

**NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY MEETING OF THE GORE DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 11 JUNE 2013, AT 4 pm**



**Stephen Parry  
CHIEF EXECUTIVE**

**27 June 2013**

## ***A G E N D A***

1. DELIBERATION ON SUBMISSIONS RECEIVED TO DRAFT 2013/14 ANNUAL PLAN



**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, Gover, 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. Of the 28 submissions, 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, but it was in the top 5% then. He understood the Rates Inquiry looked at it.

Cr Davis asked if Federated Farmers had any views on services that should be reduced. They 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 the 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 the community's. Federated Farmers referred to the costs of those activities and how much could be reduced which 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 to be put into areas 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 the community

Cr Bolger asked when the majority of ratepayers asked the Federated Farmers to do rating district wide, what about parks and reserves and other amenities 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 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 cost would be for the facility to run.

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

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 and whether Otago and Southland justified a Ronald McDonald House which were the bigger facilities or the 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 for some time. There was support for that concept but how it would progress he could not say at this stage.

Cr Beale commended Mr Kempthorne on his submission.

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.

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. pH correction was good but it was costing money.

**Submission No 2013/06 – Leanne Grant**

**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 central 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 central 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 central 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 it 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.

In response to His Worship, Mr Copland questioned how the Council could have a 12.5% increase for arts and heritage yet the 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 their views.

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

Cr Bolger said \$250,000 had been advanced to the St James Theatre Trust. There had been suggestion 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.

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 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 their distance from the facility.



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 on 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 would be offered if the information was offered, assuming the Council had it, apart from 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

1. OPERATIONAL COMMENT ON SUBMISSIONS TO DRAFT 2013/14 GORE DISTRICT ANNUAL PLAN

(Memo from Chief Executive – 22.05.13)

- ✦ The following comments are submitted to assist Councillors in deliberating on issues raised by submitters to the draft 2013/14 Annual Plan. These comments should be read in conjunction with the minutes of the hearing of 11 submitters that took place on 24 May and they are attached with this report.
- ✦ Additionally, all submissions have been included in a booklet forwarded as part of the Agenda for the hearing on 24 May. This should be brought to the deliberative meeting.

**Submission 2013/01**

**The Bee Friendly Farming Group**

The Submitter seeks financial support in the range of \$250 through to \$5,000 for its research into the Trees for Bees New Zealand programme. The goal of this research project is to restore lost pollen sources for honeybees that were once plentiful on farms and public land in New Zealand. While the biodiversity objectives of this project are laudable, it does seem to fall in a similar category than that of the New Zealand Land Care Trust which aimed to identify reserve areas of native habitat on private land on Southland. The Council has in recent years declined to make a contribution to the operation of the New Zealand Land Care Trust.

Therefore on the basis of consistency it would seem to be logical for the Council to adopt a similar stance in respect of the Bee Farming Friendly Group.

**Submission 2013/02**

**Physicians and Scientists for Global Responsibility Charitable Trust**

Political commentary concerning specific environmental issues that do not directly relate to the draft Annual Plan. No operational comment is therefore required.

**Submission 2013/03**

**Southland Warm Homes Trust**

The submitter seeks the continuation of annual funding from the Council of \$15,000 per annum towards the provision of insulation in older homes and clean heating solutions. Over the past five years the Council has contributed this annual sum with reports on the number of energy assessments and homes insulated in the Gore District being provided.

If the Council believes that sufficient benefit and momentum has been established with annual funding, then a continuation of this grant to ensure the number of cold and draughty homes in the district is steadily reduced should be considered.

#### **Submission 2013/04**

##### **Gore Gold Guitar Awards**

The submitter seeks an increase of \$1,000 to its annual grant of \$4,000 + GST. This grant of \$4,000 has remained unchanged for the past 12 years. Given the success of the event and its cultural and economic distribution to the district, an increase along the lines sought appears to be reasonable.

#### **Submission 2013/05**

##### **Gore Community Control**

The submitter seeks the Council approval to make a vehicle available that would normally be used as a trade in. Further the submitter seeks this vehicle at a minimal cost. Vehicles that are due for replacement are traded-in and the value secured in the trade-in is offset against the purchase price of the replacement vehicle. Rather than disturb any of these vehicle transactions, I do wonder whether a more pragmatic way of supporting a very valuable and selfless service provided by the Gore Community Patrol is to make an annual grant to assist it with subsidising fuel expenses of members.

