

NOTICE IS HEREBY GIVEN THAT THE ORDINARY MEETING OF THE GORE DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 21 JULY 2009, AT 7.30 pm

- **A private briefing from the Chief Executive for elected members will commence at 6.45 pm.**

**Stephen Parry
CHIEF EXECUTIVE**

15 July 2009

A G E N D A

1. CONFIRMATION OF MINUTES

Confirmation of the Minutes of the Ordinary Monthly Meeting of the Gore District Council, held on Tuesday 23 June 2009.

2. URGENT LATE BUSINESS – as tabled at the meeting, pursuant to Section 46 (a)(7) of the Official Information and Meetings Act 1987.

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18. BUSINESS TO BE CONSIDERED PURSUANT TO THE LOCAL
GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT
1987:
- (i) OTHER BUSINESS
- Southland Regional Council vs Gore District Council
 - 2009-10 Reseal Contract Tender
 - Croydon Ground Water Take Resource Consent decision

COUNCIL MEETING AGENDA

JULY 2009

3. MFE NATIONAL SURVEY OF RESOURCE CONSENT PROCESSING

(Memo from Planning Consultant – 23.06.09)

The Ministry for the Environment has release the results of the fourth national survey undertaken of resource consent processing for the year ending 30 June 2008. Each Council was required by the Ministry to submit information on various aspects of the manner in which it processed consents. Key issues are summarised in the table below for the southern, and similar sized Councils.

Number of Consents Processed

The number of consents processed is partly an indicator of economic activity but also (and probably more significant) an indicator of the degree of “control” contained in the district and regional plans of the Council concerned. It is only when the breakdown of consents by type and reason for consent is looked at can a true picture be gained. No information is collected on that issue.

Nationally, the number of consents has stayed static between the last two surveys, while for all Southland Councils there was generally a significant increase.

| Local Authority | 2001/02 | 2003/04 | 2005/06 | 2007/08 |
|------------------------|----------------|----------------|----------------|----------------|
| Gore District | 83 | 79 | 48 | 75 |
| Invercargill City | 232 | 244 | 233 | 345 |
| Southland District | 246 | 253 | 233 | 395 |
| Environment Southland | 731 | 621 | 749 | 868 |
| Clutha District | 75 | 108 | 121 | 133 |
| Opotiki District | 40 | 49 | 62 | 75 |
| Waimate District | 47 | 56 | 51 | 70 |
| Waitomo District | 51 | 66 | 87 | 62 |

| | | | | |
|---------------------------|--------|--------|--------|--------|
| Queenstown Lakes District | 964 | 1,029 | 1,095 | 1,246 |
| Dunedin City | 780 | 1,073 | 879 | 1,010 |
| New Zealand | 49,012 | 54,658 | 51,768 | 51,960 |

Proportion of Consents Notified

A resource consent is required to be notified unless the Council is satisfied that the effects of the proposal are less than minor and all persons who could reasonably claim to have an interest in the proposal greater than the public generally have given their written approval. Notification can be limited (with only people directly served having a right of submission) or full with any person having a right of submission. The following table shows the proportion of consents notified (either full or limited):

| Table 2: Proportion of Consents Notified | |
|---|----------------|
| Local Authority | 2007/08 |
| Gore District | 2.7% |
| Invercargill City | 5.2% |
| Southland District | 6.1% |
| Environment Southland | 5.5% |
| Clutha District | 4.6% |
| Opotiki District | 5.3% |
| Waimate District | 4.3% |
| Waitomo District | 3.2% |
| Queenstown Lakes District | 5.1% |
| Dunedin City | 5.4% |
| Kaikoura District | 19.5% |
| Central Otago District | 15.8% |
| Otago Regional Council | 24.1% |
| Wellington City | 1.5% |
| New Zealand | 4.7% |

In my view, a figure less than about 3% indicates a mix of:

- a Council with a flexible attitude in the manner in which it administers its district plan and processes its resource consents; and
- a community that is accepting of development

The 4% - 6% level of notification is about average and represents a “balanced” approach to the processing of consents. In my view those Councils above a level of 10% need to have a close look at the structure of their RMA plans and the manner in which they process resource consents.

Consents Processed Within Statutory Time Frames

The following table indicates the percentage of consents processed on time by Councils. The Ministry for the Environment provides the following note in interpreting the results:

Note that the percentages for resource consent applications processed within statutory time limits should be interpreted with caution. A consent application may be processed outside of the time limit at the request of the applicant, and in this situation does not reflect any inefficiency on the part of the local authority.

| Table 1: Percentage and Ranking of Consent Processing | | | | | |
|--|------------------|----------------|------------------|----------------|-------------------|
| Local Authority | 2005/06 | | 2007/08 | | |
| | % on time | NZ Rank | % on time | NZ Rank | Rank Shift |
| Gore District | 69% | 56 | 81% | 36 | +20 |
| Invercargill City | 91% | 22 | 81% | 38 | -16 |
| Southland District | 65% | 63 | 53% | 74 | -11 |
| Environment Southland | 68% | 61 | 74% | 51 | +10 |
| Clutha District | 69% | 58 | 75% | 49 | +9 |
| Opotiki District | 77% | 49 | 89% | 26 | +20 |
| Waimate District | 80% | 45 | 41% | 60 | -35 |
| Waitomo District | 97% | 16 | 95% | 15 | +1 |
| Queenstown Lakes District | 62% | 65 | 76% | 48 | +17 |

| | | | | | |
|--------------------|-----|----|-----|----|-----|
| Dunedin City | 97% | 12 | 57% | 71 | -59 |
| New Zealand | | | 69% | | |

The results show Gore District in a favourable position compared to other Councils in the region and other Councils of a similar size in terms of the number of resource consents lodged. There are 85 Councils nationally, so Gore rates in the top half. It indicates that the resources directed towards the processing of resource consents is at the right level. The prime issue is the level of performance over time and for Gore that has improved between the last two surveys.

