



ANNUAL REPORT 2021/22

FOR THE YEAR ENDING 30 JUNE 2022

GO RURAL
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GORE DISTRICT COUNCIL DIRECTORY

Mayor

Tracy Hicks JP

Councillors

Cliff Bolger
Nicky Davis
Glenys Dickson
John Gardyne
Doug Grant JP
Bret Highsted
Neville Phillips
Bronwyn Reid
Nick Grant
Richard McPhail
Stewart MacDonell

The Mayor and Councillors were elected for a three year term from October 2019.

Chief Executive: Stephen Parry

Bankers: Westpac Limited,
Mersey Street, Gore

Auditors: Mike Hoshek of Deloitte Limited on behalf of the Auditor General

Solicitors: Bannerman Cruickshank Pryde
Fairfield Street, Gore

Postal Address: Gore District Council
PO Box 8, Gore 9740

Locations: 29 Bowler Avenue, Gore
1 Bridge Street, Mataura

STATEMENT OF COMPLIANCE AND RESPONSIBILITY

Compliance

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

Responsibility

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

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

In the opinion of the Council and management of the Gore District Council, the annual financial statements for the year ending 30 June 2022 fairly reflect the financial position and operations of the Gore District Council.



Ben Bell
MAYOR

14 February 2023

Date



Stephen Parry
CHIEF EXECUTIVE

14 February 2023

Date

MAYORAL AND EXECUTIVE FOREWORD

We are pleased to be able to provide a brief commentary on some of the more notable achievements and progress on the key projects that occurred during the 2021/22 financial year. Full commentary and disclosure of the Council's financial and non-financial performance in the year under review can be found in the following pages of this Annual Report.

Background

We are pleased to be able to provide a brief commentary on some of the more notable achievements and progress on the key projects that occurred during the 2021/22 financial year. The financial year under review represents the first year of the Council's 2021-2031 10-Year-Plan (10YP), also known as the Long-Term Plan. Full commentary and disclosure of the Council's financial and non-financial performance in the year under review can be found in this Annual Report.

Financial performance

Our financial statements record a surplus of \$2.445 million compared to a budgeted figure of \$4.485 million. Given the higher degree of cost uncertainty associated with Covid-19 and the prevailing economic climate, this result is considered to be satisfactory.

Total borrowing at year-end was \$35.5 million, which is \$5.216 million less than what was forecast. This difference is due to delays in executing some key projects, which are highlighted below.

Significant variances that occurred within certain activities are profiled on page 106 of this report. The reasons for these variances are provided within this section of the report.

Three Waters reform

In the foreword of the Annual Report for 2020/21, we mentioned the debate on Three Waters reform that had been raging within the Local Government sector and Central Government circles throughout the previous 12 months. Nothing much has changed in the ensuing 12-month period, with the proposed reforms galvanizing an increasingly sceptical public. This, in turn, generated a lot of debate at the recent local authority elections, and will no doubt feature prominently in the general election at the end of 2023.

In the meantime, we are dealing with a tsunami of information requests to assist the planning for the creation of four new water entities. Legislation to create the new entities is currently working its way through the parliamentary process.

We have been steadfast in our belief that whilst reform of the Three Waters sector is necessary, we do not believe the model promulgated by the Government is fit for purpose. In a submission to the Government, we advocated for a funding model akin to what occurs with roading and Waka Kotahi. We believe this model would be far more suitable and far less disruptive to resolve what is essentially a funding deficit within Three Waters.

Needless to say, should the reform process proceed as mooted by the current government, the impact on the Gore District Council will be profound.

Bridge over troubled water

In the previous Annual Report, we reported the Council had secured a resource consent by independent commissions to construct a new bridge over the Mataura River to provide both a means of conveying water from the upgraded East Gore Water Treatment Plant and walking and cycling opportunities for the public. At that time, it was noted an appeal had been lodged against this decision to the Environment Court. The appeal was upheld by the Environment Court, and therefore a resource consent to construct the bridge as proposed was not granted.

We were obviously disappointed with this decision, as it has meant we could not realise our plans to centralise water treatment for Gore. During the year under review, the Council completed the installation and commissioning of the new membrane plant at East Gore.

However, until such time as two new pipelines can be installed across the Mataura River, approximately one-third of the Gore residents will not receive water that meets national drinking water standards.

We acknowledge we could have done better in talking to our community about this project. Therefore, community engagement on options to get the pipelines across the Mataura River to the Jacobstown Well will be undertaken this year. The Council is acutely aware that with Three Waters reform and the need to have treated water in Gore that is fully compliant with the New Zealand Drinking Water Standards, time is of the essence.

Three Waters incentive funding

It is pleasing to report the Council completed the key projects contained within the Three Waters incentive funding provided by the Government. This incentive funding, totalling \$2.575 million, enabled the Council to complete the installation of new wastewater and water mains in Wigan Street, as well as CCTV analysis of approximately 25% of our wastewater network.

The wastewater trunk main in Wigan Street was in a seriously advanced state of disrepair due to having reached the end of its economic life. Therefore, it is heartening to be able to use the funding to future-proof this important segment of the network. The CCTV data will assist us in being able to make informed decisions about where it is best placed to spend its limited funds on wastewater network improvements.

New library and community rooms

As reported last year, the Council let a contract for the development of a new Library and community centre toward the end of 2021. The project was made possible via a grant of \$3 million from the Government's Shovel Ready Fund. This exciting project was well advanced by the time of writing this foreword, with an official

opening planned for late March 2023. The new facility will be known as the James Cumming Community Centre and Library, replete with Māori cultural artwork commissioned in close collaboration with Hokonui Rūnanga.

It is pleasing to be able to report that while there have been some delays in completing the project due to supply chain issues emanating from Covid-19, the project has been able to be completed within budget, despite the high inflationary environment throughout the construction period. The expected final cost is \$7.76 million.

Matai Ridge residential subdivision

Regular readers may recall we abandoned plans to develop a residential subdivision in East Gore known as Matai Ridge. The decision to abandon the project at the end of 2016 related to the economics of the project when development costs were placed alongside expected section values. However, the explosion in land values and house prices post the Covid-19 shutdown in 2020 and the consequential shortages experienced in housing stock, prompted a rethink.

Following a period of careful reflection and analysis, we decided to enter into a joint operation agreement with the Kingston Lifestyle Family Trust, which is the owner of Wilson's Contracting Ltd. The joint operation partner had tendered for the project on two separate occasions, only for the Council to opt to not proceed with the development by itself.

The joint operation agreement was entered into in December 2021, with section sales in the 36-lot development being promoted shortly afterward. The reaction from the public was very pleasing, with all except five of the sections conditionally sold by the end of January 2022. This gave the joint operation a significant degree of confidence about the financial prospects of the development.

AUDIT REPORT

Deloitte.

TO THE READERS OF GORE DISTRICT COUNCIL'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

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

We are also required to report on:

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

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

Our audit was completed late

Our audit was completed on 14 February 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by the Local Government Act 2002. This was due to the auditor shortage in New Zealand.

Opinion on the audited information

In our opinion:

- the financial statements on pages 68 to 107:
 - present fairly, in all material respects:
 - the District Council's financial position as at 30 June 2022;
 - the results of its operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Reporting Standards;
- the funding impact statement on page 71, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Annual Plan;
- the Statement of Service Performance on pages 29 to 67:
 - presents fairly, in all material respects, the District Council's levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved.

Pleasing progress has been made with the physical construction of the new subdivision, with titles expected to be issued in March 2023.

The joint operation development sees a complimentary mix of skills whereby we provide the land, the resource consent, the detailed engineering design, and its marketing collateral with the Kingston Lifestyle Family Trust by virtue of its ownership of Wilson's Contracting Ltd, providing civil engineering construction and project management expertise.

The new subdivision will provide meaningful relief for a shortage of both sections and modern housing options that are currently constraining the growth of Gore.

District plan review

A Council-appointed District Plan review subcommittee diligently worked throughout the year to advance a comprehensive review of the District Plan. Utilising the expertise of the Council's planning consultants, The Property Group, the subcommittee wrestled with a number of big and contentious issues.

At the time of writing, the Draft District Plan had been released for public feedback. After considering feedback received from the public, formal notification of the Proposed District Plan is expected toward the end of the 2022/23 financial year. The review is a significant undertaking and will ultimately replace a plan that was made operative in 2006.

Managing and Living with Covid

No commentary on the performance of Council operations would be complete without reference to managing and living with the threat of Covid-19. Towards the end of 2021, after a relatively benign period without Covid-19, the Omicron variant started to make its presence felt within the community. This highly infectious variant caused consternation and differing policy settings amongst private and public organisations.

In our case, a senior management Covid-19 advisory group was formed to advise the Chief Executive on the appropriateness of measures to be undertaken to be able to manage Covid-19 in Council premises.

This resulted in the Council resisting the popular urge to place compulsion on all staff to be vaccinated or visitors to Council facilities and premises to hold a similar status. The Council, through careful risk management, opted not to exclude anyone.

Instead, we wanted to ensure any visitors wore a mask, scanned in, and socially distanced to protect both themselves and others. As a consequence, the Council received far less public agitation than other communities where a more strident approach to mandating vaccination was utilised.

This was a difficult period of time in which we had to critically assess the long-term risks but also resist the urge to capitulate to popular short-term measures that could prove corrosive for both community and organisational unity.



Ben Bell
MAYOR



Stephen Parry
CHIEF EXECUTIVE

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 33 to 67, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 33 to 67, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 13 to 20, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Emphasis of Matter – Three Waters reform

Without further modifying our opinion, we draw attention to note 28 on page 100, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 12 December 2022. The impact of these reforms will mean that the District Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

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

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

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

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

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

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 4 to 8 21 to 28 and 108 to 109, but does not include the audited information and the disclosure requirements, and our auditor's report there on.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition to our audit and our report on the disclosure requirements, we have carried out engagement in the areas of Debenture Trust Deed Reporting and Registry Audit, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.

Independence

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

In addition to our audit and our report on the disclosure requirements, we have carried out engagement in the area of Debenture Trust Deed Reporting, which are compatible with those independence requirements. Other than these engagements, we have no relationship with or interests in the District Council.



Mike Hoshek
 Deloitte Limited
 On behalf of the Auditor-General
 Christchurch, New Zealand
 14 February 2023

ANNUAL REPORT DISCLOSURE STATEMENT FOR YEAR ENDING 30 JUNE 2022

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

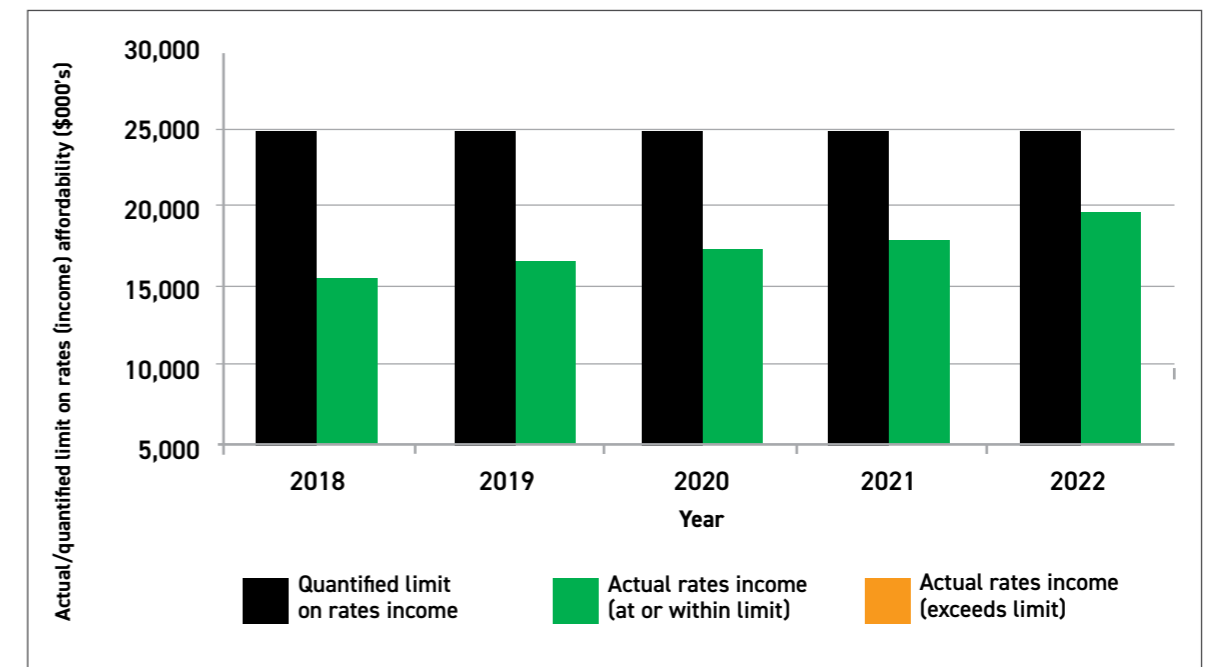
Rates affordability benchmark

The Council meets the rates affordability benchmark if -

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

Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's 10-Year-Plan.



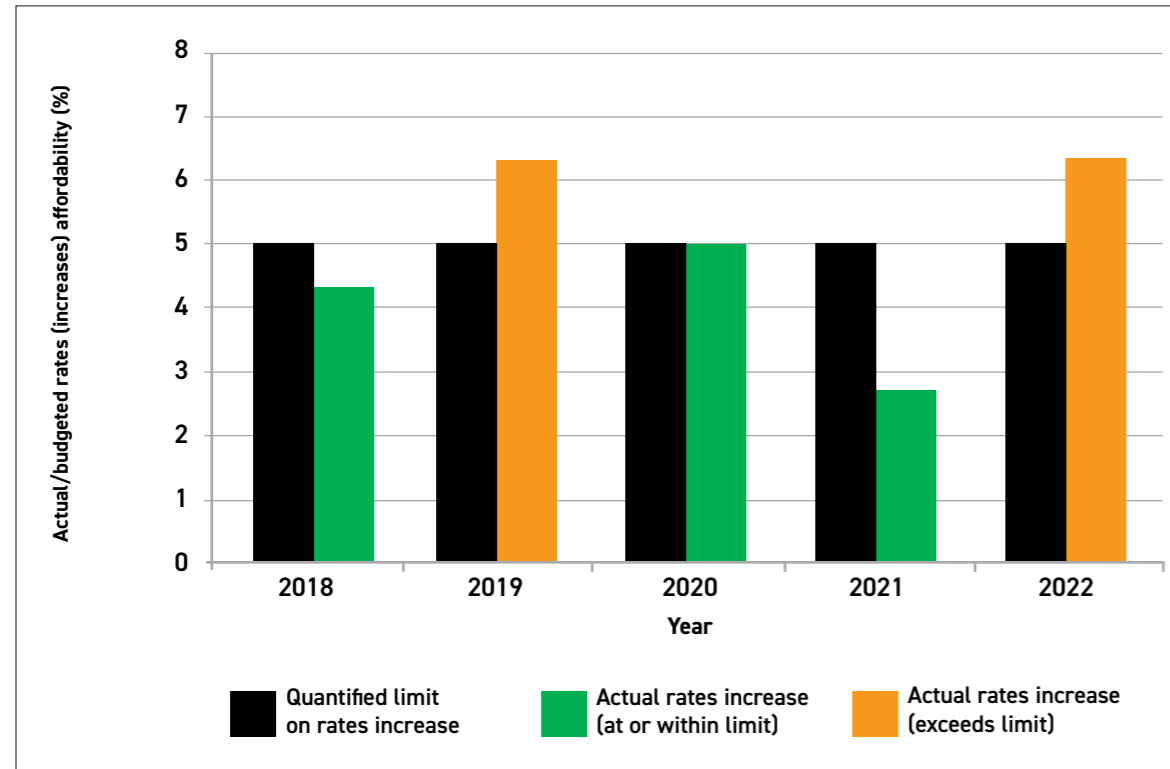
Comment

The Council set a limit of \$25million for this benchmark as part of the 2018-2028 and 2021-2031 10-Year-Plans. The Council met this benchmark in the 2022 year.



Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases, included in the financial strategy in the Council's 10-Year-Plans. The quantified limit is 5%.



Comment

The 6.42% rates increase in the 2021/2022 (year one of the 2021-31 10-Year-Plan) was a result of deferred expenditure from 2020/2021 that could not continue to be deferred. The increase in capital projects and resulting increase in borrowing and finance costs also contributed to the increase.

