



**MINUTES OF AN EXTRAORDINARY MEETING OF THE GORE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE ON FRIDAY 24 MAY 2013 AT 2.30 pm.**

**PRESENT** His Worship the Mayor (Mr Tracy Hicks, JP), Crs Bolger, Beale, Davis, D Grant, P Grant, Redhead and Watt.

**IN ATTENDANCE** The Chief Executive (Mr Stephen Parry), General Manager, District Assets (Mr Paul Withers), General Manager, Corporate Services (Mr Russell Duthie), Roading Manager (Mr Murray Hasler), Communications Coordinator (Mrs Sonia Gerken), HR/Administration Manager (Susan Jones) and seven members of the public in the gallery.

**APOLOGY** Cr Highsted apologised for absence.

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His Worship extended a welcome to those present. He said the hearing was important and was about listening to submitters but there was to be no debate entered into. Questions were encouraged.

The Chief Executive had advised that submissions to the draft Annual Plan had closed on 10 May. A total of 28 submissions had been received and 11 had indicated they wished to be heard. A copy of the submissions had been circulated.

**Submission No 2013/21 – Federated Farmers New Zealand**

The submission was presented by Mr David Cooper. The submission covered a range of topics including expenditure and rates increase, funding policy, information provided in the draft plan, debt usage, road funding and the proposal for Venture Southland to become a Council Controlled Organisation (CCO).

Cr P Grant asked what percentage rates were of farmers expenditure.

Mr Cooper advised some years ago analysis had been done, and it was in the top 5% then. He understood the Rates Inquiry had looked at the ratio.

Cr Davis asked if Federated Farmers had any views on services that should be reduced. It had referred to parks and reserves and the indoor event centre.

Mr Gardyne advised it was hard to reduce activities, but debt was the easiest thing to reduce but it would mean rates would increase. If debt was reduced it would help everyone. Another area to review was parks and reserves.

Mr Morrison said the funding mechanisms and individual work streams were considered. Federated Farmers had a comprehensive database of comparable Districts, but it was not its job to say what should be cut, it was up to the community. Federated Farmers referred to the costs of activities but how much could be reduced was up to the Council to decide.

His Worship acknowledged the concerns raised with parks and reserves and the level of debt.

### **Submission No 2013/27 – Eastern Southland Federated Farmers**

The submission was presented by Mr Andrew Morrison, together with Mr John Gardyne and Mr Jeremy McPhail.

Mr Morrison asked if the contribution to the Southland Regional Heritage rate could be shown differently as it was confusing the way it was shown in the Annual Plan. By utilising the full 30% UAGC, it was submitted that it to be put into activities such as aquatic, indoor event centre and arts and heritage.

Federated Farmers had always asked for a district wide funding model for roading. He asked if it was good enough to move the UAGC why was it not good enough to explore a district wide roading mechanism.

He asked that the statement of cost spread sheets be released alongside the draft Plan to assist with the explanation of the document.

With respect to roading, it was not receiving a reasonable share of the proposed increase in rate funding when compared with other activities. Since 2009 more accurate spread sheets had been sought as Federated Farmers could not obtain any relevant information. He said they were disappointed that no progress appeared to have been made in the past 3-4 years. He said 25% of ratepayers were continuing to pay 66% of the roading bill. He asked again for the Council to consider a change to its funding model for roading.

Mr Morrison concluded that the organisation was not attacking the Council but asked for further information to assist it in helping its members.

Cr Bolger asked when the majority of ratepayers asked the Federated Farmers to do roading district wide, what about parks and reserves and other amenities being rated on the same basis.

Mr Morrison asked why would he assume it be on a rating valuation basis.

Cr Bolger said parks and reserves was a targeted rate.

Mr Morrison said it wanted it allocated on the same basis as parks and reserves, not a rating valuation basis.

Cr Beale asked if there had been any figures done about whether the rural sector would benefit if the UAGC was lifted back to 30%.

Mr Morrison said the Southland Rural Heritage Trust cost was \$227,000 and included in the UAGC. He said there was over 1% of rates included that should be put into the UAGC.

In response to Cr Sharp, Mr Cooper said Federated Farmers would rather Venture Southland demonstrated its funding requirements. In other Councils, there seemed to be a gap between the Councils providing the funding and the governance to ensure the ratepayers were well represented. It was thought a CCO model may reduce the impact on Councils to have sufficient control on the organisation.

His Worship thanked the representatives for attending the hearing.

#### **Submission No 24 – Ronald McDonald House South Island**

The submission was presented by Emma Jones.

The average stay for families was between 7-8 nights. Construction of a family room was begun recently at Southland Hospital. It would be the first in the South Island. McDonalds was a key supporter when the first family house was constructed in the United States. It was a long term project and other facilities would be constructed in Dunedin and Christchurch.