Other Matters

The full report contains additional information at a national level on the processing of resource consents. By way of example, during the 2007/08 year:

- the average cost nationally of processing a fully notified land use consent was approximately \$24,500. For Gore the figure was substantially above that because the only notified consent we had during the survey period was the Kaiwera Downs Windfarm.
- the average cost nationally of processing a fully notified subdivision consent was approximately \$6,500.
- Nationally 16% of consents monitored were found not to be in compliance with resource consent conditions
- Nationally 161,257 complaints about alleged breaches of the RMA were received by Councils and 1,530 infringement notices were issued.
- 0.74% of resource consents were declined
- 1.4% of resource consents are referred to the Environment Court

The Next Survey

It was expected that the next annual survey period would commence on 1 July 2009. However, the Ministry has delayed that for twelve months in order to assess the effectiveness of the Resource Management (Simplifying and Streamlining) Amendment Bill which is to be passed this year.

RECOMMENDATION

THAT the report be received.

4. REGIONAL POLICY STATEMENT FOR SOUTHLAND AND SOUTHLAND DISTRICT PLAN

(Memo from Planning Consultant – 23.06.09)

In April it was reported to the Council that Environment Southland is reviewing its Regional Policy Statement with the first step being the release of 13 issues and options papers on a range of issues. Public meetings are also being held, with a public meeting in the James Cumming Wing at 7 pm on 22 July 2009. Councillors with an interest in resource management issues are encouraged to attend that meeting.

The Southland District Plan is also due for review and at this preliminary stage consultation on the review of that document is also being undertaken.

A summary document (referred to as report cards) has been prepared on each of the subject issues, looking at the issues from a regional perspective and also in the context of Southland District issues.

Environment Southland and Southland District Council seek a response to the issues, and any matters the Council sees as being of importance. A copy of the report cards is enclosed. The following is a list of issues of interest or that could be seen as contentious:

Tangata Whenua

- Provision of mataitai
- Commercial development of natural resources by iwi

Water Quantity

- Lack of sufficient information about water aquifers and availability of ground water
- Inefficient and decentralized water management
- Setting priorities for water uses
- Establishing minimum flow cut-offs for consents
- Collaborating with territorial authorities in reticulated community water supplies

Water Quality

- Requiring territorial authorities to control land use activities that could affect water quality
- Retaining wetlands
- Controlling vegetation clearance to enhance water quality

Waste

- More effective solid waste management, including reuse of organic waste
- Risks associated with contaminated sites, many of which are not known
- Adopt a regional waste strategy

Urban

- Managing urban growth taking into account areas of high class soils, flood prone land, infrastructure servicing etc
- Providing appropriate levels of infrastructure

Transportation

- Increased pressure on roads from rural land uses and intensification
- Potential for greater pedestrian and cycle traffic
- Use of financial contributions

Land/Rural Issues

- Balancing economic development with sustainable management of resources
- Pest plants and animals
- Lignite development implications
- Research into the effects of activities and farming practices
- Protecting areas of indigenous vegetation, including wetlands

Natural Hazards

- A greater level of management of activities in areas susceptible to natural hazards
- Strictly controlling activities that contribute to or exacerbate natural hazards
- What effect will climate change have?
- Ensuring the public is aware of available information

Landscape and Natural Features

- A need for consistency across the region in identifying significant landscapes and managing activities on them, driven at a regional level
- Insufficient protection of culturally significant landscapes

Heritage

- Updating of heritage lists
- Greater direction at a regional level, particularly in identifying criteria for determining “inappropriate” subdivision and development

Energy Resources

- Need for better electricity infrastructure to and within Southland
- Lack of awareness about energy efficiency and conservation
- Prepare a regional energy strategy
- Identification of regional energy resources, including lignite and role of small on-farm wind and hydro schemes

Biodiversity

- Greater protection of tussock grasslands and wetlands
- Predation by pest plants and pest animals
- Implications of lignite development, forestry clearing and oil development on biodiversity
- Lack of information
- Growing tourism demand to visit areas of high biodiversity and other features

Coastal

- Increasing development pressure on coastal margins giving rise to adverse effects
- Coastal erosion issues
- Pressure on plant communities from people, motorbikes and stock
- Identification and protection of coastal values – heritage, landscape, heritage etc.

RECOMMENDATION

THAT the information be received.

5. WATER AND SEWERAGE CONNECTION CHARGES

(Memo from Planning Consultant – 23.06.09)

In April, the Council considered fees and charges associated with various activities. The calculation used to determine the value of financial contributions associated with water and sewerage connections was based on out-of-date valuations of the assets that also did not build in the recent cost of work on the Gore Actiflo system and wetlands.

The calculation is required to follow the formula in the district plan, with in the case of both water and sewerage the value of the asset being divided by the number of connections.

