bolger	His Worship the Mayor Cr John Gardyne Cr Glenys Dickson Cr Doug Grant Cr Nick Grant Cr Stewart MacDonell Cr Neville Phillips Mr David Prentice <i>(independent)</i> Mr Michael Chamberlain <i>(independent)</i>	Quarterly
Community Strategy	To be proactive in identifying, assessing, nurturing and maximising opportunities for economic growth and social cohesion in the Gore District.	Cr Richard McPhail	Cr Glenys Dickson Cr Cliff Bolger Cr Nicky Davis Cr Nick Grant Cr Neville Phillips Cr Bronwyn Reid	Quarterly
District Plan Review Committee	To overview all matters relating to the review of the District Plan, with contentious and significant matters being referred to the full Council.	Cr Cliff Bolger	Cr Glenys Dickson Cr John Gardyne Cr Stewart MacDonell Cr Neville Phillips	As required

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

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

ORGANISATIONAL STRUCTURE



June 2020

OUR ONGOING COLLABORATION WITHIN LOCAL GOVERNMENT

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

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

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

One of the outcomes from the Regional Strategy work, was the establishment of Great South as the region's leading Economic Development Agency. The new agency is a collaborative effort between the Southland Councils, iwi and the business community.

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

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

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

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

INVOLVING MĀORI IN OUR DECISION-MAKING

Māori & Gore District Council

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

These principles and requirements are outlined as follows:

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

Tangata whenua & Gore District Council's Relationship

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

In the first half of 2021, the Council has been working closely with Hokonui Rūnanga to develop a new Charter of Understanding. This Charter provides a foundation for the Council and Hokonui Rūnanga to work in partnership and collaboration in relation to activities and opportunities. It also respects and acknowledges the respective roles, responsibilities and mana of both the Rūnanga and the Council in the respective takiwā.

At the time of writing (June 2021), a formal signing ceremony is expected to occur within a matter of weeks.

GORE DISTRICT COUNCIL COMMUNITY OUTCOMES

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

OUTCOME 1

We value our history and heritage

Objectives

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

OUTCOME 2

We live in a creative place

Objectives

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

OUTCOME 3

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

Objectives

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

OUTCOME 4

We have a quality infrastructure with potential for growth

Objectives

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

OUTCOME 5

We live in a compassionate caring community

Objectives

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

OUTCOME 6

We value and respect our environment

Objectives

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

The next section/chapter on the Council's activities provides a summary of each of the different activities undertaken by the Council, and the ways in which these activities contribute to achieving the Council's six community outcomes. The Council's activities have been categorised under three different headings or activity groups: Community Services, District Assets and Leadership.

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

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

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

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

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

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

GROUPS OF ACTIVITIES

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

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

WATER SUPPLY

Activities

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

The Council owns and manages three water schemes (Gore, Mataura and Otama) with a total assets value of \$52.1 million. The management and operation of the water supplies are mainly through the Council, with only Otama managed through a private rural water supply scheme committee. Reticulated water supply services are provided to approximately 5,123 properties for domestic and industrial use with firefighting capabilities in the townships urban areas of Gore and Mataura, and rural stock water to the Otama area. It is estimated that 74% of the usually resident population receive their water from the Council's reticulated water supplies.

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

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

Assets provided within the network include:

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

Rationale

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

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

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

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

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

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

The Council's objectives for the community under this 10 Year Plan:

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

The Council Community Outcome, to which the water activity contributes, is: Outcome 4: We have a quality infrastructure with potential for growth.

Significant Negative Effects

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

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

Current Challenges and Future Changes

The inquiry into the widespread outbreak of gastroenteritis in Havelock North in August 2016 triggered a government review of the 3 Waters Services. As a result of this, Taumata Arowai was established as a Crown entity in March 2021. Taumata Arowai is set to become the dedicated water services regulator for Aotearoa when the Water Services Bill passes, expected to be in the second half of 2021.

In parallel to establishing a new water services regulator, in July 2020, the Government launched the Three Waters Reform Programme – a three year programme to reform local government three waters service delivery arrangements. The Government's starting intention is to reform local government's three waters services into a small number of multi-regional entities with a bottom line of public ownership. The exact size, shape and design of these entities is still being worked through.

Due to the uncertainty regarding the proposed three waters service delivery reforms, the 10-Year-Plan has been developed on the assumption that the Council will continue to deliver 3 Waters services for the next five to 10 years.

The Council currently faces an unprecedented number of challenges in the delivery of the water service to meet rapidly changing regulatory, legislative and community expectations regarding safe drinking water and environmental impact and provide sufficient capacity for the community and industry. Additionally, the Council is focused on delivering sustainable, cost-effective solutions that will support the community for the long term.

A proposed \$17.8 million of capital investment over the next 10 years is reflective of the fact that the Council's drinking water issues are among the most significant for the Council. These projects focus on upgrading the Council's water treatment plants is to ensure the ongoing provision of a safe and reliable drinking water supply and the ongoing replacement of its ageing reticulated networks.

The Council's current focus is to ensure its treatment plants meet the requirements of the Drinking Water Standards for New Zealand. A \$10.8 million project is currently underway to upgrade the Gore Water Treatment Plant. This project includes constructing a membrane microfiltration plant at the existing East Gore treatment plant site and the installation of interconnecting pipework between the Hilbre Avenue and East Gore Water Treatment site (allowing the decommissioning of the existing Hilbre Avenue treatment plant). In addition to this, the Council has planned to start construction on a \$2.1 million upgrade of the Matura Water Treatment Plant in 2022 to meet compliance.

Key challenges that the Gore District Council must take steps to address in relation to the water activity over the next 10 years are as follows:

- Upgrading of water treatment plants to ensure they meet the requirements of the Drinking Water Standards for New Zealand
- Adequate monitoring to demonstrate compliance requirements of the newly created water regulator Taumata Arowai
- Development of robust water renewal plans and replacement of critical trunk mains before they reach the end of their useful lives to maintain service delivery
- Optimising the use of the Councils existing raw water supplies through the reduction in leakage rates
- Developing a strategy to ensure the Council water supply is resilient against the potential impacts of climate change.
- Obtaining more reliable information on the age and condition of the piped network in order to more accurately develop maintenance and replacement plans
- Improvements in the accuracy of its asset data ensuring long-term sustainable decisions can be made for the activity.

In June 2017, a referendum of the Otama scheme users was undertaken to determine the preferred future ownership structure of the scheme. As a result of this, a preferred ownership structure consisting of a new company with directors appointed by scheme users to own, govern and manage the scheme was identified. On 27 May 2019, the Gore District Council (Otama Rural Water Supply) Bill was passed into law via receipt of royal ascent, allowing the transfer of ownership of the scheme into a private company. Amongst other things, the Bill requires the company to provide a report in which it assesses, to the satisfaction of the Medical Officer of Health, the company's capacity to provide a safe drinking water supply. While a transfer plan has recently been submitted by the Otama Committee to the Medical Officer of Health for approval, the exact timeframe for when the proposed ownership transfer will occur are still unclear. The Council is awaiting a formal response from the Medical Officer of Health.

Statement of Service Provision - Water

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We have a quality infrastructure with potential for growth	A potable water supply is provided in urban areas	Compliance with the bacterial criteria of the NZDWS: (NFPM 1a)	Gore - 100% compliant	Gore - 100% compliant	Gore - 100% compliant	Gore - 100% compliant
		Mataura	Mataura - 100% compliant	Mataura - 100% compliant	Mataura - 100% compliant	Mataura - 100% compliant
	Compliance with the protozoa criteria of the NZDWS:(NFPM 1b)	Gore - East Gore	0% compliant	70% compliant	100% compliant	100% compliant
		Gore - Hilbre	0% compliant	0% compliant	100% compliant	100% compliant
		Mataura	0% compliant	0% compliant	0% compliant	100% compliant
	A reliable service and effective response to queries	Water quality complaints received (per 1,000 connections) (NFPM 4)	8	8	8	8
		Real water losses from the reticulation network. (NFPM 2)	40%	40%	40%	35%
		Response to an urgent customer request. (Urban, no water) (NFPM 3a)	60 min	60 min	60 min	60 min
		Resolution of an urgent customer request. (Urban, no water) (NFPM 3b)	8 working hours	8 hours	8 hours	8 hours
		Response to a non-urgent customer request (NFPM 3c)	5 days	5 days	5 days	5 days
Resolution of a non-urgent customer request (NFPM 3 d)	14 days	14 days	14 days	14 days		
Average consumption of drinking water (NFPM 5)	450 L/p/day	450 L/p/day	450 L/p/day	450 L/p/day		

Forecast Funding Impact Statement - Water

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,893	2,498	2,814	2,993	3,249	3,393	3,457	3,500	3,704	3,866	3,898
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	341	119	123	126	130	133	137	142	146	151	156
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,234	2,617	2,937	3,119	3,379	3,526	3,594	3,642	3,850	4,017	4,054
Applications of Operating Funding											
Payments to staff and suppliers	863	907	955	1,001	1,024	1,046	1,072	1,102	1,129	1,161	1,191
Finance costs	131	445	519	585	589	610	635	650	712	823	825
Internal charges and overheads applied	649	712	721	738	741	750	768	771	782	803	803
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,643	2,064	2,195	2,324	2,354	2,406	2,475	2,523	2,623	2,787	2,819
Surplus (deficit) of operating funding (A-B)	591	553	742	795	1,025	1,120	1,119	1,119	1,227	1,230	1,235
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	10,825	3,514	3,419	(334)	(269)	837	(278)	(86)	(1)	229	(134)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	10,825	3,514	3,419	(334)	(269)	837	(278)	(86)	(1)	229	(134)
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	10,891	2,537	2,285	22	22	58	83	269	303	287	27
- to replace existing assets	499	1,890	2,131	687	801	1,942	752	776	1,055	1,221	1,124
Increase (decrease) in reserves	26	(360)	(255)	(248)	(67)	(43)	6	(12)	(132)	(49)	(50)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	11,416	4,067	4,161	461	756	1,957	841	1,033	1,226	1,459	1,101
Surplus (deficit) of capital funding (C-D)	(591)	(553)	(742)	(795)	(1,025)	(1,120)	(1,119)	(1,119)	(1,227)	(1,230)	(1,235)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

WASTEWATER

Activities

The Council owns and manages wastewater assets valued at \$27.2 million. It provides wastewater services to 5,066 households and businesses in Gore, Mataura and Waikaka.

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

The Council's asset network includes:

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

Rationale

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

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

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

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

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

The Council's objectives for the community under this 10 Year Plan:

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

The Council Community Outcomes, to which the water activity contributes, are:

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

Outcome 6: We value and respect our environment

Significant Negative Effects

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

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

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

Future Changes

The inquiry into the widespread outbreak of gastroenteritis in Havelock North in August 2016 triggered a government review of the 3 Waters Services. As a result of this, Taumata Arowai was established as a Crown entity in March 2021. Taumata Arowai is set to become the dedicated water services regulator for Aotearoa when the Water Services Bill passes, expected to be in the second half of 2021.

In parallel to establishing a new water services regulator, in July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. The Government's starting intention is to reform Local Government's three waters services into a small number of multi-regional entities with a bottom line of public ownership. The exact size, shape and design of these entities is still being worked through.

Due to the uncertainty regarding the proposed three waters service delivery reforms, the 10-Year-Plan has been developed on the assumption that the Council will continue to deliver three waters services for the next five to ten years.

The Council currently faces an unprecedented number of challenges in the delivery of wastewater service to meet rapidly changing regulatory, legislative, and community expectations regarding the level of service and environmental impact of its wastewater network and provide sufficient capacity for the community and industry. Additionally, the Council focuses on delivering sustainable, cost-effective solutions that will support the community for the long term.

A proposed \$23.3 million of capital investment over the next 10 years is reflective of the fact that wastewater issues are among the most significant for the Council. These projects focus on upgrading the Council's treatment plants to ensure they meet legislative and ongoing replacement of its ageing reticulated networks.

The Council's consents to discharge treated wastewater from the Mataura and Gore Wastewater Treatment Plants expire in May 2021 and December 2023, respectively. Due to this, the Council applied to renew its wastewater discharge consent in January 2021. Since the Council's treatment plants were built there, there have been significant changes in technology, legislative requirements, iwi and community expectations regarding wastewater treatment and discharge.

As part of the consent renewal application, the Council is proposing a staged development of a new Biological Nutrient Removal (BNR) Treatment Plant for Gore to treat wastewater to a high quality before discharging it to the Mataura River. The estimated cost of this option is between \$46 million and \$61 million. At this point, we are proposing implementation in three stages over 30 years, starting in 2032.

This project poses funding challenges, and our key concern will be affordability for ratepayers. For the Council to fund it alone would put significant pressure on our ratepayers. Funding options available include borrowing more money, which would increase our net debt and impact rates.

The Mataura wastewater treatment plant is also in line for an upgrade, at an estimated cost of between \$1.6 million and \$2.1 million. We plan to expand the existing wetlands system and other improvements to optimise the existing treatment plant. At this stage, we plan to complete this project by 2027. However, this will be dependent on how the Council's resource consent renewal application progresses.

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

- Reduction in inflow and infiltration into the wastewater network to minimise overflows and optimise the performance of its treatment plants
- Desludging the oxidation Pond
- Upgrading of the Council's wastewater treatment plant to ensure they meet legislative requirements and the communities expectations
- Developing a robust renewal plan and replacement of critical trunk mains that are at the end of their useful lives
- Improvements in the accuracy of its asset data ensuring long term sustainable decisions can be made for the activity.

Statement of Service Provision - Wastewater

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We have a quality infrastructure with potential for growth	A reliable service: effective response to queries	The number of dry weather overflows from Council's sewerage system, (NFPM 1)	1	1	1	1
		Response to a customer request. (Blockage or fault) (NFPM 3a)	Urgent < 120 mins General < 8 hours	Urgent 120 mins General < 8 hours	Urgent 120 mins General < 8 hours	Urgent 120 mins General < 8 hours
		Resolution of a customer request. (Blockage or fault) (NFPM 3b)	Urgent < 8 hrs General 5 days	Urgent < 8 hrs General 5 days	Urgent < 8 hrs General 5 days	Urgent < 8 hrs General 5 days
		Wastewater complaints received (per 1,000 connections) (NFPM 4)	< 10	< 10	< 10	< 10
We value and respect our environment	Our waterways and environment are protected from adverse impacts of providing the wastewater service	Compliance with Council's resource consents for discharge from its wastewater system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (NFPM 2)	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0

Forecast Funding Impact Statement - Wastewater

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,630	1,287	1,348	1,387	1,216	1,299	1,419	1,531	1,947	1,996	2,426
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	526	540	559	574	589	606	623	643	665	687	708
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,156	1,827	1,907	1,961	1,805	1,905	2,042	2,174	2,612	2,683	3,134
Applications of Operating Funding											
Payments to staff and suppliers	453	484	520	558	570	583	598	614	631	650	666
Finance costs	214	-	-	10	23	57	95	208	339	392	395
Internal charges and overheads applied	404	443	449	459	461	467	478	480	487	499	500
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,071	927	969	1,027	1,054	1,107	1,171	1,302	1,457	1,541	1,561
Surplus (deficit) of operating funding (A-B)	1,085	900	938	934	751	798	871	872	1,155	1,142	1,573
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(233)	-	-	699	210	2,056	415	6,657	(163)	325	(204)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(233)	-	-	699	210	2,056	415	6,657	(163)	325	(204)
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	2	-	-	-	224	2,074	474	6,724	38	522	-
- to replace existing assets	875	2,008	834	2,186	616	663	930	734	1,174	2,984	1,124
Increase (decrease) in reserves	(25)	(1,108)	104	(553)	121	117	(118)	71	(220)	(2,039)	245
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	852	900	938	1,633	961	2,854	1,286	7,529	992	1,467	1,369
Surplus (deficit) of capital funding (C-D)	(1,085)	(900)	(938)	(934)	(751)	(798)	(871)	(872)	(1,155)	(1,142)	(1,573)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

STORMWATER

Activities

The Council owns and manages stormwater assets valued at \$9.9 million. The Council provides Stormwater services to about 5,113 households and businesses in Gore, Mataura, Waikaka, Pukerau and Mandeville.

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

The Council's asset network includes:

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

Rationale

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

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

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

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

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

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

The Council's objectives for the community under this 10 Year Plan:

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

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

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

Outcome 6: We value and respect our environment.

Significant Negative Effects

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

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

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

Future Changes

The inquiry into the widespread outbreak of gastroenteritis in Havelock North in August 2016 triggered a government review of the three waters services. As a result of this, Taumata Arowai was established as a Crown entity in March 2021. Taumata Arowai is set to become the dedicated water services regulator for Aotearoa when the Water Services Bill passes, expected to be in the second half of 2021.

In parallel to the establishment of a new water services regulator, in July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. The Government's starting intention is to reform Local Government's three waters services into a small number of multi-regional entities with a bottom line of public ownership. The exact size, shape and design of these entities is still being worked through.

Due to the uncertainty regarding the proposed three waters service delivery reforms, the 10-Year-Plan has been developed on the assumption that the Council will continue to deliver three waters services for the next five to ten years.

The Council currently faces an unprecedented number of challenges in the delivery of the stormwater service to meet rapidly changing regulatory, legislative and community expectations regarding the level of service and environmental impact of its stormwater network and provide sufficient capacity for the community and industry. Additionally, the Council is focused on delivering sustainable, cost-effective solutions that will support the community for the long term.

A proposed \$11.9 million of capital investment over the next 10 years is reflective of the fact that stormwater issues are among the most significant for the Council. This investment will predominantly focus on the separation of the Council's combined stormwater and wastewater network.

Various streets and suburbs in Gore have been separated via multiple projects which began as early as the 1950s. While these projects were developed and implemented with the best intentions, it has become apparent that the stormwater network that has been installed has no further capacity for future separation works, and this has limited progress on stormwater separation in recent years.

In 2018, the Council developed a Stormwater Master Plan (SMP) that sets out the blueprint for achieving complete stormwater separation in Gore. This estimated that the cost of achieving total stormwater separation for a 20% or one-in-five-year AEP was \$178 million. Due to this, affordability is a key barrier in achieving stormwater separation. The Council is currently undertaking the first project developed based on the SMP to separate wastewater and stormwater in the Elizabeth Street area. Separation of drainage in private properties is a key step in achieving the desired outcomes of the SMP. The Council is currently consulting with the community on how private property separation should be funded, following which it will develop a policy to address the issue.

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

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

Statement of Service Provision - Stormwater

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We have quality infrastructure with potential for growth	A reliable service and effective response to queries	Response to a customer request (Flooding event which enters a habitable building) (NFPM 3)	60 min	60 min	60 min	60 min
		Stormwater complaints received (per 1,000 properties connected) (NFPM 4) Faults or blockages	4	4	4	4
We value and respect our environment	Homes and properties are not affected by surface flooding caused by the Stormwater Activity	Number of flooding events (which enters a habitable building) (NFPM 1a)	3	3	3	3
		Number of habitable floors affected per 1,000 connected properties (per event) (NFPM 1b)	2	2	2	2
	Our waterways and environment are protected from adverse impacts of providing the Stormwater service	Compliance with Council's resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (NFPM 2a-d)	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0

Forecast Funding Impact Statement - Stormwater

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	630	724	821	859	948	1,035	1,126	1,207	1,345	1,481	1,683
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	630	724	821	859	948	1,035	1,126	1,207	1,345	1,481	1,683
Applications of Operating Funding											
Payments to staff and suppliers	137	160	177	190	195	199	204	210	215	223	229
Finance costs	16	81	101	142	181	190	233	276	342	441	455
Internal charges and overheads applied	97	107	108	111	111	113	115	116	117	120	121
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	250	348	386	443	487	502	552	602	674	784	805
Surplus (deficit) of operating funding (A-B)	380	376	435	416	461	533	574	605	671	697	878
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(120)	1,480	300	2,343	155	160	2,356	(56)	2,348	102	649
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(120)	1,480	300	2,343	155	160	2,356	(56)	2,348	102	649
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	1,523	372	2,421	280	288	2,488	122	2,526	326	875
- to improve the level of service	260	51	53	55	168	58	59	61	63	65	67
- to replace existing assets	-	282	310	283	168	347	383	366	430	408	585
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	260	1,856	735	2,759	616	693	2,930	549	3,019	799	1,527
Surplus (deficit) of capital funding (C-D)	(380)	(376)	(435)	(416)	(461)	(533)	(574)	(605)	(671)	(697)	(878)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

ROADING AND FOOTPATHS

Activities

The Gore District roading network comprises 896 kilometres of roads, with 538 kilometres unsealed. All work is procured in accordance with the Council's and Waka Kotahi (formerly NZTA) approved Procurement Strategy. While consultants generally undertake the design of major work, the supervision is managed by our in house project management team. Professional assistance is also engaged in some aspects of our strategic asset management.

The Council supports the objectives of the Regional Land Transport Strategy, Road Safety Strategy 2020, the New Zealand Transport Agency (Waka Kotahi) and the Government Policy Statement with its "Road to Zero" initiative, looking to improve road safety and sustainable transport throughout the region. Council staff work with other councils and transport stakeholders to further New Zealand Transport Agency initiatives by developing and implementing the Road Safety Action Plan, which addresses excessive speed, drink driving by developing and promoting safety management campaigns in the communities and schools.

Road classification heavily influences the maintenance priorities we place on the roads across the network. Presently we are transitioning from "One Network Road Classification" to a new road categorising "One Network Framework" that focuses more on our roads' use and informing future decision-making.

The Council compiles a triennial land transport programme to give it access to government partnership finance. The programme takes into consideration the changing demands of the network like transport initiatives, strategy development and monitoring, travel demand assessments, road safety issues, stock truck effluent transfer sites, alternative transport options, regional development initiatives, and monitoring mobility services.

Rationale

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

As the Council is the road controlling authority under the Local Government Act 1974, it has responsibility for all of the roads (state highways excluded) in the Gore District.

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

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

Significant Negative Effects

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

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

It is pertinent to note these negative effects are caused mainly by road users and are not caused by a deficiency in the road network itself. The Council's policy is to monitor and maintain an ongoing awareness of the possible risks and ensure that mitigation measures are implemented appropriately.

The network's resilience is occasionally challenged by natural events such as wind, rain, snow and flooding; as much as we can develop programmes to mitigate some of the effects, we can't fully guard ourselves against the impact of these events.

Future Changes

The Council has been granted Waka Kotahi funding approval to develop a new walking/cycling bridge across the Mataura several hundred metres upstream from the existing road bridge. The bridges' arrival will usher a new era of active alternative modes around the town and district, starting with tracks along the flood banks. However, progress depends on Council receiving full consent from the districts regulatory authorities.

The Council will be progressing its structure replacement programme over the next three years, focusing on restricted bridges around the network.

The District's footpaths will continue to be a focus in the foreseeable future for the Council, especially with the ageing demographics and the age of the asset. This is in line with its commitment to ensure all the town's footpaths meet current standards. It is intended to widen some footpaths, especially those with high foot traffic volumes, so they are more user-friendly for people on mobility scooters. The need for wider foot paths is also identified in the Council's Streetscape Strategy.

Recent notification from Waka Kotahi (NZTA) informs Council that the proposed \$300,000 per year programme of work will not be supported. The trimmed budget of \$162,000 per year means the Council's plans to upgrade the footpath network will be slower than requested.

Statement of Service Provision - Roading and Footpaths

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We have a quality infrastructure with potential for growth	Maintain the road surfaces free of defects requiring evasive behaviour (eg; potholes, shoving, edgebreak, ponding, bumps)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network attributable to a network deficiency, expressed as a number	Number of Fatal and Serious Crashes 0	Number of Fatal and Serious Crashes 0	Number of Fatal and Serious Crashes 0	Number of Fatal and Serious Crashes 0
	An appropriate level of ride comfort is maintained	The average quality of ride on a sealed local network, measured by smooth travel exposure using the National Association of Australian State Road Authorities (NAASRA) roughness count	Urban: NAASRA count < 220 Rural: NAASRA count < 120	Urban: NAASRA count < 220 Rural: NAASRA count < 120	Urban: NAASRA count < 220 Rural: NAASRA count < 120	Urban: NAASRA count < 220 Rural: NAASRA count < 120
	The yearly resurfacing programme is at a rate that maintains the integrity of our sealed road asset	The percentage of sealed network resurfaced each season required to manage the pavements within its suggested design life and budget	5.0%	5.5%	6.0%	5.0 - 6.0% per annum
	Footpath hazards (trip or surfacing) are identified and mitigated	The footpath condition assessment is carried out every 12 months to develop the footpath renewal programme	1,500m ²	1,500m ²	1,500m ²	1,500m ² per annum
	We respond to all customer requests relating to footpath and roads in a timely and efficient manner	The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within 48 hours	95%	95%	95%	95%
	Residents are satisfied with the metalled road network through the identification and mitigation of driver hazards	The percentage of respondents to the Gore District Council annual resident survey within the range of neutral to very satisfied	75%	77%	78%	75 - 78%

Forecast Funding Impact Statement - Roading and Footpaths

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	2,528	2,415	2,601	2,698	2,991	3,185	3,354	3,445	3,658	3,915	3,989
Subsidies and grants for operating purposes	1,113	1,727	1,838	1,950	1,895	1,953	2,014	2,076	2,141	2,208	2,278
Fees and charges	-	159	163	167	171	176	180	184	188	193	197
Internal charges and overheads recovered	176	213	211	220	209	207	218	206	207	222	205
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,963	4,514	4,813	5,035	5,266	5,521	5,766	5,911	6,194	6,538	6,669
Applications of Operating Funding											
Payments to staff and suppliers	2,115	2,829	3,000	3,169	3,256	3,347	3,441	3,534	3,632	3,735	3,839
Finance costs	91	93	110	124	136	149	164	185	224	285	316
Internal charges and overheads applied	504	578	580	604	588	590	619	602	609	642	616
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,710	3,500	3,690	3,897	3,980	4,086	4,224	4,321	4,465	4,662	4,771
Surplus (deficit) of operating funding (A-B)	1,253	1,014	1,123	1,138	1,286	1,435	1,542	1,590	1,729	1,876	1,898
Sources of capital funding											
Subsidies and grants for capital expenditure	1,634	2,897	1,932	1,855	1,824	1,929	2,039	2,159	2,286	2,423	2,563
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	64	1,201	361	299	353	350	398	617	620	738	865
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	1,698	4,098	2,293	2,154	2,177	2,279	2,437	2,776	2,906	3,161	3,428
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	195	2,566	723	452	481	510	540	572	607	643	681
- to replace existing assets	2,776	2,530	2,677	2,882	3,047	3,227	3,422	3,625	3,839	4,070	4,312
Increase (decrease) in reserves	(20)	16	16	(42)	(65)	(23)	17	169	189	324	333
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	2,951	5,112	3,416	3,292	3,463	3,714	3,979	4,366	4,635	5,037	5,326
Surplus (deficit) of capital funding (C-D)	(1,253)	(1,014)	(1,123)	(1,138)	(1,286)	(1,435)	(1,542)	(1,590)	(1,729)	(1,876)	(1,898)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDING AND RECREATION

Activities

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

Among the Parks, Property and Recreation portfolio, the Gore Gardens and Eastern Southland Gallery are nationally recognised; Dolamore Park, the MLT Events Centre and the Gore Multisports Complex are of regional benefit. In addition the current refurbishment of the James Cumming Wing to incorporate the Gore Library and community space, and the phased development of Tulloch Park in Mataura will provide added benefit in the next few years. These high profile sites are supplemented with a range of district and local parks and facilities.

