

Minutes of an extraordinary meeting of the Gore District Council, held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 8 October 2019, at 5.05pm

Present His Worship the Mayor (Mr Tracy Hicks JP), Crs Bolger, Beale (from 5.06pm), Davis, Dickson, Gardyne, D Grant, P Grant, Highsted, Phillips, Reid and Sharp.

In attendance The Chief Executive (Mr Stephen Parry), Chief Financial Officer (Mr Luke Blackbeard), HR/Administration Manager (Susan Jones), Communications-Marketing Manager (Sonia Gerken), Accountant (Mrs Donna McKewen) and Planning Manager (Mr Dean Balkin).

1. MATAURA COMMUNITY BOARD REPORT (SC1522)

A memo had been received from the Administration Manager together with a copy of the report of the meeting of the Mataura Community Board held on 16 September 2019.

RESOLVED on the motion of Cr Dickson, seconded by Cr Phillips, THAT the report be received,

AND THAT the recommendations contained in the report be ratified.

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2. RURAL HALLS AND DOMAINS

A copy of the report of the Rural Halls and Domains Committee meeting held on 26 August 2019 had been circulated with the agenda.

RESOLVED on the motion of Cr P Grant, seconded by Cr D Grant, THAT the report be received,

AND THAT the recommendations be ratified.

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3. FRESHWATER LAW REFORM – POTENTIAL IMPACTS FOR THE GORE DISTRICT COUNCIL (SC2545)

A comprehensive report providing a high-level summary of major law reform for the regulation of freshwater quality recently announced by the government had been received from the Chief Executive. The report was prepared following attendance at a Local Government New Zealand Freshwater Forum held on 24 September. The forum had been attended by approximately 150 people, with the majority of attendees being regional council representatives. While the proposed reforms would place a heavy burden in terms of workload on regional councils, the impact if the proposals were fully implemented, would be keenly felt by rural and provincial New Zealand.

The government's freshwater law reform package was embraced in a discussion document entitled *Essential Freshwater: Action for health waterways*. The package consisted of a draft National Policy Statement on Freshwater Management (NPSFM) and a proposed National Environmental Standard (NES) which would impose strict obligations and restrictions on farmers particularly, as well as district councils, in regard to wastewater treatment and disposal. National Policy Statements were high-level policy which regional councils had to give effect to. National Environmental Standards specified obligations and requirements on individual resource consent holders.

The discussion document had a clear target in improving farm practices. It was proposing a NES specific to farming practices with a suite of controversial proposals. The law reform package also included a proposed NES for wastewater discharges and overflows. This was planned for release in mid-2020. The new standard would prescribe requirements for setting consent conditions on discharges from wastewater treatment plants and engineered overflow points.

A number of speakers had expressed concern about the absolute focus on the environment with little or no regard being given for economic and social considerations. The Chief Executive said he could not recall a central government law reform package that would rip the heart out of rural and provincial New Zealand, decimating economic and social wellbeing. The impact on farmers and communities that serviced the sector would be acute unless the proposals were significantly modified. Submissions on the comprehensive reforms were due by 31 October 2019.

Cr Dickson believed there had to be something done as a province. Out of the 13 catchments in Southland there were five catchments with above acceptable nitrate levels. There would be ramifications with the country's trading partners and for the farming community.

In response to Cr P Grant, Cr Dickson said the Maitara catchment was one of the affected.

Cr D Grant believed the Council needed to make a submission. Nearly every farmer he had spoken to in recent weeks was dumbstruck. The Government did not understand how the reforms would affect the rural and urban economy alike.

His Worship said there were farmers who were achieving the standards and above yet they had to go through the process outlined by the Government. It was not necessarily the what, it was the how.

Cr Gardyne said the Southland Land and Water Plan was very good but it was currently before the Environment Court. He suggesting partnering with Environment Southland. Sheep and beef farmers would be faced with producing farm plans at a cost of around \$3,000 and they would need to be audited every second year at a cost of about \$1,500. Southland was very lucky and started off at a low point with nitrogen. There were low rates in some areas but they varied in others. The Council could be faced with discharging its wastewater to land at a massive cost.

Cr Dickson was disappointed that the Regional Council had allowed the water quality to get to the state it was in. The finger pointing should go back to Environment Southland. Venture Southland had a lot of plans that had been overlaid with topoclimate that Environment Southland had disregarded and not used. His Worship said he did not think it was about fixing the blame, it was how to constructively work through it to get to a good outcome for the community.

Cr P Grant said a lot of people did not understand nitrates.

Cr Bolger said national policy statements were particularly blunt instruments and applying standards to Southland with a different climate to Northland meant the requirements would be completely different. There had been incredible investment and effort by the farming community into improving and managing the environment. He recalled the improvement in the quality of the Maitai River over the years. It was considerably inside the national drinking water standards. The application of waste to land by rural people was by far the best way to dispose of it. Municipal authorities up and down the country were discharging into fresh water. He supported Environment Southland and thought there had been a lot of improvements with compliance and water quality on farms.