The amounts (excluding GST) that have been used in the district plan since 2006 are as follows:

- \$1,748.00 for water reticulation within Gore and Mataura;
- \$2,838.00 for sewerage reticulation within Gore and Mataura;
- \$3,948.00 for sewerage reticulation within Waikaka.

The correct calculations are shown below:

| Asset | Asset Value | Connections | Average Value |
|---------------------------|--------------------|--------------------|----------------------|
| Water Gore and Mataura | \$10,432,946 | 5,752 | \$1,813.79 |
| Sewerage Gore and Mataura | \$19,458,292 | 5,752 | \$3,382.87 |
| Sewerage Waikaka | \$130,333 | 45 | \$2,896.29 |

In April it was recommended that for equity reasons Waikaka should be treated the same as Gore and Mataura. That was on the assumption that the sewerage reticulation cost for Waikaka was significantly above that for Gore and Mataura. However, on the basis of the latest calculations the opposite is the case, and it can be expected that in the future as additional connections are made Waikaka will retain a lesser charge than Gore and Mataura. While that is the case, it is considered appropriate to adopt the actual figure. The district plan formula sets the maximum amount chargeable, so while Council can set a figure less than the calculated value it cannot increase the amount to retain consistency with Gore and Mataura.

RECOMMENDATION

THAT the financial contribution payable (excluding GST) under the district plan for 2009/10 be as follows:

- **\$1,813.79 for water reticulation within Gore and Matura;**
- **\$3,382.87 for sewerage reticulation within Gore and Matura;**
- **\$2,896.29 for sewerage reticulation within Waikaka.**

6. HOKONUI DRIVE REDEVELOPMENT

(Memo from Planning Consultant – 23.06.09)

As Councillors may be aware, it is proposed to redevelop the site on the corner of Hokonui Drive and Medway Street as a restaurant. The façade and verandah of the building is listed as a protected feature in the district plan. The remainder of the building is not protected and assessment indicates that it is not structurally suitable for any long term reuse. It is therefore intended to demolish the building while retaining the façade and verandah. Repair and maintenance will be undertaken to restore the facade to its original appearance. For example, an upper storey window will be removed and the facade reinstated to its original. Decorative features will also be reinstated and the verandah rebuilt to provide for long term retention.

This is an excellent outcome and represents a major cost to the building owner, the Maitara Licensing Trust. However, the Trust recognises the value of the building and the desire of the Council and the general public to retain the heritage values of the central area.

Resource consent is still required, arising from a non-compliance with the parking provisions of the district plan. That will be dealt with on a non-notified basis.

RECOMMENDATION

THAT the information be received.

7. ST ANDREWS CHURCH HALL

(Memo from Planning Consultant – 10.07.09)

Three prominent roof vents on the St Andrews Church Hall in Devon Street have recently been removed and disposed of. The hall building is listed as Item H12 in the District Plan. The district plan rules enable work to be undertaken to restore, repair or maintain heritage structures but not to remove parts of the building.

The District Curator, Jim Geddes and I met with church officials on 8 July to discuss the matter. It has been agreed that an assessment will be undertaken to determine the feasibility of constructing and installing a replica of the vents. As the building is a listed heritage building in the district plan, the services of the NZ Historic Places architect are able to be utilised without cost to design replica vents. Funding may also be available to pay for the construction and installation of the vents.

If replica structures are made, and installed in place of those previously, that work can be done without the need for resource consent. If however, there is no intention to reinstate the roof vents then this will require resource consent approval from the Council.

It has been agreed that a period of three months is appropriate to allow for an assessment to be carried out, and for a decision to be made as to whether replica structures will be installed or resource consent approval sought. While Council could take enforcement action to require immediate action that is not considered necessary or appropriate in this instance.

RECOMMENDATION

THAT the report be noted.

8. COUNCIL RESOLUTION OF ELECTED MEMBERS
REMUNERATION - AMENDMENT

(Memo from Chief Executive – 10.07.09)

On 24 February the Council passed the following resolution in respect of elected member remuneration:

THAT the Council approve a distribution of the new remuneration pool to elected members on the basis of a 2.02% increase to each elected member and notify the Remuneration Authority of the following new salaries for members with effect from 1 July 2009:

| | |
|--------------------------------------|------------------------|
| <i>Deputy Mayor</i> | <i>\$19,398</i> |
| <i>Chair</i> | <i>\$19,398</i> |
| <i>Councillor</i> | <i>\$10,698</i> |
| <i>Community Board Chair</i> | <i>\$2,989</i> |
| <i>Community Board Member</i> | <i>\$891</i> |

Unfortunately, the remuneration quoted for the Community Board Chair is incorrect. This is due to the increase of 2.02% being applied to the 2007 figure rather than that established in 2008.

The current (2008/09) salary for the Mataura Community Board Chair is \$3,060. This figure needs to be raised by 2.02% to give effect to the increase in the remuneration pool set by the Remuneration Authority. The correct salary to be stated in the resolution should therefore be \$3,122.

RECOMMENDATION

THAT the figure set aside for the salary of the Mataura Community Board Chair be amended from \$2,989 to \$3,122, with effect from 1 July 2009.