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

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

Assets provided within the network include:

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

Rationale

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

This is an important consideration in terms of the manner in which Gore promotes itself and the lifestyle available.

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

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

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

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

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

The Council Community Outcomes to which this group of activities contributes are: Outcome 3: We have a choice of quality places to go and things to do.

Significant Negative Effects

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

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

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

The Council's central administration activities are delivered, in the main, from the civic administration building in Bowler Avenue. The Council's central administration building has been completely renovated and brought up to building code. This work was completed in February 2021. The James Cumming Wing is now under renovation to become the new Gore Library and community space and is aimed to be completed by mid-2022. The question of what to do with the old library space was up for discussion with three options out forward in the 2021-31 10-Year-Plan Consultation Document.

Future Changes

There is a programmed shutdown of the aquatic centre in 2022/23. The Council has budgeted \$685,000 for this work, which will be loan funded. To meet the requests of the community and expectations for prudent financial management, the Gore Aquatic Centre's debt will be the subject of a proactive debt retirement plan through a gradual year on year increase in loan repayments. This will see aquatic centre's debt, increase to \$2.8 million, but will be repaid in 15 years.

A review into current charges for admissions and facility hire will be completed in 2021 to make sure that we are working to recover 30% of the of the Gore Multisport Complex operational cost through the users of the facility.

The first phase of the Tulloch Park redevelopment project was completed in 2019. The Council is currently working with the Mataura Community Board to discuss the next phase of this project including the use of the Mataura Centennial pool site. Funding will need to be sought to complete any further development of the Tulloch Park area.

Statement of Service Provision - Parks, Reserves, Aquatic Facilities, Civic Building & Recreation

Council Outcome	Customer Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We have a choice of quality places to go and things to do	To provide safe, quality, accessible swimming pools with good opportunities for learning	<p>Five key technical measures that reflect the core values. This includes:</p> <ul style="list-style-type: none"> Customer satisfaction - measured by the annual resident survey Swimming course enrolments - measured by enrolment records Gore Aquatic Centre patronage MLT Event Centre patronage Pool safe accreditation 	<p>> 90% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>Accreditation maintained</p>	<p>> 90% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>Accreditation maintained</p>	<p>> 90% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>Accreditation maintained</p>	<p>> 90% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>1% increase on prior year</p> <p>Accreditation maintained</p>
We have a choice of quality places to go and things to do	Parks, reserves and cemeteries provide a sense of place; active recreation spaces, as well as opportunities to interact with and beautify urban environments; facilities are safe, well-maintained and appropriate for their use with high levels of public satisfaction	<p>Percentage of community that are satisfied across the range of property and recreation criteria surveyed</p> <p>This includes: satisfaction levels for:</p> <ul style="list-style-type: none"> Parks and Reserves/Sportsgrounds Playgrounds Cemeteries Public conveniences The provision of community buildings or halls 	<p>> 90% average across the 5 criteria surveyed</p>	<p>> 90% average across the 5 criteria surveyed</p>	<p>> 90% average across the 5 criteria surveyed</p>	<p>> 90% average across the 5 criteria surveyed</p>

Forecast Funding Impact Statement - Parks, Reserves, Aquatic Facilities, Civic Building & Recreation

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,769	2,054	2,147	2,465	2,411	2,714	2,781	3,068	3,227	3,387	3,455
Targeted rates	3,249	3,510	3,629	3,687	3,739	3,846	3,985	4,026	4,120	4,236	4,256
Subsidies and grants for operating purposes	19	35	36	37	38	39	40	41	42	43	44
Fees and charges	694	778	799	818	838	859	880	902	925	949	972
Internal charges and overheads recovered	1,429	1,541	1,572	1,613	1,633	1,677	1,724	1,732	1,772	1,820	1,826
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	7,160	7,918	8,183	8,620	8,659	9,135	9,410	9,769	10,086	10,435	10,553
Applications of Operating Funding											
Payments to staff and suppliers	4,039	4,202	4,310	4,375	4,407	4,489	4,564	4,644	4,736	4,832	4,928
Finance costs	329	209	214	233	237	236	228	221	249	303	330
Internal charges and overheads applied	2,322	2,535	2,578	2,660	2,666	2,721	2,816	2,809	2,865	2,965	2,944
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	6,690	6,946	7,102	7,268	7,310	7,446	7,608	7,674	7,850	8,100	8,202
Surplus (deficit) of operating funding (A-B)	470	972	1,081	1,352	1,349	1,689	1,802	2,095	2,236	2,335	2,351
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2,546	234	767	(36)	(31)	(414)	(548)	(585)	(831)	664	(521)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,546	234	767	(36)	(31)	(414)	(548)	(585)	(831)	664	(521)
Applications of capital funding											
Capital expenditure											
- to meet additional demand	24	183	363	64	35	70	105	359	368	659	643
- to improve the level of service	20	131	85	127	104	99	64	45	68	47	66
- to replace existing assets	3,186	739	1,597	889	779	754	567	540	802	2,489	594
Increase (decrease) in reserves	(214)	153	(197)	236	400	352	518	566	167	(196)	527
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3,016	1,206	1,848	1,316	1,318	1,275	1,254	1,510	1,405	2,999	1,830
Surplus (deficit) of capital funding (C-D)	(470)	(972)	(1,081)	(1,352)	(1,349)	(1,689)	(1,802)	(2,095)	(2,236)	(2,335)	(2,351)
Funding Balance [(A-B)+(C-D)]	-	-	-	-	-	-	-	-	-	-	-

OTHER DISTRICT ASSETS INCLUDING SOLID WASTE AND CIVIL DEFENCE

Activities

The Gore District Council manages other significant activities on behalf of the residents, namely solid waste service and Civil Defence.

Solid Waste

The Council's solid waste services include:

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

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

- Cardboard collection and recycling.
- Aluminium cans collection recycling.

(GDC supporting local recycling management)

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

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

The Council owns a transfer station in Gore and four closed landfill sites in Gore, Mataura, Waikaka and Pukerau.

No Emission Trading Scheme effects are emanating from these sites.

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

Civil Defence

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

Rationale

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

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

The Gore District Council maintains a "hands-on" approach to this activity because it considers that waste can be most

effectively and efficiently managed by the Council, where long term benefits can be obtained for the community.

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

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

Outcome 6: We value and respect our environment.

Significant Negative Effects

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

The minimising of waste through active recycling is proving to be challenging in the existing environment, especially with the closing up of viable markets to handle collected material.

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

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

The Council in recognising the inherent risk of transporting uncompacted loads to the landfill site, has recently installed a compactor to ensure the safe and efficient transport of our waste.

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

Future Changes

With traditional overseas recycle markets such as China and India closing their borders to many waste products, a significant rethink on how the country deals with its waste is required.

Because of the variability that exists in the waste service arrangements among councils within the sector guidance from the central government is required.

While the glass and packaging forums are coming out with different initiatives to help reduce the amount of waste in our communities, Wasteminz is looking to standardise how communities carryout their kerbside collections.

In light of the present environment, the Council discontinued its recycling contract with Southland disAbility Enterprise Ltd (SdE) when it expired last year. Kerbside collection was altered as a result.

The Council has recently called for the establishment of a working party to consider the future of the District's solid waste.

It has been asked to rethink how the Gore District deals with its waste and how to provide an accessible, affordable service that also reduces the amount of waste going to landfill. It will also need to respond to new directives from central Government and the rising costs of taking waste to landfill.

Statement of Service Provision - Other District Assets including Solid Waste & Civil Defence

Council Outcome	Customer Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We value and respect our environment	The reduction of waste disposed of reduces costs to residents and places less pressure on the environment. This has a positive impact on economic and environmental outcomes	Volume of waste per capita being disposed of at the regional landfill as recorded in the regional landfill weighbridge records	Material discarded < 650kg per capita (across Southland)	Material discarded < 650kg per capita (across Southland)	Material discarded < 650kg per capita (across Southland)	Material discarded < 650kg per capita (across Southland)

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

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's	
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	275	387	369	377	411	419	428	436	444	454	462
Targeted rates	1,352	1,659	1,698	1,726	1,751	1,818	1,891	1,984	1,965	2,073	2,110
Subsidies and grants for operating purposes	49	50	51	52	53	54	56	57	58	59	61
Fees and charges	718	741	760	777	794	812	830	848	866	886	905
Internal charges and overheads recovered	1,442	1,583	1,603	1,639	1,646	1,667	1,708	1,714	1,739	1,784	1,785
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,836	4,420	4,481	4,571	4,655	4,770	4,913	5,039	5,072	5,256	5,323
Applications of Operating Funding											
Payments to staff and suppliers	2,851	3,234	3,314	3,372	3,434	3,518	3,591	3,663	3,737	3,814	3,892
Finance costs	75	37	32	32	31	30	29	29	30	35	35
Internal charges and overheads applied	783	866	877	907	901	911	945	938	952	990	976
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,709	4,137	4,223	4,311	4,366	4,459	4,565	4,630	4,719	4,839	4,903
Surplus (deficit) of operating funding (A-B)	127	283	258	260	289	311	348	409	353	417	420
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(40)	(122)	(157)	(93)	(79)	(114)	(28)	(108)	(149)	(98)	42
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(40)	(122)	(157)	(93)	(79)	(114)	(28)	(108)	(149)	(98)	42
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	76	119	64	127	136	95	180	103	43	104	244
Increase (decrease) in reserves	11	42	27	40	74	102	140	198	161	215	218
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	87	161	101	167	210	197	320	301	204	319	462
Surplus (deficit) of capital funding (C-D)	(127)	(283)	(258)	(260)	(289)	(311)	(348)	(409)	(353)	(417)	(420)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

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

Activities

Arts & Heritage

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

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

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

Staff in the department play a pivotal role in facilitating the development of arts, culture and heritage resources in the District. They actively seek capital funding from external sources for arts and heritage initiatives in the District, perform project management functions in the implementation phase of building arts and heritage facilities, as well as provide ongoing management of related collections and programmes.

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

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

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

Visitor Centre

The visitor centre serves as a booking outlet for residents and visitors to make their domestic travel arrangements, as well as being a source of professional tourism related advice and recommendations. It also provides a hub for both organisers and visitors to Gore for our key events, and works closely with the events coordinator to ensure the delivery of Council events.

Libraries

The Gore Library is no longer located in the heritage precinct. It has been in temporary premises since May 2019 after having had to vacate its home due to longstanding roof leaks resulting in the development of black mould; and the asbestos in the fabric of the building meant that repairs were not able to be carried out while the building was occupied. The library was housed temporarily in the James Cumming Wing hall on Ardwick Street from May 2019 to May 2021. Since May 2021 it has been in the Encounter New Life Church building on Jacob Street, a temporary lease arrangement that has been quite suitable.

Gore Libraries offer a wide range of books, magazines, DVDs, eBooks, eAudiobooks and other resources. Both libraries provide free use of internet computers and Wi-Fi. Ancestry.com is available for tracing family history and for children Encyclopedia Britannica Online and TumbleBooks are available for learning and reading experiences.

Gore Library is open 49.25 hours per week and Mataura Library and Service Centre 35 hours per week. The libraries have a total of 4,900 members, equating to 38% of residents. This figure is conservative since families often share one membership card.

Annual visitors number 108,560, and the issues per population are 7.9 per annum (in 2019-20 there were 101,363 issues). The libraries hold 42,064 physical items, most of which can be borrowed.

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

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

Grants

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

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

Rationale

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

The current combined arts and heritage asset value of \$10 million is the product of gifts and donations from the people of Gore and key supporters of the District. In the interests of preserving, promoting and interpreting these holdings, a partnership has been developed between the Gore District Council and local culture and heritage organisations to provide a professional service for the management, care and development of facilities and collections.

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

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

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

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

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

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

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

Outcome 1: We value our history and heritage.

Outcome 2: We live in a creative place.

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

Significant Negative Effects

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

Future Changes

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

- an expanded Hokonui Moonshine Museum
- an operative distillery
- the development of the Maruawai Centre as a social history museum incorporating greater public exhibition/information space, and an expanded Gore Visitor Centre.

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

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

The total cost of the project is estimated to be \$2.2 million, of which the Council has already pledged \$1 million. The Council's support and financial commitment has been integral in enabling this project to access external funding sources.

Of the funding already budgeted for, \$500,000 was spent on purchasing the Irwell Street building and a further \$500,000 has been tagged for expenditure over the next six years. It will be used as seed funding for a staged development, starting with the concept plan.

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

The future of the old Gore Library building, in the precinct, is the subject of ongoing conversations with the community. The Council decided in late 2020 to redevelop the James Cumming Wing to house the library and new community spaces, after receiving \$3 million from the Government's Shovel Ready fund.

Preparatory work on the building began in May 2021, with plans finalized in June 2021. The building is expected to be completed in late 2022.

Schedule of Grants

Amenity Hire Refunds.....	3,000
Children's Day.....	2,265
Community Networking Trust	10,000
Country Music & Songwriters	5,000
Croydon Aviation annual loan write off	3,000
Croydon Aviation Heritage Trust.....	6,000
Cycle Tour Southland.....	1,000
Eastern Southland Art Gallery.....	40,000
Enviro Schools	5,000
Free Swim School - Primary School	28,832
Gold Guitar Awards.....	5,000
Gore A & P Association	87,620
Gore Counselling Centre	1,500
Gore Hospice Rates Grant	1,000
Gore Museum.....	11,000
Healthy Homes initiative.....	15,000
Heartland Life Education Trust	2,500
Hokonui Fashion Design Awards Grant	9,104
Hokonui Heritage Centre Trust.....	6,500
Hokonui Pioneer Village & Museum Inc	5,000
Hospice Southland (Transfer station fees).....	1,000
Hospital Incentives.....	2,000
Mataura Heritage Centre.....	9,500
Mataura School free swimming lesson transport.....	4,000
Moonshine Committee	24,500
Pakeke Lions Recycling Services	25,282
Rural Halls.....	18,419
Safe in the South operational grant	8,000
Scholarships x 2	2,000
Southland Regional Heritage Trust*	22,792
Sport Southland (funded resource)	10,000
Total Mobility.....	18,118
Tussock Country	50,000
Waikaka Domain Board	12,878

* Net amount shown

Total \$447,446

Statement of Service Provision - Community Services: Arts & Heritage, Libraries, Promotions and Grants

Council Outcome	Customer Levels Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We value our history and heritage. We live in a creative place	Educating the public about arts & heritage contributes to the Council outcome of valuing our history and heritage	The public appreciates the services and assets of arts and heritage as recorded in the annual resident survey	90% satisfaction rate	90% satisfaction rate	90% satisfaction rate	90% satisfaction rate
We have a choice of quality places to go and things to do	Residents and visitors have valued library experiences. Friendly, knowledgeable staff ensure the libraries are a positive choice in terms of quality places to go & things to do	Survey of residents and library users indicates a quality service is provided as indicated in the annual resident survey and targeted library surveys	90% of surveyed residents or users are satisfied with the quality of library service	90% of surveyed residents or users are satisfied with the quality of library service	90% of surveyed residents or users are satisfied with the quality of library service	90% of surveyed residents or users are satisfied with the quality of library service
	The library service is accessible to residents and visitors, including children, young adults, adults, the elderly, housebound, people who work business hours	Library opening hours per week Gore 49.25 Mataura 35	95% of opening hours are achieved.	95% of opening hours are achieved.	95% of opening hours are achieved.	95% of opening hours are achieved.

Forecast Funding Impact Statement - Community Services: Arts & Heritage, Libraries, Promotions and Grants

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	2,110	2,026	2,090	2,169	2,236	2,290	2,631	2,760	2,590	2,622	2,626
Targeted rates	640	732	752	790	798	809	824	827	839	862	863
Subsidies and grants for operating purposes	310	191	196	200	205	209	214	219	223	228	233
Fees and charges	103	442	449	456	466	476	487	497	508	519	531
Internal charges and overheads recovered	6	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,169	3,391	3,487	3,615	3,705	3,784	4,156	4,303	4,160	4,231	4,253
Applications of Operating Funding											
Payments to staff and suppliers	1,743	2,437	2,466	2,507	2,550	2,593	2,637	2,679	2,723	2,771	2,818
Finance costs	76	93	132	172	180	179	175	165	164	174	161
Internal charges and overheads applied	617	687	695	724	714	721	754	744	755	791	773
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,053	3,217	3,293	3,403	3,444	3,493	3,566	3,588	3,642	3,736	3,752
Surplus (deficit) of operating funding (A-B)	116	174	194	212	261	291	590	715	518	495	501
Sources of capital funding											
Subsidies and grants for capital expenditure	-	3,982	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(59)	1,296	1,938	457	(144)	(171)	(437)	(590)	(390)	(332)	(368)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(59)	5,278	1,938	457	(144)	(171)	(437)	(590)	(390)	(332)	(368)
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	293	54	-	-	-	-	-	-	-
- to improve the level of service	120	5,449	1,836	612	114	117	150	122	125	160	130
- to replace existing assets	(63)	3	3	3	3	3	3	3	3	3	3
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	57	5,452	2,132	669	117	120	153	125	128	163	133
Surplus (deficit) of capital funding (C-D)	(116)	(174)	(194)	(212)	(261)	(291)	(590)	(715)	(518)	(495)	(501)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

REGULATORY AND PLANNING

Activities

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

<ul style="list-style-type: none"> • Building Act 2004 	<ul style="list-style-type: none"> • Litter Act 1979
<ul style="list-style-type: none"> • Building (Infringement Offences, Fees and forms) Regulations 2014 	<ul style="list-style-type: none"> • Local Government Act 2002
<ul style="list-style-type: none"> • Building Regulations 1992 	<ul style="list-style-type: none"> • Reserves Act 1977
<ul style="list-style-type: none"> • Building (Specified systems, change the use, and earthquake-prone buildings) Regulations 2005 	<ul style="list-style-type: none"> • Resource Management Act 1991
<ul style="list-style-type: none"> • Health Act 1956 	<ul style="list-style-type: none"> • Sale and Supply of Alcohol Act 2012
<ul style="list-style-type: none"> • Food Act 1981 	<ul style="list-style-type: none"> • Dangerous Goods Act 1974
<ul style="list-style-type: none"> • Dog Control Act 1996 	<ul style="list-style-type: none"> • Council Bylaws

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

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

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987;
- Keeping property files up to date and available for public enquiries;
- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies;
- Promoting the sustainable management of natural and physical resources in the Gore District via the District Plan;
- Processing resource consent applications for land use and subdivision;
- Reviewing and developing appropriate bylaws relating to public nuisances and the management/use of public land;
- Providing advice and administering the Building Act 2004, including checking that buildings comply with the New Zealand Building Code;
- Issuing building warrants of fitness and compliance schedules;
- Investigating complaints related to unauthorised building work;
- Monitoring the building stock and implementing the earthquake-prone building legislation;
- Implement and enhance the electronic building consent application system – GoGet /Simpli;
- Embracing electronic building inspections via GoGet mobile and by virtual conferencing methods;
- Being mindful of all legislation updates and pending changes via sector consultation processes;
- Responding to noise complaints;
- Controlling the sale and supply of liquor via the Sale and Supply of Alcohol Act 2012;
- Processing applications for on, off club and special licenses, processing manager's certificates and renewals, and monitoring licensed premises for compliance;
- Responding to and managing animal related dangers and nuisance in relation to stock on public roads and under the Dog Control Act 1996.

Rationale

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

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

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

Significant Negative Effects

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

Future Changes

A review of the Council's District Plan is to be notified in 2022, with the submission and appeal period expecting to take three years.

Statement of Service Provision - Regulatory and Planning

Council Outcome	Customer Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
<p>We value and respect our environment</p> <p>A key objective under this outcome is to maintain a regulatory culture that places an emphasis on education, empowerment and collaboration over rigid application of rules and implementation of sanctions</p>	<p>The Council provides a timely resource consent processing service</p>	<p>Percentage of resource consent applications processed in accordance with statutory timeframes (within 20 days of filing)</p>	100%	100%	100%	100%
	<p>The Council processes, inspects and certifies building work in the Gore District</p>	<p>The Gore District Council maintains its processes so that it meets Building Control Authority accreditation every two years. (IANZ accreditation certificate)</p>	<p>Accreditation maintained</p>	<p>Accreditation maintained</p>	<p>Accreditation maintained</p>	<p>Accreditation maintained</p>

Forecast Funding Impact Statement - Regulatory and Planning

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	733	607	546	536	774	785	796	841	850	879	857
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,025	1,106	1,134	1,160	1,186	1,212	1,238	1,265	1,293	1,322	1,351
Internal charges and overheads recovered	515	558	565	583	581	588	609	607	617	640	635
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,348	2,271	2,245	2,279	2,541	2,585	2,643	2,713	2,760	2,841	2,843
Applications of Operating Funding											
Payments to staff and suppliers	1,658	1,587	1,354	1,295	1,288	1,296	1,304	1,321	1,343	1,364	1,387
Finance costs	52	63	70	79	82	81	81	82	87	96	90
Internal charges and overheads applied	938	1,028	1,041	1,079	1,070	1,083	1,126	1,117	1,135	1,182	1,164
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,648	2,678	2,465	2,453	2,440	2,460	2,511	2,520	2,565	2,642	2,641
Surplus (deficit) of operating funding (A-B)	(300)	(407)	(220)	(174)	101	125	132	193	195	199	202
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	342	480	245	209	(96)	(98)	(132)	(109)	(127)	(194)	(202)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	342	480	245	209	(96)	(98)	(132)	(109)	(127)	(194)	(202)
Applications of capital funding											
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	73	25	35	5	27	-	84	68	5	-
Increase (decrease) in reserves	42	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	42	73	25	35	5	27	-	84	68	5	-
Surplus (deficit) of capital funding (C-D)	300	407	220	174	(101)	(125)	(132)	(193)	(195)	(199)	(202)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

DEMOCRACY AND ADMINISTRATION

Activities

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

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

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

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

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

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

The next triennial elections are due to be held in 2022.

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

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

Rationale

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

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

The Council community outcomes to which this group of activities contributes are:

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

Significant Negative Effects

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

Future Changes

There are no changes anticipated during the life of the 10YP.