A grant of say \$2,500 per annum, would equate to \$50 per week and could provide meaningful assistance to patrol members. Further given that the Gore SPCA is not likely to come anywhere near expending the sum of \$5,000 allocated to it for euthanasing unwanted and stray cats, a grant to the Gore Community Patrol along the lines suggested could be accommodated without increasing the Council's rates allocation for grants.

#### **Submission 2013/06**

##### **Leanne Grant**

The submitter seeks the Council's commitment to sealing Nicholson Road. The Roading Manager provides the following comments on this request:

*The submitter has requested that the Council consider the extension of the seal on Nicholson Road.*

##### **Background**

*Nicholson Road is a 2.1 km long, 7.3 metre wide gravel road classified as a local road in the roading hierarchy. The road had an average daily traffic count of 41 vehicles per day when last counted in April 2013. Generally the road is on flat to rolling vertical alignment with most of the road being relatively straight. During the period*

*from 1981 to 2009 there were no recorded crashes on the road although crashes are often only reported if attended by emergency services or if someone is injured.*

*The submitter is correct in observing that the road was to be sealed over 20 years ago.*

*Not long before the creation of the Gore District just over 20 years ago the Southland County Council began preparing the road for seal extension. The road pavement was widened and the surface water channels were excavated further from the road centreline. It appears that the criteria for seal widening changed reasonably suddenly during preparation for the seal widening and only the heavier underlying sub base gravel layer was constructed. As it was being prepared for seal extension the layer was constructed with the much flatter camber (approximately 3%) required for a sealed pavement. A road is built from the bottom up and the top course gravel placed on the surface when the plans to seal were shelved followed the same camber of the underlying subgrade. Unfortunately the 3% camber is insufficient to quickly shed water from a flat gravel road which needs 4 to 6% cambers. This has caused a continuing maintenance problem with potholes since that time.*

*During the early years of this decade the Council of the time had a policy of carrying out seal extensions on gravel roads using local funding unsubsidised by central government. As a result Nicholson Road was placed high on a prioritised list of potential seal extension candidates. However during the preparation of the 2006/16 LTCCP the Council decided to cease carrying out unsubsidised seal extensions on its rural gravel roads as it was not a wise use of ratepayers funds. In effect the Council confirmed the decision made by the Southland County Council 20 years previously.*

**Possible Action**

*Seal extension, which would cost around \$400,000 to construct a 6.5m wide seal, is not currently justified on this road.*

*However the Council will continue to monitor the traffic volumes using the road to check for any significant change which may strengthen the case for sealing.*

*In addition the Council does allow residents to apply waste oil to road surface during the dusty summer months to help suppress the dust. Permits are issued to the residents on request to enable this to happen and to ensure that is done safely and in an environmentally appropriate manner.*

**Summary**

*At this time the Council cannot justify sealing Nicholson Road. Traffic counting continues to be carried out at least biennially to show any significant change in use which may justify sealing in the future.*

**Submission 2013/07**

**A Technical Submission from the Parks and Recreation Manager**

**Submission 2013/08****Andrew Johnstone**

The submitter asserts that rural ratepayers contribute more for aquatic facilities' and libraries than urban ratepayers. The suggestion is therefore made that all ratepayers should pay the same amount towards these facilities. There are two key points that need to be noted with this submission. First, the statement that rural ratepayers contribute more towards the quality of aquatic facilities and libraries is incorrect. Rural ratepayers contribute approximately 24.5% of the costs of these services with the balance being met by urban ratepayers. The second point to bear in mind is that the desire of uniformity of rate between urban and rural ratepayers is not feasible due to the Council only being able to levy 30% of its rates on a uniform basis across the district.

**Submission 2013/09****Southern Primary Health Organisation**

A predominantly supportive submission. The submitter seeks a more transparent grants process including criteria and how applications are made. The submitter is obviously unaware that the Council has recently introduced a new application criteria, the details of which can be conveyed when responding to the submission.

The submitter has also suggested that the Council introduce a performance measure around the use of walkways and cycle paths. The definition of a target and its accurate measurement could involve a considerable amount of work. The resources required to achieve such an initiative needs to be placed alongside the perceived benefits to ascertain whether the level of effort required could be justified.

The submitter has also suggested that the Council adopt a policy of making its parks and reserves smoke free. Clearly it is unaware that the Council has already approved this policy.