9. PROPOSED LAND TRANSPORT RULE: VEHICLE DIMENSIONS AND MASS AMENDMENT (NO 2) 2009

(Report from Roading Manager – 13.07.09)

Purpose

The New Zealand Transport Agency has released a proposal for a change to the Vehicle Mass and Dimension Rule to allow trucks to operate with higher axle weights and up to 53 tonnes on a Road Controlling Authority (RCA) issued permit or over 62 tonnes on an NZ Transport Agency (NZTA) issued permit. The proposal is open for submissions until 24 July 2009. This report provides the Council with a recommended submission on the proposal.

Background

Early in 2008 the Ministry of Transport proposed to trial the use of trucks loaded to 50 tonnes on selected routes around the country. The trial was predominantly to measure the effects on travel time, emissions and fuel usage on trucks loaded to 50 tonnes when compared with the additional productivity being achieved from each unit.

In July 2008 Council staff received a “Permit to exceed mass” (Over Weight Permit) being issued by Transit New Zealand (now NZTA) for the operation of 50 tonne plus trucks by Holcim Cement to various locations around the Southland and Otago regions. Our understanding was that at the conclusion of the trials a report would be published and released for consultation prior to a change in the Vehicle Dimensions and Mass Rule being made.

To date no further information or updates on the trials or progress towards a final recommendation has been received. On 29 June 2009 a proposal to amend the Vehicle Mass and Dimensions Rule was received requesting submissions by 24 July 2009. The changes being proposed have the potential to significantly impact on the Gore District Council network. Of particular concern is the lack of information on the systems to be used for instigating an Over Dimension Route or how additional damage caused by operation of the trucks is to be paid for. These issues could have been covered in any report prepared on the outcomes of the trial prior to rule changes being instigated.

Proposed Changes

Three changes to the Vehicle Dimensions and Mass Rule are proposed.

Proposal 1 To increase the maximum mass and certain dimensions for vehicles operating up to 44 tonnes without a permit being required.

Proposal 2 To allow road controlling authorities (RCAs) to issue permits (i.e., “high-productivity motor vehicle” permits) for standard sized vehicles to operate above 44 tonnes and up to 53 tonnes on specified routes that have been assessed by the RCAs, with conditions of operation specified in the permits.

Proposal 3 To allow the New Zealand Transport Agency (NZTA) to issue high-productivity motor vehicle permits for increased overall vehicle length and associated dimensions for vehicles to operate above or below 53 tonnes gross mass on specified routes assessed by the NZTA, with conditions of operation specified in the permits.

The yellow draft of the supporting information is available on the NZTA website at:

www.nzta.govt.nz/consultation/vehicle-dimensions-and-mass-amendment/index.html

Significant Issues for the Gore District Council

The proposed changes are likely to produce some significant issues for the Council. It is assumed that this Council in general supports measures to be taken to increase the efficiency of the country’s transport operations although it has not specifically discussed these. The most significant issue is how damage to the network caused by heavier trucks is going to be paid for. The proposed rule change is silent on this issue.

Axle set changes proposed are relatively small. Based on a 44 tonne truck and trailer going up to 50 tonnes, each individual dual axle set may increase on average by 2 tonnes, increasing the pavement damage by approximately 79% for each axle set. However there should be a reduction in the number of axle sets on the road so when the productivity gain is taken into account this

figure will reduce to approximately 40%. On a properly designed and constructed network such as the majority of the State Highways and given that not all trucks will be operating at this weight the additional maintenance required may be manageable. The Gore District Council network was predominantly built to pavement designs of a lower standard than the State Highways. Therefore any significant increase in axle loading is likely to have a significant effect on pavement life expectations. Most of the pavement will withstand the additional loading for a period of time, but the key question is for how long? Gore Township is of particular concern. MWH is currently attempting to quantify the magnitude of the issue but its findings will not be available before submissions date.

The threat posed, by the proposal, to the Council's bridges is also of great concern. Most of the timber bridges and many of the concrete bridges were designed to take a maximum load of around 40 tonnes. These will require a full assessment prior to being included on an approved route.

Many of these bridges are currently used by both tankers and logging trucks and Council could expect permit requests to be made in the future.

Detailed analysis will be required of all Council's structures if a permit is requested for the maximum loads that are indicated for RCA approval of 53 tonnes or NZTA approval of up to or over 62 tonnes.

Gore District Council Submission

The proposed rule change is of concern due to a lack of information on how additional damage caused will be paid for. The Council will also incur costs in assessing the structural integrity of its structures and pavements prior to issuing permits when they are applied for. The Council could therefore make a submission that includes the following items:

- The Council generally supports the proposed rule change and encourages moves that will decrease the transport costs in the country.
- Express concern that this rule change is taking place without details of compensation for additional damage to the road and bridge network being considered.

- Request that implementation of the rule change be placed on hold until funding issues have been resolved.
- Request that funding for structural upgrades of pavements or structures to allow permitted routes within an RCA area be 100% funded from the National Land Transport Programme in the interests of transport efficiencies.
- Include in the rule a requirement for tracking of vehicles operating under a permit to ensure they do not operate outside the areas covered by the permit.
- Include in the rule the ability for the issuing authority to temporarily revoke the 50 T route status on a route likely to be affected by seasonal or weather related strength issues.

Options Considered

The options considered are whether to make a submission on the proposed rule change or not. It is considered important that the Council conveys its opinion on this rule change as the consequences for future funding of the resulting permit routes will be significant.

Policy and Plan Considerations

The Council has now adopted its LTCCP and set the funding levels for the next three years. Should the Council incur additional costs as a result of this rule change its ability to recover the costs will be limited.