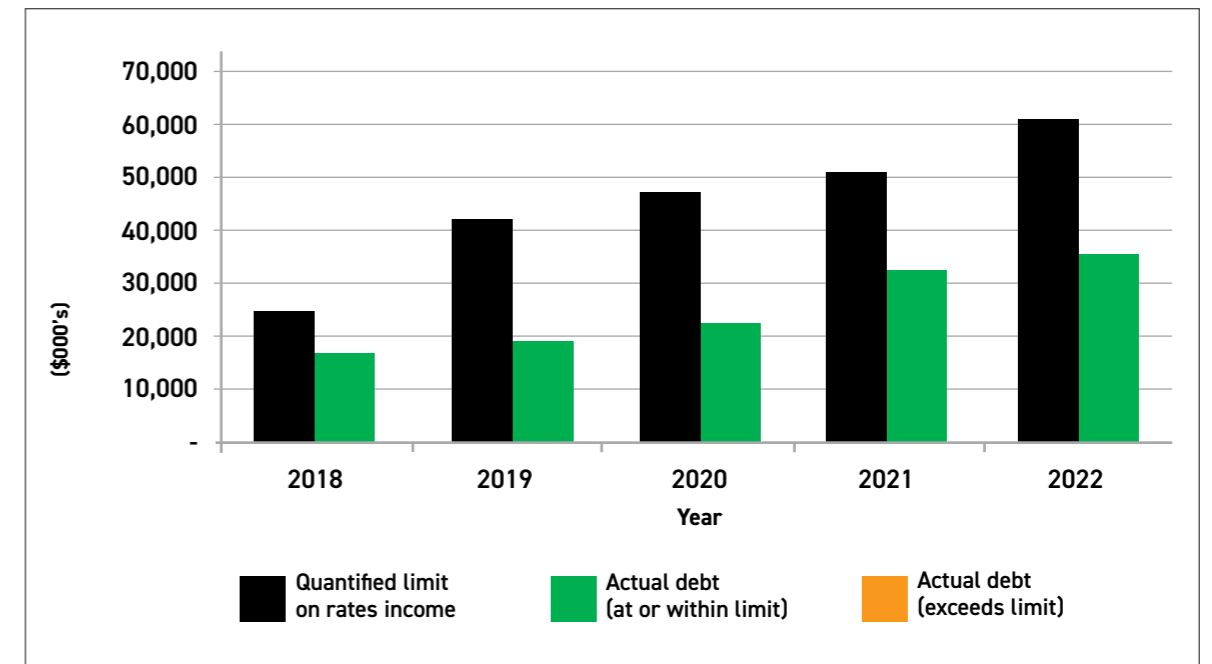
In 2021 the Council achieved this benchmark as the Council planned for a 2.84% increase in the 2020/2021 Annual Plan. This was significantly lower than the 4.53% that was forecasted in the 2018-2028 10-Year-Plan. The reason for this variance was that Council made a concerted effort to reduce the rates in the 2020/2021 year because of the impact of COVID-19 on the community.

In 2019 the Council did not achieve this benchmark as the Council planned for a 6.5% increase. The increase was to fund interest costs on loans separately from funds collected for depreciation and was part of the Council's financial strategy to balance its budget and make more funds available for investment in infrastructure.

Debt affordability benchmark

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

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's 10-Year-Plan. The quantified limit is that net debt shall be less than 175% of revenue.



Note concerning the graph

The Council has expressed its limit on debt in different ways in the last two 10-Year-Plans. So that the measures can be compared, each measure has been converted into the total maximum borrowing amount in dollars for that year.

For the 2018 the measure was \$4,200 of debt per rating unit (\$24.85 million). For the 2018-2028 and 2021-2031 10-Year-Plans, the Council adopted the Local Government Funding Agency's limit on debt as its own debt limit. This means the Council's net debt is limited to 175% of its income, which is approximately \$60.8 million.

Comment

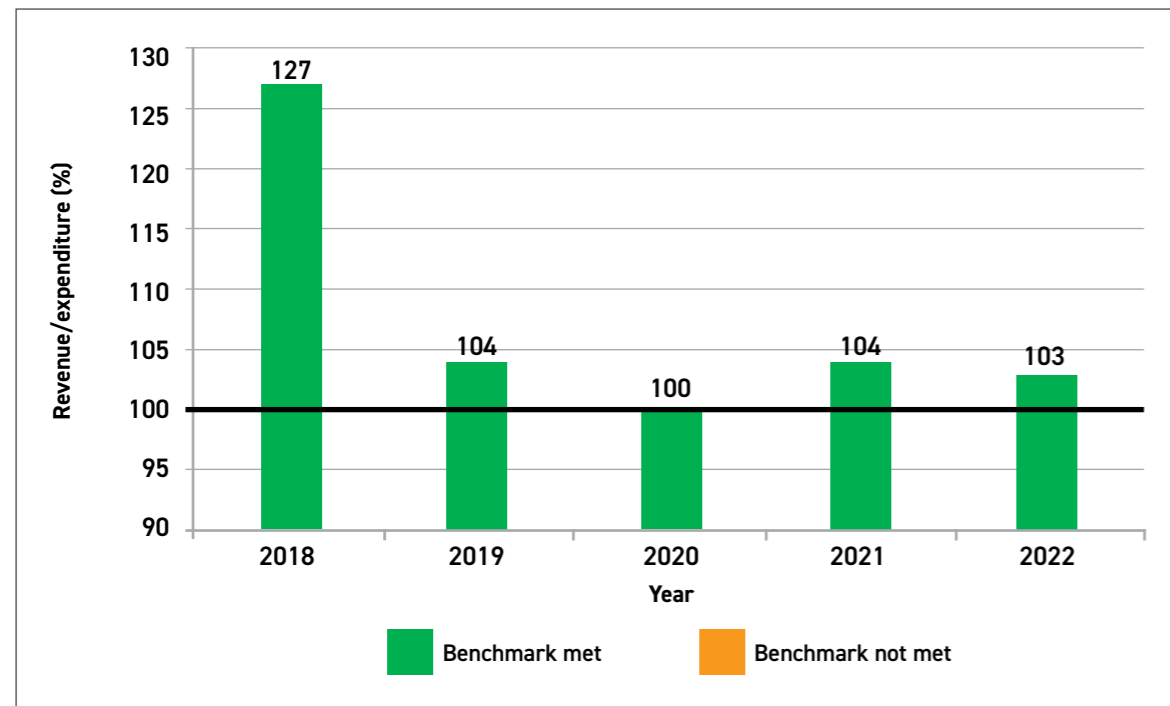
The Council has met this measure in all five years, and debt continues to remain well inside its quantified limit on borrowing.



Balanced budget benchmark

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

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



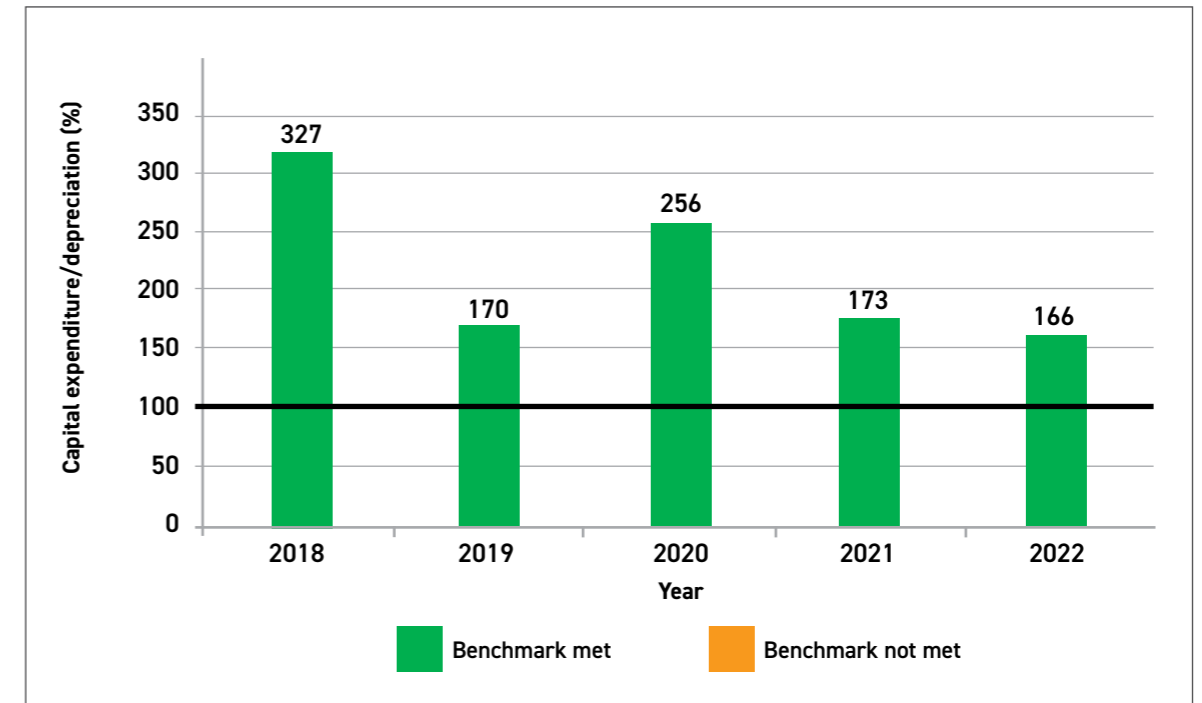
Comment

The Council met this benchmark in 2022. The Council's financial strategy in both the 2018-2028 10-Year-Plan and 2021-2031 10-Year-Plan focused on returning to balanced budgets by the 2018 financial year. This was achieved by changing the way the Council funded the interest costs on its borrowing. The 2019 year was the first year where interest costs will be funded directly by rates rather than by depreciation.

Essential services benchmark

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

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



Comment

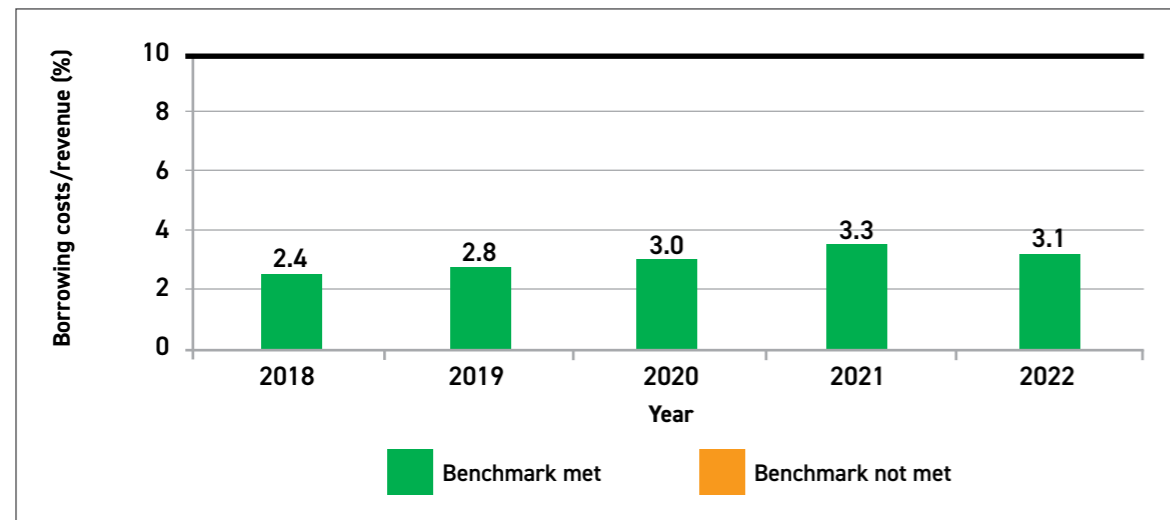
The 2021-2031 10-Year-Plan outlines a significant capital programme, focused heavily on 3 Waters infrastructure. In 2022, there were a number of projects that have been started and are in progress, including the stormwater and wastewater separation project and the water treatment plant upgrades in both Gore and Mataura.



Debt servicing benchmark

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

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



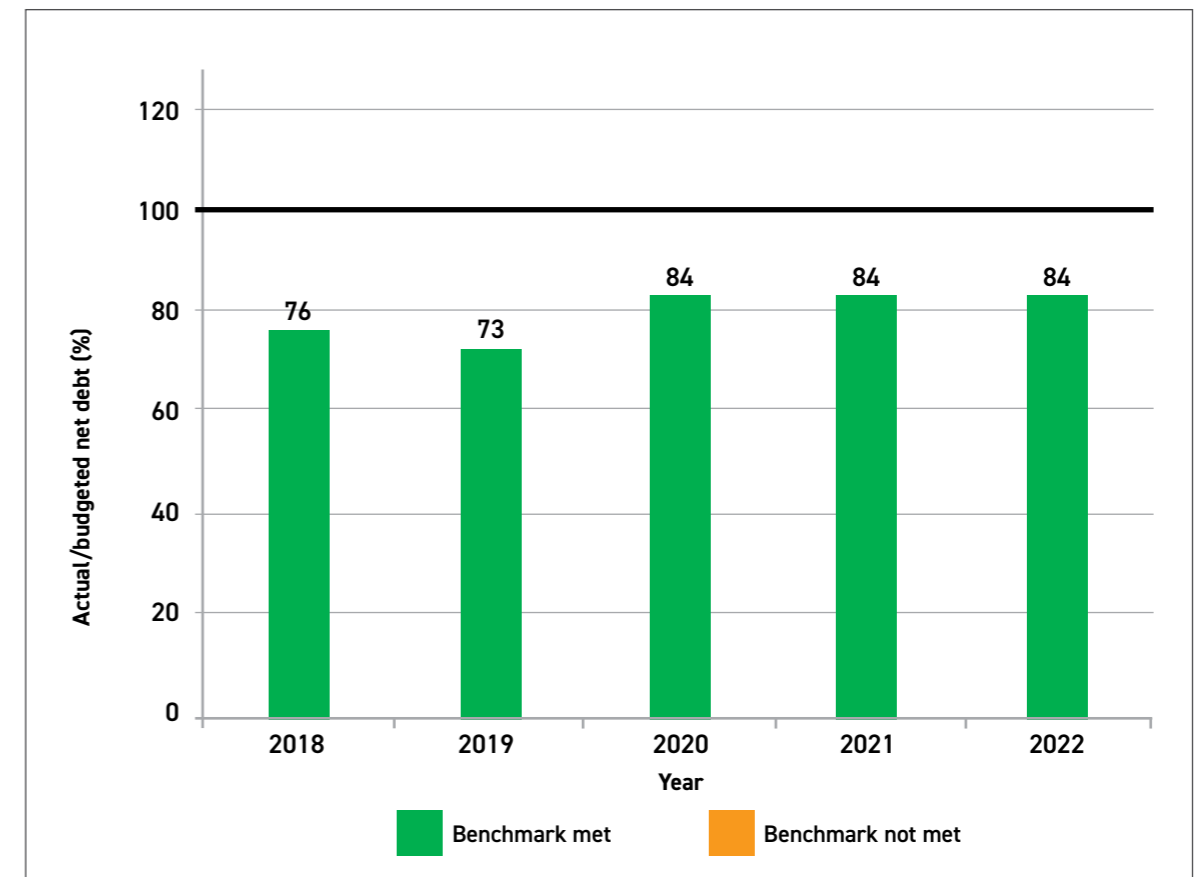
Comment

The Council met this benchmark in 2022. The Council's debt servicing (interest cost) remains low due to some fixed rates on borrowings being locked in at a relatively low interest rate. The total debt is not as great as the forecasted debt with delays in a number of infrastructure projects, such as the bridge across the Mataura river.

Debt control benchmark

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

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



Comment

The Council met this benchmark in 2022. Delays to capital projects such as the new bridge across the Mataura River and stormwater and wastewater separation projects, meant the Council did not borrow as much as it planned.

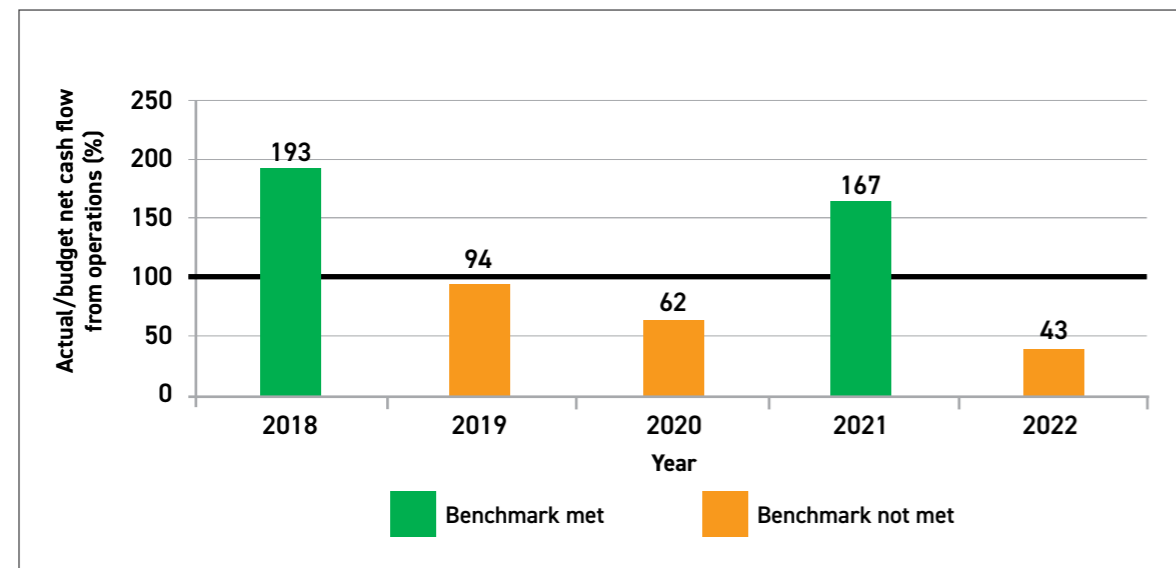


COLLABORATION ACROSS COUNCILS - SHARED SERVICES

Operations control benchmark

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

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



Comment

The Council has not met this benchmark in 2022, largely due to the mismatch in timing of grants income from central government being received in 2021 and the majority of the expenditure occurring in the 2022 financial year. This has caused the cashflow in 2021 to appear favourable and 2022 unfavourable. These specific grants included:

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

The main reason for the 2020 benchmark not being met was due to lower than expected income received from the aquatic centre, MLT events centre, parking and solid waste. The lower income was attributable to facilities and activities being closed or having reduced levels of service through the various COVID-19 alert levels.

The benchmark was not met in 2019 due to a lack of sales revenue from the Matai Ridge subdivision, which was placed on permanent hold during the year.



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

The following are examples of some of those collaborations.

Building Control

Four southern territorial authorities including Southland District Council, Invercargill City Council, Gore District Council and Clutha District Council continue to work closely together on building control matters under the Southern Shared Services Group in terms of both information sharing and staff exchanges to support each other at busy times.

Eleven building control authorities (BCAs), Southland District Council, Invercargill City Council, Gore District Council, Clutha District Council, Dunedin City Council, Central Otago District Council, Mackenzie District Council, Queenstown Lakes District Council, Timaru District Council, Waimate District Council and Waitaki District Council, meet regularly both as a BCA managers' group and a quality assurance leaders group under the Southern Building Controls Group. They have developed a collaborative environment for consistency in processes as well as shared regulation forms and continuous improvement ideas.

