

**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 22 JUNE 2010, AT 4 pm**

**Stephen Parry  
CHIEF EXECUTIVE**

**16 June 2010**

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

**1. CONFIRMATION OF MINUTES**

Confirmation of Minutes of the Extraordinary Meeting of the Gore District Council held on 21 May 2010

**2. CONSIDERATION OF SUBMISSIONS RECEIVED TO THE DRAFT 2010/11 ANNUAL PLAN**

## EXTRAORDINARY COUNCIL MEETING AGENDA

22 JUNE 2010

### 2. OPERATIONAL COMMENT ON SUBMISSIONS TO DRAFT 2010/11 GORE DISTRICT ANNUAL PLAN

(Memo from Chief Executive – 26.05.10)

The following comments are submitted to assist Councillors in deliberating on issues raised by submitters to the draft 2010/11 Annual Plan. These comments should be read in conjunction with the minutes of the hearing of five submitters that took place on 21 May and are attached with this report.

Additionally all submissions have been included in a booklet forwarded as part of the agenda for the hearing on 21 May. This should be brought to the deliberative meeting.

#### **SUBMISSION 2010/01**

##### **Mataura Community Garden Committee**

The submitter seeks an additional further grant of \$1,000 to assist with the payment of land associated with the highly successful Mataura Community Garden. Given that the Council has already approved a grant of \$1,000 to assist with payment of rates on the existing area of the community garden, a similar approach for land which the garden will soon occupy, would appear to be a logical measure.

#### **SUBMISSION 2010/02**

##### **The Enviroschools Foundation**

A supportive submission seeking the Council's continued involvement in funding the Enviroschools Programme. The draft Annual Plan provides for a further grant of \$5,000 to be advanced towards local Enviroschools initiatives.

#### **SUBMISSION 2010/03**

##### **ACC**

The submitter expresses some concern about the decrease in planned expenditure in roading and its potential to compromise the Council's ability to improve its road safety record. However, the submitter also acknowledges that a reduction in funding has been brought about by NZTA reducing its planned contribution to the roading activity within the Gore District.

The submitter also laments a poor record of the Gore District for more serious work related claims. It should be noted however that these claims relate to the entire community and not just the Council. The submitter suggests that the Council take a leadership role in trying to positively influence the business community to improve safety in the work place and home. Unfortunately the submitter does not provide any specific ideas on how this leadership role could be conducted. There may be potential in the Council liaising with the Eastern Southland Chamber of Commerce on this matter, with a view to the Chamber forming an alliance with ACC to raise awareness about the community's less than ideal health and safety record.

**SUBMISSION 2010/04**  
**East Gore School**

- ↳ The submitter seeks a reversal of the Council's decision to not participate in a funding partnership with the Maitua Licensing Trust to enable swimming lessons to be offered to children of the Gore District. Copies of the minutes and staff reports relating to this matter when last considered by the Council are attached for the assistance of Councillors in deliberating on this particular submission.

**SUBMISSION 2010/05**  
**Gore and District Victim Support Group**

The submitter seeks a one-off grant of \$360.00 to provide funding for the training of one volunteer to attend a suicide prevention course. This is a very modest request from an organisation that provides a valuable social service to the community.

**SUBMISSION 2010/06**  
**Maitua Taskforce**

The submitter seeks funding of 2,300.00 to assist in convening the inaugural "Swede Fest" in Maitua on 3 July. This submission has since been formally withdrawn.

**SUBMISSION 2010/07**  
**New Zealand Historic Places Trust**

The Arts and Heritage Curator, Mr Jim Geddes makes the following comments on this submission:

1. *Standard, generic introduction.*

2. *Standard, generic overview of desired inter-relationship with Council.*

3. **District Plan**

*A second schedule of heritage buildings is currently subject to a process of consultation with owners, and will be presented shortly to Council by the Planning Consultant as a variation to the District Plan.*

*Approximately 200 structures were originally identified for inclusion on the Heritage Register and many of these remain the focus of further research and future recommendations for inclusion. The former Southland Farmers Coop building was part of the original inventory which was considered by Council staff, a representative of the Institute of Architects and a representative of the Southland Branch of NZHPT.*

*Interestingly enough the Dunedin office of NZHPT was consulted regarding all structures on that inventory, and it was collectively deemed that the integrity of the Southland Farmers Coop building had been compromised to the extent that it was considered a low priority listing.*