Consideration of Community Views

The views of the community have not been specifically obtained for this report.

Financial Considerations

Due to the Council's LTCCP being adopted, the ability of Council to recoup any additional costs incurred will be limited.

Legal Considerations

There are no significant legal implications associated with this report.

RECOMMENDATION

THAT the Council make the following submission to the New Zealand Transport Agency on the proposed Land Transport Rule: Vehicle Dimension and Mass Amendment (No 2) 2009:

The Gore District Council

- **Generally supports the proposed rule change and encourages moves that will decrease the transport costs in the country.**
- **Express concern that the proposed rule change is taking place without details of compensation for additional damage to the road and bridge network being considered.**
- **Request that implementation of the rule change be placed on hold until funding issues have been resolved.**
- **Request that funding for structural upgrades of pavements or structures to allow permitted routes within a Road Controlling Authority area be 100% funded from the National Land Transport Programme in the interests of transport efficiencies.**
- **Request inclusion in the rule of a requirement for tracking of vehicles operating under a permit to ensure they do not operate on roads not covered by the permit.**
- **Request inclusion in the rule of the ability for the issuing authority to revoke the 50 Tonne route status on a temporary or seasonal basis due to seasonal or weather related strength issues.**

10. MATAURA TO GORE PUBLIC TRANSPORT LINK - INVESTIGATION REPORT

(Memo from Roothing Manager – 13.07.09)

Purpose

The purpose of this report is to update the Councillors on a study being undertaken into the feasibility of establishing a public transport link between Mataura and Gore.

Background

During the first term of the Mataura Community Board the Board expressed its desire to have a public transport service established to link Mataura and Gore townships. A link which it believed would benefit not just both of these communities but the whole District.

An attempt was made using school buses however the users had to pay the full cost of the service which in the end proved to be prohibitive to those most likely to use the service and it did not last long. At the time little was known locally about potential funding contributions from both public and private sources. Increased awareness of some of these potential contributors has come to light recently. A subsidised public transport link if achievable is much more likely to be successful than the earlier attempt.

Staff from the NZ Transport Agency (a potential significant financial contributor) with public transport expertise were consulted and recommended that the Council carry out a feasibility study for which it would contribute 75% of the \$13,438 cost of the study. As a result a public transport consultant (Russell Turnbull from Parsons Brinckerhoff NZ Ltd.) was engaged to carry out a study on community transport options between Mataura and Gore.

Progress Update

Russell Turnbull will attend the August meeting of the Operations Committee meeting and present his draft report.

RECOMMENDATION

THAT the report be received.

11. FINANCIAL REPORT FOR MAY 2009

(Memo from Management Accountant – 14.07.09)

Operating Results

For the eleven months ended 31 May 2009, the Gore District Council recorded a surplus of \$213k. This is favourable by \$49k on the budget result for the same period.

Our performance for the period is summarised in the table below. The full results can be found in the statements throughout this report.

Operating Results

| Actual | May | | Variance | | Actual | Budget | Variance | |
|-----------------|--------------|--------------|-------------------------------|---------------|---------------|--------------|----------|--|
| | Actual | Budget | | | | | | |
| \$000 | \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 | |
| Revenue | | | | | | | | |
| 845 | 839 | 5 | Rates | 9,231 | 9,233 | (2) | U | |
| 11 | 11 | (0) | Petroleum Tax | 113 | 121 | (8) | U | |
| 58 | 115 | (57) | LTNZ Subsidy | 1,933 | 1,946 | (13) | U | |
| 197 | 211 | (14) | Licenses Fees & Other Revenue | 2,556 | 2,420 | 137 | F | |
| 0 | 0 | 0 | Wind Farm Revenue | 0 | 0 | 0 | F | |
| 0 | 0 | 0 | Interest and Dividends | 29 | 0 | 29 | F | |
| 282 | 264 | 18 | Administration Recoveries | 2,926 | 2,909 | 17 | F | |
| 1,393 | 1,441 | (48) | | 16,788 | 16,629 | 159 | F | |
| Expenses | | | | | | | | |
| 76 | 78 | 2 | Democracy | 807 | 794 | (13) | U | |
| 956 | 964 | 8 | Assets | 10,549 | 10,604 | 55 | F | |
| 511 | 445 | (66) | Corporate Services | 5,184 | 5,068 | (116) | U | |
| 1 | 0 | (1) | Wind Farm Expenses Incurred | 35 | 0 | (35) | U | |
| 1,544 | 1,488 | (56) | | 16,575 | 16,466 | (109) | U | |
| (151) | (47) | (104) | Surplus (Deficit) | 213 | 164 | 49 | F | |

Variance Explanation

Income

Overall income is favourable by \$159k.

NZTA Subsidy

This is tracking lower due to timing of works.

Rates

Rates are spread evenly over the full financial year.

License Fees & Other Revenue

This is up on budget by \$137k for the period. This is a mixture of small increases in revenues across many departments. There are a couple of larger variances due to timing.

Expenditure

Overall expenditure is unfavourable by \$109k.

Several departments have overspends, (regulatory, aquatic and administration). All these departments have an increase in revenue which offsets the increases in expenditure. The aquatic overspend is fully covered by increased revenue. There is a partial offset in regulatory. The democracy overspend is due to the timing of the payment of the Venture Southland grant. This will correct itself by year end.