Statement of Service Provision - Democracy and Administration

Council Outcome	Customer Levels of Service	Performance Measures	Target 2022	Target 2023	Target 2024	Target 2025-2031
We live in a compassionate, caring community	Direction is set to determine what activities the Council should engage in	Percentage of residents and ratepayers satisfied with the Council's decisions and actions. As measured the annual resident survey within the range of neutral to very satisfied	70%	75%	80%	80%

Forecast Funding Impact Statement - Democracy and Administration

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding										
General rates, uniform annual general charges, rates penalties	1,377	1,437	1,473	1,522	1,558	1,558	1,574	1,537	1,481	1,483
Targeted rates	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	34	8	8	8	8	8	8	9	9	9
Fees and charges	25	74	76	77	79	81	83	84	86	88
Internal charges and overheads recovered	3,231	3,593	3,636	3,787	3,735	3,775	3,947	3,892	3,952	4,043
Local authorities fuel tax, fines, infringement fees, and other receipts	104	76	78	79	81	83	85	87	88	90
Total Operating Funding (A)	4,771	5,188	5,271	5,473	5,461	5,505	5,697	5,609	5,616	5,844
Applications of Operating Funding										
Payments to staff and suppliers	4,089	4,433	4,494	4,663	4,632	4,689	4,881	4,846	4,926	5,099
Finance costs	18	(11)	1	(6)	(6)	(30)	(62)	(109)	(192)	(280)
Internal charges and overheads applied	478	531	538	560	552	558	584	576	584	598
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,585	4,953	5,033	5,224	5,178	5,217	5,403	5,313	5,318	5,417
Surplus (deficit) of operating funding (A-B)	186	235	238	249	283	288	294	296	298	338
Sources of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(19)	976	(77)	196	(639)	(873)	(1,094)	(1,454)	(725)	(1,861)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	(19)	976	(77)	196	(639)	(873)	(1,094)	(1,454)	(725)	(1,861)
Applications of capital funding										
Capital expenditure	-	20	-	21	98	-	-	-	-	-
- to meet additional demand	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	180	293	169	143	180	269	149	202	170	338
Increase (decrease) in reserves	(13)	898	(8)	281	(634)	(854)	(949)	(1,360)	(597)	(1,861)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	167	1,211	161	445	(356)	(585)	(800)	(1,158)	(427)	(1,523)
Surplus (deficit) of capital funding (C-D)	(186)	(235)	(238)	(249)	(283)	(288)	(294)	(296)	(298)	(338)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-

PROSPECTIVE FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

30 June 2021 - 2031

	2021 \$'000s	2022 \$'000s	2023 \$'000s	2024 \$'000s	2025 \$'000s	2026 \$'000s	2027 \$'000s	2028 \$'000s	2029 \$'000s	2030 \$'000s	2031 \$'000s
Revenue											
Rates	17,821	19,336	20,287	21,210	22,083	23,150	24,267	25,164	26,171	27,293	28,110
Subsidies and grants	3,159	8,890	4,062	4,103	4,024	4,194	4,371	4,560	4,759	4,971	5,188
Finance revenue	104	76	78	79	81	83	85	87	88	90	130
Other revenue	4,024	3,959	4,062	4,156	4,253	4,355	4,457	4,566	4,679	4,795	4,911
Total operating revenue	25,108	32,261	28,489	29,548	30,441	31,782	33,180	34,377	35,697	37,149	38,339
Expenditure											
Personnel costs	7,336	7,231	7,369	7,504	7,587	7,678	7,762	7,847	7,933	8,036	8,133
Other Expenses	11,228	13,054	13,228	13,639	13,780	14,095	14,537	14,779	15,153	15,660	15,927
Finance costs	1,002	1,008	1,179	1,379	1,454	1,502	1,579	1,708	1,956	2,312	2,328
Depreciation and amortization expense	6,272	6,483	7,052	7,201	7,276	7,891	7,988	8,065	8,919	8,989	9,053
Total operating expense	25,838	27,776	28,828	29,723	30,097	31,166	31,866	32,399	33,961	34,977	35,441
Surplus / (deficit)	(730)	4,485	(339)	(175)	344	616	1,314	1,978	1,736	2,152	2,898
Other comprehensive revenue and expense											
<i>Items that will not be reclassified to surplus / (deficit)</i>											
Gain / (loss) on property, plant and equipment revaluation	-	22,892	-	-	41,185	-	-	44,132	-	-	50,074
Other comprehensive revenue and expense	-	22,892	-	-	41,185	-	-	44,132	-	-	50,074
Total comprehensive revenue and expense	(730)	27,377	(339)	(175)	41,529	616	1,314	46,110	1,736	2,152	52,972

GORE DISTRICT COUNCIL

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

30 June 2021 - 2031

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Equity at beginning of year	433,140	428,918	456,295	455,956	455,781	497,310	497,926	499,240	545,350	547,086	549,238
Total Comprehensive revenue and expense	(730)	27,377	(339)	(175)	41,529	616	1,314	46,110	1,736	2,152	52,972
Equity at end of year	432,410	456,295	455,956	455,781	497,310	497,926	499,240	545,350	547,086	549,238	602,210

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

GORE DISTRICT COUNCIL PROSPECTIVE STATEMENT OF FINANCIAL POSITION 30 June 2021 - 2031

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Current assets											
Cash and cash equivalents	2,962	2,300	2,295	2,291	2,286	2,281	2,276	2,271	2,266	2,260	2,255
Receivables	2,023	4,393	4,520	4,633	4,749	4,873	4,995	5,124	5,263	5,405	5,545
Inventories	232	226	226	226	226	226	226	226	226	226	226
Other financial assets	1,682	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802
Prepayments	391	225	225	225	225	225	225	225	225	225	225
Total current assets	7,290	8,946	9,068	9,177	9,288	9,407	9,524	9,648	9,782	9,918	10,053
Non-current assets											
Other financial assets	339	339	339	339	339	339	339	339	339	339	339
Property, plant and equipment	468,681	495,474	501,941	505,516	546,515	548,875	550,851	601,255	603,584	608,324	659,572
Total non-current assets	469,020	495,813	502,280	505,855	546,854	549,214	551,190	601,594	603,923	608,663	659,911
Total assets	476,310	504,759	511,348	515,032	556,142	558,621	560,714	611,242	613,705	618,581	669,964
Current liabilities											
Payables	3,017	4,221	4,341	4,451	4,562	4,681	4,799	4,921	5,056	5,192	5,328
Employee benefit liabilities	572	740	750	760	770	780	790	800	810	820	830
Provisions	55	135	135	135	135	135	135	135	135	135	135
Borrowings	6,000	11,000	11,000	11,000	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	9,644	16,096	16,226	16,346	13,967	14,096	14,224	14,356	14,501	14,647	14,793
Non-current liabilities											
Borrowings	32,170	29,716	36,514	40,253	42,213	43,947	44,598	48,884	49,466	52,044	50,309
Provisions	84	74	74	74	74	74	74	74	74	74	74
Other financial liabilities	2,002	2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578	2,578
Total non-current liabilities	34,256	32,368	39,166	42,905	44,865	46,599	47,250	51,536	52,118	54,696	52,961
Total liabilities	43,900	48,464	55,392	59,251	58,832	60,695	61,474	65,892	66,619	69,343	67,754
Net assets	432,410	456,295	455,956	455,781	497,310	497,926	499,240	545,350	547,086	549,238	602,210
Equity											
Retained earnings	135,739	143,284	142,943	142,767	143,110	143,725	145,038	147,014	148,749	150,900	153,797
Asset revaluation reserve	289,745	311,610	311,610	311,610	352,795	352,795	352,795	396,927	396,927	396,927	447,001
Council created reserves	6,688	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
Restricted reserves	238	238	240	241	242	243	244	246	247	248	249
Total equity	432,410	456,295	455,956	455,781	497,310	497,926	499,240	545,350	547,086	549,238	602,210

GORE DISTRICT COUNCIL

PROSPECTIVE CASH FLOW STATEMENT 30 June 2021 - 2031

Cash flows from operating activities

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Receipts from rates revenue	17,909	19,184	20,160	21,097	21,968	23,027	24,145	25,034	26,033	27,157	27,969
Receipts from other revenue	4,110	3,959	4,062	4,156	4,253	4,355	4,457	4,566	4,679	4,795	4,911
Subsidies and grants	3,159	8,890	4,062	4,103	4,024	4,194	4,371	4,560	4,759	4,971	5,188
Interest received	104	76	78	79	81	83	85	87	88	90	130
Payments to suppliers and employees	(18,446)	(20,129)	(20,465)	(21,023)	(21,247)	(21,645)	(22,172)	(22,492)	(22,942)	(23,550)	(23,914)
Finance costs	(1,002)	(1,008)	(1,179)	(1,379)	(1,454)	(1,502)	(1,579)	(1,708)	(1,956)	(2,312)	(2,328)
Net cash inflow/ (outflow) from operating activities	5,834	10,972	6,718	7,033	7,625	8,512	9,307	10,047	10,661	11,145	11,956

Cash flows from investing activities

Receipts from maturity of other financial assets	-	-	-	-	-	-	-	-	-	-	-
Receipts from sale of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(19,103)	(20,112)	(13,519)	(10,776)	(7,090)	(10,250)	(9,964)	(14,337)	(11,248)	(13,730)	(10,226)
Purchase of other financial assets	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow/ (outflow) from investing activities	(19,103)	(20,112)	(13,519)	(10,776)	(7,090)	(10,250)	(9,964)	(14,337)	(11,248)	(13,730)	(10,226)

Cash flows from financing activities

Proceeds from borrowings	15,320	15,134	17,796	14,739	10,460	10,233	9,152	12,785	9,082	11,079	6,765
Repayment of borrowings	(2,014)	(6,000)	(11,000)	(11,000)	(11,000)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)	(8,500)
Net cash inflow / (outflow) from financing activities	13,306	9,134	6,796	3,739	(540)	1,733	652	4,285	582	2,579	(1,735)
Net increase (decrease) in Cash and cash equivalents	37	(6)	(5)	(4)	(5)	(5)	(5)	(5)	(5)	(6)	(5)
Cash and cash equivalents at the beginning of the financial year	2,926	2,306	2,300	2,295	2,291	2,286	2,281	2,276	2,271	2,266	2,260
Cash and cash equivalents at the end of the financial year	2,963	2,300	2,295	2,291	2,286	2,281	2,276	2,271	2,266	2,260	2,255

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

GORE DISTRICT COUNCIL

RECONCILIATION BETWEEN ALL OF COUNCIL FUNDING IMPACT STATEMENT AND FINANCIAL STATEMENTS

30 June 2021 - 2031

Revenue

Prospective Statement of Comprehensive Revenue

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Revenue from Rates	(18,184)	(19,336)	(20,287)	(21,210)	(22,083)	(23,150)	(24,267)	(25,164)	(26,171)	(27,293)	(28,110)
Grants & Subsidies	(3,013)	(8,890)	(4,062)	(4,103)	(4,024)	(4,194)	(4,371)	(4,560)	(4,759)	(4,971)	(5,188)
Fees & Charges	(3,732)	(3,959)	(4,062)	(4,156)	(4,253)	(4,355)	(4,457)	(4,566)	(4,679)	(4,795)	(4,911)
Interest & Dividends	(104)	(76)	(78)	(79)	(81)	(83)	(85)	(87)	(88)	(90)	(130)
Other Income	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	(25,033)	(32,261)	(28,489)	(29,548)	(30,441)	(31,782)	(33,180)	(34,377)	(35,697)	(37,149)	(38,339)

Summary Funding Impact Statement

Sources of Operating Funding

Total Operating Funding	(30,714)	(32,869)	(34,144)	(35,535)	(36,441)	(37,768)	(39,347)	(40,370)	(41,697)	(43,331)	(44,271)
Less Internal Recoveries	6,971	7,487	7,587	7,842	7,804	7,915	8,206	8,152	8,286	8,605	8,495

Add Sources of Capital Funding

Subsidies and Grants for Capital Expenditure	(1,291)	(6,879)	(1,932)	(1,855)	(1,824)	(1,929)	(2,039)	(2,159)	(2,286)	(2,423)	(2,563)
Total Operating Revenue	(25,033)	(32,261)	(28,489)	(29,548)	(30,441)	(31,782)	(33,180)	(34,377)	(35,697)	(37,149)	(38,339)

Expenditure

Prospective Statement of Comprehensive Expenditure

Operating Expenditure	25,947	27,766	28,825	29,723	30,097	31,166	31,866	32,399	33,961	34,992	35,441
Total Operating Expenditure	25,947	27,766	28,825	29,723	30,097	31,166	31,866	32,399	33,961	34,992	35,441

Summary Funding Impact Statement

Sources of Operating Funding

Total Application of Operating Funding	26,647	28,770	29,360	30,364	30,625	31,190	32,084	32,486	33,328	34,608	34,884
Less Internal Recoveries	(6,971)	(7,487)	(7,587)	(7,842)	(7,804)	(7,915)	(8,206)	(8,152)	(8,286)	(8,605)	(8,495)
Add Depreciation and Amortisation Expense	6,272	6,483	7,052	7,201	7,276	7,891	7,988	8,065	8,919	8,989	9,052
Total Expenditure	25,947	27,766	28,825	29,723	30,097	31,166	31,866	32,399	33,961	34,992	35,441

ANNUAL DEPRECIATION BY GROUP OF ACTIVITIES

	2021 \$'000	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000
Water	740	1,082	1,209	1,279	1,279	1,378	1,379	1,381	1,494	1,500	1,505
Wastewater	1,033	1,033	1,087	1,087	1,087	1,189	1,249	1,263	1,558	1,559	1,573
Stormwater	532	541	616	623	664	729	734	771	841	874	879
Roading	2,444	2,453	2,709	2,741	2,759	3,024	3,043	3,062	3,348	3,369	3,391
Other district assets including Solid Waste and Civil Defence	220	339	359	364	365	389	390	391	415	416	417
Community services - Arts & Heritage, Libraries, Promotions and Grants	174	174	174	190	190	190	190	190	190	190	190
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	857	589	623	643	658	714	725	729	795	803	820
Regulatory and Planning	46	46	46	46	46	46	46	46	46	46	46
Democracy and Administration	226	226	228	228	228	232	232	232	232	232	232
Total annual depreciation	6,272	6,483	7,052	7,201	7,276	7,891	7,988	8,065	8,919	8,989	9,053

INTEREST RATE SENSITIVITY ANALYSIS

	2022 \$'000	2023 \$'000	2024 \$'000	2025 \$'000	2026 \$'000	2027 \$'000	2028 \$'000	2029 \$'000	2030 \$'000	2031 \$'000
Impact on Finance costs if interest rates changed by 2%	1,028	1,203	1,407	1,483	1,532	1,611	1,742	1,995	2,358	2,375

Other Matters

The prospective financial statements were authorised for issue on 21 July 2021 by the Council of the Gore District Council.

The Council has breached section 93(3) of the Local Government Act 2002 as this Long Term Plan document was not adopted before the commencement of the first year to which it relates.

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

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

Cautionary Note

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

STATEMENT OF ACCOUNTING POLICIES

Reporting entity

The Gore District Council ("the Council" or "GDC") is a local territorial authority governed by the Local Government Act 2002 and the Local Government (Ratings) Act 2002. It is domiciled and operates in New Zealand. The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself as a Public Benefit Entity (PBE) for the purposes of Financial Reporting.

Basis of preparation

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

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

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

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

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

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

Statement of compliance

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

These financial statements comply with PBE Standards.

Standards and interpretations effective in the 10-Year-Plan

PBE IPSAS 41 Financial Instruments

Following on from the Adoption of PBE IFRS 9 – Financial Instruments in 2018/19, PBE IFRS 9 – Financial Instruments supersedes most of PBE IPSAS 29 – Financial Instruments: Recognition and Measurement. This standard is effective from the year ending 30 June 2022 and will be adopted by Council from year two of the long term plan but does not expect to have any material impact on the Council's reporting requirements.

Significant Accounting Policies

Revenue recognition

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

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

Rates revenue

Rates revenue is recognised when it is levied.

Other revenue

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

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

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

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

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

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

Other gains and losses

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

Revenue from exchange and non-exchange transactions

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

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

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

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

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

- Airport lease revenue
- Resource consent revenue

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

Grant Expenditure

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

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

Leasing

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

Leases where the lessor effectively substantially retains all the risks and benefits of ownership of the leased items are classified as operating leases.

(a) The Council as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Council's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Council's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(b) The Council as Lessee

Assets held under finance leases are recognised as assets of the Council at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

(c) Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are recognised in surplus as a reduction or rental expense over the lease term.

Borrowing costs

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

Taxation

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

Goods and services tax

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

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

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

Cash and cash equivalents

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

Financial instruments

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

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

(i) Financial assets

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

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

Financial assets at fair value through surplus or deficit

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

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

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

PBE IPSAS 41 - Financial Assets

Financial Assets, other than those at fair value through surplus or deficit, have expected lifetime credit losses recognised when there has been a significant increase in credit risk since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of expected credit losses. The assessment of whether expected lifetime credit losses should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months expected credit losses represent the portion of lifetime expected credit losses that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Calculation of recoverable amount

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial instruments) and adjusted for expected credit loss. Receivables with a short duration are not discounted. The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a PBE, Council uses depreciated replacement cost to assess value in use 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 Council would, if deprived of the asset, replace its remaining future economic benefits or service."

Held to maturity investments

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

Available for sale financial assets

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

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

Loans and receivables

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

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

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

Short-term deposits are included within this classification.

PBE IPSAS 41 - Loans and Receivables

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit loss over the life of the asset.

Loans, including loans to community organisations made by the Council at nil, or below market interest rates are classified as financial assets and measured at fair value through surplus or deficit.

Impairment of financial assets

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

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

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

(ii) Financial liabilities

Trade and other payables

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

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

Borrowings

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

(iii) Derivative financial instruments

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

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

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

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

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

Fair value estimation

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

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

Embedded derivatives

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

Inventories

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

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

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

Property, plant and equipment

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

(a) Operational Assets

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

(b) Infrastructural Assets

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

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

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

Cost/valuation

Property, plant and equipment, are recorded at cost or valuation (as appropriate) less accumulated depreciation and any accumulated impairment losses.

Additions

Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition.

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

Revaluation

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

- Land and buildings have been valued by Quotable Value Limited (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2019. Subsequent additions are recognised at cost. Land and buildings are re-valued every three years.
- Infrastructural assets (except for land under roads) have all been valued at depreciated replacement cost by Opus International Consultants Limited as at 30 June 2016. Subsequent additions are recognised at cost. Infrastructural assets are re-valued every 3 years.

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

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve (via other comprehensive revenue and expense) for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus for the period.

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

Depreciation

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

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

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

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

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

Disposal

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

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit for the period in the period the asset is derecognised.

Impairment of non-financial assets

At each reporting date, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. The value in use is depreciated replacement cost of an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

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

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

Contingent liabilities

The Council has agreed to underwrite the St James Theatre Trust up to \$237,000 to enable the Trust to commence seismic strengthening work on their building.

Superannuation Schemes

Defined Contribution Schemes

Contributions to defined contribution superannuation schemes are expensed when incurred.

Provisions

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

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

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

Landfill Post Closure Costs

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

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

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

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

Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

Cash flow statement

Cash means cash balances on hand, held in bank accounts and demand deposits the Council invests in as part of its day to day cash management.

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

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

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

Equity

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

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

The components of equity are:

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

Reserves

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

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

Budget figures

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

Allocation of overheads

Corporate overheads for central and engineering administration have been allocated to the other significant activities in the funding impact statements and statement of comprehensive revenue and expense. The allocation is calculated on the basis of estimated administration staff hours provided to each activity.

Critical accounting estimates and assumptions

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

- **Infrastructural Assets**

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

- The physical deterioration and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates of the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of comprehensive revenue and expense. To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

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

Critical judgements

Management has exercised the following critical judgements in applying the Council's accounting policies for the period ended 30 June 2020:

Classification of property

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

Significant Forecasting Assumptions

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

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

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

SIGNIFICANT ASSUMPTIONS

Stated Assumption	Risk	Level of uncertainty (June 2021)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>Inflation – The prospective financial information is based on the following adjustments for inflation. Council has used the BERL forecasts of price level changes to calculate the inflation rate for each year of the plan. The “stalled rebuild” scenario is used for year 1 of the LTP, with the “mid-scenario” used for years 2-10. The use of a different scenario in year 1 reflects the economy still rebounding from COVID, with economic forecasters predicting that the economy will start to recover from 2022/23. Note - the rate differs slightly for each core activity within the following ranges:</p> <p>Year 1 1.0% - 1.4%</p> <p>Year 2 1.2% - 3.5%</p> <p>Year 3 1.0% - 3.0%</p> <p>Year 4 1.1% - 2.9%</p> <p>Year 5 1.2% - 2.9%</p> <p>Year 6 1.1% - 2.9%</p> <p>Year 7 1.1% - 3.2%</p> <p>Year 8 1.1% - 3.3%</p> <p>Year 9 1.3% - 3.4%</p> <p>Year 10 1.2% - 3.1%</p>	That actual inflation will be significantly different from assumed inflation.	Medium	Medium	<p>Inflation is affected by external economic factors.</p> <p>Council’s costs and the income required to fund those costs will increase by the rate of inflation unless efficiency gains can be made.</p> <p>While individual cost indices will at times vary from what has been included in this plan, the Council has relied on the Reserve Bank use of monetary controls to keep inflation within the 1.5 to 3% range.</p>
<p>Interest Expense – Interest on externally borrowed term debt is calculated as follows:</p> <p>Year 1 2.78%</p> <p>Year 2 2.77%</p> <p>Year 3 2.83%</p> <p>Year 4 2.86%</p> <p>Year 5 2.86%</p> <p>Year 6 3.10%</p> <p>Year 7 3.43%</p> <p>Year 8 3.63%</p> <p>Year 9 3.78%</p> <p>Year 10 3.89%</p>	That interest rates will change from those used in the calculations.	High	Medium	<p>Interest rates on borrowings are at one of the lowest rates of all time. This is largely due to COVID-19 and the stimulus that is required in the community. Interest rates on borrowed funds are largely influenced by factors external to the New Zealand economy.</p> <p>The financial materiality is assessed as “Moderate” given the uncertainty in the marketplace, and Council’s reliance on debt to fund major infrastructure projects.</p>

Stated Assumption	Risk	Level of uncertainty (June 2021)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
Interest Received – Interest received has been factored into the plan as investments covering funds for selected special reserves. Minor investments may occur if loan funding in advance of projects occurs.	That the banking institutions holding the investments do not maintain their liquidity.	Low	Low	Investments are held with reputable financial institutions which Council staff monitors regularly. The financial materiality is assessed as “Low” as the interest earned is retained with the core Special Reserve and is not used to fund ongoing operations. Funds are not locked in for long periods of time which allows greater flexibility to move funds across various institutions. Failure of a financial institution may result in Council having to raise the funds to keep the special reserve funds intact.
Insurance - that an appropriate level of insurance will be secured by Council. Underground assets will be insured by the Local Authority Protection Plan (LAPP). Sufficient emergency funding will be available from NZTA for damage to roading assets caused by extraordinary events.	The Local Government New Zealand – led review may change insurance arrangements.	Low	Low	Council’s assets may not be able to be insured in a similar manner to the current approach and different options will need to be considered. This may include establishing reserve funds and higher excess sums. In extreme events central government is likely to provide additional assistance and support, for
Insurance - Insurance - that increases in Insurance Premiums will be similar to increases in inflation.	There is a risk that insurance premiums will rise more rapidly than expected.	High	Low	Premiums will exceed budget allocation and savings will be required in insurance policies or funds will need to be reallocated from other areas of expenditure.
Debt Repayment – Debt is repaid through scheduled repayments, and for infrastructure assets will also be repaid from surplus depreciation funds.	That operating budgets are exceeded, leaving no funds for budgeted loan repayments. That the surpluses in depreciation funding do not occur as forecast to repay debt.	Medium	Medium	If debt is not able to be repaid as forecast then the impact will be higher interest costs and extended loan terms, and an increase in the amount rated for from ratepayers.
Revaluation - These projections include a three yearly estimate to reflect the change in asset valuations. The Council has assumed that asset values will increase at the rate of inflation projected in the BERL estimates.	There is a risk that there will be an increase (or decrease) in the value of assets beyond that expected.	High	Low	The costs for funding depreciation will be greater (or less than) than that budgeted. This risk will reduce the more that the Council understands its assets and condition scores.
Sources of funds for future replacement of significant assets It is assumed that funding for the replacement of significant assets will be obtained from appropriate sources as set out in the Council’s Revenue and Financing Policy.	There is a risk that the Policy does not cover future circumstances adequately.	Low	Low	The costs for funding replacement of significant assets will be greater (or less than) than that budgeted. The Council will look for opportunities to partner with others, and use the IFF Act if it is appropriate.

Stated Assumption	Risk	Level of uncertainty (June 2021)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>New Zealand Transport Agency (NZTA) requirements and specifications for the performance of subsidised work will not alter to the extent that they impact adversely on operating costs.</p> <p>The NZTA subsidy the Council has used in the LTP is:</p> <p>Years 1 - 3 59%</p> <p>Years 4 - 10 55%</p>	Changes in subsidy rate and variation in criteria for inclusion in subsidised works programme.	High	High	NZTA funding priorities may change as a result of the Land Transport Management Act 2003. Funding constraints on the NZTA may result in a revision and smaller programme of work.
<p>Resource consents - Conditions of resource consents held by Council will not be altered significantly.</p>	There is a risk that existing consent conditions will be revised, or that the condition in new consents will be more onerous than expected	Medium	Low	If conditions are more onerous greater costs may be involved in complying with conditions or obtaining consents. Alternatively, the consent may not be renewed, for example water related consents due to the NPSFM.
<p>Legislation - The Long Term Plan assumes that existing Legislation will remain in place and that the structure and responsibilities of the Council will remain the same over the period covered by the Long Term Plan.</p>	There is a risk that legislative change will bring about changes to the responsibilities of the Council.	High	High	If legislative responsibilities change, it may increase or reduce the Council's expenditure and income and associated rate levels. Major reform is on the way in relation to 3Waters and RMA. This will change the Council's responsibilities, however it is too early to forecast what this will look like.
<p>Effects of climate change - The Council shall continually support implementing the stormwater master plan, based on forecast rainfall data used in the modelling for the forecast of climate change impacts.</p>	<p>Climate change-related impacts occur faster than expected, and/ or the effects are greater than what was projected.</p> <p>The community may assume that the Council will protect their property against natural hazards, in particular against flooding.</p>	High	High	Where requirements change or work is required for consent conditions, the Council would have to provide additional funding through rates and/ or loans to meet the capital projects requirements or request a change of consent conditions.
<p>Societal changes - The District will experience slight growth, which will have minimal impact on the rating income. Initiatives from the Southland Regional Development Strategy and Industrial development like the Maitua Valley Milk plant will continue to attract people to the district. The average age of the population is older. The arrival of new migrants may create a more diverse society than at present, with more vibrancy, choice, and skill sets. Due to the impacts of COVID-19 the population trends going forward are uncertain.</p>	Major industry closes or does not perform well. Local young people keep leaving the District and immigration does not continue at the same rate, resulting in a hole in the population.	Medium	Medium	The rapidly ageing population means that we are likely to see existing residents shifting out of the workforce and into retirement, without the replacement workforce coming through. This also impacts on the type and level of service needed to support the community.

