Notice is hereby given that an ordinary meeting of the Gore District Council will be held in the Council Chambers, James Cumming Wing, 10C Ardwick Street, Gore, on Tuesday 18 February 2020, at 4.00pm

Stephen Parry  
Chief Executive  
12 February 2020

Agenda

1. Apologies
2. Declaration of Councillor conflict of interests
3. Confirmation of minutes and reports
   Confirmation of the minutes of the ordinary meeting of the Gore District Council, held on Tuesday 10 December 2019.  
   Pages 1-8
4. Urgent late business – as tabled at the meeting, pursuant to section 46 (a)(7) of the Official Information and Meetings Act 1987.
5. District Plan review  
   Pages 9- 26
6. Productivity Commission – Local Government funding and financing  
   Pages 27-32
7. Emergency Committee  
   Pages 33-34
8. Welcoming Communities  
   Pages 35-39
   Pages 40-51

10. Quarterly treasury report  
       Pages 52-60

11. Background to insurance costs for the Eastern Southland Gallery  
       Pages 61-62

12. Minutes of WasteNet meeting  
       Pages 63-67

13. Hearing of submissions to Local Alcohol Policy  
       Pages 68-73

14. Review of combined Local Approved Products Policy  
       Page 74

15. Damage and costs following February flooding event  
       Page 75

16. Renewal of Southland Triennial Agreement  
       Pages 76-92

17. Great South letter of expectation 2020  
       Pages 93-97

18. Business to be considered pursuant to the Local Government Official Information and Meetings Act 1987:

(i) Confirmation of minutes
   - Confirmation of the minutes of the ordinary meeting of the Gore District Council, held in committee, on Tuesday 10 December 2019.

(ii) Other business
   - Southland Regional Development Agency transition
   - Mataura water supply – Pleura Dam desilting project
   - Minutes of WasteNet meeting
   - Minutes of Emergency Committee
Minutes of an ordinary meeting of the Gore District Council, held in the Council Chambers, 29 Bowler Avenue, Gore, on Tuesday 10 December 2019, at 3.00pm

Present

His Worship the Mayor, Mr Tracy Hicks JP, Crs Bolger, Davis, Dickson, Gardyne, D Grant, N Grant, Highsted, MacDonell, McPhail, Phillips and Reid.

In attendance

The Chief Executive (Mr Stephen Parry), General Manager Regulatory and Community Services (Mr Ian Davidson-Watts), General Manager Infrastructure (Mr Ramesh Sharma), Chief Financial Officer (Mr Luke Blackbeard), HR/Administration Manager (Susan Jones), Parks and Recreation Manager (Mr Ian Soper), Communications-Marketing Manager (Sonia Gerken), 3 Waters Asset Manager (Mr Matt Bayliss), Transport Manager (Mr Peter Standring), Planning Manager (Mr Dean Balkin), Project Manager Infrastructure (Mr Hashem Ramezan-zadeh), Planning Consultant (Mr Keith Hovell) and one member of the public in the gallery.

Cr Reid declared an interest in clause 10 (Approval of proposed priority areas for identifying earthquake-prone buildings) and clause 16 (amenity hire waivers 2018-19).

1. CONFIRMATION OF MINUTES

RESOLVED on the motion of Cr Highsted, seconded by Cr Davis, THAT the minutes of the ordinary meeting of the Gore District Council, held on Thursday 19 September 2019, as presented, be received, noting that His Worship and the Chief Executive had signed the minutes prior to the local authority elections as being true and complete.

RESOLVED on the motion of Cr Reid, seconded by Cr Gardyne, THAT the minutes of the ordinary meeting of the Gore District Council, held on Tuesday 8 October 2019, as presented, be received, noting that His Worship and the Chief Executive had signed the minutes prior to the local authority elections as being true and complete.

RESOLVED on the motion of Cr D Grant, seconded by Cr Phillips, THAT the minutes of the statutory meeting of the Gore District Council, held on Tuesday 29 October 2019, as presented, be confirmed and signed by the Mayor as a true and complete record.
RESOLVED on the motion of Cr Dickson, seconded by Cr Bolger, THAT the minutes of the extraordinary meeting of the Gore District Council, held on Tuesday 19 November 2019, as presented, be confirmed and signed by the Mayor as a true and complete record.

2. 2019 RATING RE-VALUATION (SC2178)

Messrs Tim Gibson and Dave Johnson from Quotable Value were in attendance and provided a powerpoint presentation on the 2019 rating valuations that had been completed for the Gore District. Mr Gibson advised rating values were a snapshot of the market at a single point in time and did not include chattels.

The Gore District had seen increases in commercial land value by more than 35%, industrial land by 24.3% and residential land values by almost 20%. There had been a lack of rural sales in general while the lifestyle land values had increased by just over 17%. Lifestyle properties were those generally of an area of less than 20 hectares. The biggest changes in rural properties were those used for forestry, horticulture and specialist livestock.