RECOMMENDATION

THAT the financial report for the eleven months ended 31 May 2009 be received.

Gore District Council
Statement of Financial Performance
1 July - 31 May 2009

| Actual | May | Variance | | Actual | Budget | Variance | |
|-----------------|--------------|-----------------|-----------------------------|---------------|---------------|-----------------|----------|
| \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 | |
| Revenue | | | | | | | |
| 78 | 78 | (1) | Democracy | 848 | 851 | (3) | U |
| 364 | 359 | 5 | Essential services | 4,035 | 3,941 | 94 | F |
| 235 | 291 | (56) | Roads | 3,857 | 3,885 | (28) | U |
| 204 | 202 | 2 | Reserves & Sport Facilities | 2,242 | 2,222 | 20 | F |
| 66 | 67 | (1) | Property | 755 | 736 | 19 | F |
| 79 | 77 | 2 | Regulatory | 971 | 941 | 30 | F |
| 0 | 0 | 0 | Wind Farm Revenue Received | 0 | 0 | 0 | F |
| 99 | 86 | 13 | Aquatic Centres | 1,084 | 1,026 | 57 | F |
| 108 | 114 | (6) | Heritage Precinct | 1,233 | 1,254 | (21) | U |
| 161 | 167 | (6) | Administration | 1,763 | 1,772 | (9) | U |
| 1,393 | 1,441 | (48) | | 16,788 | 16,629 | 159 | F |
| Expenses | | | | | | | |
| 75 | 78 | 3 | Democracy | 807 | 794 | (13) | U |
| 364 | 386 | 22 | Essential services | 4,034 | 4,243 | 209 | F |
| 325 | 304 | (21) | Roads | 3,536 | 3,349 | (188) | U |
| 195 | 201 | 6 | Reserves & Sport Facilities | 2,211 | 2,206 | (5) | U |
| 71 | 73 | 2 | Property | 767 | 806 | 39 | F |
| 86 | 81 | (5) | Regulatory | 955 | 894 | (62) | U |
| 1 | 0 | (1) | Wind Farm Expenses Incurred | 35 | 0 | (35) | U |
| 109 | 95 | (14) | Aquatic Centres | 1,204 | 1,175 | (30) | U |
| 110 | 113 | 3 | Heritage Precinct | 1,251 | 1,265 | 14 | F |
| 208 | 156 | (52) | Administration | 1,773 | 1,735 | (39) | U |
| 1,544 | 1,488 | (56) | | 16,575 | 16,466 | (109) | U |
| (151) | (47) | (104) | Surplus (Deficit) | 213 | 164 | 49 | F |

Infrastructural Divisions

Essential Services

| Statement of Cost of Service | | | | | |
|--|--------------------------------|---------------------------|---------------------------|-------------------------|----------|
| Essential Services | | | | | |
| for the period ending 31 May 2009 | | | | | |
| 2007/08 | | Actual | Budget | Variance | |
| | <i>Revenue</i> | | | | |
| 1,997,729 | Rates | 2,318,038 | 2,318,038 | - | F |
| 1,481,886 | Sales & Services | 1,716,908 | 1,622,802 | 94,106 | F |
| 3,479,615 | Total Revenue | 4,034,946 | 3,940,840 | 94,106 | F |
| 3,554,682 | Total Expenses | 4,034,413 | 4,243,261 | (208,848) | F |
| (75,067) | Gross Operating Margin | 533 | (302,421) | 302,954 | F |
| 787,533 | Capital Expenditure | 1,532,281 | 703,978 | 828,303 | U |
| <u>(862,600)</u> | Total Surplus/(Deficit) | <u>(1,531,748)</u> | <u>(1,006,399)</u> | <u>(525,349)</u> | U |

Included in this area are water, wastewater and solid waste.

This Division is on track. The \$209k under spend of the expenses is due to the timing of maintenance requirements which should come in line in these last few months of the year. Revenue is also tracking well, slightly above budget due to the timing of the trade waste charges.

The overspend in the capital works department is due to the Acti-flo project, which was budgeted for last year but carried over till this year. At 30 June 2008 there was \$960k of budgeted capital work still to be carried out on the project. For a more accurate picture this carried over budget should be added to this years budgeted capital expenditure. When this is taken into account the capital expenditure is \$132k underspent.

Parks & Reserves

| Statement of Cost of Service | | | | | |
|--|--------------------------------|------------------|------------------|-----------------|----------|
| Parks & Reserves | | | | | |
| for the period ending 31 May 2009 | | | | | |
| 2007/08 | | Actual | Budget | Variance | |
| | <i>Revenue</i> | | | | |
| 1,263,645 | Rates | 1,438,026 | 1,438,026 | - | F |
| 766,361 | Sales & Services | 804,166 | 784,392 | 19,774 | F |
| 2,030,006 | Total Revenue | 2,242,192 | 2,222,418 | 19,774 | F |
| 2,037,997 | Total Expenses | 2,210,617 | 2,205,621 | 4,996 | U |
| (7,991) | Gross Operating Margin | 31,575 | 16,797 | 14,778 | F |
| 114,183 | Capital Expenditure | 130,696 | 120,747 | 9,949 | U |
| (122,174) | Total Surplus/(Deficit) | (99,120) | (103,950) | 4,830 | F |

Included in this area are the various parks and reserves around the District including Dolamore Park and all the cemeteries.