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

Emergency Management

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

During the 2021/22 year, the EMS team was deployed on two separate occasions to assist Westport during

two weather related declarations, providing Westport with much needed staff and EMS staff with invaluable experience. EMS was also involved in coordinating the response to water shortage situation in autumn 2022 at the request of the Mayoral Forum.

Information Technology

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

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

Shared Services initiatives during the past year included:

- Datto technology was chosen as the backup and recovery solution with a cloud-first approach being utilised that is scalable in the event of a disaster, and this project was a finalist in the Association of Local Government Information Management (ALGIM) Information, Communication and Technology Project of the Year Award.
- Significant progress was made on the Provincial Growth Fund Regional LiDAR Project. As at 30 June 2022, the total area captured by the contractor, Aerial Services Limited, for Murihiku Southland was 74%. Once captured the data is sent offshore for processing and then comes back to Environment Southland for quality assurance checking. The first set of high-resolution 3D mapping data for the Oban area of Rakiura Stewart Island was released publicly and can be accessed via the LINZ Data Service www.data.linz.govt.nz. The rest of Southland will be released as it becomes available.

- Member councils supported each other during periods of remote working due to Covid to ensure high availability of networks and services to enable staff members to work effectively from remote locations.
- Work on a cyber security programme was advanced, including security awareness training, penetration testing and incident response plans to ensure the right technologies, education, and resources are in place.

Te Rōpu Taiao

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

The Councils continued to fund and support Te Ao Mārama Inc during the 2021/22 year. The four papatipu rūnanga and the participant councils also continued to meet through Te Rōpu Taiao hui, which allow for exchange of information and identification of opportunities to work together.

SouthLib Library Consortium

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

The SouthLib Consortium provides free reciprocal membership of any public library in the Otago and Southland regions to permanent residents living anywhere in the regions. This means that the more than 300,000 people living in Otago and Southland have free access to 35 public library branches, three book buses and a collection of more than 1.5 million items.

The consortium came together to share a range of services which originally included the Symphony Library Management system, which allowed access to the complete catalogues of Dunedin, Invercargill, Queenstown Lakes, Central Otago and Southland District Libraries for all residents. Differing demands by various councils saw a very amiable split from this in 2016/2017 although most consortium members still use the Symphony management system. Dunedin City, Central Otago, Queenstown Lakes Districts and

Southland District have joined the national consortium, Kōtui, which provides enhanced support, searching and ongoing enhancements.

A range of other opportunities are also being explored between the districts and these include integrated holiday and reading programmes, requests and holds able to be placed across boundaries and the possibility of staff exchanges.

Purchase of large print, audio, e-book and e-audio collections have long been shared by the consortium and these collections are exchanged, or made available, to all members. Authors visits are co-ordinated to minimise costs/travel and accommodation.

Regional Development

The Southland Regional Development Strategy (SoRDS) was published by the Mayoral Forum in 2015. The main goal of the Strategy was to increase the Southland population by 10,000 more people by 2025, through creating more jobs and taking up more development opportunities. Modelling shows Southland is on track to achieve this population target. In addition, many of the actions identified within the strategy are either already complete or underway.

During the 2021/22 year, Great South (the Southland Regional Development Agency), was successful in gaining Just Transition funding to undertake long-term planning including a review of the Southland Regional Development Strategy. This work, known as "Beyond 2025 Southland", has 16 workstreams within five areas of focus that build on the previous work of the Southland Regional Development Strategy (SoRDs).

The process to develop the Beyond 2025 Southland Plan will take 18 months and requires a multi-stakeholder partnership with councils, mana whenua, the business sector, local communities, other key stakeholders and central government. Further information can be sourced from www.beyond2025southland.nz.

Regional Planning

The membership and terms of reference for the Regional Planning Managers Group (comprising staff from Environment Southland, Invercargill City Council, Southland District Council and Gore District Council) were reviewed and expanded during the year to enable an improved response to impending legislative changes. The membership of the group now includes the Regional Strategy Managers, Te Ao Mārama Inc and Great South.

Regional hui with elected members during the year included a session in November 2021 on the consultation document on New Zealand's first Emissions Reduction Plan, Resource Management Reform and the Review of Local Government. A Climate Change hui was to have also been held during the 2021/22 year but was moved to 4 July 2022 due to Covid.

Joint submissions included responses to the consultation documents on the Emissions Reduction Plan and National Adaption Plan, along with the exposure draft of the National Policy Statement for Indigenous Biodiversity and discussion document on proposals to prevent exotic forests from registering in the permanent forest category of Emissions Trading Scheme (ETS).

A coordinated approach to regional spatial planning in the region was also scoped.

FUTURE CHALLENGES

Resource Management, Three Waters and Local Government Reform	Adapting to impacts of climate change	The proposed closure of Tiwai Aluminium Smelter	Freshwater and estuary health and implementation of Te Mana o te Wai
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INVOLVING MAORI 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 Taurira – 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

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

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

In a similar partnership vein, Hokonui Runanga was also represented on a Council subcommittee comprising of elected members and officers charged with identifying suitable projects to be eligible for the Government's Three Waters Better Off Funding Scheme. This subcommittee was established towards the end of the year under review and again demonstrates an emerging partnership in important decisions with Hokonui Runanga. The subcommittee is due to report its project recommendations to the Council on 6 October 2022.

For the past year, Hokonui Runanga has worked in close partnership with the Gore District Plan Subcommittee to methodically work through a range of policy issues in preparation for notification of a review of the Gore District Plan. A good level of collaboration and respect has been evident in the sterling work performed by the subcommittee, with the Mana whenua chapter of the proposed District Plan being written by Hokonui Runanga representatives. Once again, this is evident of the Charter of Understanding in operation. Moving forward, it is anticipated that development in respect of cultural competency will be advanced with the new Council following the 2022 Local Authority Elections.

GORE DISTRICT COUNCIL COMMUNITY OUTCOMES

Detailed below are the six identified Council community outcomes, which are a cornerstone of the development of the 10-Year-Plan and Annual Report. Progress towards the attainment of these outcomes is reported to Council via its standing Committees, which meet quarterly, and via two bulletins, which managers contribute to. These progress reports culminate in the annual report where a twelve-month review of what has been achieved is given.

OUTCOME 1

We value our history and heritage

Objectives

- To ensure that early life in the District is captured via writings, artefacts and attractive exhibitions in order that greater awareness and appreciation of our heritage and history is cultivated.
- 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.
- 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

- 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.
- To foster interest and participation in the performing arts by the provision of advice, staff support and funding of key areas such as fashion, music and drama.

OUTCOME 3

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

Objectives

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

OUTCOME 4

We have a quality infrastructure with potential for growth

Objectives

- To ensure Activity Management Plans are accurate, updated regularly and factor in anticipated growth in the foreseeable future.
- To ensure the Council makes optimum use of existing infrastructure and sets out the location and investment required for new infrastructure to accommodate anticipated demand.
- 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

- Where appropriate, consider grants to organisations in order to build community capacity and cohesion and promote social and cultural wellbeing.
- To maintain an active community development programme which harnesses and empowers volunteer effort in social well-being and fosters a sense of inclusion amongst marginalised groups.
- 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

- To provide and maintain to high standard parks, reserves and gardens which both beautify the environment and provide a respite from built infrastructure.
- 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.
- To maintain a regulatory culture that places emphasis on education, empowerment and collaboration over-rigid application of rules and implementation of sanctions.

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

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

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

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

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

GROUPS OF ACTIVITIES

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

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

WATER SUPPLY

Activities

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

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

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

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

The Council's asset network includes:

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

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

Rationale

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

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

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

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 for Council services
- Build stronger relationships with Iwi.

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

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



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

- Upgrading of water treatment plants to ensure they met the requirements of the Drinking Water Standards for New Zealand
- Adequate monitoring to demonstrate compliance requirements of the newly created water regulator Taumata Arowai
- Development of robust water renewal plans and replacement of critical trunk mains before they reach the end of their useful lives to maintain service delivery
- Optimising the use of the 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
- Improvements in the accuracy of its asset data ensuring long-term sustainable decisions can be made for the activity.

Significant negative effects

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

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

Key points from the 2022 year and the year ahead

Over the past two years, the Government has been working with Councils on the future of 3 Waters service delivery across the country. This work has shown the 3 Waters Service delivery model, as it currently stands, will not be able to sustainably meet the future legislative requirements and customer expectations in the medium to long term and substantial change is required. As a result of this work in late 2021, the Government mandated reform of the 3 Waters Service delivery. On 1 July 2024, it is planned that the delivery of 3 Waters Services will be transferred from the 67 local authorities to four specifically established entities. The delivery of 3 Waters Services for the Gore District will be provided by "Entity D" which encompasses the entire South Island except for the Marlborough and Tasman areas.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 12 December 2022. The impact of these reforms will mean that the Gore District Council will no longer deliver three waters services or own the assets required to deliver these services. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

Construction of a new membrane treatment plant at the East Gore Water Treatment Plant site has now been completed. As a result of this approximately 65 % of the Gore Water Supply is now being treated in accordance with the New Zealand Drinking Water Standards. Unfortunately, in March 2022, the Environment Court upheld an appeal against the Council's resource consent to construct a bridge that would support two pipelines across the Mataura River. Until a new connection is installed across the Mataura River, the remaining approximately 35 % of the Gore Water Supply will not meet the requirements of the New Zealand Drinking Water Standards. The Council are currently considering alternative options to install the necessary pipelines across the Mataura River with the aim of completing this prior to 1 July 2024.

The Environment Court decision has also meant the planned replacement of the Hilbre Avenue Reservoir has been delayed. Preliminary design work for the reservoir replacement has now been completed. This work identified the need to demolish the existing Hilbre Avenue Water Tower. The demolition of the tower is expected to be completed over the next 12 months.

Design and procurement for a major upgrade of the Mataura Water Treatment Plant has now been completed. Construction works for this project are expected to commence in late October 2022 and be completed in the second half of 2023.

Over the past 12 months the Council has also completed two major water reticulation renewals projects in the Gore network. This consisted of the replacement of approximately 1000 m of DN150 watermain along Wigan Street and a further 680 m of DN150 watermain along Elizabeth and St Andrews Street.

In 2018 a local member's bill was passed by Parliament allowing ownership of the Otama Rural Waters Scheme to be transferred to a new company with directors appointed by the scheme consumers. Following on from this, a referendum which confirmed the scheme user's preference to transfer the ownership of the scheme into a private entity was held in late 2021. As a result of this, the ownership of the scheme was transferred to the Otama Rural Water Company on 1 July 2022.



STATEMENT OF SERVICE PERFORMANCE - WATER

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
We have a quality infrastructure with potential for growth.	A potable water supply is provided in urban areas.	Compliance with the bacterial criteria of the NZDWS: (NFPM 1a) Gore Mataura WTP	100% Achieved 100% Achieved	100% 100%	Based on WSP Compliance assessment due to MOH/ Taumata Arowai not completing an audit. Target not achieved. Distribution Zone Bacterial Compliance = Yes Plant Bacterial Compliance = No (92%) refer comment below Target not achieved. Distribution Zone Bacterial Compliance = Yes Plant Bacterial Compliance = No (92%) refer comment below Compliance at treatment plants not achieved due to one instance where samples were not collected by the lab – compliance period calculated on a monthly basis in accordance with the Taumata Arowai 2022 Quality Assurance Rules.
		Compliance with the protozoa criteria of the NZDWS: (NFPM 1b) Gore – East Gore Gore - Hilbre Mataura	0% Achieved 0% Achieved 0% Achieved	0% 0% 0%	Note – Two of the Council's treatment plants do not meet protozoa compliance. As a result of this, upgrades are planned to achieve compliance by the following dates Upgrade completed May 2022 Proposed upgrades are currently delayed due to the resource consent obtained for this being appealed in the Environment Court. At this stage, the estimated completion date is late 2023 but this is subject to change Upgrade expected to be completed by June 2023
		Water quality complaints received (per 1,000 connections) (NFPM 4)	8 Achieved	8	7.8 complaints per 1000 connections (39 total) – Target achieved
	Reliable service and effective response to queries	Real water losses from the reticulation network (NFPM 2)	30% Not Achieved	40%	46% – Target not achieved. Based on average daily consumption of 250L/p/day (Refer to 6.3.5.6 of NZS4404:2010)
		Response to an urgent customer request (Urban, no water) (NFPM 3a)	60 min Achieved	60 min	15 mins – Target achieved



STATEMENT OF SERVICE PERFORMANCE - WATER continued

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
		Resolution of an urgent customer request. (Urban, no water) (NFPM 3b)	8 working hours Not Achieved	8 working hours	0.9 hours (median-value used) – Target achieved
		Response to a non-urgent customer request (NFPM 3c)	5 days Achieved	5 days	<1 day – Target Achieved
		Resolution of a non-urgent customer request (NFPM 3d)	14 days Achieved	14 days	<1 day – Target Achieved
		Average consumption of drinking water (NFPM 5)	500 L/p/day Achieved	450 L/p/day	489 L/p/day – Target Not Achieved



GORE DISTRICT COUNCIL FUNDING IMPACT STATEMENT - WATER

For the Financial Year Ended 30 June 2022

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$000	LTP 2021-22 \$000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,100	2,498	2,265
Subsidies and grants for operating purposes	-	-	-
Fees and charges	341	119	432
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total Operating Funding (A)	2,441	2,617	2,697
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	877	907	907
Finance costs	346	445	233
Internal charges and overheads	628	712	740
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,851	2,064	1,880
Surplus (deficit) of operating funding (A - B)	590	553	817
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	2,221
Development and financial contributions	-	-	-
Increase/(decrease) in debt	2,532	3,514	(23)
Gross proceeds from the sale of assets	-	-	(98)
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	2,532	3,514	2,100
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	2,596	2,537	2,076
- to replace existing assets	499	1,890	1,022
Increase/(decrease) in reserves	27	(360)	(181)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	3,122	4,067	2,917
Surplus / (deficit) of capital funding	(590)	(553)	(817)
Funding balance	-	-	-



WASTEWATER

Activities

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

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

The Council's asset network includes:

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

Rationale

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

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

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

This requirement permits the Council to make bylaws for the protection of public health and requires the

Council to present reports from time to time to provide the Medical Officer of Health with an understanding of diseases, drinking water and sanitary conditions within the District. Therefore, the reasons that the Council continues to provide wastewater services include:

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

The Council's objectives for the community under this 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 this group of activities contributes are:

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

Outcome 6: We value and respect our environment.

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

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



Significant negative effects

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

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

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

Key points from the 2022 year and the year ahead

Over the past two years, the Government has been working with Councils on the future of 3 Waters service delivery across the country. This work has shown the 3 Waters Service delivery model, as it currently stands, will not be able to sustainably meet the future legislative requirements and customer expectations in the medium to long term and substantial change is required. As a result of this work in late 2021 the Government mandated reform of the 3 Waters Service delivery. On 1 July 2024 it is planned that the delivery of 3 Waters Services will be transferred from the 67 local authorities to four specifically established entities. The delivery of 3 Waters Services for the Gore District will be provided by "Entity D" which encompasses the entire South Island except for the Marlborough and Tasman areas.

In January 2021 the Council submitted a consent application to renew its wastewater discharge consents for the Gore and Mataura wastewater treatment plants. As part of the Council's application, it was proposed to invest between \$48 and \$63 million over the next 30 years replacing the Gore Oxidation Pond treatment system with a Biological Nutrient Removal Plant and expanding the existing wetland system at the Mataura Wastewater Treatment Plant. Through the development of the Council's consent application, attempts to ensure consultation with the Hokonui Rūnanga were made.

However, for a variety of reasons this consultation process was not able to be as robust as both parties would have liked. Due to this, a technical working group was established to investigate land disposal options. Environment Southland has agreed to put the processing of the Council's consent application on hold until the outcome of the consultation with Hokonui Rūnanga is known. Over the past 12 months the technical working group have agreed on a decision-making framework and identified a long list of disposal options to be investigated. This investigation work is now being progressed with the aim of identifying a preferred solution by late 2023.

The replacement of 800m of the DN1000 major trunk wastewater main along Wigan Street was completed in March 2022. Design works to replace a further 290 m of this pipeline is now underway with construction works expected to start in the first half of 2023. This next section of pipeline to be replaced is expected to be quite complicated as it passes through private property, the Rail Corridor, the State Highway and the Ardwick Street playground.

Replacement of approximately 850 m of wastewater main along Elizabeth, Joseph and St Andrews Street began in May 2022. Difficult ground conditions have meant, progress with this work has been slower than expected. It is currently expected the work will be completed by early 2023.

The Council has previously deferred desludging of Pond 1 at Gore Wastewater Treatment Plant until the long-term strategy and future of the oxidation ponds was better understood. While the long-term strategy for the ponds is not yet finalised, it is becoming increasingly clear that the oxidation ponds will remain in service in the medium term i.e., the next 10 - 20 years. As a result of this, the Council is planning to complete a partial desludging of the Gore oxidation ponds, which will ensure the ongoing performance of the plant. Resource consent and design work for this project has now been completed and proposals to undertake the physical works have been received. At this stage it is expected contracts to complete the work will be awarded in October 2022 allowing the work to be completed by the second half of 2023.

Over the past 12 months, a project to develop a robust renewals plan for the Gore and Mataura reticulated network has also been completed. As part of this project 31 km of condition data which covers approximately 28 % of the Councils networks was analysed and developed into a renewal strategy. It is anticipated that this renewals strategy and the data collected through this project will be a significant cornerstone for future iterations of the Council's (or the proposed new three waters entity) wastewater asset management plans.