*It is heartening to note that an increasing groundswell for the preservation of local built heritage is now being driven by the community and local elected members.*

4. **Resource Management**

*The Planning Consultant maintains an appropriate link with NZHPT and is encouraged by Council to consult with them.*

*It is fair to say that Council contact with the Dunedin office of NZHPT is 'reactive' rather than 'proactive', but our main concern is the important line of communication and GDC representation that will be lost with the proposed dissolution of the Southland Branch Committee of NZHPT.*

5. **Proposed Employment of Graduate Planner**

*The Council would value greater professional liaison with the Dunedin office of NZHPT through both its Planning and Arts & Heritage Departments.*

**SUBMISSION 2010/08**  
**Environment Southland**

The submitter expresses support for the Council's proposal to employ a graduate planner, funding the joint Regional Civil Defence Management activity and the Enviroschools Programme. The submitter also seeks funding for the work of Biodiversity Southland to the tune of \$5,000.00. Comments on this particular request can be found under the comments provided to submitter number 17.

**SUBMISSION 2010/09**  
**Mataura Taskforce**

The submitter seeks a grant to assist in funding the cost of having a celebrity attend the inaugural Swede Festival in Mataura. The costs of having the celebrity attend are estimated by the submitter to be \$3,000. There is no event budget provided with the submission which makes it difficult to provide a positive recommendation to the request.

**SUBMISSION 2010/10**  
**Gore District Council**

A technical submission from the General Manager District Assets. No further comment required.

**SUBMISSION 2010/11**  
**Federated Farmers of New Zealand**

The submitter raises a number of issues, comments on which are as follows:

**Keep Rate Increase At or Below 3%**

It needs to be emphasised that some of the drivers behind the 5.01% proposed rate increase are due to factors beyond the Council's control. These factors are the funding of the MLT Event Centre, the Council's contribution to the RiskPool Weathertight Homes Fund and the impact of the introduction of an Emissions Trading Scheme on the Council's costs. These three factors in total equate to nearly half of the proposed increase.

**Rural Unsealed Road Maintenance**

The Council's Roading Manager makes the following comments in relation to the suggestion of replicating the Southland District Council approach to a co-management structure for road maintenance contracts and the establishment of a rural

stakeholder group for consultation over rural roading expenditure and maintenance issues:

**1. Gravel Road Maintenance Level of Service Provided**

*Gore District Council's gravel road network is a reliable and relatively well maintained network, although this obviously contradicts the feeling of some members of Federated Farmers. The following facts provide the basis for coming to this conclusion:*

- *The latest customer satisfaction survey (August 2008) recorded that **75% of respondents were not dissatisfied with the local gravel roads**. This is considered a good result as gravel roads traditionally incur low levels of satisfaction from the public due to the fact they are gravel and not sealed.*
- *Council roading staff audits show that the maintenance contractor is consistently meeting the gravel road maintenance requirements of its contract with Council.*
- *The recent Technical Audit carried out by experienced New Zealand Transport Agency engineers who also audit other TLA's roading networks found the Gore District Council gravel road network to be well maintained to appropriate standards.*
- *The measure of a road's reliability is its availability to convey traffic. By this measure the Council's gravel roads are very reliable as they are rarely impassable. Gore District roads are impassable only as a result of extraordinary circumstances such as climatic conditions i.e. floods or snow. Isolated sections of the Council's gravel roads are sometimes affected by faults such as potholes but these reduce the speed and comfort of travel rather than its availability.*

**Summary**

*Based on the evidence available from various sources Gore District gravel roads are well maintained and reliable.*

**2. Roading Issue Consultation**

*Refer subject 3.4 of the submission.*

*The Council and its roading staff carry out a great deal of consultation with the public in a wide variety of ways. This*

*can include consulting with individuals or larger groups in formal or informal situations.*

**Summary**

*The Council does consult the public on roading issues. It should continue to do this in the most appropriate and effective manner.*

**3. Type of Road Maintenance Contract**

*Refer subject 3.5 of the submission.*

*Gore District Council's road maintenance is currently carried out under the conventional type of contract where the contractor carries out work which is paid for under a lump sum or unit rate basis. The contract management is carried out by Council roading staff. This type of contract is used by most Road Controlling Authorities as it generally works well. As with all contracts, no matter what type they are, the personnel involved, to a large extent, determines the success or otherwise of the contract.*