**Submission 2013/10****The Enviroschools Foundation**

A supportive submission. No operational comment required.

**Submission 2013/11****A Chittock**

Please see the comments provided by the Roading Manager under submission 2013/06.

## **Submission 2013/12**

### **St Peter's College Student Council**

The General Manager, District Assets provides the following comments in respect of the submitter's request for an increase in the number of recycling bins provided on school sites:

*It is pleasing to see the efforts and commitment that St Peter's College is making with reducing its waste. The estimated 25% of the waste being directed to Pakeke Lions demonstrates the willingness to recycle and to support the local organisations providing services which benefit the community.*

*The request for an additional thirty bins is considered excessive and there is considerable doubt that they would all be full on a fortnightly basis. This is an important consideration because the Council pays the Contractor based on bins in circulation. It would be better to be emptying full bins rather than thirty partially full bins. It appears that the thirty bins are being used as the internal collection system without any bulking of material taking place before being placed at the kerbside.*

*A number of the Schools participate in recycling by separating their paper and cardboard for Pakeke Lions. Whilst the submission has been received from St Peter's College a pledge of support has been received from Suan Dennison, Principal of Matura Primary School, with an accompanying request that all schools be included.*

*The Council could consider that schools within the kerbside recycling and rubbish collection area receive additional free kerbside recycling collection, provided they work with WasteNet Southland. WasteNet would assist the schools to develop sustainable waste management and minimisation systems and determine the number of recycling bins required. This task is currently being undertaken at Longford Intermediate School as a part of the Enviroschools Programme. It is envisaged that the schools would continue to pay for kerbside rubbish collection service, creating a financial incentive to ensure they maximise their recycling.*

#### **Benefits to the Council would be:**

- *Increased quantity and quality of recyclables*
- *The learnings/habits would be taken home (improving the quantity and quality of residential recycling)*
- *Decrease in rubbish going to landfill - data indicates that the main materials in schools waste streams are paper, cardboard and food waste.*
- *Increase quantity and quality of paper and cardboard going to Pakeke Lions. (WasteNet would work regularly with the schools to direct fibre to Pakeke Lions).*

**Benefits to the Schools:**

- *Decrease cost of waste disposal*
- *Learning opportunities - Waste Management is more than recycling and rubbish, this could lead to further reduction of waste to landfill through organic waste systems, litter prevention and zero waste initiatives.*
- *Schools leading by example, being champions for other organisations and businesses to recycle at work.*

**The Cost to the Council:**

- *The supply of one 240 litre wheelie bin will cost \$84.83.*
- *No additional collection cost due to a minimum charge of 4,500 properties being serviced with the next 300 properties being able to be added without additional collection charges being applied. Currently there is capacity for an additional 130 properties before an additional charge of \$41.39 per new property is applied.*

**Submission 2013/13****John Purey-Cust**

The submitter seeks the Council's active involvement in identifying the location and extent of lignite deposits in the district. The question that needs to be posed is whether it is the Council's role to accurately define and map a resource that it does not own.

**Submission 2013/14****Graeme Humphries**

The submitter's contention that debt has increased by \$2million in the past year is not correct. The total debt of the Council as reported in the 2011/2012 Annual Report was \$11.368 million. The draft Annual Plan provides for a forecast of \$11.584 million. No other operational comment is required.

**Submission 2013/15****Environment Southland.**

A supportive submission. The change in employment arrangements in Emergency Management Southland staff is noted and the draft plan will be amended accordingly.

**Submission 2013/16****Robin McGowan**

The submitter seeks big changes to the Council's funding policy. It needs to be emphasised that the funding policy is comprehensively reviewed every three years as part of the preparation of the Long Term Plan. Any substantial review of a funding policy would be best addressed at that time.



The other issue raised by the submitter, being the fate of an interest free loan advanced to the St James Theatre Trust is the subject of ongoing discussion with the Trust.