Stated Assumption	Risk	Level of uncertainty (June 2021)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
<p>Emissions Trading Scheme (ETS) – The legislative requirement under the Climate Change Response Act is for landfill operators to report emissions from January 2013 and surrender units for period January-December 2013 in January 2014 (and yearly after that).</p> <p>The Gore District Council does not directly own the landfill used to dispose of local waste. This is owned and operated by an independent third party who charges the Council for the use of their facilities.</p> <p>With this in mind the Council has prepared this Long Term Plan under the assumption that the only effect that the above law will have on Council operations is an indirect increase in the costs for waste disposal to the landfill.</p>	Government policy changes as the result of international protocols changing and placing more obligation on the Council beyond the current affordable level.	Low	Low	Financial impact which will be met by on-charging at the gate.
<p>No major adverse events - It assumed that there will be no major adverse events during the period covered by the Gore Long Term Plan, for example, earthquake, pandemic or flood. While events may occur at any time, Council's planning will focus on operational resilience and supporting Emergency Management Southland.</p>	There is a risk that a major adverse event will occur and result in damage to assets, the disablement of Council services, and additional costs to the Council.	High	High	Any major adverse event will have a significant impact on the Council and the community. The Council seeks to mitigate this risk through its Civil Defence, Risk Management and Insurance Policies. It will also ensure it has appropriately trained staff to support Emergency Management Southland.
<p>Community Expectations - The expectations of the Gore Community for the provision of services provided by Council will remain similar to current levels.</p>	There is a risk of a change in expectation in the community for services and that the targeted level of service becomes inappropriate.	Low	Medium	If there is an increase or reduction in the service/level of service provision, the cost and delivery model may need to be revised. Affordability will be the biggest barrier to implementation of any new or increased level of service.
The useful lives of significant assets represented in the accounting policies and asset management plans have been appropriately assessed.	An unexpected failure of an asset due to inadequate assessment of the remaining useful life may require unbudgeted capital and/or operating expenditures	Medium	Low	Appropriate practices are followed. The impact would be an unbudgeted expense placing pressure on the Council's debt ceiling. This risk will reduce as the Council increases its understanding of asset condition.

Stated Assumption	Risk	Level of uncertainty (June 2021)	Financial materiality	Potential Impact/ Consequence if Assumption wrong
The LTP assumes that the effect of COVID-19 going forward will be minimal.	That lockdowns become more frequent and lockdown at higher levels are sustained.	High	Medium	LOS are not met, income is impacted in the Multisports, parking and solid waste areas.
The LTP assumes that the capital expenditure programme is deliverable, taking into account affordability, contractor capacity in the local market, and availability of materials.	That there is not enough capacity in the local market to deliver the programme, that materials are not available in timeframes required, or capital costs are underestimated affecting affordability.	High	High	Delay in the delivery of capital expenditure programme.
External Funding – The Council will remain as a member of the Local Government Funding Agency. Existing external borrowing arrangements will continue to be renewed.	Loans would be required to be repaid or refinanced with other lending institutions, most likely at higher interest rates.	High	Medium	The Council would need to seek finance from other external sources to finance its long term debt funding. Interest rates could increase by 1% or more.
Separation of Stormwater and Wastewater pipeline on private properties - The Council has agreed that this should be funded equally between the private property owner and the general ratepayer.	There is a risk that this will be cost prohibitive for the ratepayer.	High	Medium	The Council would need to revisit the decision to fund the private portion.

STATEMENT CONCERNING BALANCING OF THE BUDGET

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

The Council's 10 Year Plan meets this test in eight out of ten financial years. The following table sets out the deficits (negatives) and surpluses (positives) for the ten years of the LTP.

2022 \$'000s	2023 \$'000s	2024 \$'000s	2025 \$'000s	2026 \$'000s	2027 \$'000s	2028 \$'000s	2029 \$'000s	2030 \$'000s	2031 \$'000s
4,485	(339)	(175)	344	616	1,314	1,978	1,736	2,152	2,898

These surpluses arise principally due to revenue from the New Zealand Transport Agency for planned capital expenditure and from revenue collected for the purposes of debt repayment. The small deficits in 2022/23 and 2023/24 are largely due to an increased investment in infrastructure.

The Council believes that running a deficit in years two and three of the plan it is financially prudent given that a large rates increase is proposed in the first year of the 10 Year Plan and rates increases in excess of the Council's self-imposed cap of 5% in years two and three would result in a significant cumulative increase that is unnecessary and unaffordable for the District's ratepayers. It has carefully considered the implications of this and is satisfied that its overall Financial Strategy is financially prudent for the reasons set out below.

- The deficit is low in dollar value and is limited to years two and three of the plan.
- The deficit is due to increased investment in infrastructure.
- The Council maintains a very strong financial position, for example, the Council's term debt remains below 10% of its total assets. The Council has set a prudential limit on the level of its borrowings, its forecast borrowing costs to revenue never exceed 6.2% (prudence limit of 10%) and its debt to revenue never exceeds 175%.
- Should the need arise, for example to fund unexpected remedial work arising from a natural disaster, the Council will be in a good position to borrow additional money. The ability arises from the strength of its balance sheet. The Council's strategy of aggressive debt repayment over the life of the LTP means that although the total debt level peaks near the self-imposed debt limit, it starts to rapidly fall away again in subsequent years. This means the Council can borrow money for emergencies and still stay within its self-imposed debt limit.

FUNDING IMPACT STATEMENT

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

The statement below sets out the rating mechanisms that the council intends to use to fund its activities. All rates and amounts specified in this funding impact statement are GST inclusive.

The following definitions apply in this funding impact statement:

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

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

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

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

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

Examples of separately used or inhabited parts include:

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

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

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

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

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

Heavy industrial rating units are excluded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. GENERAL RATE

1.1 Value based general rate

The Council will set a general rate of \$0.000567 on all rateable land in the district based on the capital value of the land. The Council does not use differentials on the value based general rate.

1.2 Uniform Annual General Charge

The Council will set a uniform annual general charge on all rateable land in the district, of a fixed amount of \$793.67 per separately used or inhabited part of a rating unit. The Uniform Annual General Charge is calculated to fund that portion of the following activities not funded by the general rate on capital value. For 2021/22, this is:

88.05% of the Elected Members (democracy) activity	11.42% of the Libraries activity (normally higher, however this takes into account the funding received for shovel ready project)
54.99% of the Arts & Heritage activity	78.98% of the Civic Buildings activity
30.05% of the Grants activity (excluding rural fire and Southland regional heritage trust)	46.57% of the Cemeteries activity
14.46% of the Solid Waste Activity	40.86% of the Aquatic facilities activity
34.97% of the MLT Events Centre Activity	82.15% of the Visitor Services activity

2. SOUTHLAND REGIONAL HERITAGE TRUST RATE

The Council will set a targeted rate on all rateable land in the district, of a fixed amount per separately used or inhabited part of a rating unit of \$38.67, to fund the Council's contribution to the Southland Regional Heritage Trust.

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

3. TARGETED RATE FOR VARIOUS SPECIFIED ACTIVITIES

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

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

The rate will be set differentially as follows:

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Gore, Residential	Capital value	0.001644	\$1,550,242
Gore, Commercial	Capital value	0.004312	\$860,269
Mataura, Residential	Capital value	0.000471	\$50,915
Mataura, Commercial	Capital value	0.003292	\$20,141
Rural	Capital value	0.000823	\$2,044,091
Heavy Industry 1	Capital value	0.067865	\$27,146
Heavy Industry 2	Capital value	0.012044	\$13,152
Heavy industry 3	Capital value	0.013387	\$257,162
Utilities	Capital value	0.000708	\$36,322

PARKS & RESERVES

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

3.1. Parks & Reserves – Residential

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Gore, Residential	Separately used or inhabited part of a rating unit	\$335.67	\$1,205,711
Mataura, Residential	Separately used or inhabited part of a rating unit	\$263.43	\$209,427

3.2. Parks & Reserves – Commercial

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Commercial, Capital value \$0 – 98,000	Per rating unit	\$460.00	\$23,920
Commercial, Capital value \$98,001 – \$955,000	Capital value	\$0.004691	\$503,382
Commercial, Capital value \$955,001 and above	Per rating unit	\$4,540.00	\$222,460

3.3. Parks & Reserves – Rural

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Rural, Capital value \$0 – \$175,000	Separately used or inhabited part of a rating unit	\$223.92	\$37,618
Rural, Capital value 175,001 and above	Separately used or inhabited part of a rating unit	\$356.51	\$535,123

4. URBAN WATER SUPPLY

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

4.1. Water rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$476.89	\$2,349,648
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$238.45	\$46,736

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

5. ADDITIONAL WATER RATE

A targeted rate of \$476.89 will be set for all land defined as non-residential which is connected to the Gore or Mataura water scheme, of a fixed amount per connection after the first connection (i.e. for the second and each additional water connection).

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

6. WASTEWATER AND STORMWATER

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

6.1. Wastewater and stormwater rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$390.43	\$1,888,528
Serviceable, Gore or Mataura scheme	Separately used or inhabited part of a rating unit	\$195.22	\$37,286
Connected, Waikaka scheme	Separately used or inhabited part of a rating unit	\$131.44	\$6,046
Serviceable, Waikaka scheme	Separately used or inhabited part of a rating unit	\$120.76	\$5,434
Connected, Pukerau scheme	Separately used or inhabited part of a rating unit	\$90.57	\$4,257

Notes:

- (1) Rating units defined as “not supplied” will not be liable for this rate.
- (2) Because of the nature of the Pukerau wastewater and stormwater scheme all separately used or inhabited parts of a rating unit are classified as “connected”.

6.2. Additional wastewater and stormwater rate

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Connected, Gore or Mataura scheme, Short term accommodation	number of water closets or urinals after the first	\$195.22	\$16,398
Connected, Gore or Mataura scheme, Educational institutions	number of water closets or urinals after the first. The number of water closets or urinals will be assessed on the basis of 6.25% of the total number of staff and pupils at each establishment.	\$390.43	\$51,537
Connected, Gore or Mataura scheme, All other non-residential rating units (excluding educational institutions).	number of water closets or urinals after the first	\$390.43	\$309,224
Connected, Waikaka scheme, non-residential (excluding educational institutions).	number of water closets or urinals after the first	\$120.76	\$483

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

7. OTAMA WATER SCHEME

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

7.1. Water Unit

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

7.2. Water connection

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

8. SOLID WASTE RATE

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Wheelie bin service area, Vacant land, (unserviced)	Separately used or inhabited part of a rating unit	\$89.14	\$16,224
Wheelie bin service area, Receiving 80ltr wheelie bins	Separately used or inhabited part of a rating unit	\$306.69	\$126,050
Wheelie bin service area, All other rating units (240ltr wheelie bins)	Separately used or inhabited part of a rating unit	\$360.16	\$1,586,142

9. COMMUNITY HALL RATE

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

Categories of rateable land	Factor(s) for calculating liability	Rate (GST inclusive)	Total revenue sought from this category (GST inclusive)
Brydone hall area	Separately used or inhabited part of a rating unit	\$24.22	\$436
Mandeville hall area	Separately used or inhabited part of a rating unit	\$46.00	\$1,426
Otama hall area	Rating unit	\$80.50	\$4,428
Pukerau hall area	Separately used or inhabited part of a rating unit	\$36.00	\$3,672
Tuturau hall area	Separately used or inhabited part of a rating unit	\$34.86	\$314
Waikaka hall area	Separately used or inhabited part of a rating unit	\$53.13	\$8,872
Knappdale hall area	Separately used or inhabited part of a rating unit	\$57.50	\$3,795

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

RATING COMPARISONS

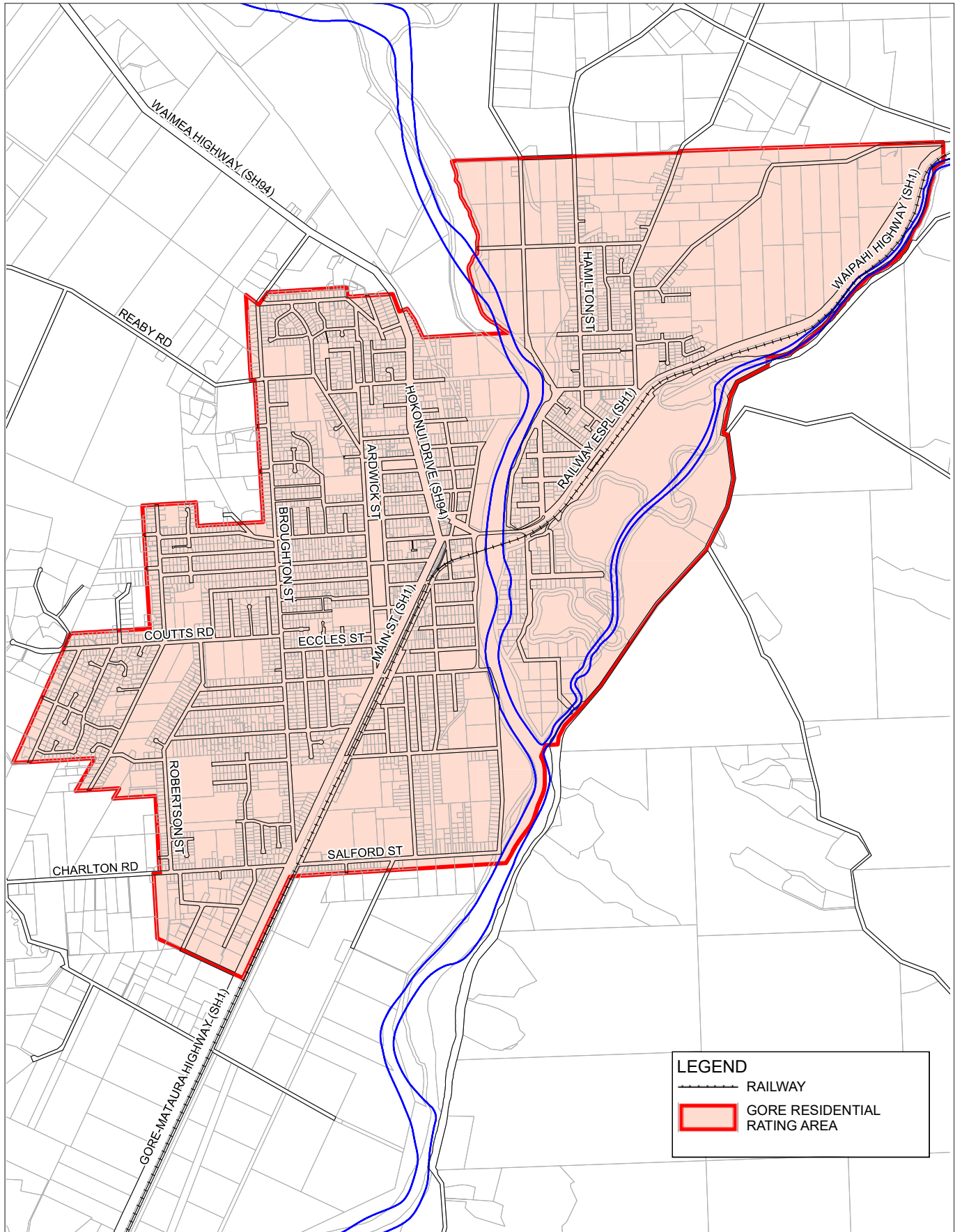
Examples of 2021/22 Proposed Rates (GST Inclusive)

Category	Capital Value	UAGC	Regional Heritage	General Rate	Ward Rate	Parks & Reserves	Water	Solid Waste	Drainage	Heavy Industry	Total Proposed Rates 2021/22	Total 2021/22	% Increase	Rates Change \$ annually	Rates Change \$ weekly
Gore Residential	50,000	794	39	28	82	336	477	360	390	-	\$2,506	\$2,348	6.75%	\$158	\$3
Gore Residential	150,000	794	39	85	247	336	477	360	390	-	\$2,727	\$2,554	6.77%	\$173	\$3
Gore Residential	250,000	794	39	142	411	336	477	360	390	-	\$2,948	\$2,761	6.79%	\$187	\$4
Gore Residential	375,000	794	39	213	617	336	477	360	390	-	\$3,225	\$3,019	6.81%	\$206	\$4
Gore Residential	500,000	794	39	284	822	336	477	360	390	-	\$3,501	\$3,277	6.82%	\$224	\$4
Gore Residential	650,000	794	39	369	1,069	336	477	360	390	-	\$3,833	\$3,587	6.84%	\$245	\$5
Mataura Residential	15,000	794	39	9	7	263	477	360	390	-	\$2,339	\$2,189	6.85%	\$150	\$3
Mataura Residential	50,000	794	39	28	24	263	477	360	390	-	\$2,375	\$2,224	6.79%	\$151	\$3
Mataura Residential	75,000	794	39	43	35	263	477	360	390	-	\$2,401	\$2,249	6.75%	\$152	\$3
Mataura Residential	150,000	794	39	85	71	263	477	360	390	-	\$2,479	\$2,325	6.64%	\$154	\$3
Mataura Residential	250,000	794	39	142	118	263	477	360	390	-	\$2,583	\$2,425	6.50%	\$158	\$3
Mataura Residential	340,000	794	39	193	160	263	477	360	390	-	\$2,676	\$2,516	6.39%	\$161	\$3
Gore Commercial	40,000	794	39	23	172	460	477	360	390	-	\$2,715	\$2,549	6.50%	\$166	\$3
Gore Commercial	150,000	794	39	85	647	704	477	360	390	-	\$3,495	\$3,279	6.61%	\$217	\$4
Gore Commercial	250,000	794	39	142	1,078	1,173	477	360	390	-	\$4,452	\$4,187	6.34%	\$265	\$5
Gore Commercial	400,000	794	39	227	1,725	1,876	477	360	390	-	\$5,888	\$5,549	6.10%	\$338	\$7
Gore Commercial	700,000	794	39	397	3,018	3,284	477	360	390	-	\$8,759	\$8,274	5.86%	\$485	\$9
Gore Commercial	1,400,000	794	39	794	6,037	4,540	477	360	390	-	\$13,430	\$12,778	5.10%	\$652	\$13
Mataura Commercial	15,000	794	39	9	49	460	477	360	390	-	\$2,578	\$2,427	6.23%	\$154	\$3
Mataura Commercial	45,000	794	39	26	148	460	477	360	390	-	\$2,693	\$2,548	5.71%	\$146	\$3
Mataura Commercial	95,000	794	39	54	313	460	477	360	390	-	\$2,886	\$2,750	4.96%	\$137	\$3
Mataura Commercial	165,000	794	39	94	543	1,876	477	360	390	-	\$4,573	\$4,384	4.31%	\$189	\$4
Mataura Commercial	380,000	794	39	215	1,251	3,284	477	360	390	-	\$6,810	\$6,604	3.12%	\$206	\$4
Mataura Commercial	600,000	794	39	340	1,975	6,567	477	360	390	-	\$10,943	\$10,645	2.80%	\$298	\$6
Rural	100,000	794	39	57	82	224	-	-	-	-	\$1,195	\$1,132	5.60%	\$63	\$1
Rural	400,000	794	39	227	329	357	-	-	-	-	\$1,745	\$1,648	5.85%	\$96	\$2
Rural	800,000	794	39	454	658	357	-	-	-	-	\$2,301	\$2,156	6.74%	\$145	\$3
Rural	1,650,000	794	39	936	1,358	357	-	-	-	-	\$3,482	\$3,233	7.70%	\$249	\$5
Rural	2,500,000	794	39	1,418	2,058	357	-	-	-	-	\$4,664	\$4,311	8.18%	\$353	\$7
Rural	3,500,000	794	39	1,985	2,881	357	-	-	-	-	\$6,054	\$5,579	8.51%	\$475	\$9
Rural	5,500,000	794	39	3,119	4,527	357	-	-	-	-	\$8,834	\$8,115	8.86%	\$719	\$14
Rural	7,500,000	794	39	4,253	6,173	357	-	-	-	-	\$11,614	\$10,651	9.04%	\$963	\$19
Rural	9,000,000	794	39	5,103	7,407	357	-	-	-	-	\$13,699	\$12,553	9.13%	\$1,146	\$22
Heavy Industry 1	400,000	794	39	227	-	-	477	-	781	27,146	\$29,463	\$27,686	6.42%	\$1,776	\$34
Heavy Industry 2	1,092,000	794	39	619	-	-	1,431	360	1,171	13,152	\$17,565	\$16,506	6.42%	\$1,059	\$20
Heavy Industry 3	19,210,000	3,175	155	10,887	-	-	2,384	809	32,016	257,162	\$306,588	\$288,103	6.42%	\$18,485	\$355

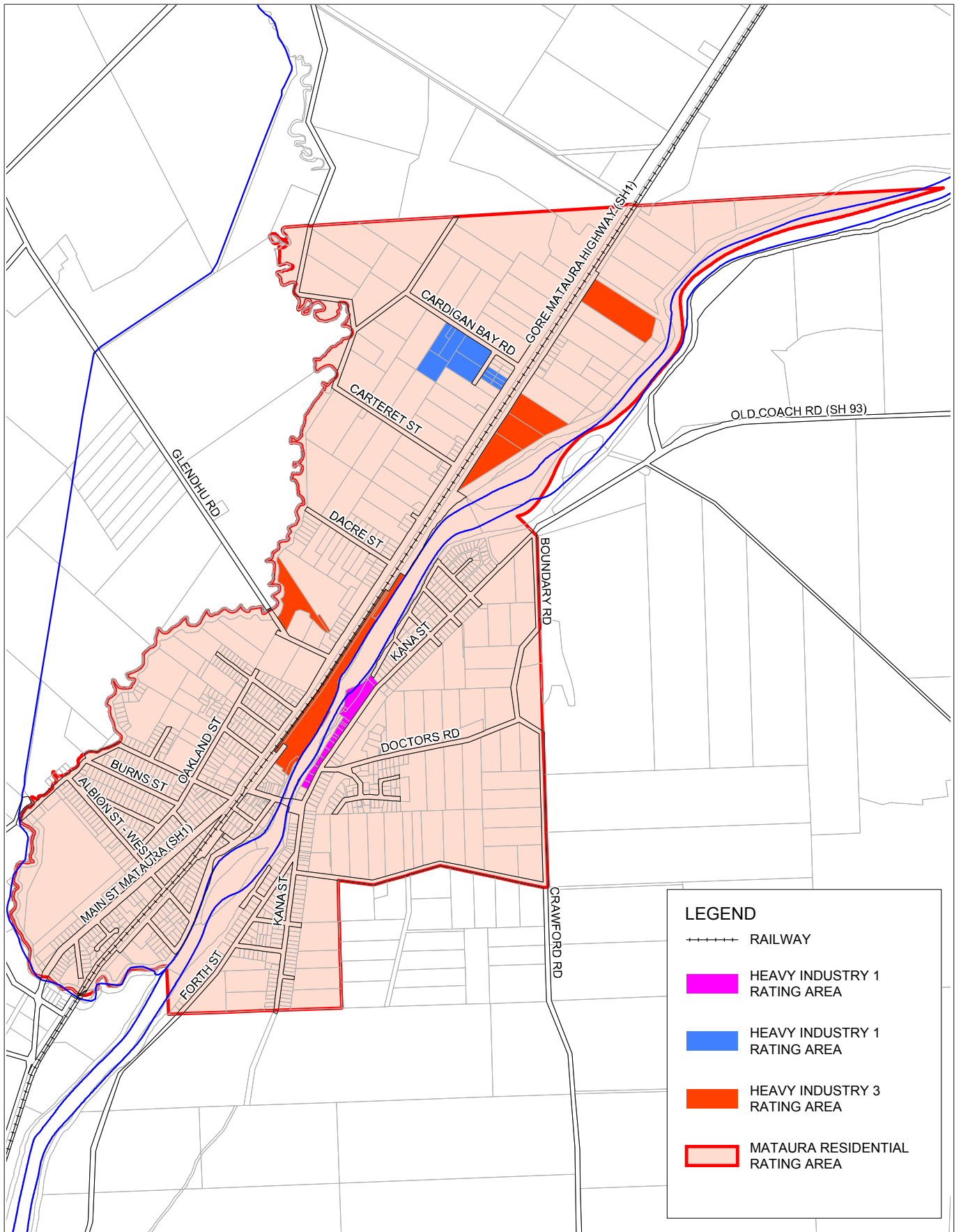
Forecast Funding Impact Statement - Council Wide