A total of 42 objections had been received compared with 93 in 2016. The outcome of the objections would be completed by April 2020.

RESOLVED on the motion of Cr McPhail, seconded by Cr Bolger, THAT the information be received.

2019/124

The QV representatives departed the meeting at 3.23pm

3. AMENDMENT TO LIABILITY MANAGEMENT POLICY (SC0110)

A memo had been received from the Chief Financial Officer following the November meeting of the Audit and Risk Committee where changes were recommended to the hedging parameters in section 7.2 of the Council’s Liability Management Policy. The changes reduced the level of fixed rate hedging required so the Council could take advantage of lower interest rates. A marked up copy of the Policy including the proposed changes had been circulated with the agenda.

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

AND THAT the Council adopt the changes to section 7.2 of the Liability Management Policy.

2019/125

4. FINANCIAL REPORT FOR OCTOBER 2019
A financial report for October 2019 had been circulated for the Council’s perusal. The Chief Financial Officer advised there were some unfavourable variances due mainly to timing issues.

RESOLVED on the motion of Cr Reid, seconded by Cr N Grant, THAT the financial report for October 2019 be received.

5. JOINT MANAGEMENT COMMITTEE – AUDITED ACCOUNTS (SC2323)

A memo had been received from the Parks and Recreation Manager together with a copy of the audited accounts from the Joint Management Committee. Crs Davis, Gardyne, Highsted and the Parks and Recreation Manager were the Council representatives on the Joint Management Committee.

RESOLVED on the motion of Cr Davis, seconded by Cr MacDonell, THAT the information be received.

6. PARKS AND RECREATION STRATEGY – 2018-19 REVIEW (SC0113)

A memo had been received from the Parks and Recreation Manager seeking the Council’s approval of the 2018-19 review of the 2013 Parks and Recreation strategy. The document had its genesis in 2013 with wide public consultation. The strategy was one part of a suite of documents that drove the current and future direction of community parks, recreation and facility assets in the Gore District. The strategy covered a period of 10 years. The five yearly review reflected actual growth and any change in community needs/expectations.

A copy of the strategy had been circulated with the agenda.

In response to Cr Dickson, the Manager advised accessibility would certainly be included when the strategy was open for public submission in 2024. There had been initial discussions about accessibility held with the Southern District Health Board.

RESOLVED on the motion of Cr Dickson, seconded by Cr Reid, THAT the information be received,

AND THAT the Council adopt the Parks, Recreation and Facility Strategy 2019.

7. APPROVAL OF PROPOSED PRIORITY AREAS FOR IDENTIFYING EARTHQUAKE-PRONE BUILDINGS (SC0980)

A memo had been received from the Compliance Officer following recent consultation for the proposed earthquake prone buildings (EPB) priority areas. There had been no submissions received. Priority buildings were those that fitted into set criteria but also
potentially posed a high risk to life safety due to their location or use or were considered to be critical to assist with recovery operations in an emergency. The EPB system administered by the Council initially required attention to earthquake-prone buildings that were priority buildings which must be identified and remediated in half the time allowed for other earthquake-prone buildings (ie 12.5 years). That meant the Council had to identify potential priority buildings and notify the owners that their building required an assessment.

Maps showing the streets included within the proposed priority areas for both Gore and Mataura had been circulated with the agenda.

In response to Cr Highsted, the General Manager Regulatory and Community Services was unsure how many buildings in total were in the affected area.

Cr Bolger said in Kana Street area the priority area extended across the river to include some residential buildings. He questioned whether that was required. The General Manager said that area included a key transport link which was Kana Street. It was one of the few areas that needed to be protected in terms of emergency access as well as earthquake-prone buildings.

The General Manager said the Council would assess each building included within the boundary area and speak with the building owners. The Building Control Officers would undertake the consultation with building owners.

**RESOLVED on the motion of Cr Bolger, seconded by Cr Phillips, THAT the Council approve the proposed priority areas and priority route, as the final priority areas and priority route for the Gore District, as required by the Building (Earthquake-prone Buildings) Amendment Act 2016.**

2019/129

8. **HEALTH AND SAFETY REPORT (SC2347)**

A report had been received from the Human Resources Manager. The report covered Gore District staff training, regional training, details of the incident schedule for the period 15 August to 19 November 2019, annual departmental audits and an update on the tragic fatality at the Gore oxidation ponds that had occurred on Tuesday 29 January 2019.

His Worship noted the remedial work being undertaken at the oxidation ponds in response to the improvement notices issued by WorkSafe. The 3 Waters Manager advised the fencing work was scheduled to be completed by the end of the week.

In response to Cr Gardyne enquiring whether the incident would result in significant changes for other local authorities, the Chief Executive said it may, but the Council was responding to an improvement notice issued by WorkSafe and the regulations for oxidation ponds only required stock proof fencing.
RESOLVED on the motion of Cr Highsted, seconded by Cr Gardyne, THAT the report be received.