STATEMENT OF SERVICE PERFORMANCE - WASTEWATER

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
We have a quality infrastructure with growth potential.	Reliable service: effective response to queries	The number of dry weather overflows from Council's sewerage system, (per 1,000 connections) (NFPM 1)	1 Achieved	1	1.3 dry weather overflows per 1000 connections (7 total) – Target Not Achieved
		Response to a customer request. (Blockage or fault) (NFPM 3a) (Median Value Used)	Urgent <120 mins Not Achieved General <8 hours Achieved	Urgent <120 mins General <8 hours	35.5 min – Target Achieved 2.32 hours – Target Achieved
We value and respect our environment	Wastewater systems are effective and comply with environmental standards Our waterways and environment are protected from the adverse impacts of providing the wastewater service	Resolution of a customer request. (Blockage or fault) (NFPM 3b) (Median Value Used)	Urgent <8 hrs Achieved General <5 days Achieved	Urgent <8 hrs General <5 days	2.4 hour – Target Achieved <1 day – Target Achieved
		Wastewater complaints received (per 1,000 connections) (NFPM 4)	<10 Achieved	<10	4.3 complaints per 1000 connections (22 total) – Target Achieved
We value and respect our environment	Our waterways and environment are protected from the adverse impacts of providing the wastewater service	Compliance with Council's resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions (NFPM 2)	0 – Achieved 0 – Achieved 0 – Achieved 0 – Achieved	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice – 0 – Target Achieved Infringement Notice - 0 – Target Achieved Enforcement Orders - 0 – Target Achieved Convictions - 0 – Target Achieved



**GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - WASTEWATER
For the Financial Year Ended 30 June 2022**

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$'000	LTP 2021-22 \$'000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	1,716	1,287	1,292
Subsidies and grants for operating purposes	-	-	-
Fees and charges	526	540	864
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	1
Total Operating Funding	2,242	1,827	2,157
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	447	484	1,655
Finance costs	325	-	177
Internal charges and overheads	391	443	446
Other operating funding applications	-	-	-
Total applications of operating funding	1,163	927	2,278
Surplus (deficit) of operating funding	1,079	900	(121)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	129
Development and financial contributions	-	-	-
Increase/(decrease) in debt	103	-	382
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	103	-	511
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	874	-	-
- to replace existing assets	333	2,008	1,708
Increase/(decrease) in reserves	(25)	(1,108)	(1,318)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	1,182	900	390
Surplus / (deficit) of capital funding	(1,079)	(900)	121
Funding balance	-	-	-



STORMWATER

Activities

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

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

The Council's asset network includes:

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

Rationale

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

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

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

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

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

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

The Council's objectives for the community under this 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 this group of activities contributes are:

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

Outcome 6: We value and respect our environment.

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

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



Significant negative effects

The Council acknowledges its stormwater activity may have some adverse impacts. However, these impacts must be considered against a scenario where

stormwater in urban environments is not managed through a reticulated system. It is generally accepted that the public and environmental good that is provided by a reticulated network in an urban environment, and in particular, the public health benefits outweigh the adverse impacts. In saying this, where practicable, the Council is committed to minimising any adverse impacts its stormwater system may have.

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

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

Key points from the 2022 year and the year ahead

Over the past two years, the Government has been working with Councils on the future of 3 Waters service delivery across the country. This work has shown the 3 Waters Service delivery model, as it currently stands, will not be able to sustainably meet the future legislative requirements and customer expectations in the medium to long term and substantial change is required. As a result of this work in late 2021 the Government mandated reform of the 3 Waters Service delivery. On 1 July 2024 it is planned that the delivery of 3 Waters Services will be transferred from the 67 local authorities to four specifically established entities. The delivery of 3 Waters Services for the Gore District will be provided by "Entity D" which encompasses the entire South Island except for the Marlborough and Tasman areas.

In late 2018, the Council adopted Stage 1 of the Stormwater Master Plan (SMP). This SMP was a fast-track approach to identify the limitations and impact of the capacity issues in the Council's existing drainage network and provide a blueprint for future improvement works. As a result of this work, construction of a \$4.1 million project to separate the stormwater and wastewater systems and replace the water supply network in Elizabeth St, St Andrew's St and the western end of Joseph St is currently underway.

One of the key aspects of achieving full separation of the stormwater and wastewater systems, is ensuring that the pipes inside private properties are also separated. After considering and consulting on several funding options, the Council has decided to fully fund this work. This decision was made as it would ensure full separation of the catchment was completed, allowing the downstream benefits of the project to be realised.

In recent years there has been an increased focus on identifying and resolving wastewater contamination issues in the Councils stormwater network. After completing extensive investigation work over the past two years, eight different issues have been identified as potential sources for cross-contamination between the wastewater and stormwater network.

Following an investigation into ongoing complaints from the public regarding stormwater discharge into Cronin's Creek (more commonly known as Falconer Creek) in January 2021, Environment Southland issued the Council with a formal warning and abatement notice. During the 2021-2022 reporting period the Council has continued to monitor the quality of Falconer Creek and completed more detailed analysis to improve our understanding of the sediment characteristics in the Creek. This analysis has been passed onto Stormwater 360 who have been assisting the Council with investigating potential treatment options.

Additionally, the Council is in the process of developing a Stormwater Management Bylaw. Consultation on the Bylaw closed on 25 March 2022 and a hearing of submitters was held on 26 April 2022. Through this consultation process eight submissions were received, covering a wide variety of issues. The underlying theme of these submissions was that despite significant investment being required, there is a willingness and desire from affected property owners to improve the quality of their stormwater discharge. However, before a commitment to improvements can be made, certainty and clarity regarding compliance and the downstream benefits is required. The Council is liaising with Environment Southland to try and gain the certainty and clarity required to allow meaningful progress to be made on this issue.



STATEMENT OF SERVICE PERFORMANCE - STORMWATER

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
We have quality infrastructure with growth potential.	Reliable service and effective response to queries	Response to a customer request (Flooding event) (NFPM 3) as measured by the CRM database	<60min Achieved	60 min	No requests received - Target Achieved
		Stormwater complaints received (per 1,000 properties connected) (NFPM 4) Faults or blockages as measured by the CRM database	<8 Achieved	4	1.2 complaints per 1000 connections (7 Total) - Target Achieved
We value and respect our environment	Homes and properties are not affected by surface flooding caused by the Stormwater Activity	A number of flooding events (NFPM 1a) as measured by the CRM database	<3 Achieved	3	No complaints received - Target Achieved
	Our waterways and environment are protected from adverse impacts of providing the Stormwater service	A number of habitable floors affected per 1,000 connected properties (per event) (NFPM 1b) as measured by the CRM database	<2 Achieved	2	No complaints received - Target Achieved
		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 Not achieved Infringement Notice - 0 Achieved Enforcement Orders - 0 Achieved Convictions - 0 Achieved	Abatement Notice - 0 Infringement Notice - 0 Enforcement Orders - 0 Convictions - 0	Abatement Notice - 0 - Target Achieved Infringement Notice - 0 - Target Achieved Enforcement Orders - 0 - Target Achieved Convictions - 0 - Target Achieved



**GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - STORMWATER
For the Financial Year Ended 30 June 2022**

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$'000	LTP 2021-22 \$'000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	608	724	892
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	608	724	892
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	130	160	96
Finance costs	6	81	4
Internal charges and overheads	94	107	109
Other operating funding applications	-	-	-
Total applications of operating funding	230	348	209
Surplus (deficit) of operating funding	378	376	683
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	105	1,480	742
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	105	1,480	742
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	1,523	695
- to replace existing assets	483	51	113
Increase/(decrease) in reserves	-	282	617
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	483	1,856	1,425
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(378)	(376)	(683)
FUNDING BALANCE	-	-	-



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.

Key points from 2021/2022

Several of the key issues which featured during 2020/21 impacted the roading activity again during 2021/22. The effects of the Covid virus had a significant effect. At times the number of staff available to

undertake roading works was severely reduced and delayed completion of works. Abnormal weather also featured again. Covid also effected the ability of the organisations involved in the roading activity to hire and retain skilled staff. The 2021/22 summer was long and very dry leaving very little moisture to help bind our gravel pavements together. Although the district did not have any exceptionally heavy rainfall events, we did experience prolonged cloudy wet periods which saturated our pavements, sealed and unsealed. This had the opposite effect to that experienced during the summer with an unprecedented number of potholes around the network. The wet conditions precluded grading our normal method of repairing our unsealed roads.

A significant new issue which impacted roading activities during the second half of the year was the financial consequences of the war in Ukraine. This contributed to rapidly increased costs of fuel and bitumen both critical to the roading activity. This is likely to be an ongoing problem which could impact the level of service able to be provided.

During the latter part of year, the numbers in the Council roading team reduced to one following the departure of the Roading Officer (seconded from Fulton Hogan) closely followed by the Roading Asset Manager. At times this effected the ability to provide the desired level of service. Replacement staff have been engaged to restore the team.

Another feature of the latter part of the year was the retendering of most of the Council's physical works contracts which had expired during the year. Assistance was provided by a Consultant (Waugh Infrastructure) to procure these works via open competitive tenders. Request for tender for the Mechanical Cleaning, Road Marking, Vegetation Control and Routine Road Maintenance Contracts were completed prior to the end of the year. The market in which the tenders were called for has been particularly challenging due to the large amount of other work available and the scarcity of contractors qualified to undertake the works. Despite these challenges all tenders attracted at least one bid. It was pleasing to note the success of several incumbent local contractors retaining their work.

- Apart from ongoing routine maintenance work and despite some of the challenges mentioned above, notable works completed during the year included:
- Resealing, 18.1km length completed
- Re-metalling of gravel roads, 112km length of road re-metalled
- Kerb and channel replaced, 448m
- Rural surface water channels constructed, 23km length completed
- Footpaths reconstructed, 908m
- Dust suppression seals, approximately 600m sealed (this was a new Council initiative).



STATEMENT OF SERVICE PERFORMANCE - ROADING

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
We have quality infrastructure with growth potential	Maintain the road surfaces free of defects requiring evasive behaviour (eg: potholes, shoving, edgebreak, ponding, bumps)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	Number of Fatal and Serious Crashes 0 Not achieved	Number of Fatal and Serious Crashes 0	0 serious crashes and 0 fatal - Target Achieved
	An appropriate level of ride comfort is maintained	The average quality of ride on a sealed local network, measured by smooth travel exposure	Urban <220 NAAASRA Achieved Rural <120 NAAASRA Achieved	Urban <220 NAAASRA Rural <120 NAAASRA	99 - Target Achieved (previous year's readings) 67 - Target Achieved (previous year's readings)
	The yearly resurfacing programme is at a rate that maintains the integrity of our sealed road asset	The percentage of the sealed local road network that is resurfaced	6.2% Not Achieved	5.0%	5.0% resealed - Target Achieved
	Footpath hazards (trip or surfacing) are identified and mitigated	The footpath condition assessment is carried out every 12 months to develop the footpath renewal programme	Increasing Trend Achieved	1,500m2	1,271m2 constructed. Not achieved. Replacement of various sections of Elizabeth Street footpath was programmed to be constructed with 3 waters upgrade which was delayed
	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% Not achieved	95%	91% - Target not achieved
	Residents are satisfied with the metalled road network through the identification and mitigation of driver hazards	The percentage of respondents to the Gore District Council Annual Resident Survey within the range of neutral to very satisfied	78% Not achieved	75%	65% - Target not achieved



**GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - ROADING**

For the Financial Year Ended 30 June 2022

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$000	LTP 2021-22 \$000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	-	-	-
Targeted rates	2,629	2,415	2,406
Subsidies and grants for operating purposes	1,045	1,727	1,589
Fees and charges	-	159	-
Internal charges and overheads recovered	207	213	79
Local authorities fuel tax, fines, infringement fees and other receipts	147	-	607
Total Operating Funding	4,028	4,514	4,681
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,478	2,829	3,938
Finance costs	119	93	60
Internal charges and overheads	510	578	508
Other operating funding applications	-	-	-
Total applications of operating funding	3,107	3,500	4,506
Surplus (deficit) of operating funding	921	1,014	175
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	1,599	2,897	1,680
Development and financial contributions	-	-	-
Increase/(decrease) in debt	64	1,201	(70)
Gross proceeds from the sale of assets	-	-	2
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,663	4,098	1,612
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	195	2,566	214
- to replace existing assets	2,434	2,530	2,485
Increase/(decrease) in reserves	(45)	16	(912)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	2,584	5,112	1,787
Surplus / (deficit) of capital funding	(921)	(1,014)	(175)
Funding balance	-	-	-



PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS AND RECREATION

Activities

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

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

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

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

Assets provided within the network include:

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

Rationale

The Parks, Property and Recreation activity is identified as a core service in terms of Section

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

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

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

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

Significant negative effects

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

To mitigate the potentially negative effects of necessary maintenance operations, staff applying herbicides are GROWSAFE® or equivalently certified, earthwork operations are carried out during the summer months, and appropriate erosion and sediment measures are in place. Noise restrictions and hour restrictions are also enforced to mitigate

effects on local residents. Upgrade works on sports fields, and re-vegetation in passive reserves are carried out to industry best-practice to minimise erosion and the duration of the works while focused on timely delivery of results.

The main rose beds in the Gore Public Gardens are managed on a fully organic basis. This trial organic operation is now in its twelfth year and results to date are quite positive which will potentially lead to an overall reduction in the use of chemicals.

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

Key points from the 2022 year

Project work has again been a focus for Parks staff with the significant remedial tree work around the District's cemeteries and parks, planting 160 mature grade trees and a significant community planting project in the lower Hamilton Park area.

Significant playground upgrades have continued with a completely new playground at Pukerau Domain, and a basketball and netball half court installed alongside the new Sword Street playground. Parks staff have been actively involved with the East Gore Community, Sport NZ and Active Southland in developing a neighbourhood play strategy for the playgrounds in that area. This is a pilot project for Sport NZ and the only NPS project in the South Island. The main focus at this time is on the Hamilton Street and Oxford Street playgrounds.

The Parks team have also assisted the Pukerau Cemetery Trust completing their gardens development project with new signage, entrance fence refurbishment, further plantings and installing engineered grass matting at the main entrance.

New accessible BBQs and shelters have been installed at Dolamore, Hamilton and Tulloch Parks.

The new signage suite has been rolled out across the district with new signage at Bannerman Park, Charlton Park Cemetery, and Gore Public Gardens. More

comprehensive interpretive panels have been installed at Gore Southern Layby, Mataura Cemetery Kiosk, the Matura Memorial Kiosk and Pukerau Cemetery Kiosk.

In late 2020 funding was secured from the Government's Shovel Ready fund for the Gore Multisports Complex. The project successfully put forward was the re-roofing of the MLT Event Centre, replacing all the seagull flashings over the Gore Aquatic Centre pool hall, replacement of the plantroom roof and the upgrade and improvement of the ventilation for the Gore Aquatic Centre plant room and main pool hall. This work started in 2021 and was expected to have the final part completed as part of the full facility shutdown in September 2022.

One of our biggest challenges through 2021/2022 was working through the industry guidelines and expectations for operations at the different levels through COVID-19. There was a need to balance between the guidelines from Sport NZ, Recreation Aotearoa and SOLGM to provide what service we can under these restrictions. We remain connected with other facilities throughout NZ to maintain consistency and to seek clarity with inconsistencies.

The 2021-31 Asset Management Plan for the Gore Multisports Complex has been completed. This outlines major maintenance work to be completed over the next 10 years. Part of this is putting in consistent shut down times for major work and inspections to be complete, with the next scheduled shutdown occurring September 2022. It is a living document and will be reviewed to ensure we are on track with our maintenance needs and limit any surprise work or issues that could come up.

All of the Gore Multisports Complex Normal Operational Procedure manual, Emergency Action plan, Health and Safety Risk charts and Pool Risk Management plans have been reviewed internally as part of our annual reviews by the Pool operations supervisor and the Aquatics manager. This has been followed up by a Pool safe audit and Yard stick audit by an external organisation and means that we have once again maintained our Pool safe award, which is the industry standard for pool facilities in New Zealand.



STATEMENT OF SERVICE PERFORMANCE - PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS AND RECREATION

Council Outcome	Customer Levels of Service	Measured by	Target/Result 2021	Target 2022	Target Achieved
Aquatic & Multisport 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	Five key technical measures that reflect the core values This includes: <ul style="list-style-type: none"> Customer satisfaction 90%. Swimming course enrolments up 1% Gore Aquatic Centre patronage up 1% MLT Event Centre Patronage up 1% Pool safe accreditation maintained. 	4/5 indicators achieved Not achieved	5/5 indicators achieved	2/5 - Target not achieved. The global COVID-19 pandemic, heavily impacted the pools availability. Therefore the enrolment and patronage performance measures were not achieved. <ul style="list-style-type: none"> Customer Satisfaction – 95% Pool Safe accreditation maintained
Parks & Reserves 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	Percentage of community that are satisfied across the range of property and recreation criteria surveyed. This includes satisfaction levels for: <ul style="list-style-type: none"> Parks and Reserves/Sportsgrounds Playgrounds Cemeteries Public conveniences The provision of community buildings or halls 	> 90% across the 5 criteria surveyed 4/5 indicators achieved	>90% average the 5 criteria surveyed	Achieved – 94% average <ul style="list-style-type: none"> Parks and Reserves - 97% Sportsgrounds - 99% Playgrounds - 96% Cemeteries - 94% Public conveniences - 84% the provision of community buildings or halls - 94% 4/5 indicators achieved



**GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - PARKS, RESERVES, AQUATIC FACILITIES, CIVIC BUILDINGS & RECREATION
For the Financial Year Ended 30 June 2022**

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$'000	LTP 2021-22 \$'000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	1,777	2,054	2,051
Targeted rates	3,303	3,510	3,533
Subsidies and grants for operating purposes	100	35	32
Fees and charges	832	778	354
Internal charges and overheads recovered	1,429	1,541	1,813
Local authorities fuel tax, fines, infringement fees and other receipts	711	-	262
Total Operating Funding	8,152	7,918	8,045
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	4,213	4,202	4,390
Finance costs	396	209	375
Internal charges and overheads	2,255	2,535	2,974
Other operating funding applications	-	-	-
Total applications of operating funding	6,864	6,946	7,739
Surplus (deficit) of operating funding	1,288	972	306
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	2,677
Development and financial contributions	-	-	3
Increase/(decrease) in debt	1,850	234	903
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,850	234	3,583
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	24	183	35
- to improve the level of service	20	131	13
- to replace existing assets	3,186	739	4,604
Increase/(decrease) in reserves	(92)	153	(763)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	3,138	1,206	3,889
SURPLUS / (DEFICIT) OF CAPITAL FUNDING	(1,288)	(972)	(306)
FUNDING BALANCE	-	-	-



OTHER DISTRICT ASSETS INCLUDING SOLID WASTE AND CIVIL DEFENCE

Activities

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

Solid Waste

Responsibilities that fall under the solid waste management umbrella include:

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

(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 and recycling (GDC supporting local recycling management)
- Education and advocacy (waste minimisation group)
- Waste Audits
- Management of the two waste contracts.