*SDC has for several years operated alliance type contracts in 2 of its 3 areas. These contracts are based on a cost plus basis. Management of the contracts is through an amalgamation of SDC and contractor staff. The operation of the contracts and its outcomes on the roads has, as Federated Farmers suggested, been observed by GDC roading staff. At this stage there appears to be little if any convincing evidence that significant benefits in terms of network condition and the cost to rate payers has been achieved through the use of this type of contract for road maintenance. Alliance contracts are excellent for large projects with a well defined outcome as obvious achievement of the required outcome provides the accountability. Many elements of a road maintenance contract are much more difficult to accurately define and this potentially reduces the real accountability. It is therefore recommended that this Council continue to use the conventional type of contract in the mean time.*

**Summary**

*At this time the Council's use of conventional type contracts to provide its roading maintenance is considered appropriate. The use of other contract types by other RCA's should continue to be monitored and if these are proved to be significantly better then the Council should consider changing contract type used.*

#### **4. Funding Opportunities**

*Refer subject 3.6 of the submission.*

*The Council's roading staff monitors the extraordinary funding opportunities, especially those emanating from NZTA, which occasionally crop up. These opportunities are carefully analysed by the staff and where appropriate advantage of the opportunity is taken. A prominent recent example of this occurring was the Council being first to access the "R funding" for its ratepayers benefit when it became available several years ago.*

#### **Summary**

*Identification of new funding opportunities and use of these if appropriate should continue.*

#### **MLT Event Centre**

The submitter laments the lack of consultation with the community on decisions taken in respect of funding the operation of the MLT Event Centre. It needs to be borne in mind that the Council was asked to come to the financial rescue of this project and did so by deliberating on the issues in a public setting. The reports that were considered by the Council and its committees were made available on the Council's website and were also sent to the submitter as part of the Council's routine agenda distribution process. With all due respect the Council in terms of making a commitment to fund the operation – as distinct from assuming ownership – did not have time on its side with the community in a heightened state of expectation that the new Centre would open prior to Christmas 2009.

#### **Rural Community Meetings**

The submitter seeks a commitment to hold a series of informal, rural friendly meetings designed to allow rural ratepayers the opportunity to discuss issues with those working on their behalf. This is a matter for political consideration and no staff comment is required.

#### **New Library Management System**

The Council's Library Manager makes the following comments in respect of the proposed commissioning of a new library management system:

*Gore District Libraries migrated to the current Library Management System (LMS) in 1998. Whilst several smaller Councils run this LMS the primary markets for the software are special libraries and academic libraries and this is reflected in the functionality. The current LMS provides:*

- *circulation module (issuing and returning books);*
- *membership database;*
- *collection database (what is held in the collection);*
- *acquisitions module (records what items are on order);*
- *magazines module and*
- *statistics module*

*These functions are provided at a basic level, with little sophistication or ongoing development. Whilst improvements and fixes have been promised for many years nothing has materialised. The system is not sophisticated enough to provide the functionality the staff requires to move the library service forward.*

***Weaknesses of the current LMS include:***

- *No federated searching (i.e. unable to search across the catalogue, databases and websites simultaneously)*
- *Inability to extract accurate statistics*
- *No 'offline' mode thus manual entry of data required*
- *Inability to calculate customer debts accurately*
- *Double handling of items that are requested (a report is not available for requested items that are available at each branch)*
- *Limited collection and borrower analysis statistics (e.g. no breakdown of borrower information into age, sex, address etc; no report available regarding which titles have the most requests so more copies can be purchased)*
- *Unable to enter borrower profiles and extract a list of titles that match the profile (particularly useful for housebound customers)*
- *Inability to extract statistics into external application e.g. Excel*
- *Inability to text or email overdue/reservation notices*
- *Unable to load book jackets or book reviews into the catalogue*
- *Time consuming to work out which branch recently returned requested items are situated*
- *No 'Collection Exchange' module thus an inability to automatically move items between branches.*
- *Indexes updated overnight so new entries on the databases are delayed for up to 24 hours.*