Support from the Council was sought in the sum of \$20,000. The amount would go directly to the construction of the facility. There was strong corporate support for operational costs.

Cr D Grant asked what the annual cost would be for the facility to operate.

Miss Jones estimated it was about \$100,000 per annum and discussions were still ongoing with the Southland DHB as to what split would be met by it.

In response to Cr Davis, Miss Jones advised no approach had been made to Environment Southland. She acknowledged Invercargill City Council had a larger population and use of the facility would be on the greatest needs basis.

Cr Davis said it would be difficult for her to make a decision on the request as she did not know how much Southland District Council had been asked to contribute.

Cr Redhead asked where the rest of the funding would come from.

Miss Jones said the organisation had a family room fund when the Christchurch earthquake occurred so there was some funding available. It had been accrued from general fundraising over past years. The money available would be applied to the Southland facility.

Cr Watt asked about population base and determining the need for such facilities. He asked how needs were determined.

Miss Jones said studies had been undertaken about whether Otago and Southland justified a Ronald McDonald House which were bigger facilities, or family rooms. The outcome was that family rooms were justified.

Cr Beale referred to the operational costs and asked if there would still be a Ronald McDonald organisation owning the entity.

Miss Jones said her organisation constructed the facility and transferred ownership to the Southland DHB. It was then leased back from the DHB, rent free.

#### **Submission No 2013/17 – Mr Peter Kempthorne**

Mr Kempthorne presented his submission.

Mr Kempthorne said he was an engineer and had been a past employee of the Council about 20 years ago. The majority of the water pumped to the reservoir was world class, but some of it was simply flushed down the toilet. He believed consents needed to change. Water storage was necessary.

His Worship said water storage on private property had been discussed by the Council for some time. There was support for that concept but how it would progress he could not say at this stage.

In response to Cr Watt, Mr Kempthorne said for new buildings, implementation could be a stroke of a pen. For others, there could be a five year deferral on the water component of their rates as an incentive to instal a tank and pump.

Cr P Grant said water storage should be dependent on the roof size.

Mr Kempthorne said he was suggesting a 10,000 litre storage for new buildings. It did not take much rain over a square metre of roof to gather a litre of water.

Cr Sharp asked what it would cost for a new house to instal water storage facilities.

Mr Kempthorne said he did not but said it was a tank and a pump. With today's buildings mainly using plastic pipe there was no need to have the pH correction put into the water supply. He added pH correction was good but it was costing money.

**Submission No 2013/06 – Leanne Grant – no attendance.**

**Submission No 2013/20 – Presbyterian Support Southland Retirement Village Ltd**

The submission was presented by Mr Todd O'Connor who requested that the Council consider a policy on rates remission in the case of units occupied by residents of retirement villages who would otherwise qualify for the Government's rate rebate scheme. He also asked that the Council consider reducing the rates on the village on the basis that retirement villages should attract a beneficial rate to recognise their special characteristics. Further, he asked that the Council advocate for residents under Occupation Rights Agreements by asking the Government to amend the rates rebate scheme to include those residents.

Cr Bolger asked if the organisation could not change its occupation agreements to become eligible for the Government's rebate scheme.

Mr O'Connor said it had been reviewed but PSS was the overall ratepayer. It was bound by the Retirement Villages Act.

Cr Beale asked if PSS was a non-profit organisation.

Mr O'Connor confirmed it was and a registered charity.

Cr Beale said his concern was the community had 18% of people over 65 years of age and any change may set a precedent, particularly with those retirement facilities that were operated for profit.

Mr O'Connor appreciated the point, but was only advocating for PSS residents.

**Submission No 2013/19 – Mark Copland and Peter Hargest**

Mr Hargest read the submission, a copy of which is attached and forms part of these minutes.

In response to His Worship, Mr Copland questioned how the Council could have a 12.5% increase for arts and heritage yet roading was not looked after.

His Worship asked if they supported unsubsidised roading.

Mr Hargest said the increases were not keeping up with inflation. It was misallocation of resources.

His Worship said reference was made to reorganisation. Did they have a view on a natural boundary?

Mr Copland said what was wrong with having Southland and Clutha coming in. Gore was the hub and it would make it a very strong rural district.

Cr Bolger referred to comments about money from the rural special fund going to the aquatic centre. There had been discussion about the money advanced to the St James Theatre Trust. He asked for their views.

Mr Copland said they were talking about the aquatic centre which was a core activity.

Cr Bolger said \$250,000 had been advanced to the St James Theatre Trust. There had been suggestions it be converted to a grant.

Mr Hargest said the initial intention would have to be reviewed.

His Worship said the question was a little unfair as it went beyond the submission.

In response to Cr Beale, Mr Hargest believed GST was irrelevant in rating discussions.

Cr Beale believed by claiming GST and tax benefits, rural ratepayers could end up paying less for parks and reserves than urban ratepayers.