The General Manager, Corporate Services provides the following additional comments:

**i) Charging of UAGC on motel units**

*Charging of a UAGC is based on the Council's interpretation of the intent of section 15 1(b) of the Local Government (Rating) Act 2002. This section provides the ability to rate each separately inhabited part of a rating unit. Motel units do not meet this criteria due to their intermittent use.*

**(ii) Disclosure of St James Theatre Loan**

*The Council is bound to report on all assets held with reference to International Financial Reporting Standards and generally accepted accounting principles. One of those standards sets out guiding principles for the valuation of Council assets and requires that any assets which may have a final realisable value that differs from its initial value must have its value reassessed. In the case of the St James Theatre loan, the only determinant made upon the initial lending of funds was that it would be lent for a period of five years, interest free, with a decision on repayment to be made at the end of that five years. Given the uncertainty of outcome, the Council's auditors have requested that the value be "impaired" by \$250,000. It is not therefore recognised as part of the Council's assets in the draft Annual Plan. This treatment is in compliance with the reporting standards the Council is required to report under but does not impact on the final outcome of negotiations with the St James Theatre Trust representatives.*

**Submission 2013/17**

**Peter Kempthorne**

The Planning Consultant makes the following comments to the submitter's suggestion of new buildings being required to have a water storage facility for toilet and water hose use:

*Peter Kempthorne requests that new buildings be required to have 10,000 litres of water storage per toilet for toilet and outdoor hose use.*

*Several New Zealand Councils require the use of rainwater storage tanks. For example:*

- *The Kapiti District Council requires new dwellings in the reticulated area to include either a 10,000 litre tank storing rainwater; or a 4,500 litre tank storing rainwater and grey water from the dwelling. The stored water is then used for toilet and outdoor use (including irrigation, car cleaning and use with water blasting*

*machines). Provision is made for top up from the municipal supply when the stored volume falls below 1,000 litres. Approximately 400 new houses are built each year in the Kapiti district.*

- *The Auckland Council at Long Bay requires rainwater harvesting on all buildings with the size of the storage tank being dependent on building size, ranging from 3,000 – 13,500 litres. The larger tanks are required to be dual purpose, supplying non-potable supply (toilet, laundry and outdoor garden use) and also providing for gradual release into the reticulated stormwater system to help reduce peak flows following heavy rainfall events. It is not known how many buildings this applies to each year or the full extent of the area covered.*

*The use of rainwater storage tanks has three benefits:*

- (i) Reducing the demand for potable water use at the site*
- (ii) Reducing the volume of stormwater that runs off the site*
- (iii) Capturing the first flush of runoff from the roof, which usually contains dust and other contaminants, thereby improving water quality into waterways from the reticulated stormwater system.*

*Where indoor use is made water from tank supply it is necessary to install a pump, a change-over valve to municipal supply when storage tank water levels are low and a backflow preventer to avoid contamination of the reticulated supply. These costs, together with the cost of the tank, and on-going maintenance and pumping costs result in a system which is expensive at a home user level. Establishment costs are estimated to commence at \$5,000 for 3,000 litre tanks (excluding the cost of transporting the tanks). Mandatory connection for indoor use is not favoured therefore; nor is mandatory installation warranted across the whole Gore urban area, particularly when only about ten new dwellings each year are built within that area. At this level of uptake, there would be only a very minor reduction in water entering the reticulated stormwater system which in most cases would be of no material benefit.*

*Notwithstanding the comments above, there is merit in capturing rainwater for on-site use in some instances. The Council's Subdivision and Development Bylaw 2011 promotes the voluntary use of storage tanks. When resource consents are received for large buildings consideration is also given to on-site storage and use of rainwater. As a result of these existing initiatives, several large industrial buildings have installed storage tanks, with the water being used on-site, for example, in washing of machinery and watering plants both on and off-site.*

*In some parts of the urban area where the reticulated stormwater system is near or at capacity during frequent rainfall events there would be benefit in adopting a mandatory approach, particularly where large buildings are being erected and/or buildings and other hard surfaces are covering a significant portion of the site resulting in a significant increase in runoff into the reticulated system.*

*Prior to identifying the areas and circumstances under which rainwater should be stored on-site, or other provision made for its disposal, additional research and assessment is necessary. Consultation with some of potentially affected property owners and feedback*

*from those businesses that have already installed rainwater tanks is desirable to provide an informed approach on this issue. If the Council is of a mind to consider this issue further that can be undertaken by requesting a report on a possible change to the Subdivision and Development Bylaw. That would incur some staff time and advertising costs, but not give rise to any expenditure by the Council that requires identification as part of the Annual Plan process.*