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

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

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

Civil Defence

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

Rationale

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

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

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

Regarding civil defence, a greater focus is being made on the reduction of risks and hazards affecting the safety and welfare of the district's residents. Coordination of activities between civil defence and resource management and 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 collection and disposal of solid waste. At the same time, it needs to be recognised that it is essential to have efficient and effective means of disposing of solid waste. In short, any negative effects must be weighed against such need.

The minimising of waste through active recycling is proving to be challenging 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.

Key Points from the 2022 year

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



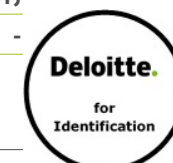
STATEMENT OF SERVICE PERFORMANCE - SOLID WASTE AND OTHER DISTRICT ASSETS

Level of Service	How it Contributes to our Council Outcomes	Performance Measures	Target/Result 2021	Target 2022	Result
Waste minimisation is promoted to improve the environment	The reduction of waste disposed of reduces costs to residents and places less pressure on the environment. This has a positive impact on economic and environmental outcomes	Volume of waste per capita being disposed of at the regional landfill as measured by regional landfill weighbridge records	Material discarded <650kg per capita (across Southland) Not achieved	Material discarded <650kg per capita (across Southland)	838.1 kg per capita (across Southland) Target not achieved Note: Gore District's figure was 590.1kg per capita



**GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - OTHER DISTRICT ASSETS
INCLUDING SOLID WASTE AND CIVIL DEFENCE**
For the Financial Year Ended 30 June 2022

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$'000	LTP 2021-22 \$'000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	283	387	388
Targeted rates	1,388	1,659	1,665
Subsidies and grants for operating purposes	49	50	60
Fees and charges	638	741	787
Internal charges and overheads recovered	1,395	1,583	1,623
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	22
Total Operating Funding	3,753	4,420	4,545
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	2,767	3,234	3,429
Finance costs	97	37	77
Internal charges and overheads	736	866	998
Other operating funding applications	-	-	-
Total applications of operating funding	3,600	4,137	4,504
Surplus (deficit) of operating funding	153	283	41
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(40)	(122)	(75)
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(40)	(122)	(75)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	77	119	191
Increase/(decrease) in reserves	36	42	(225)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	113	161	(34)
Surplus / (deficit) of capital funding	(153)	(283)	(41)
Funding balance	-	-	-



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

Activities

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

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

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

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:

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

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

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

The 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 served as a front of house for the moonshiners' museum prior to the museum's closure for renovations.

Since the precinct Library building closed due to mould and asbestos problems in May 2019, the Gore Library has operated from temporary premises. It is currently located in a church hall while the James Cumming Wing is undergoing major redevelopment to house a new library and community centre.

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

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.

Matura 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 Matura Community Centre and Elderly Citizens Centre. The public area of the Matura Library was refurbished in May 2020. It has new shelving, the children's area has been relocated to the front with child-friendly furniture, and a dedicated conference room has been made available for public use.

Events and Marketing

The Council owns and manage seven community events. These events have the heart of the community in mind. Community events focus on bringing the community together, utilising community facilities/assets, showcase talent, achievement or creativity. They are free or ticketed at a low cost.



The Events Coordinator ensure the Council's events are delivered to a high standard. The role also see liaison with organisers of the District's premier events, such as Tussock Country.

The Council has an exciting vision to put Gore district on the map as a district that offers 'City Events in a Rural Environment.' This vision would assist in placing Gore as the town that provides the best Rural City Living in New Zealand.

Rural city living encapsulates the luxuries that city life has to offer alongside the lifestyle that rural community living provides. In achieving this, Gore District would be attracting a wide variety of cultural, lifestyle and sporting event options to the town and the region.

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

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

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

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

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

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

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

Significant negative effects

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



Key points from the 2022 year

Arts & Heritage

With earthquake strengthening work completed on the Council's historic Carnegie building, the Eastern Southland Gallery was free to undertake a busy exhibition program throughout the 2021/2022 financial year. Highlights included the only South Island showing of Rita Angus – New Zealand Modernist that was presented in partnership with Te Papa and Singapore Airlines. A full program of events and art education activities was kindly supported by a \$30,000 grant from Creative New Zealand's Local Government Arts Fund.

Structural work for Stage One of the three stage Maruawai Project was completed with the aid of \$749,000 external funding from the Provincial Growth fund and a draw-down of \$400,000 from the Council's 2008–2018 10-Year-Plan precinct allocation. This was further augmented by \$250,000 from the Community Trust South and \$200,000 from Mataura Licensing Trust. A \$250,000 Annual Plan allocation was re-directed from the Council's Carnegie building earthquake strengthening project to facilitate fire rating, fire systems and re-wiring of the heritage collection and archives area within the Hokonui Heritage Centre's Win Hamilton Wing. Further support for the on-going fit-out of Stage One has come via a \$25,000 grant from the Southland Regional Heritage Committee, individual donations, and continued fundraising activity.

A further grant of \$919,000 from the Provincial Growth Fund has been allocated to the Stage Two development at the Maruawai Centre museum facility, and this project is further supported by an additional grant of \$250,000 from Community Trust South. Further fundraising is continuing.

Despite Covid restrictions, the Department of Arts & Heritage was able to meet its annual target of 10 exhibitions per annum and exceed its target of 10 performances/events per annum. A significant public interest in art education programs was reignited with the relaxing of Covid restrictions and subsequent events were fully, or over, subscribed, with the annual Residents' Survey gleaning a satisfaction rate of 99%. The department also provided support for a range of regional heritage activities including the digitisation and on-line hosting of volunteer-run museum collections through the Project Ark initiative.

Gore Libraries

The Gore Library, previously located in the heritage precinct, has been in temporary premises since May 2019. It vacated the Precinct building after long-standing roof leaks resulted in the development of rot and black mould, and asbestos in the fabric of the building prohibited repairs while the building was occupied. From May 2019 to May 2021 the library was housed temporarily in the James Cumming Wing Hall on Ardwick Street. Since May 2021 it has been in the Encounter New Life Church building on Jacob Street, a suitable temporary lease arrangement. It is planned to move into the newly rebuilt Library and Community Rooms building adjacent to the Council Office in early 2023.

The Mataura Library and Service Centre is a branch library that also 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. Refurbished in May 2020, the library is a key facility in the town, and popular with locals and visitors alike.

Both libraries offer a wide range of items to borrow as well as internet computers, Wi-Fi, and printing. Additions to digital resources for adults and children have been made available via the library website <https://www.gorelibraries.govt.nz/digital-library>. These were especially appreciated when the libraries were closed or operated with reduced hours during the government COVID-119 restrictions. Ancestry.com is available in Gore Library for tracing family history.

Several children's activities and programmes support literacy development and reading enjoyment, including the StoryWalk through the town gardens, and online activity/reading programmes. A community outreach schedule delivers books to those unable to visit the library in person.

The libraries have a total of 4,209 members, equating to 34% of residents, remembering a single membership is sometimes shared by a household. Annual visitor numbers dropped during 2021-22 to 63,164 due to COVID-19 closures. However, the number of issues per population didn't drop as far as expected at 7.3 per annum compared to the previous year's 8.8 per annum. The libraries hold 43,500 physical items, almost all of which can be borrowed 23,200 eBooks and eAudiobooks were available for people to download to their devices.

Gore Visitor Centre

The Gore Visitor Centre was a victim of COVID-19 alert level restrictions. It remained a five day a week operation, as opposed to seven days pre-COVID, and staffing challenges saw reduced opening hours some weeks.

Nevertheless, it continues to achieve high satisfaction levels with residents. This year's Resident's Survey saw a 97% satisfaction rating, an improvement on last year.

The visitor centre returned to its original home as front of house at the Hokonui Moonshine Museum, although the refurbishments to the museum were ongoing.

The location of the visitor centre within a key heritage attraction was appropriate and consistent with national and international trends.

While there were some tourism-focused activities, a lot of the visitor centre's work in the last financial year was around supporting locals through COVID and being a hub for information.

A review of visitor services was carried out at the start of 2022. It found Gore and Mandeville's high domestic visitor reliance has meant they were more resilient and relatively less impacted than the iconic international visitor destinations like Fiordland and Queenstown.

The coming year is an exciting one with the opening of the moonshine museum and the opportunity to roll out some of the efficiencies identified in the review

Events

2021/2022 proved to be a challenging year for our events calendar, with COVID significantly impacting all seven of our traditional events. Following the decision last August to make the Gore District Community Awards a biennial event instead of annual, the Christmas Carnival and Santa Parade were the next big item on the agenda. Unfortunately, both events had to be cancelled due to COVID guidelines, which led to our first-ever Gore District Advent Calendar event and Best Decorated competitions – largely digital in nature.

The next year looked to be promising for events, until the introduction of the Traffic Light system in January meant our Parks Week event and On the Fly Mataura River Festival had to be cancelled. The continuing effects of this led to the postponement of April's Hokonui Culture Feast to October and the complete cancellation of the Tussock Country Music Festival – with it, our Freeze Ya Bits Off Busking event.

Fortunately, a slight relaxing of the rules in April/May meant we could quickly plan our first ever Matariki event for June – Kāhui Whetū, now our eighth Council-owned and delivered event. A light show in the Gore Main Gardens the night before the Matariki public holiday, the event brought some festivities to the community and complimented the Runanga's own Matariki event at Waimumu. The evening was a resounding success, with between 500 – 700 people attending to see the lights, experience the children's activities and enjoy the food trucks.

The next three months are set to see the Hokonui Culture Feast, Gore District Community Awards, Santa Parade and Christmas Carnival take place. After a year of cancellations, postponements and disappointments for our community, we believe these will be well received and bring some positive cheer to the District.



Grants

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

Recipient	Actual \$ 2022	Annual Plan \$ 2022
Active Southland	40,000	40,000
Amenity Hire Refunds	3,032	3,000
Children's Day	2,174	2,265
Community Networking Trust	10,000	10,000
Country Music & Songwriters	-	5,000
Croydon Aviation annual loan write off	3,000	3,000
Croydon Aviation Heritage Trust	6,000	6,000
Cycle Tour Southland	1,000	1,000
Eastern Southland Art Gallery	40,000	40,000
Enviro Schools	-	5,000
Free Swim School - Primary School	28,832	28,832
Gold Guitar Awards		5,000
Gore A & P Association	87,618	87,620
Gore Counselling Centre	-	1,500
Gore Hospice Rates grant	-	1,000
Gore Museum	11,000	11,000
Healthy Homes initiative	15,000	15,000
Heartland Life Education Trust	2,500	2,500
Hokonui Fashion Design Awards Grant	10,000	9,104
Hokonui Heritage Centre Trust	142,476	6,500
Hokonui Pioneer Park	5,000	5,000
Hospice Southland (Transfer station fees)	-	1,000
Hospital Incentives	-	2,000
Mataura Heritage Centre & Clematis Cottage	9,500	9,500
Mataura School Bus for swim lessons	4,000	4,000
Moonshine Committee	12,250	24,500
Pakeke Lions Recycling Services	1,100	25,282
Rural Halls	18,419	18,419
Safe in the South operational grant	-	8,000
Scholarships	2,000	2,000
Southland Regional Heritage Trust* (+ cataloguing project)	10,391	22,792
Total Mobility	13,049	18,118
Tussock Country	50,000	50,000
Waikaka Domain Board	12,878	12,878
Total	\$541,219	\$

* Net amount shown



STATEMENT OF SERVICE PERFORMANCE - COMMUNITY SERVICES - ARTS & HERITAGE, LIBRARIES, PROMOTIONS AND GRANTS

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
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.	Educating the public about arts & heritage contributes to the Council outcome of valuing our history and heritage 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	The public appreciates the services and assets of arts and heritage as recorded in the annual resident survey Survey of residents and library users indicates a quality service is provided as indicated in the annual resident survey and targeted library surveys	90% satisfaction rate Achieved	90% satisfaction rate	99% satisfaction rate - Target Achieved
			95% of opening hours are achieved Not achieved	95% of opening hours are achieved	97% of surveyed residents were satisfied with the quality of library service. The target was achieved Not achieved Only 89.5% of opening hours were achieved. Due to COVID-19 Alert level compliance



GORE DISTRICT COUNCIL FUNDING IMPACT STATEMENT - ARTS & HERITAGE, LIBRARIES, PROMOTIONS & GRANTS

For the Financial Year Ended 30 June 2022

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$000	LTP 2021-22 \$000	Actual 2021-22 \$000
General Rates, Uniform annual general charges, rates penalties	1,960	2,026	2,033
Targeted rates	663	732	734
Subsidies and grants for operating purposes	221	191	229
Fees and charges	109	442	27
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	7	-	746
Total Operating Funding	2,960	3,391	3,769
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,434	2,437	2,478
Finance costs	149	93	59
Internal charges and overheads	571	687	800
Other operating funding applications	631	-	-
Total applications of operating funding	2,785	3,217	3,337
Surplus (deficit) of operating funding	175	174	432
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	2,000	3,982	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(53)	1,296	269
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	1,947	5,278	269
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	16
- to improve the level of service	2,000	-	58
- to replace existing assets	140	5,449	278
Increase/(decrease) in reserves	(18)	3	349
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	2,122	5,452	701
Surplus / (deficit) of capital funding	(175)	(174)	(432)
Funding balance	-	-	-



REGULATORY AND PLANNING

Activities

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

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

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

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

- Providing Land Information Memoranda in accordance with the requirements of the Local Government Official Information and Meetings Act 1987;
- Keeping property files up to date and available for public inquiries;
- Providing advice on planning matters to prospective applicants, affected neighbours and other agencies;
- Promoting the sustainable management of natural and physical resources in the Gore District via the District Plan;
- Processing resource consent applications for land use and subdivision;

- Providing advice and administering the Building Act 2004, including checking that buildings comply with the New Zealand Building Code;
- Processing applications for Project Information Memoranda (PIMS) and Building Consents, including on-site inspections at the building stage, and issuing code compliance certificates upon completion;
- Receiving building warrants of fitness and issuing compliance schedules;
- Investigating complaints related to unauthorised building work;
- Responding to noise complaints;
- Controlling the sale and supply of liquor via the Sale and Supply of Alcohol Act 2012;
- Processing applications for on, off club and special licenses, processing manager's certificates and renewals, and monitoring licensed premises for compliance;
- Promoting the principle of alcohol harm reduction through inter-agency liaison and licence conditions;
- Reviewing the Council's liquor ban bylaw to allow appropriate enforcement.

Rationale

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

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



Significant negative effects

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

Key points from the 2022 year

The reporting period saw the main regulatory functions of the Council continue to perform in challenging circumstances in relation to resource and building consent processing times. Resource consents were, on average, processed within 17.1 days of the 20-day legal requirement with building consents processed in 18.4 days (on average) also within the legal requirement of 20 working days.

Consent processing timeframes for building control, started to stretch out due to increased demand post COVID lockdown and the resignation of an experienced officer in August 2021. Consequently, discussions were instigated with Solutions Team Ltd in mid-March 2022 with a view to securing assistance with building consent processing. Subsequently, a contract was signed on 30 March 2022 to include processing and technical leadership services.

Continuing the programme of digitisation and automation of processes for building control over the past three years, in August 2021, the Council went live with online consent processing, via the Simpli portal licensed as GoGet. Whilst a challenge for staff and customers to become familiar with the new system is does have the distinct advantage of providing a more robust framework and for processing building consent applications. This in turn minimises the risk of an aspect of an application being overlooked.

The delivery of the Council’s planning service was the subject of considerable change over the past year. Following the retirement of a long-standing consultant, the Property Group were appointed to provide operational and strategic planning services for the Council. The Property Group have worked well with other Council staff and Council customers.

During the year under review, the Council’s District Plan Subcommittee met regularly to work through a vast array of policy issues that require clarification and a provisional view to assist with compilation of a reviewed District Plan. By the end of the financial year, most of the policy analysis had been completed with an exposed draft of the reviewed plan due to be shared with the community in a pre-engagement process in September. Formal notification of the reviewed plan is expected to occur early in 2023.