Parks and reserves are tracking well, the apparent increase in revenue is partly due to the trade-in's of various items of plant and equipment scheduled for replacement under the capital expenditure budget, and as such the gains should be offset against the capital spending, which would make the capital budget variance favourable.

Expenditure is tracking a little higher than budget, this should be due to timing of maintenance spending, no permanent variances have been noted.

Roading

| Statement of Cost of Service | | | | | |
|--|--------------------------------|---------------------------|---------------------------|------------------------|-----------------|
| Roading | | | | | |
| for the period ending 31 May 2009 | | | | | |
| 2007/08 | | Actual | Budget | Variance | |
| | <i>Revenue</i> | | | | |
| 1,613,897 | Rates | 1,768,697 | 1,768,697 | - | F |
| 1,974,787 | Sales & Services | 2,088,069 | 2,115,836 | (27,767) | U |
| 3,588,685 | Total Revenue | 3,856,766 | 3,884,533 | (27,767) | U |
| 3,367,653 | Total Expenses | 3,536,440 | 3,348,796 | 187,644 | U |
| 221,031 | Gross Operating Margin | 320,326 | 535,737 | (215,411) | U |
| 2,151,996 | Capital Expenditure | 1,963,766 | 2,098,768 | (135,002) | F |
| <u>(1,930,965)</u> | Total Surplus/(Deficit) | <u>(1,643,440)</u> | <u>(1,563,031)</u> | <u>(80,409)</u> | <u>U</u> |

Further breakdowns have been provided for some of the activities that make up the Roothing division.

Overall this department is on target; capital expenditure on target, though slightly below budget overall due to timing and the seasonal nature of roading capital work.

The urban capital overspend is due to the timing of the completed so far this year. Not a permanent difference.

Under rural roading the apparent expenditure overspend is due to the timing of the maintenance work. The under spend on capital works is also due to timing.

**Statement of Cost of Service
Rooding Administration
for the period ending 31 May 2009**

| 2007/08 | | Actual | Budget | Variance | |
|----------------|--------------------------------|----------------|----------------|-----------------|----------|
| | <i>Revenue</i> | | | | |
| - | Rates | - | - | - | F |
| 319,038 | Sales & Services | 299,795 | 360,610 | (60,815) | U |
| 319,038 | Total Revenue | 299,795 | 360,610 | (60,815) | U |
| 283,447 | Total Expenses | 304,481 | 364,430 | (59,949) | F |
| 35,591 | Gross Operating Margin | (4,686) | (3,820) | (866) | U |
| 20,471 | Capital Expenditure | - | - | - | F |
| 15,120 | Total Surplus/(Deficit) | (4,686) | (3,820) | (866) | U |

**Statement of Cost of Service
Urban Rooding
for the period ending 31 May 2009**

| 2007/08 | | Actual | Budget | Variance | |
|------------------|--------------------------------|------------------|------------------|-----------------|----------|
| | <i>Revenue</i> | | | | |
| 572,502 | Rates | 630,396 | 630,396 | - | F |
| 419,636 | Sales & Services | 537,577 | 529,377 | 8,200 | F |
| 992,138 | Total Revenue | 1,167,973 | 1,159,773 | 8,200 | F |
| 1,040,255 | Total Expenses | 1,039,468 | 1,028,511 | 10,957 | U |
| (48,118) | Gross Operating Margin | 128,505 | 131,262 | (2,757) | U |
| 525,746 | Capital Expenditure | 567,621 | 558,768 | 8,853 | U |
| (573,864) | Total Surplus/(Deficit) | (439,116) | (427,506) | (11,610) | U |

**Statement of Cost of Service
Rural Roding
for the period ending 31 May 2009**

| 2007/08 | | Actual | Budget | Variance | |
|---------------------------|--------------------------------|---------------------------|-------------------------|------------------------|-----------------|
| | <i>Revenue</i> | | | | |
| 956,473 | Rates | 1,042,162 | 1,042,162 | - | F |
| 1,191,001 | Sales & Services | 1,202,916 | 1,196,412 | 6,504 | F |
| 2,147,474 | Total Revenue | 2,245,078 | 2,238,574 | 6,504 | F |
| 1,930,025 | Total Expenses | 2,053,448 | 1,830,323 | 223,125 | U |
| 217,449 | Gross Operating Margin | 191,630 | 408,251 | (216,621) | U |
| 1,452,243 | Capital Expenditure | 1,203,339 | 1,350,000 | (146,661) | F |
| <u>(1,234,794)</u> | Total Surplus/(Deficit) | <u>(1,011,708)</u> | <u>(941,749)</u> | <u>(69,959)</u> | <u>U</u> |

**Statement of Cost of Service
Other Roding
for the period ending 31 May 2009**

| 2007/08 | | Actual | Budget | Variance | |
|-------------------------|--------------------------------|-------------------------|-------------------------|---------------------|-----------------|
| | <i>Revenue</i> | | | | |
| 84,922 | Rates | 96,138 | 96,138 | - | F |
| 45,113 | Sales & Services | 47,781 | 29,438 | 18,344 | F |
| 130,035 | Total Revenue | 143,920 | 125,576 | 18,344 | F |
| 113,926 | Total Expenses | 139,044 | 125,532 | 13,512 | U |
| 16,109 | Gross Operating Margin | 4,876 | 44 | 4,832 | F |
| 153,536 | Capital Expenditure | 192,806 | 190,000 | 2,806 | U |
| <u>(137,427)</u> | Total Surplus/(Deficit) | <u>(187,930)</u> | <u>(189,956)</u> | <u>2,026</u> | <u>F</u> |