### **RECOMMENDATION**

**THAT the Council:**

- 1. Not make any alteration to the Annual Plan arising from this submission; and**
- 2. Request the preparation of a report to the Operations Committee identifying the areas and circumstances under which it may be appropriate to require the installation of rainwater collection tanks, recognising that any action that the Council may wish to adopt will require further public consultation under the provisions of the Local Government Act 2002.**

### **Submission 2013/18**

**Sally McIntyre**

The General Manager, Corporate Services provides the following comments on the range of financial matters raised by the submitter:

*In response to the submitter's specific points I would advise the following:*

**(a) Financial Information disclosures**

*The content and format of financial information disclosure is very much prescribed by part 2, Schedule 1 of the Local Government Act 2002 Amendment Act 2010 and must be presented in that way to comply with legislative and audit requirements. The Efficiency Taskforce, of which our Chief Executive was a member, has made a number of recommendations to central Government on the issue of financial information presentation as it is currently prescribed. Final outcomes of the deliberations are awaited with interest.*

**(b) Repair costs for the Multisports Complex**

*The Mayoral and Chief Executive foreword referred to total costs identified, which included operational and capital costs totalling \$100,000. The commentary on page 44 referred only to the capital expenditure, which is to be loan funded.*

**(c) Fee Charges and Targeted Rates for Water Supply**

*Items which must be disclosed separately in the Funding Impact Statements (FIS) are prescribed as noted above. This line item is one of the prescribed disclosure lines and*

*must be included in every activity FIS regardless of whether it has a monetary value attached.*

**(d) UAGC**

*In completing the funding template for the draft LTP, the funding allocations for Aquatic Services, Libraries and the MLT Event Centre were inadvertently left at the percentages finally adopted for 2012/13. This has meant that the rating recovery from the UAGC mechanism sits at 28.5% of total rates, slightly below the maximum 30% allowance the Council has generally targeted.*

*I have carried out some preliminary calculations based on moving to the full 30% UAGC and this would increase the UAGC by \$36 per property (taking the charge to \$688 per property) based on the draft Annual Plan, whilst slightly reducing the valuation based ward rates. This would have a significant negative impact on lower value properties in both the urban and rural sectors, as illustrated in the attached table. It is interesting to note that this charge, if adopted, would only transfer \$1814 from the rural sector to the urban sector in total, given that the rating value of the rural sector is significantly higher than the urban sector. Given the additional financial impact that the adherence to the 30% maximum would have on the lower value properties within the district, Councillors may wish to consider transitioning back to that level over, say, three years.*

**(e) Cash Flow**

*The Council has always placed specific bequests in separate nominated accounts with Council created reserves funded through normal operating activities, albeit tagged for the purpose that they have been collected.*

*From a daily cash flow perspective ratepayers have various methods of making regular payments such as automatic payment, direct credit, direct debit etc. From these sources we collect around \$500,000 in each of the first two months of the quarterly instalment, with the balance paid in month three. As such we do not have cash flow problems.*

The submitter has also posed the question of the staff turnover rates and requesting that they be supplied in six month periods commencing 1 January 2010. The Council does not measure staff turnover rates in six month periods, but it does assess turnover on an annual basis in line with financial years.

In this regard I can advise that the staff turnover rates for the past three financial years were as follows:

2009/10 - 11%

2010/11 - 7%

2011/12 - 11%

In so far as the current year is concerned, should there be no further departures between the time of writing and 30 June 2013, our turnover rate for 2012/13 will be 7%.

Finally the submitter suggested that staffing levels should be reduced insinuating that there is waste to be removed. To introduce some factual balance to this debate, I can advise that as at 30 June 2012 the Council had 68 full time staff. By way of contrast the Annual Report of the Council for the year ended 30 June 2001 (the year in which I commenced my role as Chief Executive) recorded the number of full time staff as 67. Given the new positions that have been established since that time in roading, building control, information technology, and then community development and communications, I believe that the increase by one full time position over the ensuing 12 year period is indicative of a very efficient organisation.

#### **Submission 2013/19**

##### **Mark Copland and Peter Hargest**

The submitters have raised a number of general issues most of which without further detail are difficult to provide definitive comment on. The slightly less than 30% usage of the uniform annual general charge has been covered in earlier comments provided by the General Manager, Corporate Services to other submitters.

In terms of the solid waste rate, I can advise that rural ratepayers do pay a small uniform annual charge to pay for its share of the small ratepayer input that complements the predominantly user funded refuse transfer station. This reflects the fact that rural people as well as urban have access to this facility.