	AP 2020/2021 \$000's	Budget 2021/2022 \$000's	Forecast 2022/2023 \$000's	Forecast 2023/2024 \$000's	Forecast 2024/2025 \$000's	Forecast 2025/2026 \$000's	Forecast 2026/2027 \$000's	Forecast 2027/2028 \$000's	Forecast 2028/2029 \$000's	Forecast 2029/2030 \$000's	Forecast 2030/2031 \$000's
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	6,264	6,510	6,625	7,070	7,391	7,765	8,210	8,644	8,593	8,862	8,885
Targeted rates	11,922	12,826	13,662	14,140	14,693	15,384	16,057	16,520	17,578	18,431	19,225
Subsidies and grants for operating purposes	1,525	2,011	2,129	2,248	2,200	2,265	2,332	2,401	2,473	2,548	2,626
Fees and charges	3,432	3,959	4,062	4,156	4,253	4,355	4,457	4,566	4,679	4,795	4,911
Internal charges and overheads recovered	6,799	7,487	7,587	7,842	7,804	7,915	8,206	8,152	8,286	8,605	8,495
Local authorities fuel tax, fines, infringement fees, and other receipts	325	76	78	79	81	83	85	87	88	90	130
Total Operating Funding (A)	30,267	32,869	34,143	35,535	36,422	37,768	39,347	40,370	41,697	43,331	44,272
Applications of Operating Funding											
Payments to staff and suppliers	17,948	20,275	20,586	21,133	21,357	21,762	22,289	22,616	23,075	23,685	24,051
Finance costs	1,002	1,008	1,179	1,379	1,454	1,502	1,579	1,708	1,956	2,312	2,328
Internal charges and overheads applied	6,792	7,487	7,587	7,842	7,804	7,915	8,206	8,152	8,286	8,605	8,495
Other operating funding applications	617	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	26,359	28,770	29,352	30,354	30,616	31,180	32,074	32,477	33,317	34,603	34,874
Surplus (deficit) of operating funding (A-B)	3,908	4,099	4,791	5,181	5,806	6,588	7,273	7,893	8,380	8,728	9,398
Sources of capital funding											
Subsidies and grants for capital expenditure	1,634	6,879	1,932	1,855	1,824	1,929	2,039	2,159	2,286	2,423	2,563
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	13,306	9,134	6,796	3,739	(540)	1,733	652	4,285	582	2,579	(1,735)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	14,940	16,013	8,728	5,594	1,284	3,662	2,691	6,444	2,868	5,002	828
Applications of capital funding											
Capital expenditure											
- to meet additional demand	24	204	363	85	134	70	105	359	368	659	643
- to improve the level of service	11,108	6,756	3,768	3,075	1,111	3,029	3,649	7,732	3,541	1,826	1,649
- to replace existing assets	7,972	13,152	9,388	7,615	5,845	7,151	6,210	6,246	7,339	11,245	7,934
Increase (decrease) in reserves	(256)	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	18,848	20,112	13,519	10,775	7,090	10,250	9,964	14,337	11,248	13,730	10,226
Surplus (deficit) of capital funding (C-D)	(3,908)	(4,099)	(4,791)	(5,181)	(5,806)	(6,588)	(7,273)	(7,893)	(8,380)	(8,728)	(9,398)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-