STATEMENT OF SERVICE PERFORMANCE - REGULATORY AND PLANNING

Council Outcome	Customer Levels of Service	Performance Measures	Target/Result 2021	Target 2022	Results
We value and respect our environment 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	The Council provides a timely resource consent processing service	Percentage of resource consent applications processed in accordance with statutory timeframes (within 20 days of filing)	100% Achieved	100%	100% Target Achieved
	The Council processes, inspects and certifies building work in the Gore District	The Gore District Council maintains its processes so that it meets Building Control Authority accreditation every two years. (IANZ accreditation certificate issued)	Accreditation maintained Achieved	Accreditation maintained	Achieved



GORE DISTRICT COUNCIL FUNDING IMPACT STATEMENT - REGULATORY AND PLANNING

For the Financial Year Ended 30 June 2022

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$000	LTP 2021-22 \$000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	697	607	609
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	1,000	1,106	1,048
Internal charges and overheads recovered	364	558	904
Local authorities fuel tax, fines, infringement fees and other receipts	54	-	64
Total Operating Funding	2,115	2,271	2,625
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	1,312	1,587	2,328
Finance costs	21	63	37
Internal charges and overheads	755	1,028	1,463
Other operating funding applications	-	-	-
Total applications of operating funding	2,088	2,678	3,828
Surplus (deficit) of operating funding	27	(407)	(1,203)
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	11	480	886
Gross proceeds from the sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	11	480	886
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve the level of service	-	-	-
- to replace existing assets	-	73	67
Increase/(decrease) in reserves	38	-	(384)
Increase/(decrease) of investments	-	-	-
Total applications of capital funding	38	73	(317)
Surplus / (deficit) of capital funding	(27)	407	1,203
Funding balance	-	-	-



DEMOCRACY AND ADMINISTRATION

Activities

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

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

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

Councillors oversee the performance of activities and assets to ensure that it represents the best operation, maintenance and use of community resources. This and other important decision-making 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 completed its six-yearly review of its representation arrangements in February 2018.

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

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

Rationale

Councillors and community board members provide leadership for the District. They have a major role in

helping the District and its communities develop and move forward. Decisions are made in the interests of the entire district with current and future generations in mind.

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

Significant negative effects

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

Key events in 2022

The 2021/2022 year has been heavily focused on the Government's significant 3 Waters reforms along with an overhaul of the Resource Management Act. In terms of the 3 Waters issue, there is a huge amount of information still to be received and considered by the Council. The Government has consulted on a proposal to transfer the responsibility of delivering 3 Waters services from the existing 67 territorial authorities across the country into four publicly owned multi-regional entities. A decision was made towards the end of 2021, allowing the new entities to be established and operating by July 2024. The Council will also need time to meaningfully understand the full impact of the Government's intentions for what will be a significant change in the way water services are delivered in New Zealand.

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

Looking ahead, the library and community rooms development project has commenced. This project has been accelerated due to the Shovel Ready fund providing a \$3 million grant to the Council in 2020. The project, based on a complete redevelopment of the former James Cumming Wing and including a new, fit for the future library and community rooms, is expected to take 18 months to complete.



STATEMENT OF SERVICE PERFORMANCE - DEMOCRACY AND ADMINISTRATION

Council Outcome	We live in a compassionate, caring community
Customer Levels of Service	Direction is set to determine what activities the Council should engage in
Performance Measures	Percentage of residents and ratepayers satisfied with the Council's decisions and actions. As measured the annual resident survey within the range of neutral to very satisfied
Target/Result 2021	70% Achieved
Target 2022	70%
Results	66% - Target Not Achieved



GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - DEMOCRACY & ADMINISTRATION
For the Financial Year Ended 30 June 2022

SOURCES OF OPERATING FUNDING	LTP 2020-21 \$'000	LTP 2021-22 \$'000	Actual 2021-22 \$'000
General Rates, Uniform annual general charges, rates penalties	1,013	1,437	1,451
Targeted rates	-	-	-
Subsidies and grants for operating purposes	4	8	536
Fees and charges	25	74	21
Internal charges and overheads recovered	2,988	3,593	4,218
Local authorities fuel tax, fines, infringement fees and other receipts	104	76	138
Total Operating Funding	4,134	5,188	6,364
APPLICATIONS OF OPERATING FUNDING			
Payments to staff and suppliers	3,497	4,433	5,739
Finance costs	7	(11)	14
Internal charges and overheads	442	531	599
Other operating funding applications	-	-	-
Total applications of operating funding	3,946	4,953	6,352
Surplus (deficit) of operating funding	188	235	12
SOURCES OF CAPITAL FUNDING			
Subsidies and grants for capital expenditure	-	-	-
Development and financial contributions	-	-	-
Increase/(decrease) in debt	(46)	976	(15)
Gross proceeds from the sale of assets	-	-	1
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding	(46)	976	(14)
APPLICATIONS OF CAPITAL FUNDING			
Capital expenditure			
- to meet additional demand	-	20	1
- to improve the level of service	-	-	-
- to replace existing assets	154	293	99
Increase/(decrease) in reserves	(13)	898	(102)
Increase/(decrease) of investments	-	-	0
Total applications of capital funding	141	1,211	(2)
Surplus / (deficit) of capital funding	(188)	(235)	(12)
Funding balance	-	-	-



FINANCIAL STATEMENTS

GORE DISTRICT COUNCIL STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE For the Financial Year Ended 30 June 2022

REVENUE	Notes	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
Rates	3	19,319	19,336	17,943
Subsidies and grants	4	9,487	8,890	5,198
Fees and charges	5	3,688	3,325	3,474
Finance revenue	6	46	76	75
Other revenue	7	922	634	1,332
Other gains/(losses)	8	1,303	-	1,110
Total revenue		34,765	32,261	29,132
EXPENSES				
Personnel costs	10	7,521	7,231	7,004
Finance expense	11	1,036	1,008	920
Other expenses	12	17,068	13,054	13,619
Depreciation and amortisation expense	19.a	6,695	6,483	6,475
Total expenses		32,320	27,776	28,018
Surplus/(Deficit) before Tax		2,445	4,485	1,114
Income Tax credit (Expense)		-	-	-
Surplus /(Deficit)		2,445	4,485	1,114
OTHER COMPREHENSIVE REVENUE AND EXPENSE				
<i>Items that will not be reclassified to surplus/(deficit)</i>				
Gains/(Losses) On Revaluations Of Assets	19	66,670	22,892	(780)
Total other comprehensive revenue and expense		66,670	22,892	(780)
Total comprehensive revenue and expense		69,115	27,377	334

STATEMENT OF CHANGES IN EQUITY For the Financial Year Ended 30 June 2022

	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
Equity at beginning of year	430,164	428,918	429,830
Total comprehensive revenue	69,115	27,377	334
Equity at end of year	499,279	456,295	430,164

The accompanying notes form part of these financial statements.



GORE DISTRICT COUNCIL STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
CURRENT ASSETS				
Cash And Cash Equivalents	13	1,810	2,300	2,936
Receivables	14	4,997	4,393	3,574
Inventories	15	550	226	219
Prepayments	16	482	225	303
Other Financial Assets	17	1,731	1,802	4,714
Derivative Financial Instruments	18	7	-	-
Total current assets		9,577	8,946	11,746
NON-CURRENT ASSETS				
Property, Plant And Equipment	19	530,767	495,474	458,596
Other Financial Assets	17	748	339	688
Derivative Financial Instruments	18	242	-	-
Total non-current assets		531,757	495,813	459,284
Total assets		541,334	504,759	471,030
CURRENT LIABILITIES				
Payables And Deferred Revenue	21	5,355	4,221	5,972
Employee Benefit Liabilities	22	897	740	746
Provisions	23	48	135	46
Borrowings	24	11,000	11,000	6,000
Total current liabilities		17,300	16,096	12,764
NON-CURRENT LIABILITIES				
Employee benefit liabilities	22	39	-	37
Provisions	23	68	74	68
Borrowings	24	24,500	29,716	26,500
Other financial liabilities	-	62	-	42
Derivative financial instruments	18	86	2,578	1,455
Total non-current liabilities		24,755	32,368	28,102
Total liabilities		42,055	48,464	40,866
Net assets		499,279	456,295	430,164
EQUITY				
Accumulated funds	26	139,594	143,284	135,209
Reserves	26	5,076	1,401	7,017
Revaluation reserves	26	354,609	311,610	287,938
Total equity		499,279	456,295	430,164

The accompanying notes form part of these financial statements.



GORE DISTRICT COUNCIL
STATEMENT OF CASHFLOWS
For the Financial Year Ended 30 June 2022

	Notes	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from rates revenue		19,178	19,184	17,784
Receipts from other revenue		4,355	3,959	6,696
Subsidies and grants received		7,181	8,890	3,967
Interest received		46	76	75
Payments to suppliers and employees		(24,994)	(20,129)	(17,866)
Finance costs		(1,036)	(1,008)	(920)
Net cash inflow/(outflow) from operating activities	31	4,730	10,972	9,736
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of financial assets		17	-	25
Proceeds sale of investments		2,909	-	(3,305)
Purchase of property, plant and equipment		(11,782)	(20,112)	(15,825)
Net cash inflow/(outflow) from investing activities		(8,856)	(20,112)	(19,105)
CASHFLOWS FROM FINANCING ACTIVITIES				
Proceeds from Borrowing		15,000	15,134	12,014
Repayment of Borrowings		(12,000)	(6,000)	(2,014)
Net cash inflow/(outflow) from financing activities		3,000	9,134	10,000
Net increase/(decrease) in cash held		(1,126)	(6)	631
Opening Cash Balance 1 July		2,936	2,306	2,305
		1,810	2,300	2,936
Represented by cash & cash equivalents	13	1,810	2,300	2,936

The accompanying notes form part of these financial statements.



GORE DISTRICT COUNCIL
FUNDING IMPACT STATEMENT - COUNCIL WIDE

As at 30 June 2022

	Budget 2020-21 \$'000	Actual 2020-21 \$'000	Budget 2021-22 \$'000	Actual 2021-22 \$'000
SOURCES OF OPERATING FUNDING				
General Rates, Uniform annual general charges, rates	6,265	6,044	6,510	6,532
Targeted Rates (other than metered water supply rates)	11,921	11,899	12,826	12,787
Subsidies and grants for operating purposes	1,525	3,229	2,011	2,446
Fees and charges	3,432	3,316	3,959	3,522
Interest and dividends from investments	104	75	-	46
Local authorities fuel tax, fines, infringements & other receipts	227	2,636	76	1,805
Total Operating Funding	23,474	27,199	25,382	27,138
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	17,948	19,254	20,275	24,589
Finance costs	1,002	920	1,008	1,036
Other operating funding applications	616	-	-	-
Total applications of operating funding	19,566	20,174	21,283	25,625
Surplus / (deficit) of operating funding	3,908	7,025	4,099	1,513
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	1,634	768	6,879	6,707
Development and financial contributions	-	22	-	3
Increase/(decrease) in debt	13,306	10,000	9,134	3,000
Gross proceeds from the sale of assets	-	-	-	1
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total non-current liabilities	14,940	10,790	16,013	9,711
APPLICATIONS OF CAPITAL FUNDING				
Capital expenditure				
- to meet additional demand	24	(138)	204	52
- to improve the level of service	7,711	5,738	6,756	3,055
- to replace existing assets	11,369	10,018	13,152	10,568
Increase/(decrease) in reserves	(256)	2,197	-	(2,451)
Increase/(decrease) of investments	-	-	-	-
Total applications of capital funding	18,848	17,815	20,112	11,224
Surplus / (deficit) of capital funding	(3,908)	(7,025)	(4,099)	(1,513)
Funding balance	-	-	-	-

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. Summary of accounting policies

Reporting entity

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

Basis of preparation

The preparation of financial statements in conformity with New Zealand equivalents to International Public Sector Accounting Standards (NZ IPSAS) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, 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.

The presentation of the financial statements has been changed to provide more relevant and reliable information to the reader. Comparative figures may have been reclassified, however this has not impacted on the overall financial result presented by the Council

Statement of compliance

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

These financial statements comply with PBE Standards.

Standards and interpretations effective in the current period

There were no new or revised Standards or Interpretations effective in the current period that had a material impact on this annual report.

Standards issued and not yet effective and not early adopted

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

PBE IPSAS 2 Cash Flow Statement. An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statement to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Council will not early adopt this amendment.



PBE FRS 48 Service Performance Reporting. PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. The Council has not yet determined how application to PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

Standards issued and not yet effective that have been early adopted

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments Recognition and Measurement.

The Council has early adopted PBE IPSAS 41 and the main changes between PBE IPSAS 29 and PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected credit losses, which may result in earlier recognition of impairment losses
- Revised hedge accounting requirements to better reflect the management of risks.

Information about the transition to PBE IPSAS 41 is disclosed in Note 29.

PBE IPSAS 37 Joint Operations

PBE IPSAS 37 identifies two types of joint arrangements – a joint operation or a joint venture. The classification of a joint arrangement depends upon the rights and obligations of the parties in the arrangement.

The Council has an interest in a joint operation. A joint operation is a joint arrangement whereby the Council has rights to the assets and obligations for the liabilities, relating to the arrangement. The Council recognises its interest in the joint operation by recognising its interest in the assets and the liabilities of the joint operation. The Council also recognises the expenses that it incurs and its share of revenue that it earns from the sale of the output by the joint operation.

Changes in accounting policies

Accounting policies have been changed to incorporate all necessary changes as required by the new Public Benefit Entity (PBE) Standards. No changes to recognition/measurement were required.

The current PBE Standard on financial instruments, PBE IPSAS 29 Financial Instruments: Recognition and Measurement, is based on IAS 39 Financial Instruments: Recognition and Measurement issued by the IASB (International Accounting Standards Board). That standard has since been replaced by the IASB with IFRS 9 Financial Instruments.

In early 2017 the NZASB (NZ Accounting Standards Board) issued PBE IFRS 9 Financial Instruments based on IFRS 9 to give PBEs the opportunity to adopt a PBE Standard equivalent to IFRS 9 to reduce compliance costs that may arise on consolidation of mixed groups. Now that the IPSASB (International Public Sector Accounting Standards Board) has issued a revised standard on financial instruments, IPSAS 41 Financial Instruments (based on IFRS 9), the NZASB has incorporated that standard into the PBE Standards. PBE IPSAS 41 Financial Instruments will replace both PBE IPSAS 29 and PBE IFRS 9.

IPSAS 41 is effective from 1 July 2022. The Council has early adopted this standard from 1 July 2021. The Council has assessed the changes have minimal impact on the statements.

There have been no other changes in accounting policies.

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.

Fees and charges and other revenue

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

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

Grants and subsidies

Government grants are recognised when eligibility is established. The Council receives government



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

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

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

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

Other gains and losses

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

Revenue from exchange and non-exchange transactions

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

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

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

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

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

- Airport lease revenue
- Resource consent revenue

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

Grant expenditure

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

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

Leasing

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

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

(a) The Council as Lessor

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

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

(b) The Council as Lessee

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

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

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

(c) Lease Incentives

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

Borrowing costs

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

Taxation

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

Goods and services tax

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

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

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

Cash and cash equivalents

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

Financial assets/financial liabilities

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

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

Financial Assets are classified as either:

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

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

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

A financial asset shall be measured at FVTSD unless it is measured at amortised cost or at FVTOCRE. However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured FVTSD to present subsequent changes in FVTOCRE. Subsequent measurement of financial assets at amortised cost.

Term Deposits and Community Loans

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

Subsequent measurement of financial assets at FVTSD

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

Listed and Unlisted Shares and Bonds

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

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



in the other comprehensive revalue and expense is transferred to accumulated funds within equity.

Expected credit loss allowance (ECL)

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

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

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

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

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

Financial Liabilities are classified as either:

1. Amortised Cost, or
2. Fair value through comprehensive revenue and expenditure

Financial liabilities are generally classified and measured at amortised cost, unless they meet the criteria for classification at fair value through comprehensive revenue and expenditure.

A financial liability is classified as a financial liability at fair value through comprehensive revenue and expenditure if it meets one of the following conditions:

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

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

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

Inventories

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

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

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

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

Property, plant and equipment

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

(a) Operational Assets

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

(b) Infrastructural Assets

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

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

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

Cost/valuation

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

Additions

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

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

Revaluation

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

- Land and buildings have been valued by Quotable Value Limited (Registered Valuers) at market value or depreciated replacement cost as at 30 June 2022. Subsequent additions are recognised at cost. Land and buildings are re-valued every three years.
- Infrastructural assets (except for land under roads) have all been valued at depreciated replacement cost by WSP Limited as at 30 June 2022. Subsequent additions are recognised at cost. Infrastructural assets are re-valued at least 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
Wastewater Reticulation	15 - 60
Stormwater Reticulation	15 - 60
Refuse	10 - 50
Roads – Formation	N/A
Roads – Pavement (non-depreciable)	N/A
Roads – Pavement (depreciable)	7 - 60
Roads – Footpaths, Kerbs, Bridges and Culverts	50 - 100
Roads – Signs, Road markings and Street lighting	20 - 100

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

Disposal

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

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

Impairment of non-financial assets

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

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the surplus or deficit for the period immediately, unless the relevant asset is carried at fair value, in which case the reversal or deficit of the impairment loss is treated as a revaluation increase, via comprehensive revenue and expense.

Superannuation schemes

Defined contribution schemes

Contributions to defined contribution superannuation schemes are expensed when incurred.

Provisions

Provisions are recognised when the Council has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Landfill post-closure costs

The Council, as operator of the District's landfill, has a legal obligation under the resource consent to provide on-going maintenance and monitoring services at the landfill site after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure care arises.

The provision is measured based on the future cash flows expected to be incurred, taking into account future events including new legal requirements and known improvements in technology. The provision includes all costs associated with the landfill closure.

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

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

Employee entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

Cash flow statement

Cash means cash balances on hand, held in bank accounts and demand deposits the Council invests in as part of its day-to-day cash management.

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

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

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

Equity

Equity is the community's interest in the Council and is measured as total assets less total liabilities. Equity is disaggregated and classified into a number of reserves.

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

The components of equity are:

- Retained earnings
- Asset revaluation reserve
- Restricted reserves
- Council created reserves.

Reserves

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

Restricted reserves are subject to specific conditions which may not be revised by the Council without reference to the courts or a third party. Transfers from these reserves may be made only for certain specified purposes. The Council created reserves are reserves established by Council decision. The Council may alter them without reference to the third party. Transfers to and from these reserves are at the discretion of the Council.