**Benefits of a new LMS include:**

- *Enhanced customer experience*
  - *Smoother membership process, including online registrations*
  - *Online payments*
  - *Online reservations*
  - *Receipt printing*
  - *Visibility of partner libraries collections*
  - *“If you liked that you might like this” feature in catalogue*
  - *Databases updated in real time*
  - *Federated searching*
- *Economies of scale apply with additional benefits of joining other consortia (e.g. book buying, subscription databases)*
- *Centralised technological support*
  - *Upgrades handled centrally*
  - *Less call on IT manager’s time*
  - *Help desk with dedicated trained staff*
- *The collection works harder and smarter*
  - *Items easily transferred between branches keeping collections fresh and interesting*
  - *Housebound module allows for matching of collection to individual borrower profiles*
- *Staff modules more sophisticated*
  - *Hand held PDAs (personal digital assistant) allowing staff to take the collection out into the community*
  - *Enhanced reporting module allows staff to extract statistics to monitor and improve collection*
  - *Accurate statistics ensures the budget is spent on the material the community wants*
  - *Improved accounting*
- *Vendor performance tracking*

*Customers’ needs are changing. Library users today have far more choice than their predecessors and their expectations are rising. Customers are used to the internet and its search technologies, online stores and participation in social networking sites. To maintain relevance library management systems need to offer similar interfaces and opportunities and provide at least the same level of service.*

### **Civic Building Upgrade**

The submitter asked that the Council include and highlight the proposed expenditure of \$750,000 on the civic building upgrade in the Annual Plan and indicate the effect on the ratepayer in the years ahead. The proposed upgrading of the civic administration building was profiled in the Council's 2009-19 LTCCP, which of course includes the impact on the expenditure on the ratepayer in the ten year timeline of that plan. The profiling of the project in the LTCCP coupled with the fact that there is no impact on rates for 2010/11 due to the borrowing for the project being programmed to occur at the end of the financial year in preview, were reasons why this project was not given a large profile in the Annual Plan. There will be a financial impact in the 2011/12 financial year of \$86,250 which will reduce each year from then on as principal is repaid. This would be featured in next year's Annual Plan.

### **Leadership- Cost of Service**

The submitter questions the reason for an increase in \$58,000 in the cost of democracy, together with \$40,000 of capital expenditure that was not included in the 2009-19 LTCCP. The increase in costs for democracy of \$58,000 is attributed to inflation, the impact of the Emissions Trading Scheme (ETS), which together makes up for \$25,000 of the increase. On top of this, there is a further \$26,000 for election expenses which occurs once every three years. There is also an additional \$6,000 of administrative overheads which have been distributed from the central administration cost centre.

The capital expenditure of \$40,000 is for the purchase of an additional car for Gore Health Ltd. It will be recalled that the Council received a specific request from Gore Health Ltd late last year after the adoption of the 2009-19 LTCCP for the purchase of this additional car. The purchase is funded by an advance from replacement reserves and will be repaid over the next three years, along with depreciation.

### **Further Funding Reform**

The submitter has requested that the Council consider introducing a targeted rate for District promotions. Under present local government law any change to a Council's funding policy requires a formal amendment to its LTCCP. In terms of finalising the 2010/11 Annual Plan, amendment of a funding policy and an LTCCP is not possible in terms of having an adopted Annual Plan by 30 June 2010.

It is suggested that the time to review the Council's current funding policy would be when the LTCCP is next reviewed in 2012.

The submitter's alternative suggestion of a targeted uniform charge, differentiated by ward or land use category for District libraries, aquatic facilities and the MLT Event Centre also falls into this category. However, I would add it is somewhat surprising that Federated Farmers would suggest such an approach given that it would mirror the method used to fund parks and reserves which was the subject of strong opposition by rural ratepayer interests at the time of its introduction. Indeed some rural ratepayer submissions still mention what is contended to be an unfair funding formula.

### **Strategic Water Use**

The General Manager District Assets makes the following comments on the submitter's suggestion that the Council undertake a cost benefit analysis of introducing water metering in urban areas as a driver towards greater efficiency of water use:

*Currently the water extracted from our wells is measured, recorded and sent to Environment Southland on a daily basis. We have calculated water used per person per day. This has been done to determine whether the water restrictions are effective at reducing consumption. I can report that restrictions have been effective with further evidence from Environment Southlands submission to the Annual Plan.*

*"Environment Southland congratulates the Council and the Gore consumers connected to the town supply for their water conservation efforts over recent months. Those efforts contribute to the sustainability of the water supply and show responsible leadership for the use and management of one of the region's essential but limited resources."*