Cr Beale agreed with Cr Dickson and from about 1993 to 2003 the dairy industry in Southland was a "cowboy show" and anything went. Consents were applied for after the fact. There should have been a baseline set, but it had been open slather. Cr Bolger said dairy farming or effluent discharge was not possible without a consent. Applying for a consent retrospectively was an assumption and incorrect. The proposal was a one size fits all, and that never worked.

His Worship said the Council should acknowledge the improvement in the Maitai River. He had lived close to the river for 60 years and he had seen a staggering difference in the quality of the water in the river. The question was what input the Council could have to support positive change to water quality in the province.

Cr Reid asked if there was a plan from LGNZ to progress the reforms. His Worship said there was and it was concerned with how the reforms may be managed. Cr Reid said it was not just a rural problem, it affected urban areas too.

Cr P Grant suggested His Worship's improvement in the water in the Maitava River was probably more visual rather than scientific.

His Worship also disagreed with Cr Beale's comments about Environment Southland being a cowboy show. As a former Regional Councillor, a lot of effort had gone into ensuring how dairy conversions were managed.

Cr Bolger suggested encouraging the Government to put money into research, holding forums with affected people, and having a science based approach. History suggested that technology always had the answer. He saw the approach by the Government as a very blunt instrument almost assuming there would be no technological advancement likely. The Council needed to make sure the door of research and technology was kept open. While it had become popular to criticise New Zealand, comparing New Zealand with countries such as India and China, it measured very well.

Cr Sharp said the Council should remember 90% of Auckland's beaches were unswimmable. In Ashburton, the problem was so big, it couldn't be managed. Farmers had spent millions improving their properties but the towns and cities had not. Fonterra had told its suppliers that if farmers waterways were not fenced off, then it would not collect milk from those properties. His Worship disagreed with an aspect of Cr Sharp's comments. The Council would be spending millions on upgrading its infrastructure over the next few years. Cr Sharp said the farmers of New Zealand were 20 years ahead of the towns and cities.

Cr Gardyne said there would be technological improvement. Fish and Game had said the Maitava River was the best river to catch the best brown trout. He said there had been improvements and there needed to be more, but at a pace that could be managed.

Cr Dickson said the urban areas needed to work with the rural area. Iwi were calling for a water moratorium and she thought they would be quite an influence.

RESOLVED on the motion of Cr P Grant, seconded by Cr Davis, THAT the report be received,

THAT the Council prepare a submission on the Government's proposal, *Essential Freshwater: Action for Healthy Waterways*,

AND THAT Crs Bolger, Gardyne, Dickson and Highsted work with the Chief Executive to formulate the Council's submission.

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4. ADOPTION OF ANNUAL REPORT 2018-19 (SC2169)

A memo had been received from the Chief Financial Officer advising the Council of the final financial and non-financial results for the year ended 30 June 2019 ahead of adopting the annual report for the 2018-19 year. A copy of the draft annual report had been circulated to the Council. The financial statements recorded a modest surplus of \$31,000. However, that included a non-cash write-down in the value of the Council's interest rate swaps of \$980,000 and a non-cash loss on the disposal of the old high-pressure sodium streetlights of \$320,000. Adding those items back revealed the underlying operating surplus of \$1.3 million against a budget of \$1.96 million. The reasons for the difference had been detailed by the Officer. The Officer added the auditors, Deloitte, had issued an unqualified audit opinion and had held a conference call with the Audit and Risk Committee on 3 October to discuss the audit process and its findings.

The Officer said the 2018-19 financial year had had its share of challenges. The Council had to respond to several matters not contained in its 10 year plan such as the relocation of the library and remedial work required for the bleachers and roof at the MLT Event Centre.

Cr Highsted referred to the Audit and Risk Committee's conference call the previous week when the draft annual report was discussed. One highlight to him was the lack of concerns raised by the auditors which was not a luxury held by other Councils around the country. This Council received a very good level of service throughout the year from the Chief Financial Officer and there were no surprises.

Cr Highsted referred to page 87 and noted that Cr D Grant had not been remunerated as a Chair. He understood that that had been put in place. Was there any action required for that to happen? The Administration Manager said it had been included in annual returns to the Remuneration Authority but there had never been an additional Chair's salary approved. His Worship asked if there could be some investigation into that. The Chief Executive said the Authority had not indicated any rationale as to why there had not been an additional Chair's salary approved. He would write to the Chair of the Remuneration Authority and question what criteria had to be provided to amend the existing structure.

RESOLVED on the motion of Cr Bolger, seconded by Cr Gardyne, THAT the report be received,

THAT the annual report for the year ended 30 June 2019, be adopted,

AND THAT the Chief Executive be empowered to make typographical and layout changes necessary for publishing the document.

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The meeting concluded at 5.47pm