Budget figures

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

Allocation of overheads

Corporate overheads have been allocated to the other significant activities in the funding impact statements and statement of comprehensive revenue and expense. The allocation is calculated on the basis of estimated administration staff hours provided to each activity.

Critical accounting estimates and assumptions

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

- Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example, the Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible, for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;
- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates of the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then the Council could be over or underestimating the annual depreciation charge recognised as an expense in the Statement of comprehensive revenue and expense. To minimise this risk the Council's infrastructural asset, useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration, and condition modelling are also carried out regularly as part of the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

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



2. SUMMARY REVENUE AND EXPENDITURE FOR GROUPS OF ACTIVITIES

	Actual 2022 \$'000	Budget 2022 \$'000	Actual 2021 \$'000
REVENUE			
Water	4,820	2,617	2,380
Wastewater	2,285	1,828	2,679
Stormwater	892	889	630
Roading	5,898	6,843	6,131
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	8,594	6,377	6,759
Other district assets including Solid Waste and Civil Defence	2,917	2,837	2,452
Regulatory and Planning	1,785	1,713	1,744
Democracy and Administration	3,810	1,794	3,132
Community services - Arts & Heritage, Libraries, Promotions and Grants	3,764	7,362	3,225
Total activity revenue	34,765	32,261	29,132
EXPENDITURE			
Water	2,743	2,984	2,483
Wastewater	3,364	2,475	2,655
Stormwater	742	889	721
Roading	6,685	5,388	5,131
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	6,867	6,285	6,373
Other district assets including Solid Waste and Civil Defence	3,087	2,784	2,731
Regulatory and Planning	2,965	2,166	2,109
Democracy and Administration	2,338	1,424	2,059
Community services - Arts & Heritage, Libraries, Promotions and Grants	3,529	3,380	3,756
Total Expenditure	32,320	27,776	28,018

This shows a breakdown of the Total Revenue and Operating Expenditure, as shown on the Statement of Comprehensive Revenue and Expense, between each Group of Activities.

3. RATES

	Actual 2022 \$'000	Actual 2021 \$'000
General rates	6,395	5,906
Targeted rates		
- Water	2,265	1,891
- Wastewater	1,292	1,630
- Stormwater	892	630
- Roothing	2,406	2,525
- Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	3,533	3,231
- Other district assets including Solid Waste and Civil Defence	1,665	1,353
- Community services - Arts & Heritage, Libraries, Promotions and Grants	734	639
Rates Penalties	137	138
	19,319	17,943

RATINGS BASE

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

Number of rating units at end of preceding year	6,638	6,032
Total capital value of rating units at end of preceding year	3,840,183	3,816,126
Total land value of rating units at end of preceding year	2,219,864	2,215,504

4. SUBSIDIES AND GRANTS

	Actual 2022 \$'000	Actual 2021 \$'000
New Zealand Transport Roothing subsidies	3,268	3,382
Stimulus Funding	129	225
Shovel Ready Funding	2,674	-
Other subsidies and grants	3,416	1,591
Total Subsidies and Grants	9,487	5,198

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



5. FEES AND CHARGES

	Actual 2022 \$'000	Actual 2021 \$'000
Regulatory and planning	1,182	953
Water connections and usage	429	480
Wastewater - tradewaste	864	811
Recreation fees and charges	217	436
Other fees and charges	996	794
Total Fees, Charges and Metered Water Supply	3,688	3,474

6. FINANCE REVENUE

	Actual 2022 \$'000	Actual 2021 \$'000
Finance Revenue	46	75
Total Finance Revenue	46	75

7. OTHER REVENUE

	Actual 2022 \$'000	Actual 2021 \$'000
Regulatory and Planning	20	59
Water	13	9
Wastewater	1	13
Recreation	74	436
Rental revenue	154	162
Petroleum Tax	107	117
Other Revenue	553	536
Total Other Revenue	922	1,332

7a. OPERATING LEASES AS LEASOR

	Actual 2022 \$'000	Actual 2021 \$'000
Not later than one year	113	136
Later than one year and not later than five years	427	435
Later than five years	1,076	1,178
Total Operating leases as lessor	1,616	1,749

8. OTHER GAINS/(LOSSES)

	Actual 2022 \$'000	Actual 2021 \$'000
Gain / (loss) Disposal of PPE	(317)	48
Gain / (loss) fair value financial instruments	1,620	1,062
Total gains/(losses)	1,303	1,110

9. REVENUE EXCHANGE/NON-EXCHANGE

	Actual 2022 \$'000	Actual 2021 \$'000
REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Other Revenue	154	162
Finance revenue	46	75
Other gains/(losses)	1,620	1,062
Total revenue non-exchange	1,820	1,299

	Actual 2022 \$'000	Actual 2021 \$'000
REVENUE FROM EXCHANGE TRANSACTIONS		
Rates Revenue	19,319	17,943
Subsidies and Grants	9,487	5,198
Other Revenue	768	1,170
Fees and charges	3,688	3,474
Other gains/(losses)	(317)	48
Total revenue exchange	32,945	27,833



10. PERSONNEL COSTS

	Actual 2022 \$'000	Actual 2021 \$'000
Salaries and wages	7,302	6,793
Defined contribution plan employer contributions	219	211
Total personnel costs	7,521	7,004

Employer contributions to defined contributions plans include contributions to Kiwisaver.

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

ELECTED REPRESENTATIVES REMUNERATION	Actual 2022 \$'000	Actual 2021 \$'000
Tracy Hicks JP (Mayor)	98,710	98,070
B A Reid (Deputy Mayor)	35,863	36,792
C S Bolger	30,368	31,154
B R Highsted	30,368	31,154
N J Davis	23,282	23,885
G K Dickson	23,282	24,094
D I Grant	23,282	28,537
J C Gardyne	23,282	23,885
N G Phillips	23,282	23,885
R O McPhail	30,368	31,154
S J MacDonell	23,282	23,885
N W J Grant	23,282	23,885
	388,651	400,380

Chief Executive total remuneration paid or payable for the year	290,135	290,513
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REMUNERATION FOR EMPLOYEES BY BAND AS AT 30 JUNE

\$280,000 to \$299,999	1	1
\$100,000 to \$179,999	10	11
\$80,000 to \$99,999	11	7
\$60,000 to \$79,999	25	21
\$59,999 and less	83	87
	130	127

The salary bands between \$100,000 and \$179,999 have been combined due to there being 5 or fewer employees in those bands.

The number of full time equivalent (FTE) employees as at 30 June 2022 was 99 (2021: 95) where 37.5 hours a week is considered full time.

For the year ended 30 June 2022 Council made severance payments to one employee of \$5,000 (2021: one employee of \$5,000).



11. FINANCE EXPENSE

	Actual 2022 \$'000	Actual 2021 \$'000
Finance expense	1,038	926
Provisions discount unwinding	(2)	(6)
Total Finance Expense	1,036	920

12. OTHER EXPENSES

EXPENSES INCLUDE:	Actual 2022 \$'000	Actual 2021 \$'000
<i>Fees to principal auditor</i>		
Audit fees for financial statement audit	120	110
Audit fees for Long Term Plan audit	29	97
Audit fees for Assurance and related services	10	3
Insurance	398	382
Grants	717	1,240
Minimum lease payments	39	15
Solid Waste Operations	2,505	2,144
Roading Operations	3,938	2,112
Impairment of Assets	98	580
Other operating expenses	9,214	6,936
Total other expenses	17,068	13,619

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

12a. OPERATING LEASES AS LEASEE

	Actual 2022 \$'000	Actual 2021 \$'000
Not later than one year	40	48
Later than one year and not later than five years	55	60
Total revenue non-exchange	95	108

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



13. CASH AND CASH EQUIVALENTS

	Actual 2022 \$'000	Actual 2021 \$'000
Cash at bank and in hand	1,810	2,936
Total cash and cash equivalents	1,810	2,936

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

The total value of cash and cash equivalents that can only be used for a specified purpose as outlined in the relevant trust deeds is \$237,000 (2021: \$224,000).

14. RECEIVABLES

	Actual 2022 \$'000	Actual 2021 \$'000
Rates receivables	1,180	1,039
Other receivables	3,565	2,189
Subsidy receivable	-	196
GST receivable	396	244
Allowance for doubtful debts	(144)	(94)
Total receivables	4,997	3,574

TOTAL RECEIVABLES COMPRISE:

	Actual 2022 \$'000	Actual 2021 \$'000
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements, and fees and charges that are partly subsidised by rates	4,981	3,566
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	16	8
	4,997	3,574

Fair value

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

Expected Credit Losses

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

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

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

* Section 90A: \$Nil (2021: \$Nil)

* Section 90B: \$Nil (2021: \$Nil)



The ECL rates for other receivables at 30 June 2022 and 1 July 2021 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

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

	Current	31 to 60 days	61- 90 days	More than 90 days	Total
COUNCIL - 30 JUNE 2022					
Gross receivable amount (\$000)	2,088	1,420	10	47	3,565
COUNCIL - 30 JUNE 2021					
Gross receivable amount (\$000)	2,035	323	23	17	2,398

Movement in the allowance for credit losses is as follows:

	Actual 2022 \$'000	Actual 2021 \$'000
Balance at 1 July	94	62
Additional provisions made during year	50	32
Balance at 30 June	144	94

15. INVENTORIES

	Actual 2022 \$'000	Actual 2021 \$'000
Essential Services (at cost)	125	168
Other (at cost)	45	51
Matai Ridge (at cost)	380	-
Total inventories	550	219

The carrying amount of inventories pledged as security for liabilities is \$Nil (2021: \$Nil).

16. PREPAYMENTS

	Actual 2022 \$'000	Actual 2021 \$'000
Prepayments	482	303
Total prepayments	482	303



17. OTHER FINANCIAL ASSETS

	Actual 2022 \$'000	Actual 2021 \$'000
CURRENT PORTION		
Short term deposits	1,731	4,714
Total Current Portion	1,731	4,714
NON-CURRENT PORTION		
<i>Investments in CCOs and similar entities</i>		
LFGA Borrower Notes	634	559
NZLG Ins Corp Ltd (Unlisted shares)	54	53
Southland Regional Development (shares)	27	27
Total investments in CCOs and similar entities	715	638
<i>Investments in CCOs and similar entities</i>		
Community Loans	52	80
Community Loans impairment provision	(50)	(75)
Clean Air	31	45
Total investment in other entities	33	50
Total Non-Current Portion	748	688

Fair value

Short term deposits

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

Community loans

Community loans have recognised an impairment provision of \$50,000 (2021: \$75,000). The Council does not hold any collateral for the impaired loans. There were no other impairment expenses or provisions made for other financial assets.

18. DERIVATIVE FINANCIAL INSTRUMENTS

	Actual 2022 \$'000	Actual 2021 \$'000
Current asset portion		
Interest rate swaps	7	-
Non-current asset portion		
Interest rate swaps	242	-
Total derivative financial instrument assets	249	-
Current liability portion		
Interest rate swaps	-	-
Non-current liability portion		
Interest Rate Swaps	86	1,455
Total derivative financial instrument liability	86	1,455

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2022 were \$17,900,000 (2021: \$17,900,000). Maturity dates range from March 2023 to December 2025 (2020: March 2023 to December 2025).

At 30 June 2022, the interest rates for interest rate swaps vary from 2.85% to 4.79% (2021: 2.85% to 4.79%).

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



CORE INFRASTRUCTURE ASSET DISCLOSURES

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

	Closing Book Value	Additions: constructed by Council	Additions: transferred to Council	Most recent replacement cost estimate for revalued assets*
2022				
WATER:				
- treatment plants and facilities	2,723	50	-	7,816
- other assets (such as reticulation systems)	15,456	1,061	-	53,718
WASTEWATER:				
- treatment plants and facilities	17,142	53	-	25,627
- other assets (such as reticulation systems)	29,015	1,647	-	101,278
Stormwater	11,932	113	-	42,584
Flood Protection and controls works**	-	-	-	-
Roads and footpaths	375,664	2,642	-	456,921
2021				
WATER:				
- treatment plants and facilities	2,766	149	-	6,297
- other assets (such as reticulation systems)	15,064	90	-	46,187
WASTEWATER:				
- treatment plants and facilities	15,184	458	-	10,760
- other assets (such as reticulation systems)	11,944	505	-	40,536
Stormwater	9,406	38	-	32,515
Flood Protection and controls works**	-	-	-	-
Roads and footpaths	350,390	2,149	-	413,694

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

WORK IN PROGRESS

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

	Actual 2022 \$'000	Actual 2021 \$'000
Buildings	6,196	253
Office Equipment	9	6
Recreation and Cultural	-	1,463
Subdivision	422	380
Roads	919	1,713
Wastewater	604	596
Water	6,306	4,320
Stormwater	815	120
	15,271	8,851

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INSURANCE ON ASSETS

The following information relates to the insurance of Council assets as at 30 June.

	Actual 2022 \$'000	Actual 2021 \$'000
The maximum amount to which insured assets are insured	246,407	216,303
The total value of all Council assets covered by insurance contracts*	137,217	96,399
Value of funds maintained for self insurance	57	51

CAPITAL COMMITMENTS

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

	Actual 2022 \$'000	Actual 2021 \$'000
Capital and other expenditure commitments	10,146	11,251
	10,146	11,251

Three waters reform programme

A 2016 campylobacter outbreak in Havelock North made over 5,000 people ill and was linked to three deaths. The inquiry into the outbreak concluded New Zealand's drinking water regulatory system was failing to provide necessary assurances that drinking water across the country is safe and reliable. In 2019 Cabinet agreed to create a new water services regulator called Taumata Arowai. One of its roles is to enforce drinking water standards nationally. Its premise is that councils have the funding and support to get the balance right.

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2022 in accordance the Council's accounting policies set out at Note 1.

The Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 12 December 2022. The impact of these reforms will mean that the Gore District Council will no longer deliver three waters services or own the assets required to deliver these services. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

For more information on the Government reforms visit <https://www.dia.govt.nz/Three-Waters-Reform-Programme>.

19A. DEPRECIATION AND AMORTISATION EXPENSE

	Actual 2022 \$'000	Actual 2021 \$'000
Water	863	851
Wastewater	1,086	1,067
Stormwater	533	532
Roading	2,629	2,533
Parks, Reserves, Aquatic Facilities, Civic Buildings and Recreation	941	867
Other district assets including Solid Waste and Civil Defence	206	201
Regulatory and Planning	41	43
Democracy and Administration	204	208
Community services - Arts & Heritage, Libraries, Promotions and Grants	192	173
	6,695	6,475

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for
Identification

20. JOINT OPERATIONS

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

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

	Actual 2022 \$'000	Actual 2021 \$'000
Current assets	380	-

21. PAYABLES AND DEFERRED REVENUE

	Actual 2022 \$'000	Actual 2021 \$'000
Trade creditors	4,188	2,662
Accrued charges	354	2,868
Rates in advance	595	284
Deposits & retentions	41	47
Accrued interest	177	111
Total trade and other payables	5,355	5,972

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

22. EMPLOYEE BENEFIT LIABILITIES

	Actual 2022 \$'000	Actual 2021 \$'000
Accrued salaries and wages	348	219
Annual leave	505	484
Long service leave	44	43
Retiring gratuities	39	37
Total employee benefits	936	783

COMPRISING:

Current	897	746
Non-current	39	37
Total employee benefits	936	783

23. PROVISIONS

	Actual 2022 \$'000	Actual 2021 \$'000
A. LANDFILL AFTERCARE PROVISION		
Opening balance	68	74
Discount unwinding	-	(6)
Closing balance	68	68

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

The cash outflows for landfill post-closure are expected to occur in between 2007 and 2033. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rate of 4% (2021: 4%).

	Actual 2022 \$'000	Actual 2021 \$'000
B. OUVEA PREMIX REMOVAL PROVISION		
Opening balance	48	50
Amounts used during the year	-	(4)
Closing balance	48	46

The Council has agreed to contribute \$55,000 to fund the removal of Ouvea premix stored in various locations around Southland, including in the former Mataura Paper mill. Other parties are also contributing to the removal, including New Zealand Aluminium Smelters Limited, the Ministry for the Environment, landlords of the various properties where the goods are stored, Environment Southland, Southland District Council and the Invercargill City Council. The Council does not own the Ouvea premix. This is deemed to be a current liability.

	Actual 2022 \$'000	Actual 2021 \$'000
C. INFRASTRUCTURE RETENTIONS		
Opening balance	-	85
Amounts used during the year	-	(85)
Closing balance	-	-

The Council holds retentions back from large construction projects for a period of time. In the future the retention is highly likely to be released as part of the contract.

TOTAL PROVISIONS

Current	48	46
Non-current	68	68
Total Provisions	116	114



24. BORROWINGS

	Actual 2022 \$'000	Actual 2021 \$'000
AT AMORTISED COST		
CURRENT		
Secured Loans	11,000	6,000
Total current borrowings	11,000	6,000
NON-CURRENT		
Secured loans	24,500	26,500
Total borrowings	35,500	32,500

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

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

Interest is charged on a floating rate basis. At balance date the current weighted average effective interest rate on the bank borrowings is 3.15% (2021: 3.12%).

The Council has a credit card facility with Westpac with a credit limit of \$100,000 (2021: \$70,000).

25. CONTINGENCIES

CONTINGENT LIABILITIES

WorkSafe Investigation

The Council has pleaded guilty to a reduced charge of failing to perform a duty, laid by WorkSafe. The Council will be sentenced in the Gore District Court on 6 March 2023.

Local Government Funding Agency

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

NZLGFA shareholders consist of the New Zealand Government (20%) and local authority shareholders (80%). The New Zealand Government shareholding is fully paid. The uncalled capital of local authority shareholders is \$20m and this is available in the event that an imminent default is identified. Also, together with the shareholders and guarantors, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2022, NZLGFA had borrowings totalling \$15,789m (2021: \$13,610m).

"Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

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

Contingent assets

There are no contingent assets at balance date (2021: \$Nil).