*With the ratepayers responding well to water restrictions it does question the need for water metering especially when there will be an additional cost associated in rates. It is acknowledged that water metering does drive efficiencies in water use and to this end every water Toby Tap replaced in our water reticulation network is meter capable. As technology improves the cost of meters, reading meters and processing the data will become more cost effective. An opportunity exists to identify a meter type and reading technology that could be used across all of Southland where by the costs of automated meter reading, associated software could be shared with neighbouring local authorities. Identifying the right system and reaching a consensus with other local authorities is a first step then a cost benefit analysis could be undertaken.*

*The Council intends to do a cost benefit analysis of urban water metering in time for the next iteration of the LTCCP.*

**SUBMISSION 2010/12**  
**Gore Rural Ratepayers Group**

The submitter makes comments, suggestions or poses questions on a number of issues. Brief comment on the issues raised is as follows:

**Funding of Parks and Reserves**

The submitter continues to protest about the perceived unfairness of funding of parks and reserves. This is in spite of the fact that under the funding policy put in place in 2006, rural ratepayers who comprise approximately 25% of the District's population currently pay 21% of the parks and reserves activity.

The submitter has also quoted former Gore Borough Mayor, Mr Gabriel Farry at a meeting with Eastern Southland Federated Farmers on 14 October 1988 and a commitment given that rates collected in an area would be spent in that area and separate accounts kept. The submitter should be aware that it is a fundamental cornerstone of our democracy that governments – be it central or local – can not bind their successors. Therefore any statements made in 1988 can not be taken as authoritative and be immune to future changes in Councils and legislation.

**District Libraries**

The submitter has questioned the need for a new library management system. Please refer to the comments of the Library Manager included in comments made under submission number 11.

**Roading**

The Council's Roothing Manager makes the following comments in regard to the questions posed by the submitter about less expenditure in the roading budget, but not reduction in service occurring:

**1. Gravel Road Maintenance Level of Service Provided**

*Refer paragraph six in the submission.*

*The submitter has requested an explanation of the reduction in ratepayer contribution requested in the 2010/11 rural roading budget.*

*During the preparation of the 2006/16 LTCCP the Council decided to cease carrying out unsubsidised seal extensions on its rural gravel roads. Since that decision was made a group of rural ratepayers has vigorously and vociferously campaigned for an increase in the gravel road maintenance level of service (LOS). The Council finally conceded to these demands when it set its budgets for the 2009/19 LTCCP. An extra approximately \$145,000 including \$66,000 additional rural ratepayer contribution was added to the budget annually for each of the 10 years covered in the reviewed LTCCP. The balance of the additional funding, \$79,000 was requested from the New Zealand Transport Agency through the submission of the Council's Land Transport Programme for funding from the National Land Transport Programme.*

*However this coincided with a change in central Government which brought a change in government policy on land transport funding priorities. The Council's request for funding for an increase in level of service on its gravel roads was not approved as a result of the change in government policy.*

*At about the same time NZTA carried out an independent Technical Audit on the Gore District Council roading network. NZTA engineers who audit all of the roading networks throughout the country undertook the audit. Their conclusion was that the gravel road network in the Gore District was being well maintained to appropriate standards in comparison with the rest of the country. This conclusion was reached after extensive inspection of gravel roads in the District and confirmed the opinion of the Council's own roading staff. The conclusion by the auditors effectively scuttled any attempt to argue for a review of NZTA's decision to turn down the request for additional funding for an increased level of service.*

*It must be reiterated at this point that this was not a reduction in funding or level of service to be provided. It was disapproval of an increase in both LOS and funding, sticking with the status quo.*

### **Summary**

*The Council budgeted to increase the maintenance on its gravel roads to provide an increased level of service requested by a group of rural ratepayers. NZTA turned down the request from Council for the subsidy component of the increased funding required as it was deemed unwarranted. The increase in maintenance activity proposed was therefore unable to proceed. The additional rates received will be used on other improvements to rural gravel roads.*

### **District Assets**

The submitter has questioned what the capital expenditure of \$750,000 under the heading of *Property*, relates to. This expenditure of course relates to the proposed upgrade of the civic administration building which was profiled in the 2009-19 LTCCP.

### **MLT Event Centre**

No operational comment is required.

### **Funding Policy**

No operational comment is required.

### **Rural Special Fund**

The submitter seeks the disclosure in the Annual Plan of specific details on the current balance of the Rural Special Fund, Terms of Disbursement and an explanation of how suitable applications can be made. This type of detail is not relevant to an Annual Plan which by nature provides summarised information. The current balance of the Rural Special Fund of \$298,633 is included in the total special reserves of \$1,175,000 listed in the Forecast Statement of Financial Position on page 60 of the draft Annual Plan.