#### **Submission 2013/20**

##### **Presbyterian Support Southland Retirement Village Limited**

The following comments on the submission are provided by the General Manager, Corporate Services:

*This is a very well thought out and measured submission, which highlights a significant anomaly in the Rates Rebate Scheme, in relation to rethome residents who occupy their home under a Licence to Occupy (LTO) agreement.*

*For Councillors' information, I would advise that there are two rethomes in Gore that have residents with LTO agreements. In addition to the seven existing units*

identified in this submission, there are an additional 23 units at Parata Resthome with LTOs.

Should the Council consider an amendment to its Remission Policy, along the lines of the Auckland Council approach outlined in the submission, I have prepared some indicative calculations regarding changes to the Uniform Annual Charge after remissions for those 30 properties. These are based on the maximum Rate Rebate allowance for 2013/14 of \$595 per property.

Current base UAGC	\$4,116,827
Plus additional remissions (30 x \$595)	<u>\$17,850</u>
	\$4,134,677

Amended number of rateable units	6280
Amended UAGC	\$658.39
UAGC draft annual plan	\$652.43
Additional cost per rateable property	\$5.96

Given that each resident is directly on charged for their portion of the rates assessed, it would appear logical that they should be viewed in the same way as legal owners, as they have a binding LTO. The only point of difference is that they do not have legal ownership but they incur exactly the same outgoings as an owner.

#### **Submission 2013/21**

##### **Federated Farmers of New Zealand Ltd**

The General Manager, Corporate Services provides the following comments:

#### **(a) Funding Policy**

*This issue has been covered in item (d) of the response to submission 2013/18*

#### **(b) Information provided in the draft Annual Plan**

*The Long Term Plan (LTP) is the major consultative tool utilised by the Council to articulate the proposed future direction of the District over the ensuing 10 years, with each significant activity of the Council being profiled. This includes a discussion of levels of service, performance measures and targets, proposed major projects and provision of detailed financial information over the 10 year period for each activity. Given the level of detail provided through that process, this Council has historically treated the Annual Plan process as one of concentration on variations from the LTP, and disclosure is at a more summarised level. By way of illustration the last LTP was 254 pages in length and the latest draft Annual Plan is 94 pages.*

*The 2010 amendment to the Local Government Act 2002 has required that the Council now disclose separate financial information for water, sewerage, stormwater and roading in the Annual Plan, which have been provided so legislative requirements have been met. For completeness we have also disclosed separate financial information for the Parks and Reserves and Solid Waste activities in the current plan, given their relative size and nature within the organisation. Other activities such as Arts and Heritage, Libraries, Regulatory, Aquatic Centres and Property have been grouped together in line with past disclosures in terms of financial information, whilst levels of service, targets and explanations of any major variations from that disclosed in the LTP have been provided for each of those activities at a summarised level. Should councillors wish we can provide additional disclosure by way of separate Funding Impact Statements for those activities as well, rather than simply the grouped disclosure. This would add an additional 10 pages to the Annual Plan document.*

**(c) Venture Southland**

*The main driving forces for this proposal are the Invercargill City Council and Southland District Council. They currently provide the majority of local authority funding to Venture Southland.*

*With regard to the submitter's concerns, it is noted that section 2.13 of the Statement of Proposal outlines a number of arguments in favour of a CCO structure. These respond to the concerns raised, and include:*

- a strong governance structure, with clear accountability,*
- independence, expertise of Board of Directors,*
- transparency of costs,*
- allows for innovation in service delivery,*
- allows Venture Southland to compete and develop excellence,*
- full accountability of all aspects of performance,*
- separates operational and financial risk from Councils, and*
- allows for mixed ownership models.*

**Submission 2013/22**

**Southern District Health Board**

A generally supportive submission. The submitter has asked that the Council join with other Southland local authorities in developing a local alcohol policy for Southland. The Council earlier this year however decided not to proceed with a local alcohol policy at this point in time after weighing up the perceived benefits with the resources required to develop a robust policy.

The submitter has also asked the Council to consider introducing fluoride into both the Mataura and Gore Water supplies. Obviously this is a contentious issue that attracts strident views from both proponents and opponents of fluoride. If the Council was of a mind to give this issue serious consideration it may well be a candidate for being the subject of a referendum at a future election.