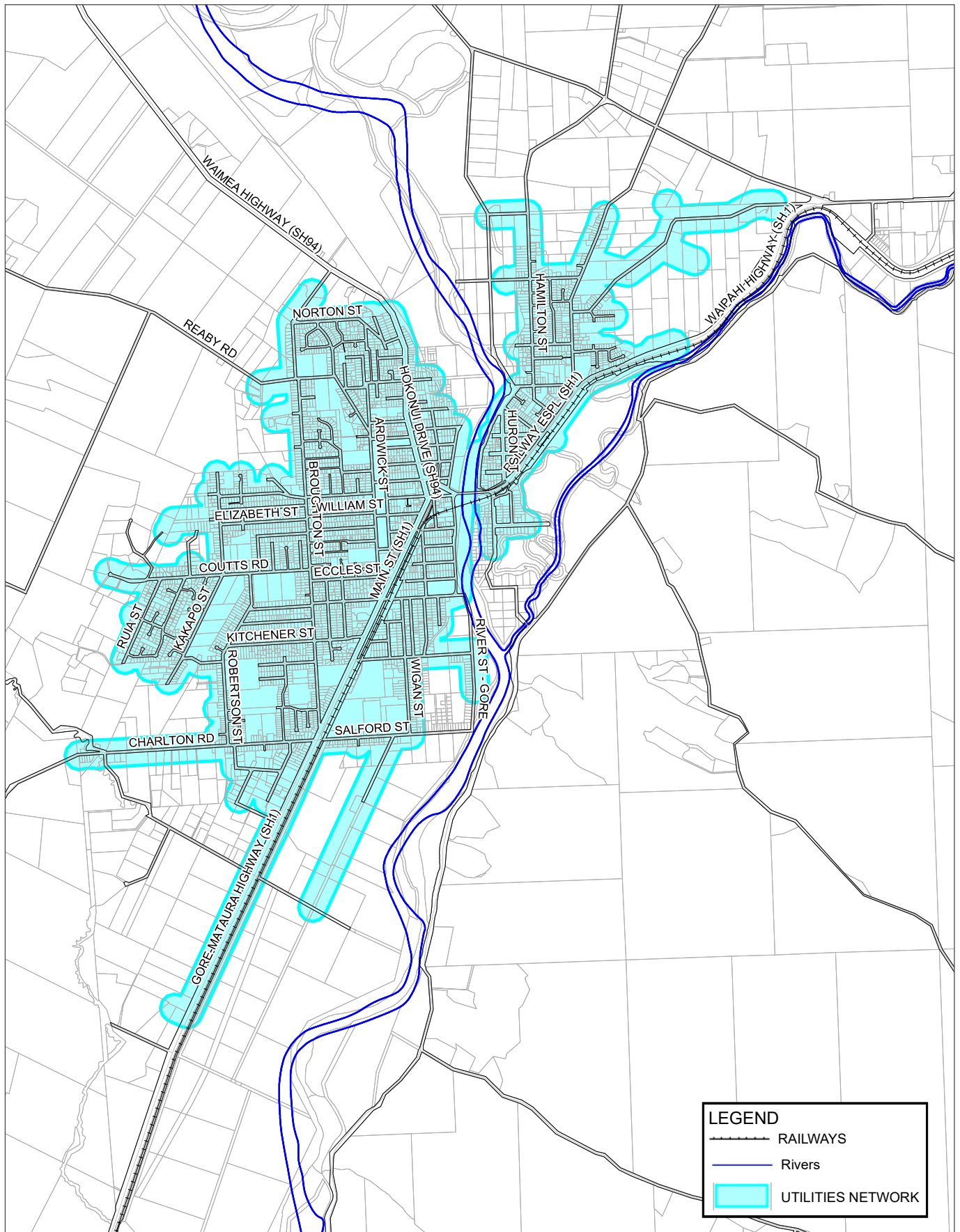
GORE RESIDENTIAL RATING AREA



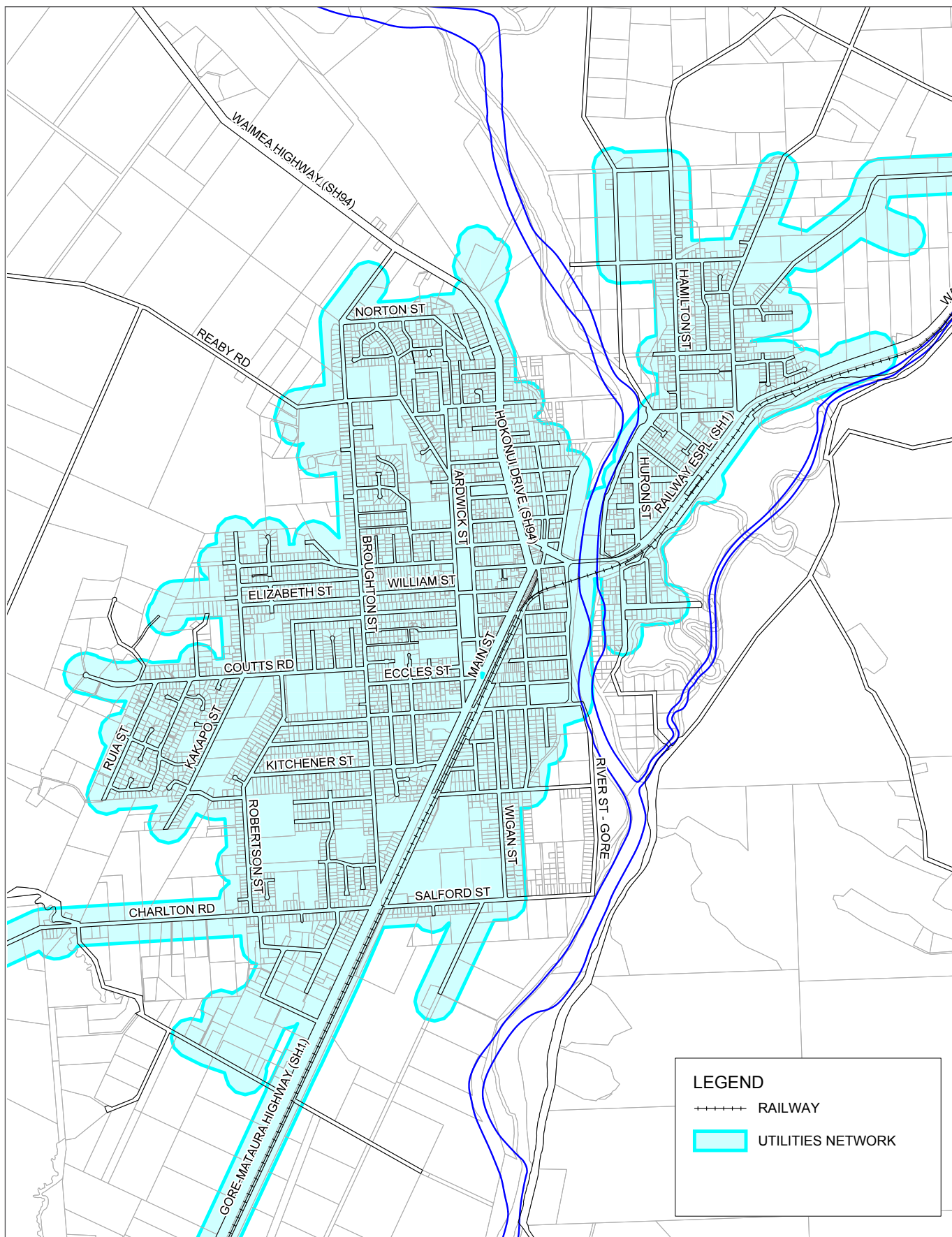
MATAURA RESIDENTIAL RATING ARE AND HEAVY INDUSTRIAL RATING AREA



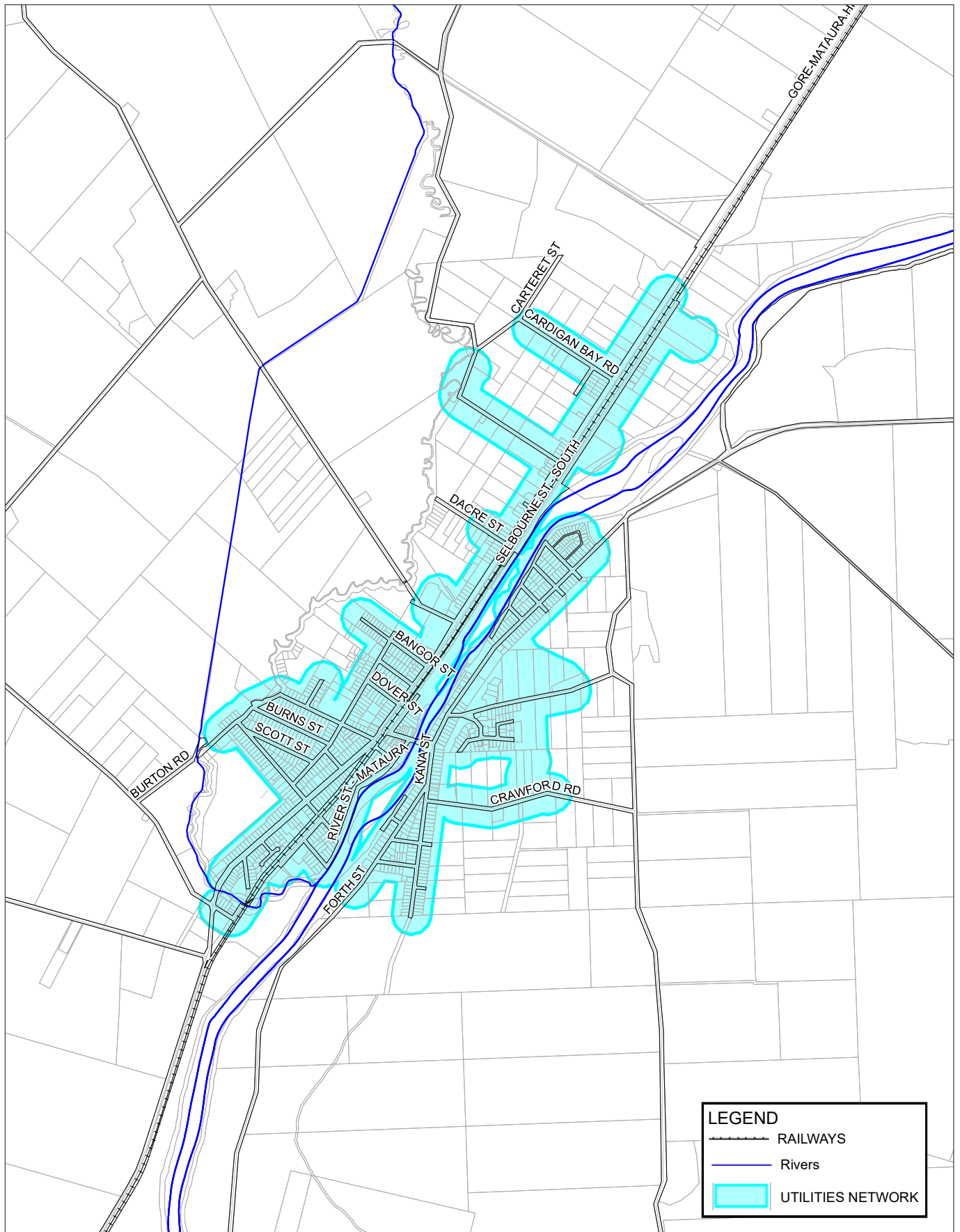
GORE WATER NETWORK



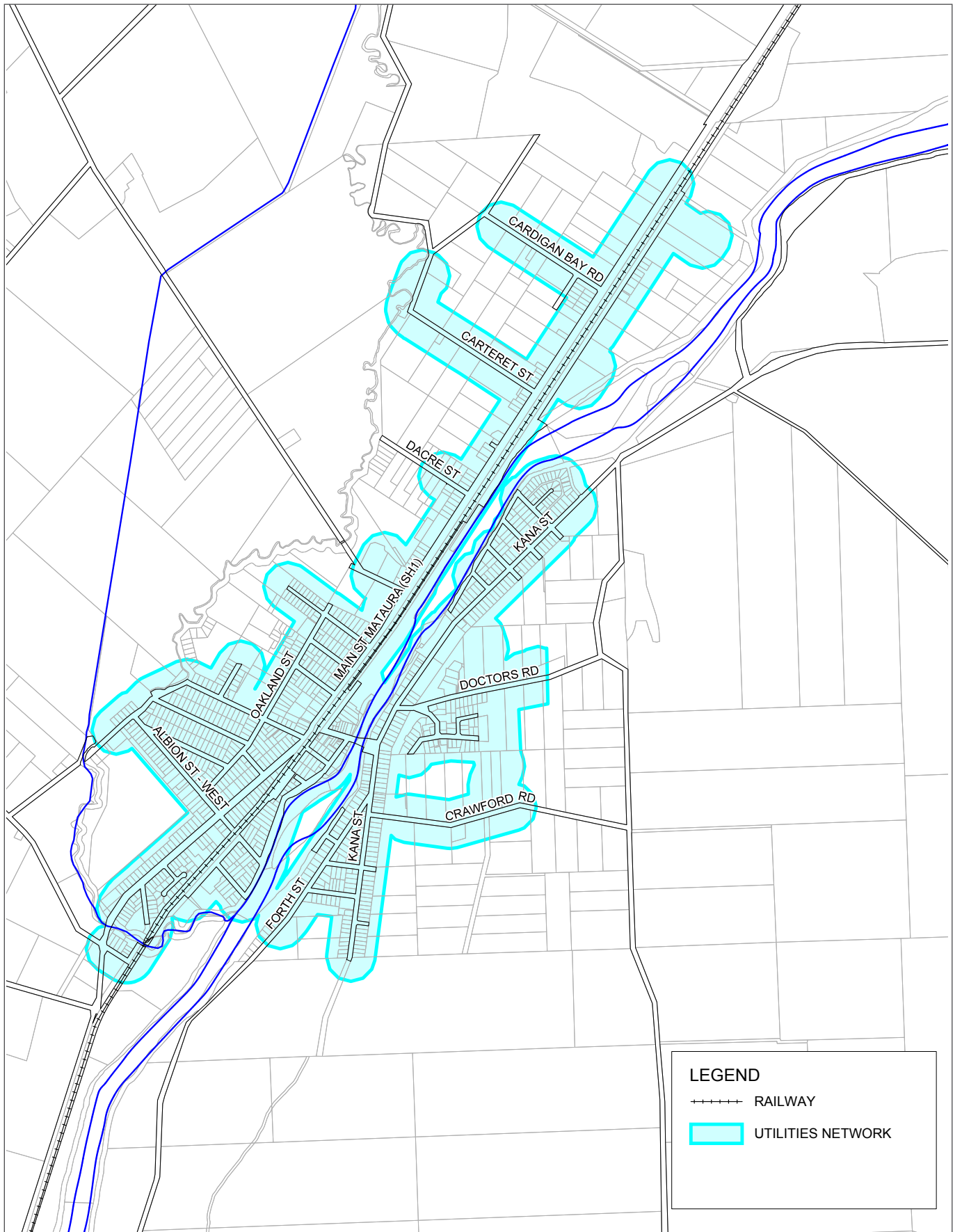
GORE WASTEWATER AND STORMWATER NETWORK



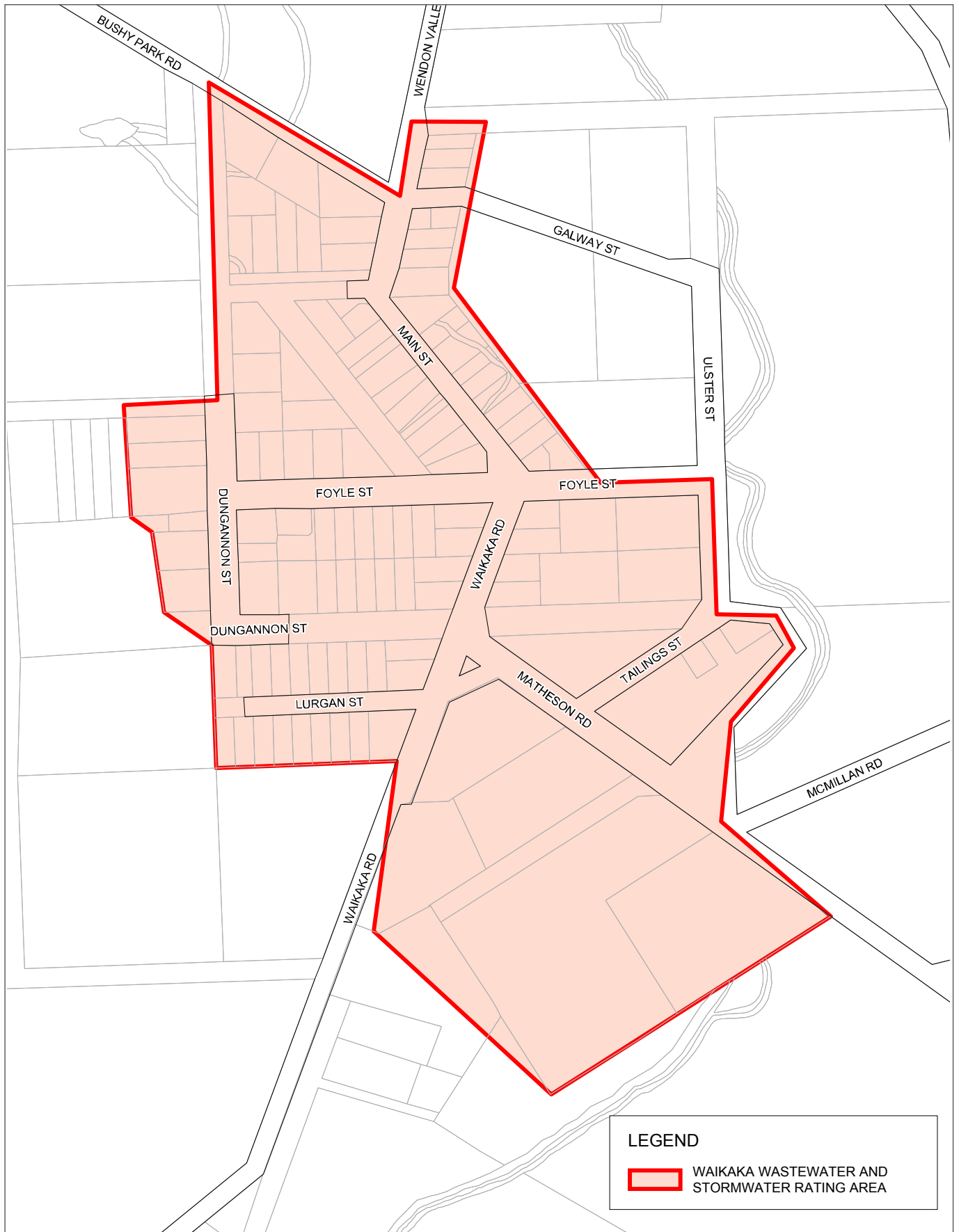
MATAURA WATER NETWORK



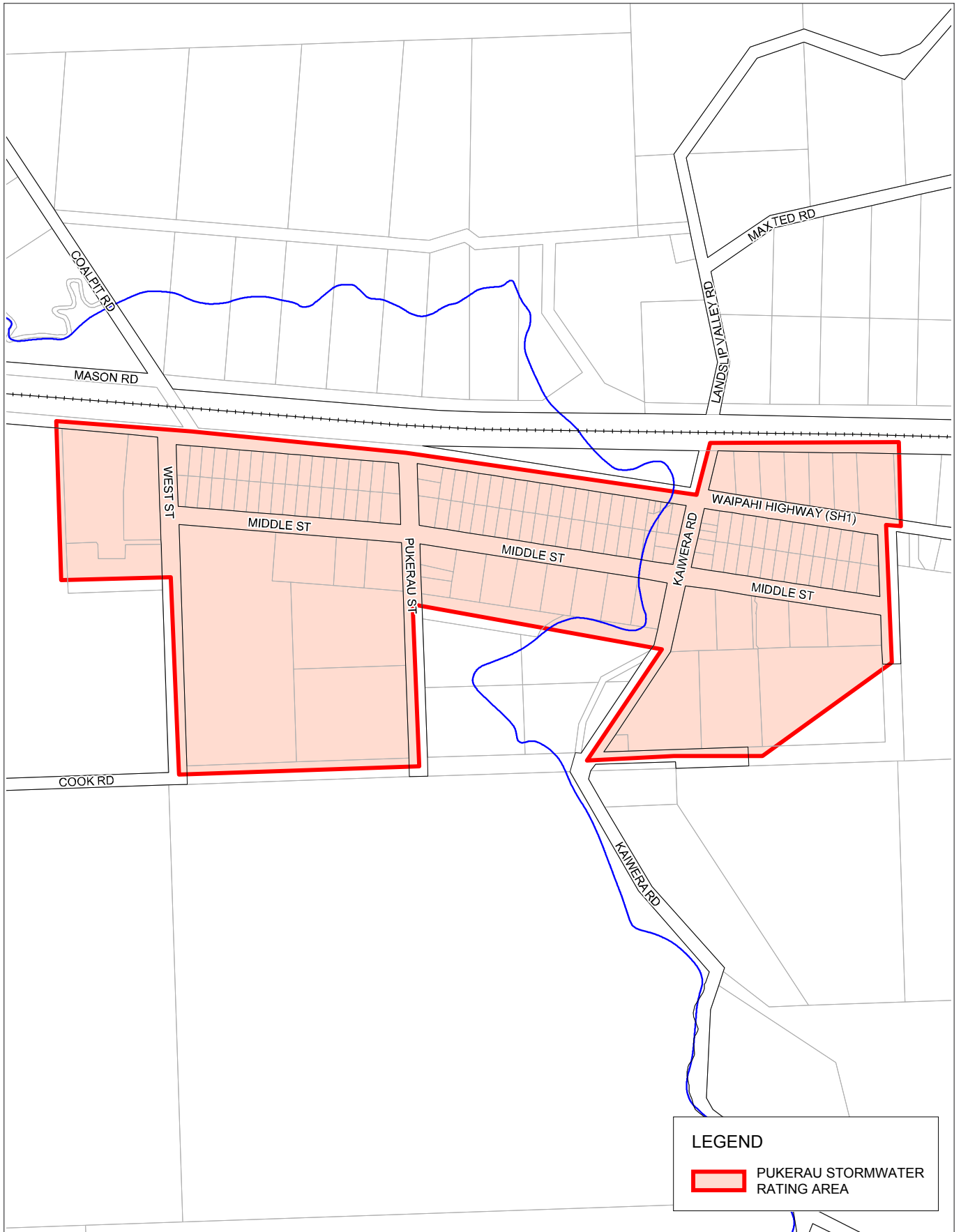
MATAURA WASTEWATER AND STORMWATER NETWORK



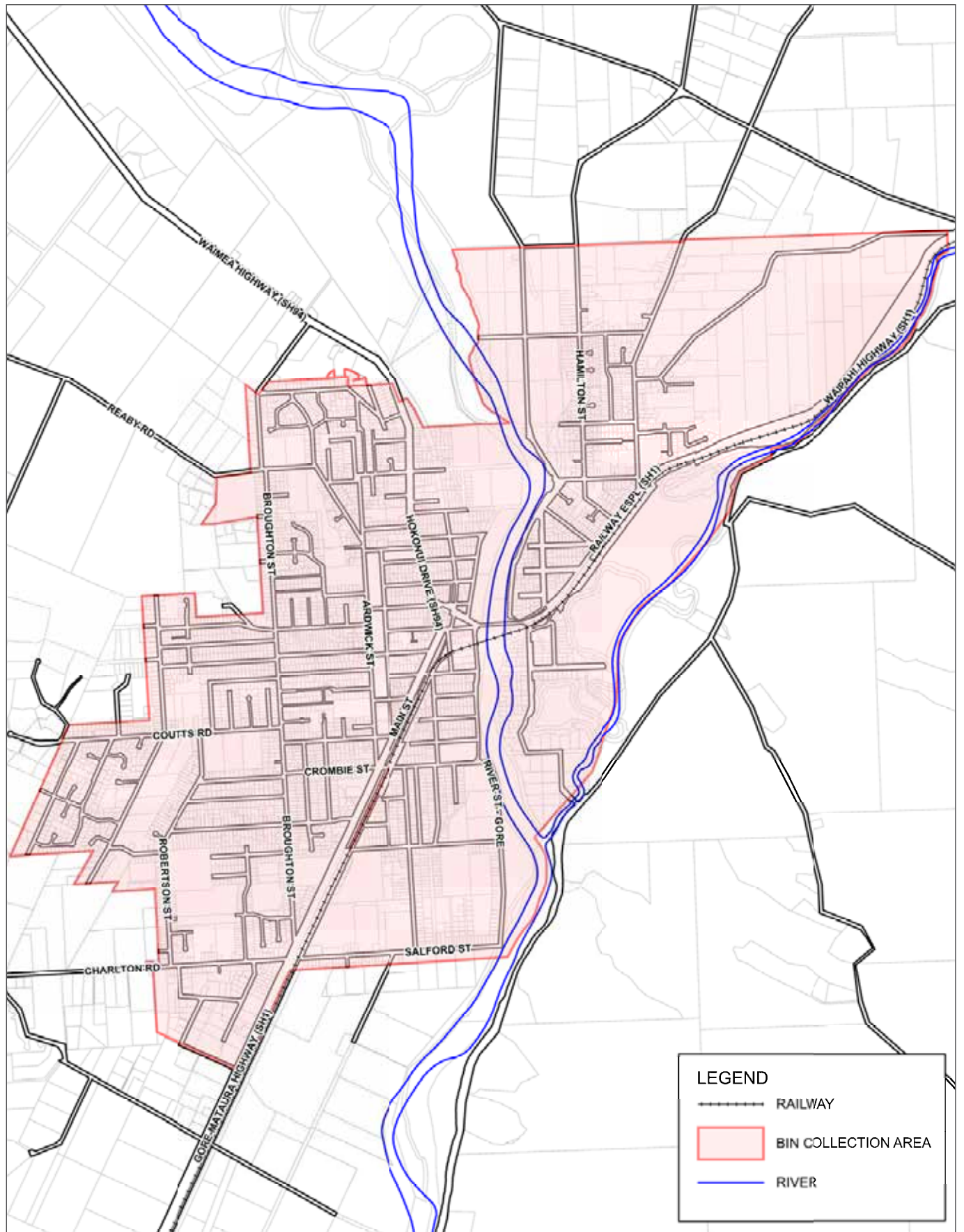
WAIKAKA WASTEWATER AND STORMWATER NETWORK



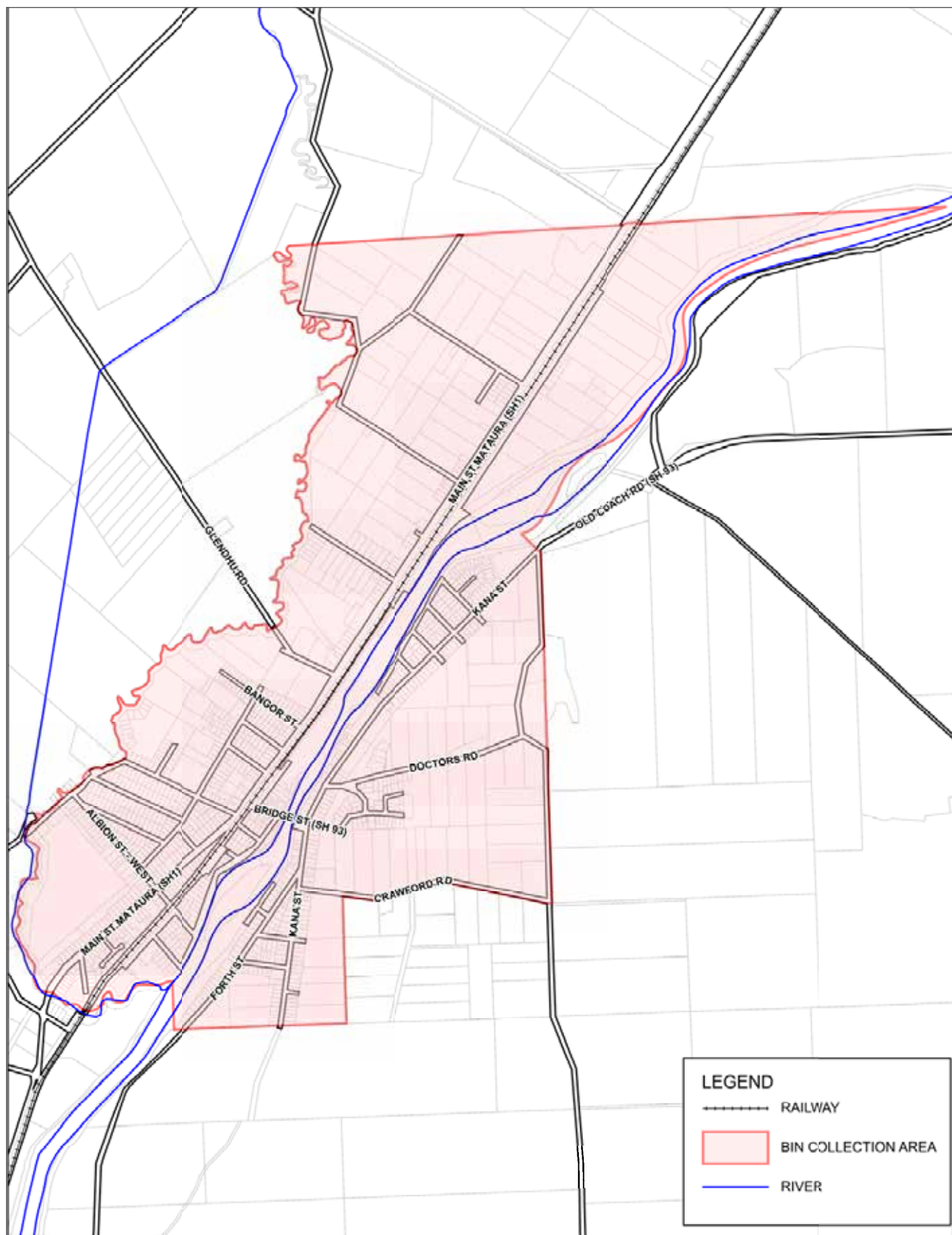
PUKERAU WASTEWATER AND STORMWATER NETWORK



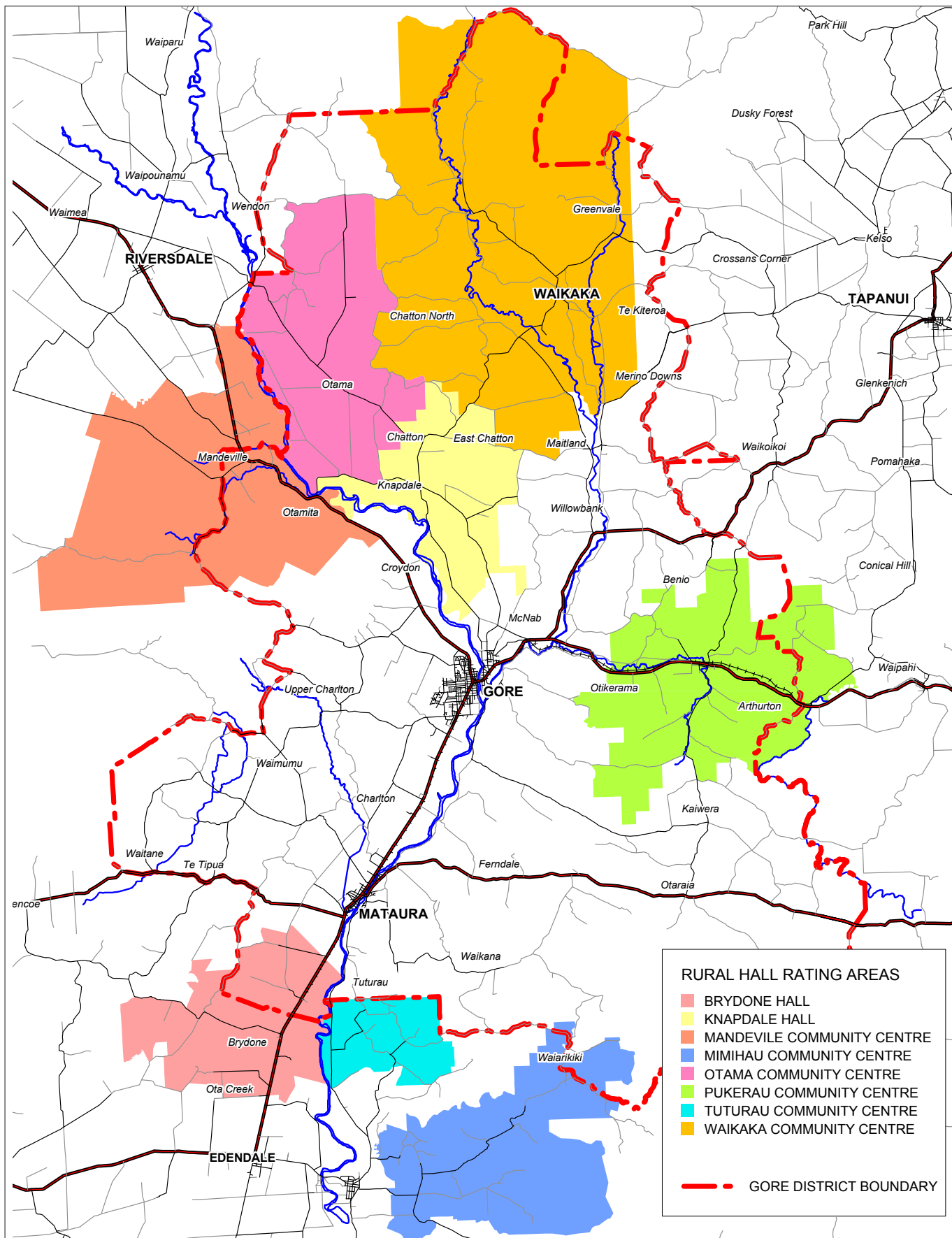
WHEELIE BIN SERVICE AREA GORE



WHEELIE BIN SERVICE AREA MATAURA



RURAL HALLS RATING AREAS



DISTRICT STATISTICS

economy

Gross domestic product, 2019

\$794

million in 2019 prices

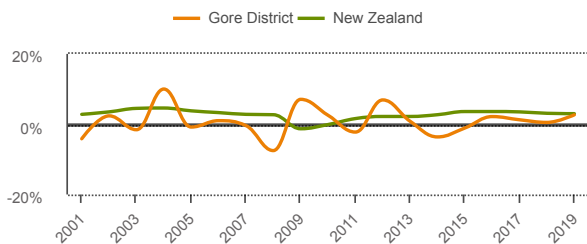
0.3%

of national total

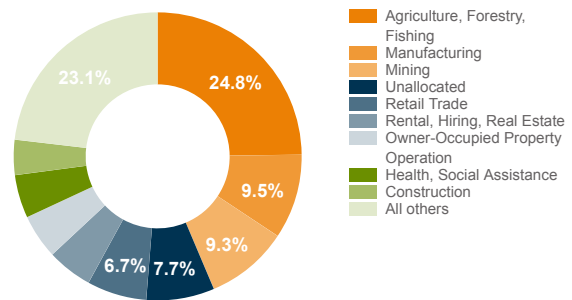
Economic growth, 2009-2019 Annual average % change

	2019	Last 10 years
GORE DISTRICT	2.7%	1.0%
NEW ZEALAND	3.0%	2.5%

Economic growth, 2001-2019



Industry proportion of GDP, 2019



Biggest contributors to economic growth, 2009-2019

Agriculture, Forestry and Fishing	\$25m
Retail Trade	\$19m
Professional, Scientific and Technical Services	\$8m
Health Care and Social Assistance	\$6m
Rental, Hiring and Real Estate Services	\$6m
All other industries	\$7m
Total increase in GDP	\$72m

labour market

Total employment, 2019

7,098

Filled Jobs

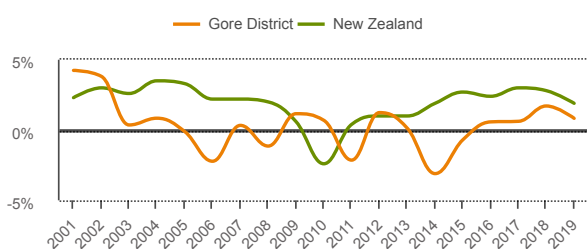
0.3%

of national total

Employment growth, 2009-2019 Annual average % change

	2019	Last 10 years
GORE DISTRICT	0.8%	0.0%
NEW ZEALAND	1.9%	1.5%

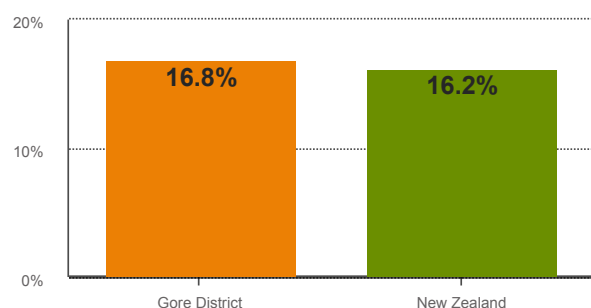
Employment growth, 2001-2019



Industries which created most jobs, 2009-2019

Health Care and Social Assistance	107
Retail Trade	71
Accommodation and Food Services	66
Education and Training	64
Other Services	63
All other industries	-388
Total increase in employment	-17

Self employment rate, 2019



productivity

GDP per filled job, 2019

\$111,911

GDP per employee

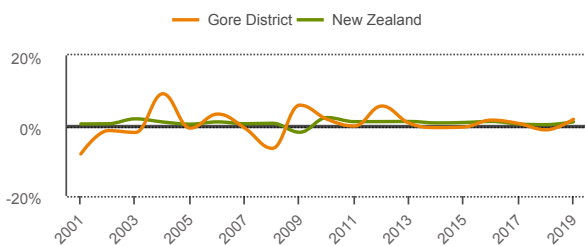
\$117,134

New Zealand

Productivity growth, 2009-2019 Annual average % change

	2019	Last 10 years
GORE DISTRICT	1.8%	1.0%
NEW ZEALAND	1.1%	1.1%

Productivity growth, 2001-2019



business units

No. of business units, 2019

2,064

Business units

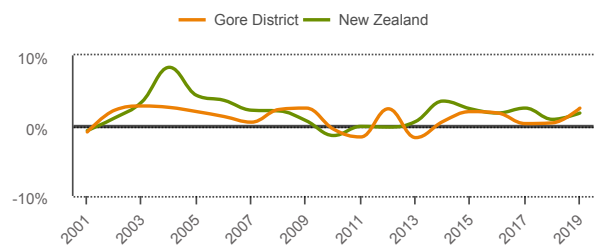
0.4%

of national total

Growth in business units, 2009-2019 Annual average % change

	2019	Last 10 years
GORE DISTRICT	2.5%	0.6%
NEW ZEALAND	1.8%	1.2%

Growth in business units, 2001-2019



population

Total population, 2019

12,800

Estimated resident population

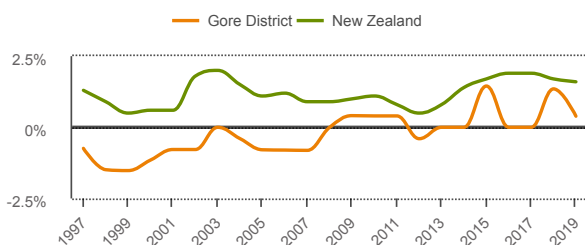
0.3%

of national total

Population growth, 2009-2019 Annual average % change

	2019	Last 10 years
GORE DISTRICT	0.4%	0.4%
NEW ZEALAND	1.6%	1.3%

Population growth, 1997-2019



standard of living

Mean annual earnings 2019

\$51,468

Gore District

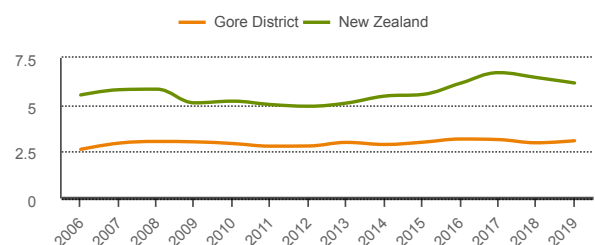
\$62,774

New Zealand

Annual earnings growth, 2009-2019 Annual average % change

	2019	Last 10 years
GORE DISTRICT	4.4%	2.7%
NEW ZEALAND	3.8%	2.8%

Housing affordability, 2006-2019 Higher is less affordable



RATING BASE INFORMATION

	Capital Value \$	Land Value \$	No. of Rating Units	No. of UAGC's	No. of Water Connections	No. of Wastewater & Stormwater Connections
Gore	1,152,029,100	378,803,500	3,871	3,994	4,238	4,945
Mataura	114,079,200	27,325,300	801	833	877	872
Rural	2,493,918,850	1,810,615,100	1,412	1,684	-	100
Heavy Industry	20,702,000	2,593,000	6	6	8	87
Utilities	51,285,000	-	5	5	-	-
Total	3,832,014,150	2,219,336,900	6,095	6,522	5,123	6,004

Projected number of rating units

2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
6,095	6,112	6,129	6,146	6,163	6,180	6,197	6,214	6,232	6,249	6,267

The average increase in rates across the District for 2021/22 is 6.42%. The impact of the increase will vary among the sectors of Residential, Commercial, Rural and Industry.

Rates	Urban	Rural	Industrial	Utilities	Total (incl GST)
2021/22	15,559,645	5,826,238	354,078	69,548	21,809,509
2020/21	14,641,898	5,446,119	332,665	73,883	20,494,565
% increase	6.27%	6.98%	6.42%	(5.87%)	6.42%

SIGNIFICANCE AND ENGAGEMENT POLICY

Purpose

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

The aims are to:

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

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

The Policy replaces the existing Significance Policy and Consultation Policy.

Significance

The Policy shows how the Council will assess importance during a decision-making process, ie its level of significance.

The level of significance is a guide to the degree of community engagement that may be required to gain an understanding of community views and preferences on an issue.

Approach to determining significance

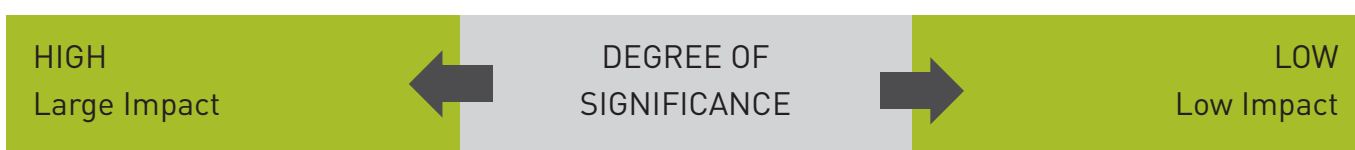
The decision on a matter's significance rests with the Council. It will evaluate significance on a case-by-case basis.

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

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

Assessment of significance

The thresholds and criteria for determining significance:



Thresholds

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

Criteria

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

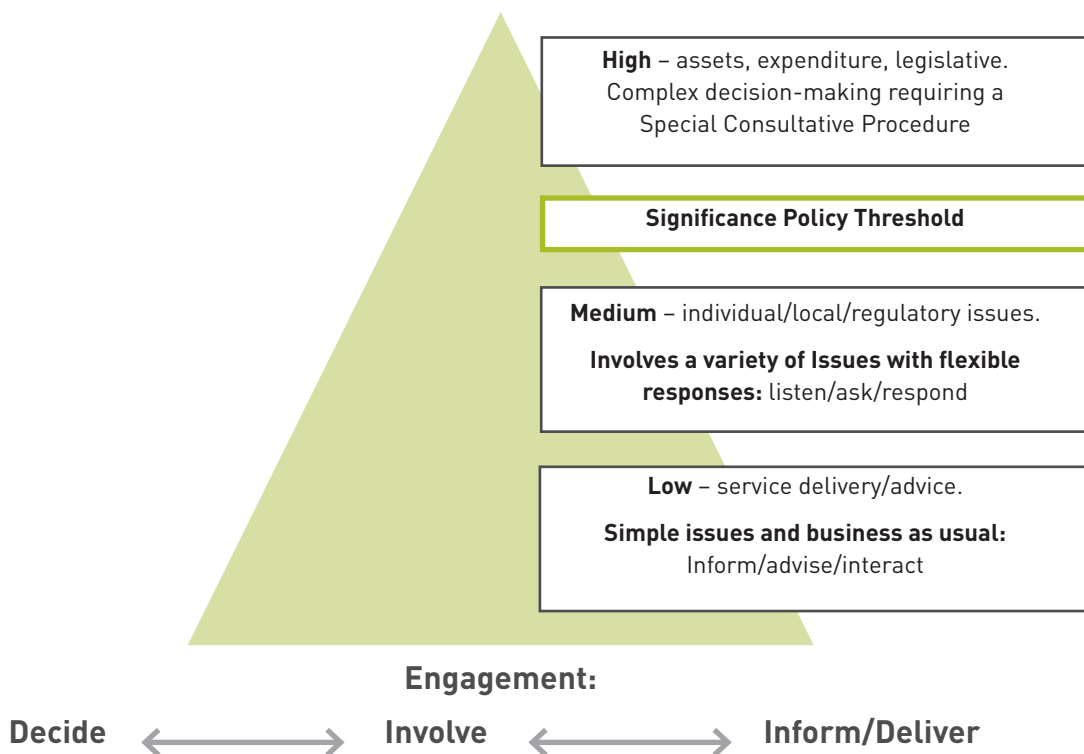
Council officers will need to take significance into consideration when making a recommendation to the Council. The final decision about the significance of any matter rests with elected members. Other factors may be taken into consideration when determining significance, such as urgency, commercial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

Strategic Assets

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

Engagement

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



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

Some of the things we may not ask about include:

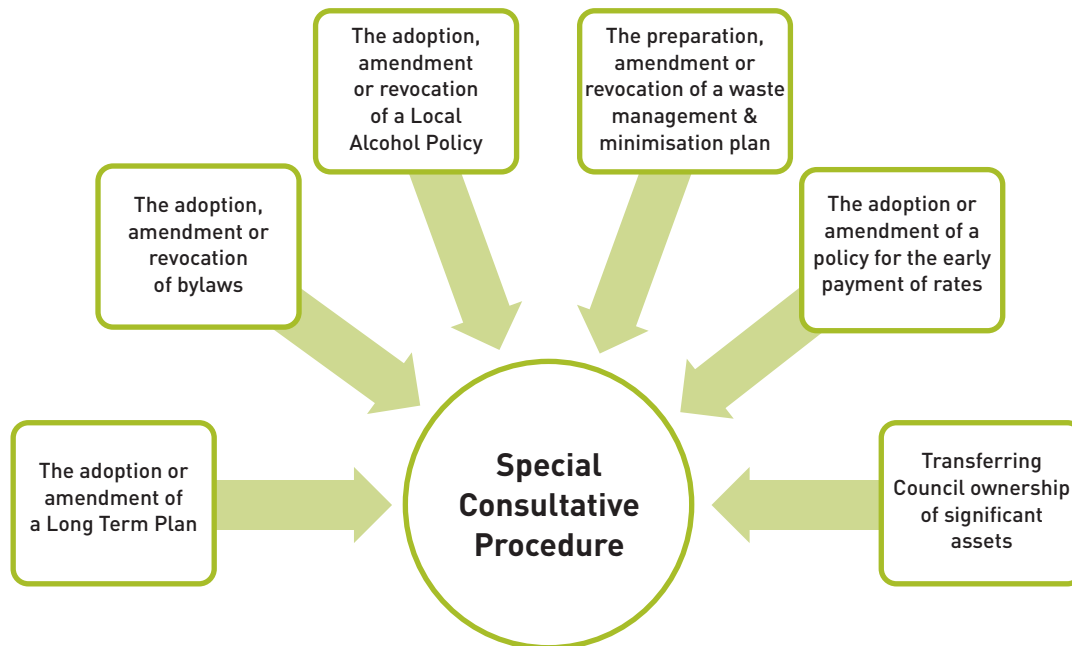
- Emergency management activities and during a state of emergency,
- When the matter has already been addressed by our policies or plans,
- There is a need for commercial sensitivity,
- Organisational decisions that do not materially reduce a level of service,
- Decisions in relation to regulatory and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

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

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

What is the Special Consultative Procedure requirement?

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



Consultation and Engagement Tools

The Council will use various media to ensure the community is provided with all details to make an informed decision and to effectively engage. When consultation and engagement takes place we will endeavour to let people know:

- What is proposed
- Why
- What options we have
- Our preferred option and why
- Costs and rating impact if any
- How the community can have a say
- The timeframe and process
- How we will communicate the outcome

We acknowledge the Council has a responsibility to provide opportunities to engage, just as the community has a responsibility to decide whether it wants to engage with the Council.