### **Transparency**

No operational comment is required.

### **Mayoral Car**

The submitter has sought information relating to the running costs associated with the mayoral car. This question has been posed as an official information request. This request will be processed when responding to the submitter on other matters raised relative to the draft Annual Plan.

### **Council Table**

No operational comment required.

### **Local Government Amalgamation**

The submitter has asked that the Council acknowledge the possibility of local authority amalgamation occurring within Southland in the Annual Plan. This is obviously a matter for political consideration.

However, I should point that the submitter's view that local government amalgamation is becoming increasingly inevitable is not supported by statements made by Ministers of the Crown in recent zone meetings of Local Government of New Zealand. At these meetings the consistent feedback received from the Minister of Local Government and other Ministers who have been posed this question, is that the government has no appetite for further amalgamations until the huge reforms in Auckland have had time to bed-in, and the success or otherwise of the amalgamation being assessed. Further, the consistent message from central government has been that there will be no forced amalgamations and any move towards local government reform in terms of its geographical structures will have to come from the regions themselves.

### **SUBMISSION 2010/13 Community Trust of Southland**

No operational comment required.

### **SUBMISSION 2010/14 Mataura Community Board**

This submission has since been withdrawn.

### **SUBMISSION 2010/15 Public Health South**

A supportive submission to the Council's draft Annual Plan. No operational comment is required.

### **SUBMISSION 2010/16 Sally McIntyre**

The submitter has commented on a range of issues. The following comments are offered on the specific recommendations contained in the submission:

### **Financial Transparency**

The submitter seeks more details in regard to the proposed financial performance of each of the Council's activity. The submitter does not appear to appreciate the fact that Annual Plans and their purpose have changed markedly since the inception of Long Term Community Plans. The LTCCP is now the primary financial planning instrument of the Council which contains all the details that the submitter seeks. The Annual Plan on the other hand is now a summary document which in the main profiles just the particular year of the LTCCP and any departures from what was envisaged in the LTCCP. Whilst the Council staff can produce the information sought by the submitter it would in our estimation necessitate the Annual Plan increasing by approximately 15 pages. In its current guise the Annual Plan provides the information sought by referring back to the LTCCP for the detail and the Annual Plan disclosing any significant variances from what was envisaged in the LTCCP. These comments explain the current approach but change can be readily accommodated if Council so desires.

### **Building Control**

I have difficulty comprehending the Submitter's comments in terms of alleging that residents and business people of the Gore District have been short changed for funding of Council services they did not receive.

The submitter also suggests that the charges levied for building consents issued since the building accreditation process began may be unlawful. Again I find this hard to fathom. The Council had made a conscious decision to have a user pays approach to the Building Control Department, and has set its fees accordingly. Whilst the Building Control Manager has reported to Council about the difficulties in rigidly applying the approach, the Council has exercised its authority and maintained its policy of adopting a user pays approach. The Council is permitted to make an assessment on the level of private versus public good and if that assessment results in no public good being assessed, then a 100% user pays philosophy may apply. I cannot see why this should be questioned as being potentially unlawful.

### **Dog Registration Fees**

An income rise from \$7952 reflects Council management's fresh approach when assessing revenue levels. In this instance the actual level of revenue in the dog control activity over the last couple of financial years has meant that an income rise can be confidently forecasted without any increase in dog control fees.

### **Parking Meters**

Once again the increase in revenue from parking meters has been based on actual revenue levels achieved over the last two financial years.

### **Visitors Services Funding**

Please see my comments on the suggestion of an introduction of a targeted rate for District promotion provided in response to the submission of Federated Farmers of New Zealand.

### **Graduate Planner and Increasing Staff Levels**

The submitter has tried to compare workloads in 2002 with that in 2010 to support the argument that the Council should not employ a graduate planner. As advised previously when this matter was considered by the Council, the regulatory framework that the Council now operates within is considerably different and more complex than what existed in 2002. Further the level of economic activity and investigation within the District is far more intense than what it was eight years ago.