26. EQUITY

	Actual 2022 \$'000	Actual 2021 \$'000
ACCUMULATED FUNDS		
As at 1 July	135,209	135,476
Surplus/(deficit) for the year	2,445	1,114
Separate Funds	1,940	(1,381)
As at 30 June	139,594	135,209

COUNCIL RESERVES

As at 1 July	7,017	5,636
Transfers from Reserves	(4,397)	(1,671)
Transfers to Reserves	2,456	3,052
As at 30 June	5,076	7,017

ASSET REVALUATION RESERVES

As at 1 July	287,938	288,718
Revaluation gains/(losses)	70,297	-
Revaluation reserve gains/(losses)	(3,626)	(780)
As at 30 June	354,609	287,938

Total Equity	499,279	430,164
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ASSET REVALUATION RESERVES CONSIST OF:

Water Reticulation	16,071	15,873
Wastewater and Stormwater Reticulation	36,460	15,096
Roads, Bridges and Lighting	259,813	234,571
Land	19,820	12,102
Buildings	22,445	10,296
Total	354,609	287,938

Capital Management

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

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

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

The Act requires the Council to make adequate and effective provision in its 10-Year-Plan (10YP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors the



Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's 10YP.

Council has the following Council created reserves

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

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

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

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

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

		Sum of 30 June 2021	Additions \$,000	Withdrawals \$,000	Sum of 30 June 2022
(A) SPECIAL BEQUESTS					
A M A Dolamore	Maintenance and improvement of Dolamore Park	68	1		69
C A Coster	Provision or extension of amenities in Matura area	101	2		103
Dolamore Trust	Purchase of Library Books	5			5
Dorothy Newman Trust	Maintenance and improvement of Gore Parks and Reserves	18			18
J H Dolamore	Maintenance and improvement of Gore Parks and Reserves	41	1		42
(a) Special Bequests Total		233	4		237
(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	5,644	2,431	(4,368)	3,707
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	6		57
Matura Initiatives Reserve	Funding future initiatives in Matura	17	-	(19)	(2)
Otama water scheme	Funding capital works on Otama Water Scheme	446	7	(10)	443
Parks and Reserves development reserve	Funding future development requirements	19	-		19
Rural Halls Reserve	Funding future maintenance costs of rural halls	13	-		13
Rural Special Fund	Provision of amenities in rural areas of the District	518	8		526



Rural Roding reserve	Funding future rural roding works	(11)	-		(11)
Sister City reserve	Funding future sister city initiatives	9	-		9
Young Ambassador reserve	Funding future young ambassador initiatives	1	-		1
(b) Council created reserves Total		6,784	2,452	(4,397)	4,839
Grand Total		7,017	2,456	(4,397)	5,076

27. RELATED PARTY TRANSACTIONS

A. TRANSACTIONS WITH RELATED PARTIES

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

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

	Actual 2022 \$'000	Actual 2021 \$'000
Southern Office Products Depot (owned by Councillor Nicky Davis)		
- purchase of stationery items	(15)	(31)
PaperPlus Gore (owned by Councillor Doug Grant)		
- purchase of stationery items	(7)	(26)
NG Plumbing & Heating Services Limited (owned by Councillor Nick Grant)		
- purchase of stationery items	(1)	-

(B) OTHER TRANSACTIONS INVOLVING RELATED PARTIES

	Actual 2022 \$'000	Actual 2021 \$'000
Community Networking Trust (Councillor Glenys Dickson is a Trustee)	(12)	(77)
Southern REAP (Councillor Glenys Dickson is a Board Chair)	(1)	(5)
Gore River Valley Lions (Councillor Bronwyn Reid is a Member)	-	(2)
Stony Creek Station (Councillor Bret Highsted is a Director)	(2)	-

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables to related parties (2021: No).



KEY MANAGEMENT PERSONNEL COMPENSATION

	Actual 2022 \$'000	Actual 2021 \$'000
COUNCILLORS		
Full-time equivalent members	12	12
Remuneration	389	400
SENIOR MANAGEMENT TEAM, INCLUDING THE CHIEF EXECUTIVE		
Full-time equivalent members	4	6
Remuneration	731	1,005
Total full-time equivalent personnel	16	18
Total key management personnel remuneration	1,120	1,405

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

28. EVENTS AFTER BALANCE DATE

In May 2019 the Otama Rural Water supply Bill received royal assent. The Bill provides a process whereby the Otama Rural Water Supply scheme can be transferred to the users of the scheme, despite section 130 of the Local Government Act 2002, and provides for certain related matters if the scheme is transferred. A referendum for the users of the scheme was held in late 2021, with the final result being declared on 10 December 2021, with a majority of 90.94% voting in favour of the scheme being transferred to Otama Rural Water Limited on 1 July 2022 for the sale price of \$1. The assets relating to the Otama Rural Water Supply scheme were written down to a fair value of \$1 in the 2021/2022 financial year, resulting in a loss of \$98,000 on the asset. Reserves of \$443,497 will also be paid out in the 2022/2023 financial year.

In June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 12 December 2022. The impact of these reforms will mean that the Gore District Council will no longer deliver three waters services or own the assets required to deliver these services. Additional legislation is expected in 2023 that will provide detail on the transfer of assets and liabilities to the water service entities.

Breach of statutory reporting deadline

Gore District Council was required under Section 98 amended (Annual report) Local Government Act 2002 to complete its audited financial statements and service performance information by 31 December 2022. This timeframe was not met due to the late completion of the audit, as a result of auditor resourcing constraints.

There were no other significant events subsequent to balance date (2021: Nil).

29. FINANCIAL INSTRUMENTS

The Council has elected to early adopt PBE IPSAS 41.

"In accordance with the transitional provisions in PBE IPSAS 41, the Council and group have elected not to restate the comparative information. The comparative information continues to be reported under PBE IPSAS 29. Adjustments arising from the adoption of PBE IPSAS 41 are recognised in opening equity at 1 July 2021 (the date of initial application)."



"The accounting policies for the year ended 30 June 2021 have been updated to comply with PBE IPSAS 41. The main changes to the Council and group's accounting policies are:

* Note 14 – Receivables – This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying the simplified expected credit loss model.

* Note 17 – Financial assets – This policy has been updated to reflect:

- the new classification categories;
- the measurement and recognition of loss allowances based on the new expected credit loss (ECL) model; and
- the removal of impairment loss considerations for equity investments at FVTOCRE."

The derivatives accounting policies remain unchanged as Council has not elected to apply the hedging requirements of PBE IPSAS 41.

PBE IPSAS 41 also significantly amended the financial instruments disclosures of PBE IPSAS 30. This has resulted in new or amended disclosures, mostly in relation to hedge accounting and credit risk.

On the date of initial of application of PBE IPSAS 41, the classification and carrying amounts of financial assets under PBE IPSAS 41 and PBE IPSAS 29 is outlined in the tables below.

	Measurement PBE IPSAS 29	Classification PBE IPSAS 41	30-Jun-21 PBE IPSAS 29 \$000	1-Jul-21 PBE IPSAS 41 \$000	Adoption Adjustment \$000
FINANCIAL ASSETS					
Listed and unlisted shares	FVtoCRE	FVtoCRE	79	79	-
Cash and cash equivalents	Loans and receivables	Amortised Cost	2,936	2,936	-
Receivables	Loans and receivables	Amortised Cost	3,574	3,574	-
Term deposits	Loans and receivables	Amortised Cost	4,714	4,714	-
Community loans	Loans and receivables	Amortised Cost	50	50	-
Investment in Other entities	Loans and receivables	Amortised Cost	559	559	-

FVTOCRE = Fair value through other comprehensive revenue and expense

FVTSD = Fair value through surplus or deficit

The measurement categories and carrying amounts for financial liabilities have not changed on transition to PBE IPSAS 41.

Additional Information in relation to subsequent measurement classification assessment

PBE IPSAS 41 requires debt instruments to be subsequently measured at FVSTD, amortised cost, or FVTOCRE. This classification is based on the business model for managing the debt instruments, and whether the payments are for solely payments of principle and interest on the principle amount outstanding.

Council's debt instruments are solely comprised of contractual cash flows solely for payments of principal and interest, in line with basic lending arrangements. This assessment was based on the facts and circumstances as at the initial recognition of the assets.

PBE IPSAS 41 requires equity instruments to be classified at FVTSD. However, it permits entities to make an irrevocable election on transition to PBE IPSAS 41 to subsequently measure at FVTOCRE if the shares are not held for trading. The Council has elected to subsequently measure all of its shares at FVTOCRE.



	Actual 2022 \$'000	Actual 2021 \$'000
FINANCIAL ASSETS		
<i>Mandatorily measured at FVTSD (2021: Held for Trading)</i>		
Derivative financial instrument assets	249	-
Other financial assets:		
- Investments in debt securities	-	-
Total at FVTSD (2021: Held for Trading)	249	-

<i>Amortised Cost (2021: Loans and Receivables)</i>		
Cash and cash equivalents	1,810	2,936
Trade and other receivables	4,997	3,574
Other financial assets:		
- Term deposits	1,731	4,714
- Community loans	33	50
- Investment in other entities	634	559
Total at amortised cost	9,205	11,833

<i>FVTOCRE</i>		
Other financial assets:		
- Listed bonds		
- Unlisted shares	81	79
Total at FVTOCRE	81	79

FINANCIAL LIABILITIES

Mandatorily measured at FVTSD (2021: Held for trading)

- Derivative financial instrument liabilities – not hedge accounted	86	1,455
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AMORTISED COST

Trade and other payables	5,355	5,972
Borrowings:		
- Bank overdraft	-	-
- Lease liabilities	-	-
- Secured loans	35,500	32,500
Other financial liabilities	62	42
Total financial liabilities at amortised cost	40,917	38,514

Fair value

The Council carries certain financial assets and financial liabilities at fair value. In accordance with PBE IPSAS 30

- Fair Value Measurement, Council uses various methods in estimating the fair value of its financial instruments. The methods comprise:

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value

measurement is directly or indirectly observable.

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



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

	Total \$000	VALUATION TECHNIQUE		
		Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000
30 JUN 2022 - COUNCIL				
FINANCIAL ASSETS				
Derivatives	249	-	249	-
Investments in debt securities	-	-	-	-
Shares	81	-	-	81
FINANCIAL LIABILITIES				
Derivatives	(86)	-	(86)	-
30 JUN 2021 - COUNCIL				
FINANCIAL ASSETS				
Derivatives	-	-	-	-
Investments in debt securities	-	-	-	-
Shares	79	-	-	79
FINANCIAL LIABILITIES				
Derivatives	(1,455)	-	(1,455)	-

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

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

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

	2022 \$'000	2021 \$'000
Balance as at 1 July	79	78
Gain and losses recognised in the surplus or deficit	2	1
Balance as at 30 June	81	79

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

FINANCIAL INSTRUMENTS RISKS

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

Market risk

Currency risk

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



Interest rate risk

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose the Council to fair value interest rate risk. Council's Liability Management policy outlines the level of borrowing that is to be sourced using fixed rate instruments.

Cash flow interest rate risk

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

Council manages its cash flow interest rate risk on borrowings by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower

than those available if Council borrowed at fixed rates directly. Under the interest rate swaps. Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed national principal amounts.

Credit risk

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

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

Council has no other collateral or other credit enhancements for financial instruments that give rise to credit risk.

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

	Actual 2022 \$'000	Actual 2021 \$'000
Cash at bank and term deposits	3,541	7,650
Trade and other receivables	4,997	3,574
Community loans	33	50
- Investment in other entities	634	559
Investments in debt securities	-	-
Derivative financial instrument assets	7	-
Total credit risk	9,212	11,833

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

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

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

LIQUIDITY RISK

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

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

Council manages its borrowing in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of the Council's Long Term Plan.

Contractual maturity analysis of financial liabilities, excluding derivatives

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

	Carrying amount \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
COUNCIL 2022					
Trade and other payables	5,355	5,355	-	-	-
Secured loans	35,500	11,000	5,000	16,500	3,000
Total	40,855	16,355	5,000	16,500	3,000

COUNCIL 2021

Trade and other payables	5,972	5,972	-	-	-
Secured loans	32,500	6,000	5,000	15,500	6,000
Total	38,472	11,972	5,000	15,500	6,000

Contractual maturity analysis of derivative financial instruments

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

	Carrying amount \$000	Less than 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Council 2022	(163)	(7)	20	(176)	-
Council 2021	1,455	-	79	1,376	-

Contractual maturity analysis of financial assets

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

	Carrying amount \$000	Less than 1 year \$000	1-5 years \$000	More than 5 years \$000
COUNCIL 2022				
Cash and cash equivalents	1,810	1,810	-	-
Trade and other receivables	4,997	4,997	-	-
Unlisted shares	81	-	-	81
Other financial assets:				
- term deposits	1,731	1,731	-	-
- community loans	33	-	33	-
- investment in debt securities	634	-	559	75
Total	9,286	8,538	592	156

COUNCIL 2021

Cash and cash equivalents	2,936	2,936	-	-
Trade and other receivables	3,478	3,478	-	-
Unlisted shares	79	-	-	79



Other financial assets:

- term deposits	4,714	4,714	-	-
- community loans	50	-	50	-
- investment in debt securities	559	-	409	150
Total	11,816	11,128	459	229

Sensitivity Analysis

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

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

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

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

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

- Surplus would decrease/increase by \$103,600 (2021: \$92,000). This is mainly attributable to the Council's exposure to interest rates on its borrowings.
- Other equity reserves would remain unaffected.

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

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

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

- Surplus would have been unaffected.
- Other equity reserves would have increased/ decreased by \$5,000 (2021: \$5,000) as the equity investments are classified as available for sale investments.

The Council's sensitivity to equity prices has not changed significantly from the prior year.

30. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanation of major variations from Council's estimated figures in the 2021/2022 budget, as reflected in the Annual Plan, are as follows:

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Council made a net surplus of \$2,445,000 (budgeted surplus of \$4,485,000) before other comprehensive revenue - gain on asset revaluations. Council made a net surplus of \$69,115,000 (budgeted surplus of \$27,377,000) after other comprehensive revenue.

The most significant variance relates to the revaluation of the Council's assets where revaluations came in at \$43.8m higher than budget. In particular, wastewater infrastructure assets have experienced a 207% increase in asset value per the WSP, the Council's infrastructure asset valuers. This will lead to a significant increase in depreciation from the 2023/24 year, and put pressure on the rating increase for ratepayers.

Subsidies and grants is higher than budget by \$983k. This is mainly due to the Shovel Ready funding from Government for the multisports centre re-roof, the redevelopment of the Library and Community rooms, funding for Mayor's Taskforce for Jobs, and the stimulus funding received for 3Waters.



Other gains/(losses) is higher than budget by \$1.303m. This is made up of a gain of \$1.6m gain on the revaluation of interest rate swaps which was offset by the writing down of the assets relating to Otama Rural Water Supply to a fair value of \$1.

Other expenses are higher than budget by \$4.0m. The main contributors to the variance include \$527k for the District Plan, the programme was accelerated to enable it to go to consultation sooner than originally planned for. As a result of staff departures in the planning team, the Council was required to contract in external planners in order to be able to complete resource consenting work. This resulted in an additional \$257k of unbudgeted contractor expenses. Inflationary pressures were experienced in relation to the chemicals used by both 3Waters and the Multisport Centre, which resulted in the \$239k additional expenditure on essential products. For a large part of the year, the Council had an IT Manager vacancy, given the Council has a small IT team, additional expert support was required to ensure that the Council's IT infrastructure and systems were adequately maintained. This produced an unfavourable variance of \$240k. Legal expenses were \$371k above budget due primarily to two items, an employment matter and the hearing for the bridge across the Matura River.

STATEMENT OF FINANCIAL POSITION

Current assets are higher than budget by \$631k. This is primarily due to the Council transferring the Matai Ridge Subdivision from non-current assets into inventory ready for sale, and an increase in receivables.

Property, plant and equipment higher than budget as a result of the revaluations that were undertaken.

Total borrowings is lower than budget by \$5.2m due to working capital management and delays in a number of projects.

31. RECONCILIATION OF NET SURPLUS/(DEFICIT) AFTER TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Actual 2022 \$'000	Actual 2021 \$'000
Surplus/(deficit) after tax	2,445	1,114
Add/(less) non-cash items:		
Depreciation and amortisation	6,695	6,475
Impairment charges	-	580
(Gains)/losses in fair value of financial instruments	(1,620)	(1,062)
Movement in provision	-	(94)
Add/(less) items classified as investing or financing activities:		
(Gains)/losses on disposal of property, plant and equipment	317	(49)
Add/(less) movements in working capital items:		
Accounts receivable	(1,423)	538
Inventories	(331)	7
Prepayments	(179)	(77)
Accounts payable	(617)	2,251
Employee Entitlements	153	53
Provisions	2	-
Add/(less) movements in capital creditors	(712)	-
Net cash inflow/(outflow) from operating activities	4,730	9,736



LIABILITY MANAGEMENT POLICY

Background

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

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

Full details of this policy can be found in the 2021 - 2031 10-Year-Plan.

Performance

There were no material variations or departures from the Council's Borrowing Policy during the year to 30 June 2022.

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

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

Borrowing Limits

	Actual 30 June 2022	Limit
Net Debt as a percentage of total revenue	85.3%	<175%
Net interest as a percentage of total revenue	3.1%	<10%
Net interest as a percentage of rates	5.1%	<25%

INVESTMENT POLICY

Background

The Council manages funds for the following purposes:

- Day to day working capital management
- Part of an investment strategy
- Debt mitigation
- To meet debt repayments
- To fund short term and long term commitments identified in the Council's Annual Plan and 10-Year-Plan.

Full details of this policy can be found in the 2021-2031 10-Year-Plan.

Performance

This policy was reviewed and updated during the year. There were no material variations or departures from the Council's Investment Policy during the year to 30 June 2022.