The mediums the Council may choose from to engage include:

- Emailing
- Online surveys
- Mainstream media (particularly community newspapers and radio)
- Our newsletter ChinWag
- Social Media – our Facebook page
- Our website
- Reaching out to where people are

Engagement Tools

The Council's toolkit may include but not be limited to the following:

Consultation – Length of Engagement as required under LGA or if not a requirement reflective of a 20 working day principle		
WHAT	HOW	WHEN
Special Consultative Procedure	Statutory Notice Advertising radio & newspaper ChinWag feedback form Website Press Releases Social Media Hard copies available at Council facilities Submissions Hearing Public decision Feedback to all submitters	10 Year Plan Changes to level of service Asset Management Plan Amending or revoking a bylaw Changes to financial policy Review of the Gambling Venue Policy Annual Plan (when there are significant and material differences from the 10 Year Plan)
Consultation (this is not to inform, this is to consult on options and consider feedback before making a decision)	Statutory Notice (if required) Advertising radio & newspaper ChinWag feedback form Website Press Releases Social Media Hard copies available at Council facilities Submissions Hearing Public decision Feedback to all submitters	Reserves Act <ul style="list-style-type: none"> management plans Resource Management Act <ul style="list-style-type: none"> project delivery consents & licensing Local Government Act 1974 <ul style="list-style-type: none"> Road closures Projects over \$1 million Minor bylaw changes that must be changed by publicly notified resolution

Engagement – if appropriate, period of notice will vary but where possible 20 working days

WHAT	HOW	WHEN
<p>Information on projects (where the decision has been taken to undertake a project)</p> <p>Service Provision (eg facility promotion, event funding, libraries, sport)</p> <p>Education (eg community resilience)</p>	<p>Statutory notice if required</p> <p>Press Releases or advisory (as appropriate)</p> <p>Targeted information is any special interest groups or stakeholders, such as neighbours or businesses (email, letter, direct contact)</p> <p>Advertising</p> <p>Social Media</p> <p>Stakeholder database</p>	<p>Road works</p> <p>Street-scaping</p> <p>Trees</p> <p>Water, Wastewater, Stormwater</p> <p>Reserves/works</p> <p>Service disruptions eg water outage</p> <p>Civil defence preparedness</p> <p>Democratic process (Electoral Act)</p> <p>Mandatory requirement/ amendment (central Government)</p>
<p>Community</p>	<p>Targeted information is any special interest groups or stakeholders, such as neighbours or businesses (email, letter, direct contact)</p> <p>Press releases or advisory (as appropriate)</p> <p>Advertising</p> <p>Social Media</p> <p>Stakeholder database</p>	<p>Events</p> <p>Social issues</p> <p>Advocacy (central Government)</p> <p>Facilitation</p>

The Council will also use additional methods of consultation and engagement as it believes is appropriate. These may include:

- Community forums/workshops
- Resident and Ratepayer surveys
- Phone survey
- Street survey
- Posters
- Rates Notice
- Electronic newsletter
- Brochures
- Displays at Southern Field Days or pastoral shows

APPENDIX 1

Appendix 1 contains three relevant sections from the Local Government Act 2002 Amendment Bill (No 3) that relate to this policy being:

- 76AA Significance and Engagement Policy
- 83 Special Consultative Procedure
- 86 Use of special consultative procedure in relation to making, amending or revoking bylaws

76AA Significance and Engagement Policy

- (1) Every local authority must adopt a policy setting out —
 - “(a) that local authority’s general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
 - “(b) any criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
 - “(c) how the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and
 - “(d) how the local authority will engage with communities on other matters.
- (2) The purpose of the policy is —
 - “(a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
 - “(b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
 - “(c) to inform the local authority from the beginning of a decision-making process about —
 - “(i) the extent of any public engagement that is expected before a particular decision is made; and
 - “(ii) the form or type of engagement required.
- (3) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.
- (4) A policy adopted under subsection (1) may be amended from time to time.

83 Special Consultative Procedure

Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must —

- “(a) prepare and adopt —
 - “(i) a statement of proposal; and
 - “(ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with Section 83AA); and
- “(b) ensure that the following is publicly available:
 - “(i) the statement of proposal; and
 - “(ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with Section 82(1)(d); and
 - “(iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
- “(c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as reasonably practicable as a basis for consultation; and

- “(d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
- “(e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d)—
 - “(i) is given a reasonable opportunity to do so; and
 - “(ii) is informed about how and when he or she may take up that opportunity.

“(2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.

“(3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal or both.

86 Use of special consultative procedure in relation to making, amending, or revoking bylaws

- “(1) This section applies if, in accordance with section 156(1)(a), the special consultative procedure is required to be used in relation to the making, amending, or revoking of a bylaw.
- “(2) The statement of proposal referred to in Section 83(1)(a) must include,—
 - “(a) as the case may be,—
 - “(i) a draft of the bylaw as proposed to be made or amended; or
 - “(ii) a statement that the bylaw is to be revoked; and
 - “(b) the reasons for the proposal; and
 - “(c) a report on any relevant determinations by the local authority under section 155.”

REVENUE AND FINANCING POLICY

Introduction

The Local Government Act 2002 requires all councils to adopt a Revenue and Financing Policy as part of a Long Term Plan. This policy is used to demonstrate how the council proposes to fund the operating and capital expenditure for its various activities. More importantly it describes the rationale behind funding choices for activities, and provides predictability and certainty for residents and ratepayers about how the Council funds its activities.

The Council has considered the requirements of Section 101(3) of the Local Government Act 2002 in relation to each of its activities. Specifically:

- (i) The community outcomes to which the activity primarily contributes; and
- (ii) The distribution of benefits between the community as a whole any identifiable part of the community and individuals; and
- (iii) The period in or over which those benefits are expected to occur; and
- (iv) The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- (v) The costs and benefits including consequences for transparency and accountability of funding the activity distinctly from other activities.

Following that process, the Council must then consider the overall impact of any allocation of liability for revenue needs on the community.

Philosophy

The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council, and to fund its activities from the most appropriate source after consideration of who benefits from each activity.

Historically, the Council has used a great deal of precision and a degree of innovation to align funding sources with areas of benefit. This has in turn led to a marked preference for high usage of the uniform annual general charge (UAGC) and fixed targeted rate as opposed to the application of a valuation-based general rate.

However, notwithstanding the absence of any legislative barrier in regard to placing limits in the use of targeted rates, the Council believes the valuation based general rate has its place and should not be banished to the margins of its revenue and financing policy.

The steady climb in the quantum of the uniform annual general charge seen over the past 15 years or so will be discontinued under this revised policy. Having regard for the overall impact required of the Council under Section 101(3)(b) of the Local Government Act 2002, the Council believes the very low usage of a valuation based general rate places an unreasonable and unfair rating burden on lower value properties, particularly in the urban rating area. Accordingly, the Council will raise 25% of its rates revenue from the uniform annual general charge and targeted rates that are set on a uniform basis.

Definitions of Funding Options for Council Services

General Rates

There are two types of general rate. The valuation based general rate and the uniform annual general charge.

Valuation based general rate

This rate is assessed on the entire rating base of the District. It is calculated on the basis of cents per dollar of capital value. The Council does not use differentials on its valuation based general rate.

Uniform Annual General Charge

This is a fixed charge set uniformly on every separately used or inhabited part of a rating unit in the District. As alluded to in the previous section, the level of the UAGC changes the incidence of value-based rates.

Under Section 21 of the Local Government (Rating) Act 2002, a Council cannot raise more than 30% of total rates revenue from the uniform annual general charge and targeted rates that are set on a uniform basis, though this does not apply to targeted rates that are set solely for water supply or wastewater disposal.

Targeted Rates

Targeted rates are used where it is appropriate for an identifiable group of ratepayers to pay for some or all of a particular service, for example water and wastewater.

The following activities are funded all or in part by targeted rates

- Civil Defence
- Wastewater and Stormwater
- Grants
- Libraries
- Property
- Parks and Reserves
- Roading
- Solid Waste
- Water
- Aquatic Facilities
- Arts & Heritage
- Cemeteries

Fees and Charges

User charges are direct charges to identifiable users or groups of users who use certain Council services such as dog control, swimming pools and building inspection. In these instances an identifiable benefit exists to clearly identifiable people and they are required to pay all or part of the cost of that service.

Lump Sum Contributions

The Council does not have a policy of utilising lump sum contributions as defined in Section 117A of the Local Government (Rating) Act 2002, from ratepayers to fund or partially fund capital projects.

Interest and Dividends from Investments

Where the Council earns interest specific investments, the income is dedicated to the respective investments funds concerned and therefore has no impact on the Council's general revenue requirements. The Council's Investment Management Policy sets out the parameters for managing investments.

Interest generated from the Council's operating cash flow is used to offset the Council's rate requirement.

Where an investment earns a dividend, the income is used to offset the Council's rate requirement or retire debt.

Borrowing

Borrowing is the raising of debt and is usually utilised to fund new assets with an expected long life. Borrowing in such instances allows for the recognition of the principle of intergenerational equity, which means one generation of ratepayers is not faced with the burden of fully funding an asset that future generations of ratepayers will benefit from.

The repayment and servicing of the debt is funded by rates, fees and charges and other sources. The actual borrowing is a mechanism only with the revenue and financing policy applying to repayment and servicing. The Council's Liability Management Policy sets out the parameters for managing debt.

Proceeds from Asset Sales

Proceeds from asset sales such as the disposal of plant, vehicles, property or stopped roads, are used to retire debt or finance capital expenditure.

Development Contributions

The Council does not have a policy of imposing development contributions under Section 198 of the Local Government Act 2002. However, depending on what transpires with the proposed repeal of the Resource Management Act, the Council may develop a policy at some stage in the future.

Financial Contributions

Financial contributions are imposed under the Resource Management Act (RMA). The Council notes that there is RMA reform being undertaken by central government. This may include phasing out financial contributions. If this does eventuate, the Council will then formulate a development contributions policy over the next three years.

Financial contributions are contributions of money or land, or a combination of the two. The purpose of financial contributions is to avoid, remedy or mitigate adverse effects of an activity on the environment where that avoidance, remediation or mitigation cannot be achieved by another condition of consent or where imposition of a financial contribution is a more efficient and effective means to address that adverse effect. This includes contributing to the cost of providing and maintaining community recreational facilities and infrastructure. Financial contributions may also be required to ensure positive effects on the environment to offset any adverse effects of an activity.

The Council approves financial contributions in accordance with its financial contribution policy contained within the District Plan.

The deployment of funds collected from financial contributions is governed by the Council's District Plan and Commercial and Industrial Development Contribution Disbursement Policy.

Grants and Subsidies

Grants and subsidies apply to some activities when income from external agencies is received to support an activity. This is mostly made up from government subsidies such as NZ Transport Agency subsidies for roading services.

Summary of Funding Options

	Operating Expenditure	Capital Expenditure
General Rates	✓	✓
Targeted Rates	✓	✓
Other Revenue	✓	✓
NZ Transporting Agency subsidies	✓	✓
Investment Income	✓	✓
Debt	✓*	✓
Proceeds from Asset Sales		✓
Financial Contributions	✓	✓
Development Contributions		
Grants and Subsidies	✓	✓
Special and other reserves		✓

*Short term loans may be used to fund large maintenance projects where no reserves funding is available.

The following table summarises the Council’s funding needs analysis:

Summary of Operating funding sources

Activity	General Rates	Targeted Rates	Fees and Charges	Grants & Subsidies	Financial Contributions
Aquatic Facilities	20-39%	20-39%	20-39%	0 – 19%	-
Arts and Heritage	60 – 100%	-	0 – 19%	-	-
Building Control	20 – 39%	-	60 – 79%	-	-
Cemeteries	40 - 59%	-	40 - 59%	-	-
Civic Buildings	80 – 100%	-	0 – 19 %	-	-
Civil Defence	-	80 – 100%	-	-	-
Democracy	80 – 100%	-	-	-	-
Grants	20 – 39%	20 – 39%	-	20 – 39%	-
Libraries	40 – 59%	40 – 59%	0 – 19%	-	-
Parks and Reserves	-	80 – 100%	0 – 19%	-	0 – 19%
Property	-	60 – 79%	40 – 59%	-	-
Public Conveniences	20 – 39%	60 – 79%		-	-
Regulatory Services	40 – 59%	-	40 – 59%	-	-
Roading	-	40 – 50%	40 – 50%	-	-
Solid Waste	0 – 19%	40 – 59%	20 – 39%	0 – 19%	-
Visitor Services and District promotions	80 – 100%	-	0 – 19%	0 – 19%	-
Wastewater and Stormwater	-	80 – 100%	0 – 19%	-	-
Water	-	80 – 100%	0 – 19%	-	-

The funding proportions outlines in this table represent the Council’s desired consolidation intention over the ten year forecasting period.

The Council’s detailed funding needs analysis is included on the following pages.

Funding Needs Analysis

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Aquatic Facilities and stadium	We have a choice of quality places to go and things to do	<p>The users of the facility benefit from personal fitness, water safety skills and competition.</p> <p>The community also benefits from having a choice of recreational activities and exercise, which promotes a healthy community.</p>	<p>The Gore Multisports Centre has a useful life of 45 years. The Council borrowed for the cost of the aquatic centre and is repaying the loan.</p> <p>The MLT Event Centre has a useful life of 67 years. The Centre was vested to the Council.</p>	<p>Anyone from the community can use the facilities as an individual or as a member of a sports team.</p>	<p>There is a large degree of private benefit for users of the facilities, so user fees can be charged. However, the activity requires funding from rates to keep fees at a level that are accessible to the whole community.</p>	<p><i>Operating</i></p> <p>General Rates 20-39%</p> <p>Targeted Rates 20 – 39%</p> <p>Fees and Charges 20 – 39%</p> <p>Subsidies & grants 0 – 19%</p> <p><i>Capital</i></p> <p>Building & plant improvements: Borrowing 100%</p> <p>All other capital:</p> <p>General Rates 20-39%</p> <p>Targeted Rates 20 – 39%</p> <p>Fees and Charges 20 – 39%</p>	<p>Although there is a large degree of private benefit, the need to keep the facility accessible to the whole community means rate funding is appropriate.</p> <p>To recognise that users who reside in urban areas can access the facilities more readily, rates funding is split between general and targeted rates.</p> <p>Subsidies and grants from community organisations are used for free swim lessons for primary school children.</p>

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Arts & Heritage	We value our history and heritage. We live in a creative place. We have a choice of quality places to go and things to do.	The community benefits from the preservation and presentation of our history and heritage. The users of the facilities enjoy access to the arts. The whole community benefits from a choice of recreational activities which promote learning and creativity.	While the Gallery building has a useful life of 50 years, there are ongoing benefits from the history and arts which create an informed and creative community.	Anyone from the community can use the facilities.	There is some scope for charging access to special exhibitions.	<i>Operating</i> General Rates 60 – 100% Fees and Charges 0 – 19% Grants & Subsidies 0-19% <i>Capital</i> Replacement of assets: General Rates 80 – 100% Fees and Charges 0 – 19% Increased level of service or additional demand: Borrowing 100%	Although there is a degree of private benefit, due to market forces there is limited ability to charge users. The facilities are available to the whole community and the activity encompasses the heritage and history of the district as a whole.
Building control	We value our history and heritage. We value and respect our environment.	Primarily individual building owners benefit. Although potential purchasers and all the community receive assurance that buildings are constructed to the recognised standard.	Buildings have long lives (often 50 years or more), so the benefits are always ongoing.	Those constructing or renovating properties create the need, this is spread throughout the whole district. However, the Council is required to provide this activity under the Building Act 2004 and the Building Code.	Because of the large degree of private benefit to those involved user charging is feasible.	<i>Operating</i> General rates 20 – 39% Fees and Charges 60 – 79% <i>Capital</i> General rates 20 – 39% Fees and Charges 60 – 79%	Construction and renovation of buildings are undertaken throughout the whole district, and all the community benefits from safe buildings. Those involved in the construction and renovation of the building receive most benefit, so a high degree of user charges are acceptable.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Cemeteries	We live in a compassionate, caring community.	The estate and family of deceased persons benefit. However, the entire community benefits from respect for, and provision for the historical significance of those who have passed away.	The benefits of the historical value of cemeteries are ongoing, and the activity must be ongoing to ensure public health.	This activity is a requirement of the Burial and Cremation Act 1964. The whole community creates the need for cemeteries and related services.	The users of cemeteries can be charged for some services.	<p><i>Operating</i></p> <p>General Rates 40-59%</p> <p>Fees and Charges 40-59%</p> <p><i>Capital</i></p> <p>General Rates 40-59%</p> <p>Fees and Charges 40-59%</p>	While the users of the cemeteries can be charged for some services, there are ongoing benefits to the whole community from the activity. Because anyone in the community may use cemeteries, user charges must not be prohibitive.
Civic Buildings	We have a quality infrastructure with potential for growth.	Civic buildings allow easy access and delivery of local government services. All members of the community may interact with the Council at its premises. Those who hire meeting and conference facilities directly benefit.	The civic administration building and the James Cumming Wing have a useful life of 50 years.	Need is created by the entire community for access to local government services.	The users of hire facilities can be charged for services they use. However, this is only a small portion of the activity.	<p><i>Operating</i></p> <p>General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19 %</p> <p><i>Capital</i></p> <p>Replacement of assets: General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19 %</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	While users of hire facilities can be charged for some services, the whole of the community benefits and creates the need for the activity, so the majority of the activity will be funded by general rates.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Civil Defence	We live in a compassionate, caring community.	Those affected by a natural disaster will directly benefit. However, the entire community benefits from having appropriate planning and resources in place to deal with natural disasters and civil emergencies.	A natural disaster could occur at any time in the future, and the Council has a statutory obligation to provide Emergency Management services.	This activity is required under the Civil Defence and Emergency Management Act 2002. The whole community could be affected by a natural disaster, and there is a need to ensure the effects are managed.	Due to the entire community obtaining benefit it is not feasible to identify a portion of the community who can be separately charged.	Operating Targeted Rates 80 – 100% Capital 80-100%	While the whole community benefits from appropriate planning and resources in times of natural disasters, the Council recognises disasters potentially pose a higher risk to urban communities due to damage to buildings and infrastructure, so the activity will be funded by a targeted rate.
Democracy	We live in a compassionate, caring community.	The entire community benefits from the democratic process and has the ability to have input to establish the Council's policies.	Policy decisions often have long term benefits though there is an immediate benefit to individuals when they interact with the Council.	Much of this activity is required under the Local Government Act 2002. Need is created by the entire community for knowledge of and involvement in Council decisions.	It is not appropriate to fund this activity through user charges.	Operating General Rates 80 – 100% Capital General Rates 80 – 100%	The benefit and the need for the activity are distributed across the whole community.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Grants	We live in a caring, compassionate community.	Individual community groups directly benefit. However, The entire community benefits from enrichment these different community groups provide.	The period of benefit varies depending on the project or the organisation. There are ongoing benefits through having diverse community groups to help make the District a compassionate and caring community.	Need is created by the entire community to enhance the overall cultural, social and economic well-being of the District. Need is created by the entire community to enhance the overall cultural, social and economic well-being of the District.	Funding is received from the Southland Regional Heritage Committee to offset the Council's contribution to regional heritage initiatives. The contribution to regional heritage can be funded separately.	Operating General Rates 20 – 39% Targeted Rates 20 – 39% Subsidies & grants 20 – 39%	Because of the nature of this activity, separate funding cannot be obtained from those who create the need. Because the whole community indirectly benefits from and creates the need for assisting community organisations, this aspect of the activity is funded by general rates. A large portion of this activity involves regional heritage initiatives for which separate funding is available to offset the Council's contributions. Because of the importance of its own heritage assets, the contribution to regional heritage initiatives is funded separately through a targeted rate on all property.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Libraries	We have a choice of quality places to go and things to do	The users of the library benefit from this service. However, the whole community benefits from a choice of recreational activities and the opportunity to learn and be informed.	The life of books is often 10 – 20 years. There are long term benefits from an informed and creative population.	Library users create the need, though library facilities are available to the whole community.	Due to long-standing historical market prices in the form of modest fees, any funding from users via fees and charges can only represent a small percentage of revenue required.	<p><i>Operating</i> General Rates 40 – 59%</p> <p>Targeted Rates 40 – 59%</p> <p>Fees and Charges 0 – 19%</p> <p><i>Capital</i> Replacement of assets: General Rates 40 – 59%</p> <p>Targeted Rates 40 – 59%</p> <p>Fees and Charges 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing (42%) Government grant (44%) MVM Contribution (14%)</p>	Although there is a large degree of private benefit to library users, there is a need for libraries to be accessible to the whole community which means rate funding is appropriate. To recognise that users who reside in urban areas can access the libraries more readily, rates funding is split between general and targeted rates.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Parks and Reserves	We value and respect our environment	Users of the parks and reserves directly benefit from the service. The entire community benefits from the availability of parks and reserves to create a pleasant environment in which to live and work. The Districts parks and reserves are also a tourist attraction and tourists and business benefit in this regard.	The life of a park or reserve is extensive, though the gardens and/or playground equipment require regular maintenance.	This activity is required under the Reserves Act 1977. There is widespread demand from across the community for the provision of open spaces and reserves. A number of user groups and individuals can be seen as having a particular interest in the activity.	A user pays system is not feasible for general users. However, some charges are feasible for leases, hire and camping fees. Some funding is received through financial contributions, though is a small portion of the total funding required.	<p><i>Operating</i> Targeted Rates 80 – 100% Fees And Charges 0 – 19% Financial Contributions 0 – 19%</p> <p><i>Capital</i> Replacement of assets: Targeted Rates 80 – 100% Fees And Charges 0 – 19% Financial Contributions 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	Our parks and reserves are a point of difference for the district and are of high importance to the community. To recognise that users who reside in urban areas can access parks and reserves more readily, rates funding is targeted to various communities.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Property	<p>We have a choice of quality places to go and things to do.</p> <p>We live in a caring, compassionate community.</p>	<p>The entire community benefits from the availability of community halls and buildings to provide places for meeting and socialising.</p> <p>Individual tenants benefit from community housing and property rental.</p>	<p>Council owned properties generally are long term assets and the benefits are ongoing.</p> <p>The Council has a long term lease for the property it makes available for community housing.</p>	<p>Need is created by the entire community to have access to halls and buildings.</p> <p>Need is created by those in the community looking for affordable housing.</p>	<p>Rates for halls can be targeted to various communities.</p> <p>Tenants can be charged for the use of the land or community housing.</p>	<p><i>Operating</i> Targeted Rates 60 – 79% Fees and Charges 40 – 59% <i>Capital</i> Replacement of assets: Targeted Rates 80 – 100% Fees And Charges 0 – 19% Financial Contributions 0 – 19% Increased level of service or additional demand: Borrowing 100%</p>	<p>Users of leases or hired property are able to be charged. However, in the case of community housing specifically, the income is not set at market rates.</p> <p>Not all Council property is leased, but various communities will have a greater degree of access to property in their area. So rates funding is targeted to various communities.</p>
Public Conveniences	<p>We have a quality infrastructure with potential for growth.</p>	<p>Those who use the facilities directly benefit be they members of the community or visitors.</p> <p>The whole community benefits from the availability of hygienic and well maintained public conveniences.</p>	<p>The Council's various public conveniences have a useful life of between 12 and 50 years.</p>	<p>Visitors to the District along with the public when travelling within the District create the need.</p>	<p>User pays public toilet systems have their difficulties and accordingly fees and charges are not an appropriate funding source.</p>	<p><i>Operating</i> General Rates 20 – 39% Targeted Rates 60 – 79% <i>Capital</i> Borrowing 100%</p>	<p>Because there is some benefit to the whole community, a portion will be funded by the general rate.</p> <p>To recognise that users who reside in urban areas can access public conveniences more readily, rates funding is targeted to various communities.</p>

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Regulatory Services	We value and respect our environment. The benefits are	shared between the user who can proceed with their activity and the community who is assured the environment is managed, and the community is safe from safe.	Benefits of regulation, in general, are ongoing even though the specific regulations may change over time.	Need is created by the entire community for structure, consistency and certainty. Need is created by Council for rules to protect its position and manage its risk exposure.	Users can be charged fees for applications, licenses and registrations. However, not all regulatory services are user pays, therefore a portion is rated from general rates as it benefits the community.	<p><i>Operating</i></p> <p>General Rates 40 – 59%</p> <p>Fees and Charges 40 – 59%</p> <p><i>Capital</i></p> <p>General Rates 40 – 59%</p> <p>Fees and Charges 40 – 59%</p>	While a large portion of the activity can be funded through application fees and license fees, there is still a residual public good. Because the whole community benefits from the regulatory process and framework, this is funded by general rates.
Roading	We have a quality infrastructure with potential for growth.	The whole community benefits from roads which provide access throughout the District.	The Council's roading assets have various useful lives. However, in general, these are long term assets lasting from 10 – 100 years.	The whole community needs roads for transport of goods and people.	It is not feasible to use fees and charges for public roads. Central Government funding is available through the New Zealand Transport Agency for operating and capital expenditure.	<p><i>Operating</i></p> <p>Targeted Rates 40 – 50%</p> <p>Grants & Subsidies NZ Transport Agency & local fuel taxes 40 – 60%</p> <p><i>Capital</i></p> <p>Replacement of subsidised assets: Targeted Rates 40 – 50%</p> <p>Grants & Subsidies NZ Transport Agency & local fuel taxes 40 – 60%</p> <p>Replacement of non-subsidised assets: Targeted Rates 40 – 50%</p> <p>Borrowing 40 – 50%</p> <p>Increased level of service or additional demand:</p> <p>Borrowing 100%</p>	Users tend to use roads in the vicinity of their immediate community. As such the portion of the activity funded by rates is targeted to various communities.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Solid Waste	We value and respect our environment.	Users of the transfer station and the Council's kerbside waste and recycling service directly benefit. The whole community benefits from the safe and efficient disposal of solid waste.	The Gore Transfer Station has a 50-year useful life, and the kerbside wheelie bins have a 15 years life. The benefits will be ongoing during this time.	All residents and visitors create the need for this service. There is also a legal requirement to provide this activity (Health Act 1956, Resource Management Act 1991, Local Government Act 2002, Waste Minimisation Act 2008).	Those using the transfer station can be charged fees for the disposal of refuse. Those able to use the Council's kerbside waste collection and recycling service can be rated separately.	<p><i>Operating</i></p> <p>General Rates 0 – 19%</p> <p>Targeted Rates 40 – 59%</p> <p>Fees and Charges 20 – 39%</p> <p>Grants & subsidies 0 – 19%</p> <p><i>Capital</i></p> <p>Replacement of assets: General Rates 0 – 19%</p> <p>Targeted Rates 40 – 59%</p> <p>Fees and Charges 20 – 39%</p> <p>Grants & subsidies 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	A large proportion can be funded from rates targeted to beneficiaries of kerbside waste collection and recycling service or fees at the refuse transfer station. However, gate charges at the refuse transfer station cannot be raised too high as adverse effects such as “fly-tipping” can occur as a result. Accordingly, some community funding via general rates is therefore necessary.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Visitor Services and District Promotion	We have a choice of quality places to go and things to do.	The whole community benefits from the District's vibrant image and attraction of visitors. The entire community benefits from improved economic activity and positive outlook/attitudes. Businesses may benefit directly from various initiatives.	Many promotional activities have an ongoing benefit with respect to the District image, promotion and diversity.	Need is created by entire community to promote the District as a place to visit, live, work and do business.	Users of visitor services and those attending events can be charged fees.	<p><i>Operating</i></p> <p>General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p>Grants & subsidies 0 – 19%</p> <p><i>Capital</i></p> <p>Replacement of assets:</p> <p>General Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p>Grants & subsidies 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	Due to the large public benefit, the majority of this activity is funded by general rates with some funding from user fees and charges from those who directly use the service or attend events.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Waste and Stormwater	We have a quality infrastructure with potential for growth. We value and respect our environment.	The entire community benefits from the safe and efficient discharge of waste and stormwater. Commercial and industrial businesses benefit specifically from wastewater services. Direct benefit to owners of property receiving services.	The components of the Councils wastewater and stormwater infrastructure have various useful lives. However, in general, these are long term assets lasting from 10 – 80 years.	The whole community creates the need for a safe urban environment where waste and stormwater discharges are adequately dealt with. Commercial and industrial enterprise create the need for wastewater services applicable to their business.	Funding can be obtained from those who directly receive the benefit of wastewater and stormwater disposal through fees and charges and targeted rates.	<p><i>Operating</i></p> <p>Targeted Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p><i>Capital</i></p> <p>Replacement of assets: Targeted Rates 80 – 100%</p> <p>Fees and Charges 0 – 19%</p> <p>Increased level of service or additional demand: Borrowing 100%</p>	Due to the large degree of private benefit and creation of need from those who use the service, it will be funded from user charges and targeted rates.