### **Submission No 2013/12 – St Peter’s College Student Council**

The submission was presented by four students who were accompanied by the Principal and Mrs Grogan. The submission requested that the Council include in its solid waste activity an amended target for kerbside recycling and waste minimisation for schools. It also asked for the Council to provide 30 yellow bins and the school would buy 30 red bins.

Cr Davis asked how the numbers were arrived at.

The response was there had been problem areas identified at the school.

Mrs Grogan said the caretaker had provided information and had estimated the amount of refuse going to landfill by the amount placed in skip bins at the school.

Mr Hogue added calculations had been done and the numbers arrived at. There was about 25% of refuse from the hostel going to landfill, but about 40% from the school.

Cr Davis noted the submission did not state who would cover the ongoing costs of the bins.

### **Submission No 2013/28 – Gore District Youth Council**

The submission was presented by Kateleen McWhirter, Chairperson and Richard Gardyne, Deputy Chairperson of the Gore District Youth Council, accompanied by the Careers Advisor from Gore High School.

Cr Sharp asked what the cost of a scholarship would be.

The Careers Advisor advised the ones currently available ranged from about \$600-\$1,000 with varying terms. Some were available for one year, others for up to three.

Miss McWhirter said the Youth Council hoped to have two scholarships of \$2,000 each.

In response to Cr Davis about whether criteria had been determined, Kateleen thought the Community Development Officer and His Worship could be involved.

### **Submission No 2013/16 – Mr Robin McGowan**

Mr McGowan presented his submission.

He provided a comparison of his rates account with a similar property in the Clutha District. His Gore District rates included \$800 for roading and over \$600 for parks and reserves. In Clutha, the roading component was \$2,000 which was the level of funding he expected to pay.

In response to His Worship asking about reorganisation, Mr McGowan said there were four local authorities in Southland each with a Chief Executive and a Mayor/Chair. The biggest cost was the District Plan. The natural fix was to have a Clutha-Southland-Gore mix to keep it rural. He thought it may be all of Southland as a unitary authority.

Cr Watt agreed with much of what Mr McGowan had said and asked why he felt he had not managed to achieve any success through his submissions over the years.

Mr McGowan said there was 8,000 people in Gore and valuation based rating would mean larger landowners would pay more. He saw it as keeping the rates down for higher valued properties and the popularity of staying in power.

Cr Bolger said Mr McGowan obviously wanted more valuation based rating and less UAGC. Did he favour more Ward based rates.

Mr McGowan did not mind the UAGC being at 30%. It was what was above the 30% that bothered him. Water, sewerage and wheelie bins would be on top, but everything else should be valuation based. He liked the discounts offered by Clutha District depending on distance from facilities.

Cr Sharp said the issue was how to contain debt. Debt was not such a bad thing, but it was a matter of containing it.

Cr Beale referred to the St James Theatre Trust and asked what the consensus in the street was.

Mr McGowan said people did not want to see it fail. There was a perception that it was art for art's sake, but there was a lot of good work done with school children at the theatre. It had to be sustainable. It was a lot of money that other organisations did not have.

His Worship thanked him for his thought provoking submission.

*The Communications Coordinator departed the meeting at 4:30 pm*

### **Submission No 2013/13 – Mr John Purey-Cust**

Mr Purey-Cust presented his submission.

Mr Purey-Cust said the plan did not refer to the loss of agricultural land as a result of potential mining operations nor the impact of climate change. He encouraged the Council to make information available to the public about lignite developments in its Annual Plan.

Cr Bolger asked what information Mr Purey-Cust thought the Council had that it had not been making available.

Mr Purey-Cust said he did not know whether it was because the Council didn't have it.

Cr Bolger did not think the Council had any information that Mr Purey-Cust thought it may have.

His Worship thought Mr Purey-Cust was referring more to the extent and locations of the lignite.

Cr Beale asked what good Mr Purey-Cust thought that might do. The land that had been purchased had been reasonably well documented. He did not know that the Council was at liberty to disclose the quality of the coal and where it was. The Council had not paid for the testing done. He asked what benefit there would be if the information was available, assuming the Council had it, apart from to another mining company.

Mr Purey-Cust said Solid Energy purchased 4,000 hectares but there was 16,000 hectares mapped. Solid Energy had intensive knowledge that the public did not have. A former Government department had published a map of the extent of lignite, and there was information available through the Liquid Fuels Board. There was a lot of information available.



Cr P Grant said he had lived in the Gore District all his life and the extent of lignite deposits was common knowledge to those who had lived in the area all their lives. He thought the information held by Solid Energy was intellectual property and he did not expect it to provide it to anyone else.

His Worship thanked Mr Purey-Cust for his submission and said it and all other submissions would be considered at the deliberative meeting to be held on Tuesday 11 June, at 4 pm.

His Worship thanked the Council for their input at the hearing.

The meeting concluded at 4:55 pm