**Submission 2013/23**

**Robina-Lee Johnstone**

The submitter covers a raft of issues in suggestions. No specific operational comment required.

**Submission 2013/24**

**Ronald McDonald House South Island**

The submitter seeks a contribution of \$20,000 to the establishment of a new Ronald McDonald family room at Southland Hospital. Whilst obviously a meritorious project which will be eagerly awaited by Southland families, a question for the Council is whether it sees itself as a funding contributor to a capital project in the health sector.

By way of guidance, the Council can reflect on the fact that it has for the past 20 years provided cars to medical officers at the Gore Hospital as a means to attract and retain doctors in the community. Whether this should extend to contributing to a health facility in Invercargill which admittedly will service all of Southland is a point for discussion. An additional consideration is the revised purpose of Local Government as contained in Section 10 (1) of the Local Government Act 2002, which states as follows:

- (a) to enable democratic local decision making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good – quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.

**Submission 2013/25**

**Colin Callanan**

No operational comment required.

**Submission 2013/26**

**A technical submission from the Parks and Recreational Manager**



## **Submission 2013/27**

### **Eastern Southland Federated Farmers**

The General Manager Corporate Services makes the following comments:

#### ***(a) Funding Policy***

*I would note that by definition uniform annual charges include both the UAGC and the Southland Regional Heritage Rate. After inclusion of both rates the percentage in the draft Annual Plan is 28.50%, not 27.15% as stated. Commentary in relation to use of the 30 % cap is contained in item (d) of the response to submissions 2013/18.*

#### ***(b) Format of Funding Impact Statements***

*The Funding Impact Statements are required by legislation and their content is prescribed in statute. The Efficiency Taskforce, convened by central Government as part of its review of Local Government, has made recommendations to Government on the usefulness of Funding Impact Statements but no changes to the prescribed content have been enacted to date.*

*Funding Impact Statements were introduced as the prime financial disclosure required by legislation with effect from the 2012-22 LTP and the Council's LTP contained Activity Funding Impact Statements on pages 235 to 253. As such there should be no difficulty in reconciling those statements with the major activities of water, roading, wastewater, stormwater, parks and reserves, and solid waste as they contain the same base information. Some of the other Council activities have been combined as they are not required to be disclosed separately but they can be should the Council wish, as outlined previously. I would note that readers have previously been presented with Cost of Service Statements, which are in a different reporting layout, and as a transitional measure these had also been included in the LTP. From my review of available draft Annual Plans, no other local authority has included Cost of Service Statements for the 2013/14 year.*

#### ***(c) Incomplete Roothing Budgets***

*The Council has consistently reported the Roothing section as one activity, given that all ratepayers contribute to the cost of providing a roading network. Costs relating to service provision are captured separately for the urban and rural sectors, and each sector is rated according to those costs. Given that for this activity's costs are allocated on a specific cost basis, rather than a percentage basis, for rating purposes as is done with other valuation based ward rates, the Council may wish to consider reporting on the two sectors separately. This may assist with the submitter's assessment of the provision of roading infrastructure to the district.*

*With regard to the submitter's request for clarity on the impact of reduced NZTA funding, it is clearly noted that the reduction in subsidy has caused the Roading Manager to reassess the reseal programme, in particular, to ensure that there is not a significant increase in rates whilst ensuring that there is no discernible change in the level of service. The reduced capital expenditure is quite clearly shown on page 24.*

***(d) Schedule of Special Reserve Movements***

*The submitter can be assured that each activity has its own "Asset Replacement and Maintenance Reserve" which is maintained by Council staff and verified by the General Manager Corporate Services. For summarised reporting purposes they have been reflected in a single line rather than including in excess of 30 individual items which have the same purpose.*

*Ongoing management of reserve movements rests with the General Manager Corporate Services. Requests for additions and/or withdrawals from specific reserves are furnished by department managers and must be verified by the General Manager before being actioned.*

In terms of the submitter's concerns regarding the abandonment of Solid Energy's development plans and its impact on staffing, I can advise that this is negligible. It should be remembered that the Council was going to embark on a capacity review if Solid Energy decided to commission a formal feasibility study for a lignite to urea plant. The introduction of a graduate planner and a communications coordinator were required irrespective of whether Solid Energy's ambitions were realised. Put simply, these positions are routinely found in a district council of our size without the spectre of large scale lignite development.

**Submission 2013/28**

**Gore District Youth Council**

No operational comment required.