Activity	Council Community Outcome	Who Benefits?	Period of Benefit	Who Acts Creates a Need?	Can it be funded separately?	Funding Source	Rationale
Water	We have a quality infrastructure with potential for growth. We value and respect our environment.	There is a direct benefit to owners of property receiving safe and efficient provision of drinking water. The entire community benefits from the provision of water services for firefighting to maintain community safety services.	The components of the Councils water infrastructure have various useful lives. However, in general, these are long term assets lasting from 10 – 80 years.	The whole community creates the need for a safe environment where water services are adequately provided and health standards maintained. Commercial, farming and industrial enterprise create the need for water services applicable to their business. Firefighting services create the need for water services to carry out their job.	Funding can be obtained from those who directly receive the benefit of treated water through targeted rates and user charges.	Operating Targeted Rates 80 – 100% Fees and Charges 0 – 19% Capital Replacement of assets: Targeted Rates 80 – 100% Fees and Charges 0 – 19% Increased level of service or additional demand: Borrowing 100%	Due to the large degree of private benefit and creation of need from those who use the service, it will be funded from user charges and targeted rates.

INVESTMENT POLICY

1. Purpose

The Council manages funds for the following purposes:

- day to day working capital management
- part of an investment strategy
- debt mitigation
- to meet Debt Repayments
- to fund short term and long term commitments identified in the Council's annual plan and long-term financial strategy or LTP.

This Investment Policy details how these investments are to be managed.

2. Local Government Act 2002 Requirements

Section 105 of the Local Government Act 2002 requires each local authority to have an investment policy that includes:

- the objectives under which investments are to be managed.
- the mix of investments
- the acquisition of new investments.
- an outline of the procedures by which investments are to be managed and reported to the Council.
- an outline of how risks associated with investments are to be assessed and managed.

3. Objectives

The objectives of this Investment Policy are consistent with corporate best practice and will take into account the requirements of the Council's annual and strategic plans and its long-term financial strategy or LTP.

The key objectives of the Council's investment policy are to:

- Ensure the protection of ratepayers capital takes precedence over income generation
- Ensure that the Council has funds available to meet its liabilities as they fall due.
- Safeguard GDC's financial market investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters.
- Produce accurate and timely information that can be relied on by senior management and the Council for control and exposure monitoring purposes in relation to the investment activities of the Council.
- Maintain operational controls and procedures to protect the Council against financial loss, opportunity cost and other inefficiencies.

4. Investments Defined

The Council's investments may include:

- cash
- company shares
- property
- financial assets held in or on behalf of Trusts or reserve funds
- investment portfolios as part of an investment strategy, or for Debt Repayment or debt mitigation purposes
- shareholdings in Council Controlled Organisations,

Loans to community organisations have social considerations and are not considered investments for the purposes of this policy.

5. Concurrent Policies

This Investment Policy should be read in conjunction with the Council's Liability Management Policy.

6. Investment Mix

The Council holds fixed interest investments sufficient to match the funds of selected Trusts and reserves accounts. Fixed interest investments may also be set up for working capital management.

The Council may also hold money market and fixed interest investments in investment portfolios as part of an investment strategy or for debt repayment or debt mitigation purposes. The investment parameters for the money market and fixed interest activities are contained in Appendix 1.

Property and shares may be held as primary functions of the Council contributing to the achievement of the Council's annual and strategic plans. The Council may hold property and shares in perpetual or externally managed investment portfolios as part of an investment strategy.

The mix of investments may vary from time to time to meet the Council's functional and expenditure and investment management requirements.

7. Investment Revenue

Interest on funds invested on behalf of Trusts and selected reserves is credited to the relevant Trust/reserve. Interest on other funds is taken into the consolidated revenue of the Council.

Where deposits have been set up to offset actual debt, interest earned on the deposit is applied to the interest incurred on that debt.

Other revenues must be used to meet the objectives of the function from which the revenue was derived, unless otherwise authorised by the Council.

8. Asset Sale Proceeds

Funds released on the maturity of an investment or as the proceeds of an asset sale may be used as follows:

- debt reduction
- reinvested
- as per the terms of the relevant Trust deeds
- to the function from which they were derived
- any other purpose approved by the Council.

9. Investment Risk

The specific risks associated with each investment will be identified and assessed against the benefits available. Where Council is able to, investment risk will be managed in accordance with the overall objectives of this policy.

10. Local Government Funding Agency

Despite anything earlier in this Investment policy, the Council may invest in shares and other financial instruments of the New Zealand LGFA, and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

Appendix 1: Authorised Investment Criteria – Money Market and Fixed Interest Investment Portfolio

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	<ul style="list-style-type: none"> Government Stock Treasury Bills 	Not Applicable	Unlimited
Rated Local Authorities	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$3.0 million \$2.0 million \$3.0 million \$5.0 million
Local Authorities where rates are used as security	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Not Applicable	\$2.0 million \$2.0 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> Call/Term Deposits/Bank Bills/Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better ² Long term S&P rating of A+ or better	\$10.0 million \$3.0 million \$5.0 million
State Owned Enterprises	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	\$3.0 million \$1.0 million \$3.0 million
Corporates ¹	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Financials ¹	30%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
Building Societies ²	20%	<ul style="list-style-type: none"> Call and Term Deposits 	To be individually approved by the Council	\$3.0 million

¹ The combined holding of Corporates and Financials shall not exceed 70% of the portfolio.

² Term deposits may be placed with SBS Bank by resolution of the Council.

LIABILITY MANAGEMENT POLICY

1. LOCAL GOVERNMENT ACT 2002 REQUIREMENTS

Section 104 of the Local Government Act 2002 requires each local authority to have a liability management policy that includes policies for:

- interest rate exposure
- liquidity risk
- funding risk
- counterparty risk
- debt repayment
- specific borrowing limits
- giving of securities

2. OBJECTIVES

The objectives of the Liability Management Policy ("LMP") are consistent with corporate best practice and will take into account the Council's annual and strategic plans and its long-term financial strategy.

The key objectives of the Council's Liability Management policy are to:

- ensure that the Council has an ongoing ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management.
- arrange appropriate funding facilities for the Council, ensuring they are at market related margins utilising the Local Government Funding Agency ("LGFA"), bank debt facilities and/or capital markets as appropriate.
- maintain lender relationships and the Council's general borrowing profile in the local debt and, if applicable, capital markets, so that the Council is able to fund itself appropriately at all times.
- control the cost of borrowing through the effective management of its interest rate risks, within the interest rate risk management limits established by the LMP.
- ensure compliance with any financing/borrowing covenants and ratios.
- maintain adequate internal controls to mitigate operational risks.
- produce accurate and timely reports that can be relied on by senior management and the Council for control and exposure monitoring purposes in relation to the debt raising activities of the Council.
- prudently manage the Council's borrowing activities.
- borrow only under the Council's approved facilities and as permitted by this policy.
- maintain operational controls and procedures to protect the Council against financial loss, opportunity cost and other inefficiencies.

3. CONCURRENT POLICIES

The Council has an Investment Policy, and a funding policy for capital expenditure which should be read in conjunction with this policy.

4. BORROWING MANAGEMENT

The Council raises loans for the following primary purposes:

- specific debt associated with projects and capital expenditure.
- finance leases for fixed asset purchases.
- to fund assets with intergenerational qualities.
- general debt to help fund working capital.

When evaluating new borrowings (in relation to source, term, size, and pricing) the following factors will be considered:

- the size and the economic life of the project.
- earnings, if any, flowing from the project.
- the impact of the new debt on the borrowing limits
- relevant margins under each borrowing source.
- the overall cashflow requirements of the Council.
- the Council's overall debt maturity profile.
- prevailing interest rates and credit spreads relative to term for LGFA and capital markets sourced debt and bank borrowing and an assessment of future credit spreads and interest rate movements.
- available terms for LGFA, capital markets and bank debt.
- legal documentation and financial covenants.

4.1 Borrowing Authority

It is intended that all borrowings will be identified in the Long Term Plan ("LTP") or Annual Plan. The authority to carry out such borrowings may be exercised by any person with the delegated authority to do so.

Borrowings not in accordance with the LTP or Annual Plan must be authorised by resolution of the Council.

Borrowings raised on behalf of Council Controlled Organisations and for commercial activities will be assessed on the individual case basis. These borrowings must be authorised by the relevant Board (if applicable) and by the Council.

4.2 Borrowing Facilities

The Council may borrow from any New Zealand Registered Bank with a Standard and Poors short term rating of 'A-1' and a minimum long term rating of 'A'. There will be no limit set on the amount of funds which any of the authorised banks may lend the Council.

The Council may also authorise the issue of local authority bonds and debt sourced from the LGFA.

All borrowing facilities must be denominated in New Zealand dollars.

4.3 Borrowing Limits

The Council will adhere to the following limits (based on the Council's latest core financial statements):

- Net debt as a percentage of total revenue shall be less than 175%.
- Net interest as a percentage of total revenue shall be less than 10%.
- Net interest as a percentage of rates shall be less than 25%.

5. DEBT REPAYMENT POLICY

The Council's policy on debt repayment is to ensure that the Council is able to repay debt on maturity with minimum impact on the Council's operations.

Repayment of debt (interest and principal) is governed by the:

- Affordability of debt servicing costs.
- Sustainability of debt over the long term.
- Maintenance of prudent levels of debt at all times.
- Preservation of flexibility in borrowing capacity to deal with community and Infrastructural needs which will arise in the future.
- Intergenerational equity principles (past, present and future).

The application of surplus cash will have the following priority:

1. Repayment of debt
2. Priority projects
3. Investment

6. SECURITY POLICY

The Council policy on security is to ensure that the Council is able to provide suitable security to investors, whilst retaining maximum flexibility and control over assets.

The security for most of the Council's debt will be the ability to levy rates. The Council may offer assets or rates as security for its borrowing.

The Local Government Act requires this security to be registered under the Companies Act. This registration is available for public inspection.

7. INTEREST RATE EXPOSURE

7.1 Objectives

The key objectives of interest rate management are to:

- Prudently manage the Council's interest rate exposures.
- Maintain interest rate profiles as required by this policy.

7.2 Interest Rate Management

The Council's borrowing gives rise to direct exposure to interest rate movements. It is the responsibility of the Chief Financial Officer to implement an interest rate risk management strategy in accordance with the parameters detailed in this policy taking account of the following:

- Future debt requirements.
- Permissible Interest rate risk management products available to convert floating rate borrowing into fixed or hedged borrowing and fixed rate debt into a floating rate.

The following interest rate risk management and debt instruments may be used to comply with the Fixed Rate Hedging Percentages detailed in this section:

- Forward rate agreements.
- Spot and forward starting interest rate swaps.
- Swaptions.
- Interest rate options, including collar type structures but only in a ratio of 1:1.
- Fixed Rate Bonds.
- Fixed Rate Term Loans.

Selling interest rate options for the primary purpose of generating premium income is not permitted because of its speculative nature.

The use of futures contracts is not permitted.

Interest rate hedging transactions shall only be transacted with New Zealand registered banks which have S&P Global Rating equal or higher than A- or Moody's Investors Service or Fitch rating equivalents.

The interest rate exposures of the Council shall be managed according to the hedging parameters detailed in the following table:

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	50%	100%
2 – 4 years	25%	80%
4 – 10 years	0%	60%

The hedging parameters shall apply to the projected core debt of the Council. Core debt is defined as that contained in the Long Term Plan, Annual Plan or as otherwise determined by the Chief Financial Officer.

The hedging bands are cumulative, i.e. a 10 year swap falls within the 0-2 years, 2-4 years and 4-10 years bands, whereas a 5 year swap only falls within the 0-2 years and 2-4 years bands.

Fixed rate hedging in excess of 10 years is permissible provided that it is carried out in conjunction with, or aligns with, an underlying debt instrument

Any hedging arrangements outside of these parameters shall be approved by resolution of the Council.

Borrowing Mechanisms

It is the responsibility of the Chief Financial Officer to manage the Borrowing, Liquidity Risk Management and Funding Risk Management activities of the Council.

The Council may use the following external borrowing mechanisms.

- Bank sourced debt available under a committed facility.
- Commercial Paper.
- Floating Rate Notes
- Fixed Rate Bonds

8. LIQUIDITY

8.1 Objectives

The key Liquidity Management objectives are to:

- Manage short-term cash flows in an efficient and prudent manner.
- Maintain a level of liquidity sufficient to meet both planned and unforeseen cash requirements.
- Maintain accurate cash flow forecasts to increase efficiency in the Council's investment and borrowing decision making.

8.2 Liquidity and Funding Risk Management

The Chief Financial Officer is responsible for monitoring and managing liquidity by:

- Forecasting, monitoring and managing daily cash activities.
- Ensuring liquidity to meet unexpected cash expenditure or revenue shortfalls.
- Arranging debt facilities and/or maintaining financial assets which can be readily converted to cash within a suitable time period.
- Having in place contingency plans to meet worst case scenarios.

To manage liquidity and funding risk the following shall apply:

- To avoid a concentration of debt maturity dates the Council will, where practicable, aim to have no more than 50% of debt subject to refinancing in any rolling twelve month period.'
- the Council shall aim to maintain committed funding lines of not less than 110% of projected core debt' for the coming year. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

9 . CREDIT EXPOSURE

9.1 Objectives

The key credit management objectives are to:

- Prudently manage the Council's credit exposures.
- Only borrow, invest and otherwise transact with approved parties with pre-determined limits as permitted by this policy.

9.2 Credit Management

Prudent credit management can reduce the risk of loss due to a party failing to meet its obligations.

- The Council will only place investments with parties who have, at a minimum, a S&P Global Ratings ("S&P short term rating of 'A-1' and long term rating of 'A' rating or Moody's Investors Service or Fitch rating equivalents.
- Financial derivative contracts will only be held with registered banks with a minimum S&P, or other equivalent agency rating, short term rating of 'A-1' and long term rating of 'A' or Moody's Investors Service or Fitch rating equivalents.

10. OTHER LIABILITIES

10.1 Current Liabilities

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within the next twelve months. For day to day obligations for its operational and capital expenditure, the Council's policy is to pay such in full (or to the full extent of any contractual obligations) by due date. This eliminates any credit exposure or risk.

10.2 Contingent Liabilities

The Council does not provide financial guarantees. However, other contingent liabilities may arise due to legal processes. These will be reported to the Council as soon as they become apparent. Provision for the likely financial implications of these liabilities will be made in accordance with the Council's policy.

11. DELEGATIONS

The delegated authority in respect of Liability Management Policies is as follows:

Approvals required from the Council

- Adoption of policies
- Amendments to policies in the case of identification of any material error or proposed changes that are significant rather than of a technical or typographical nature.

Day to day management of the policy is delegated as per the Councils Delegation Register.

12. REVIEW

The Council will regularly review the LMP. The maximum time between reviews will be three years.

13. REPORTING

A quarterly report should be compiled which contains the following key details of the Council's debt and hedging profile.

- Total current debt.
- Interest rate hedging profile against percentage hedging limits (graphically illustrated).
- Details of all interest rate derivative transactions.
- Details of current funding tranches and maturity profile (graphically illustrated).
- Weighted average cost of funds.
- A statement of policy compliance.
- Details of any exception reports including remedial action taken or intended to be taken.

14. LOCAL GOVERNMENT FUNDING AGENCY

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- Subscribe for shares and uncalled capital in the LGFA; and
- Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

15. TREASURY ADVICE

The Council will retain the services of an independent treasury advisor to assist with the management of this policy.

REMISSION OF RATES

This policy is prepared pursuant to Section 109 of the Local Government Act 2002.

All land detailed in Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be treated as non-rateable.

A 50% remission of general rates will applied to all land qualifying under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002

In addition to these, the Gore District Council has remission policies for:

1. Community and Sporting organisations
2. Economic Development
3. Penalties
4. Mixed Residential/Commercial use properties where the owner/operator resides on the property

This policy will be reviewed at least every three years.

REMISSIONS FOR COMMUNITY AND SPORTING ORGANISATIONS

Objectives of the Policy

- To facilitate the ongoing provision of non-commercial (non-business) community services that meet the needs of Gore District residents.
- To facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for Gore District residents.
- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

The Council may remit rates where the applications meet the following criteria:

1. The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.
3. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
4. No remission of rates will be granted to organisations that receive a grant from the Council, nor will a remission be granted for premises that hold either a liquor or gambling licence.
5. The application for rate remission must be made to the Council prior to the commencement of each rating year; applications received and approved during a rating year will be applicable from the commencement of the following rating year. No approvals will be backdated.

6. Organisations making an application should include the following documents in support of their application:
 - a. Statement of objectives;
 - b. Full financial accounts;
 - c. Information on activities and programmes;
 - d. Details of membership or clients
7. Organisations that meet the criteria will be entitled to a 50% remission of all rates except for targeted rates for water, wastewater, and solid waste.

Notwithstanding the above, groups whose primary purpose is to provide recreational, sporting or community services for children (under 18 years) may apply for a 100% remission of all rates except for targeted rates for water, wastewater, and solid waste.

9. Gore and Districts Health will receive a 100% remission of rates on land that it owns or occupies and from which it provides health or related services. Any remission will apply to all rates except for targeted rates for water, wastewater, and solid waste.

ECONOMIC DEVELOPMENT RATING INCENTIVE

Objectives of the Policy

The Gore District Council offers a rate remission as an encouragement for business development and growth.

Conditions and Criteria

- The incentive will be made available, on application, for new business initiatives and for expansion of existing businesses that meet the following criteria.
- The Council must be sure that it is not providing an advantage to one business over another when there is competition between two or more business enterprises.
- Council support will only be given to well-planned developments from applicants who can show a good track record of success.
- No incentives will be given as a subsidy to 'stay alive.'
- Incentives will be relative to employment opportunity and the creation of full time positions or full time equivalent positions (fte). Each fte is required to have a value of \$10,000 or more and must be resident within the Gore District.
- The scale of incentives will be –
 - 10 ftes = reduction of 10.0%
 - 20 ftes = reduction of 10.0%
 - 50 ftes = reduction of 10.0%
 - 100 ftes = reduction of 20.0%
 - 150+ ftes = reduction of 25.0%
- The reductions will apply to all rates except for targeted rates for water, wastewater, and solid waste.
- Rates reductions will be paid retrospectively upon receipt of evidence that the employment opportunities have been created.
- The rate reductions will be available for up to three years
- All applications must comply with relevant legislation.
- The Council may apply additional conditions as it sees fit from time to time.
- The Council may cancel any remission granted in respect of the rating year in the event of non-compliance with any conditions imposed and if it does so, it may require full rates to be paid.

PENALTIES

Objective

- The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

Conditions and Criteria

The Council may remit the penalty rates where the applications meet the following criteria:

1. Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.
2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
3. Where the circumstances are such that to not remit some or all of the penalty would be unfair or unreasonable and inconsistent with the criteria above.
4. The Council may remit small balances due to cash rounding.
5. Decisions on remission of penalties will be delegated to officers as set out in the Council's delegation manual.

MIXED RESIDENTIAL/COMMERCIAL USE PROPERTIES WHERE THE OWNER/ OPERATOR RESIDES ON THE PROPERTY

Objective

- The objective of the remission policy is to address the inequitable circumstance whereby a live in operator of a mixed use property is charged two sets of fixed charges, and one residential parks & reserves rate and one commercial parks & reserves rate as the property is divided into two separately used or inhabited parts (residential and commercial).
- A mixed use property is defined as a property where there is a commercial activity operating from within the residential dwelling. For example, a diary or a hairdressing business operating from the residential dwelling.
- This policy recognises that both parts are occupied by the same person and no separate party benefits from services provided by the Council

Conditions and Criteria

1. A mixed use property where the owner/operator of the commercial activity resides on the property, it is entitled to a remission of:
 - a. The second: UAGC, Wheelie bin rate (only one set of bins provided), Water rate and Wastewater and Stormwater rate on that property. It will not apply to the additional water rate and additional wastewater and stormwater rate.
 - b. Half the residential parks and reserves rate and half of the commercial parks and reserves rate on that property (where the part of the property valued commercial is in the 2nd or 3rd highest differential category for the parks and reserves commercial rate).
2. The live in owner/operator must sign an annual declaration confirming that they live on the property. This must be received by the Council prior to the commencement of the rating year.

REMISSION OF UNIFORM ANNUAL GENERAL CHARGE AND SOUTHLAND REGIONAL HERITAGE TRUST RATES WHERE A PROPERTY EXTENDS INTO A NEIGHBOURING DISTRICT

Objective

- In the rare case where a property extends into the territory of a neighbouring council, that property qualifies as a rating unit in both territories. This means the property will be charged fixed rates such as a Uniform Annual General Charge by both Councils. In essence this means the property pays rates on the same land twice.
- The objective of this policy is to apply a remission so property owners in this situation are not disadvantaged.

Conditions and Criteria

The Council will remit the Uniform Annual General Charge and the Southland Regional Heritage trust Rate from land that extends into a neighbouring district and that meets the following criteria:

- The remission will apply where the portion of the land in the Gore District is not used separately from the rest of the land, and there are no dwellings on the portion of the land in the Gore District.
- Where a dwelling or separately used part of a rating unit exists in the Gore District, the remission will not apply.

RATING OF MĀORI FREEHOLD LAND

Māori Freehold land will be rated in accordance with Part 4 of the Local Government (Rating) Act 2002 and the Gore District Council's rates remission and postponement policies. The Council does not have a rates remission or rates postponement policy specific to Māori Freehold land.

SCHEDULE OF SPECIAL RESERVE FUND MOVEMENTS

		30 June 2020 \$'000s	Additions \$'000s	Withdrawals \$'000s	30 June 2031 \$'000s
(a) Special bequests					
A M A Dolamore	Maintenance and improvement of Dolamore Park	67	5	-	72
C A Coster	Provision or extension of amenities in Mataura area	100	8	-	108
Dolamore Trust	Purchase of Library Books	5	-	-	5
Dorothy Newman Trust	Maintenance and improvement of Gore Parks and Reserves	18	1	-	20
J H Dolamore	Maintenance and improvement of Gore Parks and Reserves	40	3	-	44
(a) Special bequests Total		231	18	-	249
(b) Council created reserves					
Airport reserve	funding future operations	13	-	-	13
Council wide asset replacement and maintenance reserves	Funding long term maintenance and replacement of Council assets	4,243	1,282	(5,371)	154
Creative New Zealand	Funding of cultural activities	2	-	-	2
Drainage contributions reserve	Funding additional connections to drainage network	62	-	-	62
Insurance excess reserve	Funding for self insurance of below ground assets	51	-	-	51
Mataura Initiatives Reserve	Funding future initiatives in Mataura	17	-	-	17
Otama Water Scheme	Funding capital works on Otama Water Scheme	404	-	(126)	278
Parks and Reserves development reserve	Funding future development requirements	51	-	-	51
Rural Halls Reserve	Funding future maintenance costs of rural halls	13	-	-	13
Rural Special Fund	Provision of amenities in rural areas of the District	512	-	-	512
Rural Roading reserve	Funding future roading works	(10)	10	-	-
Sister City reserve	Funding future Sister City initiatives	9	-	-	9
Website reserve	Funding future development of the Council website	38	-	(38)	-
Young Ambassador reserve	Funding future young ambassador initiatives	1	-	-	1
(b) Council created reserves Total		5,406	1,292	(5,535)	1,163
Grand Total		5,636	1,310	(5,535)	1,411