The submitter, who exhibits a fond interest in my performance as Chief Executive, has studiously avoided using the year of my arrival in the position as the base year upon which to compare any increases in staff. Had the submitter done so, the full time staff members as at 30 June 2001 would have read as being 67, which is one staff member more than the figure of 66 in May 2010. The full time staff members quoted as at June 2003 was the direct result of efficiencies gained in the addressing of chronic poor performance.

Since that time there has been a conscious endeavour to increase organisational capacity and future proof the organisation via the employment of cadets. So in spite of these employment decisions to increase organisational capacity, the Council finds itself with approximately the same number of staff it had nine years ago. I would suggest that this Council is in a small minority in terms of not having had an increase in staff over the past nine years given the enormous amount of new work that has been thrust upon local authorities via the Local Government Act 2002 and the Building Act 2005 in particular.

### **Civic Buildings Budget**

The submitter questions why the capital expenditure of 750k has not been afforded more prominence in the Annual Plan. Please refer to my comments on this particular matter given under submitter number 11, New Zealand Federated Farmers.

### **Administration Overhead Increases Over LTCCP**

The submitter poses a number of questions about the increase in administration expenses compared to the LTCCP. The General Manager Corporate Services provides the following analysis of where these increases have come from:

#### *Overhead Increases over LTCCP*

<b>Cost Centre</b>	<b>Increase \$</b>
110 Information Technology	84
200 Central Admin	50,460
430 Roothing Admin	23,274
450 Essential Services Admin	12,957
460 Parks and Reserves Admin	12,009
Sub Total	98,784
Less portion of 430, 450 and 460 attributable to oncharge from 200	24,770
Total	\$74,014

*Of this total, \$43,458 relates specifically to the weathertight homes contribution and \$13,054 is in the Roothing area for the employment of an experienced Roothing Officer.*

### **Mayoral Car**

In response to the specific questions posed by the Submitter the lease expense of the mayoral car has increased appreciably since the LTCCP forecast due to a market lease now being in vogue. At the time of setting the LTCCP the lease of the mayoral car was still under very favourable terms negotiated by His Worship some time previously. This negotiated lease had taken advantage of a very sharp deal being offered by the car leasing company at that particular time. The actual cost to ratepayers for providing the mayoral vehicle was estimated to be \$11,936 in 2010/11. As the Mayor has full private use of the vehicle and a deduction made from his Mayoral salary determined by the Remuneration Authority for this benefit, no records are kept of private versus mayoral mileage. The only exception is mileage performed for the Community Trust of Southland which the Council recoups at a rate of 100.2 cents per kilometre.

### **Council Table**

No operational comment is required.

**Library**

The General Manager Corporate Services makes the following comments in relation to concerns expressed in the first paragraph under this particular sub-heading:

*Increased revenue projections for fees and photocopying are a reflection of 2010 actual revenues. Revenue has increased significantly with the introduction of the free internet service. Background information regarding the Library Management System upgrade is provided as part of the response to Submission Number 11.*

**MLT Event Centre**

No operational comment required.

**Roading**

No operational comment required.

**SUBMISSION 2010/17****New Zealand Landcare Trust**

The request for a \$5,000 per year annual grant for 3 years to 2013 to assist with operational costs is a matter of political judgement. The work of the New Zealand Landcare Trust would however appear to contribute to the following community outcome:

*a treasured environment which we care for and which supports us now and into the future – we have an informed community caring for the environment.*

**SUBMISSION 2010/18****Department of Conservation**

The submission is supportive of the draft Annual Plan, particularly in relation to proposed capital works in wastewater and stormwater.

**SUBMISSION 2010/19****Leanne Grant**

The Council's Roding Manager makes the following comments on the submitter's request for a portion of Nicholson Road to be sealed:

### **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 65 vehicles per day when last counted in August 2009. 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. This appears to be the case with the crash mentioned in the submission.*

*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 sub grade. 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**

*Although seal extension, which would cost from \$350,000 to \$400,000 to construct a 6.5m wide seal, is not currently justified on this road there are a number of actions that can be undertaken to improve the situation. These actions include major reconstruction of the pavement where necessary, possibly sealing*

*the intersection approaches and continuing to monitor the traffic volumes using the road.*

### **Summary**

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

### **SUBMISSION 2010/20**

#### **Federated Farmers New Zealand (Eastern Southland Branch)**

Commenting on the range of issues covered in this submission:

#### **MLT Event Centre**

I agree with the submitter that the costs of the MLT Event Centre should be separately shown in the draft Annual Plan. A separate line item for the Event Centre can be inserted on page 25 of the draft plan. As the Council is still working through a due diligence process with the Gore Multi-Sports Centre Charitable Trust Incorporated, it would be premature to embrace the submitter's suggestion of including ownership structures in the draft plan.