Balance Sheet

The major changes in the balance sheet from the same month in prior year:

Assets

- Debtors are down on 31 May 2008 due mainly to the timing of the NZTA subsidy.
- Investments are down on the same month last year due to the revaluation of the interest swaps
- Loans to community groups have increased to reflect the loan given to the Multi-sports Charitable Trust

Liabilities

- Creditors are up due to the timing of payments for a lot of capital work.
- Term debt has increased due to the planned borrowing for the Smiths City building purchase, the St James Theatre loan, Multi-sports car park loan and the Acti-flow project.

Capital Expenditure

As at 31 May 2009 \$5.045m (\$4.929m in April) has been spent on capital works. A large portion of this is for the Acti-flow project and Matura Community Centre, also included is some of the expenditure for the new toilets.

All other areas are tracking as expected.

**Gore District Council
Balance Sheet
As at 31 May 2009**

| Actual 31 May 2008 \$000 | | Actual 31 May 2009 \$000 | LTCCP 30 Jun 2009 \$000 |
|---|--------------------------------|---|--|
| | Equity | | |
| 139,213 | Accumulated funds | 138,813 | 137,392 |
| 163,503 | Asset Revaluation Reserve | 163,503 | 122,459 |
| 302,716 | | 302,316 | 259,851 |
| | Assets | | |
| | Current Assets | | |
| 742 | Bank | 1,845 | 78 |
| 1,962 | Debtors | 411 | 900 |
| 1,073 | Short Term Deposits | 1,166 | 1,207 |
| 60 | Inventory | 76 | 0 |
| 3,837 | | 3,498 | 2,185 |
| | Non current Assets | | |
| 702 | Investments | 462 | 68 |
| 0 | Loans to Community Groups | 50 | 0 |
| 309,233 | Fixed Assets | 311,403 | 270,349 |
| 309,934 | | 311,916 | 270,417 |
| 313,772 | Total Assets | 315,414 | 272,602 |
| | Liabilities | | |
| | Current Liabilities | | |
| 2,330 | Creditors | 2,502 | 1,525 |
| | Non Current Liabilities | | |
| 8,594 | Term Loans | 10,483 | 11,090 |
| 132 | Landfill Aftercare Provision | 113 | 136 |
| 8,726 | | 10,596 | 11,226 |
| 11,055 | Total Liabilities | 13,097 | 12,751 |
| 302,716 | Net Assets | 302,316 | 259,851 |

12. DRAFT GORE DISTRICT ALCOHOL STRATEGY – APPOINTMENT OF HEARING PANEL

(Memo from Chief Executive – 14.07.09)

In March of this year, the Council approved a draft Alcohol Strategy for the Gore district. The approval given to this draft was to allow a consultation process with the public to be instigated.

As the Council was at that time in the midst of an intensive consultation process in respect of the draft 2009-19 LTCCP, it was decided to defer publication of the draft Alcohol Strategy and the invitation of submissions, until the LTCCP consultative and deliberative process had been completed.

Accordingly the draft Gore District Alcohol Strategy was publicly advertised late last month. A six week consultation period has been allowed for the strategy, with submissions due to be received no later than 14 August 2009.

It is proposed that a sub-committee of the Council be appointed to hear any submissions received on the draft Alcohol Strategy. A tentative time for the hearing panel to meet has been scheduled for 4 pm on Thursday 20 August 2009. Once the hearing panel has completed the hearing of submitters, it is proposed that the local alcohol strategy advisory group be utilised to provide comment on submissions made and to assist the panel in its deliberation. The local advisory group met on a number of occasions in developing the draft strategy and it would therefore seem prudent to utilise the collective skills and wisdom of this group in making comment on submissions received.

Following the advisory group compiling comments on the submissions received, it is proposed that this report be then sent to the Hearing Panel to enable it to deliberate on the issues and make firm recommendations on any changes required to the full Council. In this way the full Council will then be invited to adopt the strategy which it approved for public consultation earlier in the year.

RECOMMENDATION

THAT the Council appoint a panel of 3-5 elected members to hear submissions on the draft District Gore District Alcohol Strategy,

THAT the Council note that a hearing of submitters is scheduled for 20 August 2009 at 4.00pm,

AND THAT the Council endorse the process for considering submissions as outlined in this report.

13. REGULATORY BULLETIN

(Memo from Chief Executive – 14.07.09)

Attached is a schedule of building consents issued for June 2009, together with comparisons with the previous two years.

A schedule of resource consents issued to 1 July is also attached.

RECOMMENDATION

THAT the information be received.

14. OPERATIONS BULLETNI

The Operations Bulletin containing reports from the Roding Manager, Asset Manager Utilities, Civil Defence and the Animal Control Contractor is enclosed with the agenda.

RECOMMENDATION

THAT the bulletin be received.

15. COMMUNITY SERVICES BULLETIN

The Community Services bulletin, containing reports from the i-Site Information Centre Manager, District Arts and Heritage Curator, Library Manager, Parks and Recreation Manager, Aquatic Services Manager and the Community Development Officer is enclosed with the agenda.

RECOMMENDATION

THAT the bulletin be received.