#### **Roading**

The submitter has erroneously interpreted the results of the residents' satisfaction survey undertaken in 2008. The results of this particular survey were that 25% of respondents expressed actual dissatisfaction with the standard of local gravel roads. 38% indicated that they were satisfied with local roads with a further 37% being neutral. How this can possibly equate to 62% of the community being dissatisfied as the submitter asserts is beyond any reasonable interpretation of the survey.

Other comments made by the submitter in relation to the reduction in the roading expenditure for 2010/11 have already been covered in the responses to the Gore Rural Ratepayers Group and the submission from Mrs Sally McIntyre.

The only exception is the suggestion of undertaking an exercise in District wide funding of rural roads. I assume the submitter wishes to see a reduction in the amount of rates paid by the rural sector for the roading activity. Notwithstanding the difficulties in amending a funding policy which in turn would trigger an amendment to the Council's Long Term Council Community Plan, there is also a problem that a District wide

funding formula may not realise the results that the submitter envisages.

By way of illustration roading is currently funded on the basis of capital values and assessed on where the expenditure takes place. So for example all urban roading expenditure is funded by urban rates with a similar approach taken in rural rating area.

If all roading was rated District wide based on capital value, then the upshot would be that the rural sector would pick up approximately 66% of the responsibility for the entire District's roading activity.

### **Increased Organisational Capacity**

This subject has already been covered in comments provided to the submission from Mrs Sally McIntyre. Like Mrs McIntyre, the submission exhibits a fascination for studying staff numbers over a seven year timeline when if stretched out to a nine year timeline a far different picture is revealed. In terms of the request for an explanation of how regulatory internal funding works, it is suggested the submitter make an appointment with the Council's General Manager of Corporate Services for this to occur.

### **Central Administration**

I agree with the submitter that the wording on page 57 could be tightened to refer to the exact figure for the Council's contribution towards the Riskpool Weathertight homes cost recovery. This exact figure is \$43,458. An explanation of the recovery process is given in the response to the submission from Mrs Sally McIntyre.

### **Leaky Buildings**

The submitter seeks a report on whether the Council has any options to extract itself from Riskpool. This I believe has already been actioned via the General Manager Corporate Services in his recent report to the Council which of course can be forwarded onto the submitter.

### **Water**

The submitter seeks a report on the cost and potential savings involved in introducing individual water meters within the urban areas of the District. Comments on this suggestion have already been provided by the General Manager District Assets in response to the submission from New Zealand Federated Farmers – submitter no 11.

**Library**

The submitter questions the value of upgrading the management system in the library. Please refer to comments made by the Libraries Manager in response to the submission of New Zealand Federated Farmers.

**SUBMISSION 2010/21****Alan and Robina-Lee Johnston**

The submitter's comments and concerns as articulated on 21 May relate more to the resource consent application process that may be instigated by Solid Energy rather than any specific content in the draft Annual Plan.

**SUBMISSION 2010/22****Richard Gwyn Jones**

The submitter raises two general concerns. The first of these is in the information provided to the draft Annual Plan. The submitter seeks considerably more detail, most of which can be found in the Long Term Council Community Plan. It is stated in the fourth sentence of the Mayoral and Chief Executive Foreword on page 2 of the Annual Plan that "it is therefore important to reflect on the content of the LTCCP when reading this plan". To embrace the submitter's request would realistically involve producing an updated LTCCP each year. This is not the intention under the Local Government Act.

The other theme presented by the submitter is the difficulty facing low income rate payers. I make no comment on the perceived unfairness of the current rating system towards properties of lower value as this is purely a matter for political consideration. However, on the suggestion that the rates rebate scheme be handed to WINZ, I can advise that the rates rebate scheme is administered by the Department of Internal Affairs. The Council does receive income verification from WINZ for some applicants; however it is important to note that not all applicants are clients of WINZ. The Council does receive applications from low income earners who are also eligible for relief under the scheme. As the scheme is a creation of the Government and the Council performs a vital agency role in facilitating relief to some of our ratepayers it would appear to make little sense to transfer its administration to WINZ as the submitter suggests.

**RECOMMENDATION**

**THAT this report be received.**