2019/130

9. COUNCIL MEETING SCHEDULE

A memo had been received from the Administration Manager following a new meeting cycle being agreed after the 2019 local authority elections. A schedule that reflected the changes, being three Committees that would meet on a quarterly basis and the full Council on a monthly basis had been circulated with the agenda.

Cr MacDonell moved THAT the schedule of meeting dates for 2020, as circulated, be adopted.

The motion was seconded by Cr D Grant.

Cr Davis said she would be unable to attend three meetings in February that started before 5.00pm because of work commitments. His Worship understood that and said the schedule may not work for everyone. However, the remuneration for elected members was such that it compensated for the time commitments required.

The motion was put and it was carried.

Cr Davis voted against the motion.

2019/131

10. EMERGENCY COMMITTEE (SC2549)

A memo had been received from the Administration Manager advising that with the Council not meeting until February next year, it would be prudent to establish an Emergency Committee to deal with any urgent governance or policy issues that may arise over the summer recess. The Committee would only meet as required and should be given authority to act on any urgent matters that arise.

RESOLVED on the motion of Cr D Grant, seconded by Cr Highsted, THAT an Emergency Committee consisting of His Worship the Mayor, Cr Bolger and Cr McPhail be appointed to deal with urgent governance and policy issues that require actioning prior to the February 2020 Council meeting, with any two of the Emergency Committee members having power to act,

AND THAT any decisions made by the Emergency Committee be reported to the next meeting of the Gore District Council to be held on 11 February 2020.

2019/132
11. FRESHWATER LAW REFORM – ESSENTIAL FRESHWATER – ACTION FOR HEALTHY WATERWAYS (SC2545)

A memo had been received from the Chief Executive advising a working party comprising Crs Bolger, Dickson, Highsted and himself had met and prepared a submission to the Ministry of Environment’s Freshwater Law Reform proposal entitled Essential Freshwater: Action for Healthy Waterways. A copy of the submission had been circulated with the agenda. There had been a total of 17,500 submissions received by the Government.

The Council noted that Cr Gardyne had also been involved with the working party that compiled the submission.

RESOLVED on the motion of Cr Bolger, seconded by Cr Reid, THAT the submission be received and endorsed.

2019/133

12. COMMUNITY STRATEGY COMMITTEE – DRAFT TERMS OF REFERENCE (SC2570)

A memo had been received from the Chief Executive following the creation of a new committee that would cover community strategy. In consultation with His Worship and the Chairman, Cr McPhail, a draft Terms of Reference for the new committee had been developed. A copy had been circulated with the agenda.

Cr Highsted asked whether the Capital Works Committee should be consulted with any capital projects under item 9 in scope of activity. He suggested item 10 should be referred as a recommendation to the Council before any applications to the Provincial Growth Fund were lodged. The Chief Executive said any projects emanating from the Ready for Growth programme were quite specific. Cr Highsted asked where the Ready for Growth programme was defined. His Worship said most Councillors had seen the programme. He said there needed to be information disseminated again about just what had occurred over the past 2-3 years.

Cr Phillips asked if the frequency of the meetings was too long. His Worship thought the work being undertaken by the Committee may necessitate more frequent meetings or at least more workshops.

Cr Davis asked what item 11 meant insofar as “oversight of events would mean”. His Worship said there was an events strategy created about 12 months ago and there were some key events included in that. He expected the Committee would have some input into those. The Chief Executive added the rejuvenation of the Country Music festival was an example of what the Committee could be involved with. His Worship said there had been a Trust formed to oversee a Country Music festival with emphasis on activities in the central business area. He thought the Community Strategy Committee had a role in building on the events strategy and putting suggestions to the Council.
The Council agreed that a new clause “to consult with the Rununga and/or Iwi as required” should be added.

Cr Reid suggested adding an education sector representative to the list of stakeholders, perhaps from the Community of Learning.

**RESOLVED** on the motion of Cr McPhail, seconded by Cr Dickson, **THAT** subject to minor additions, the Council approve the draft Terms of Reference for the Community Strategy Committee,

**AND THAT** it be noted that a formal review of the Terms of Reference will be conducted by the Committee following its first year of operation.

2019/134

13. **AMENITY HIRE FEE WAIVERS 2018/19**

A memo had been received from the Chief Executive reporting on the community organisations that had received full or partial waivers for the hire of Council amenities for the financial year ended 30 June 2019. A schedule of organisations had been circulated with the agenda.

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

2019/135

14. **GRANTS SUB-COMMITTEE MEETING (SC2424)**

A copy of the report of the meeting of the Grants Sub-Committee held on 14 November had been circulated with the agenda.

Cr D Grant moved **THAT** the report of the meeting of the Grants Subcommittee held on 14 November 2019 be received,

**AND THAT** the recommendations contained in the report be ratified.

The motion was seconded by Cr N Grant.

Cr Highsted thought there was going to be a financial overview that included approved grants. As a non-member of the Sub-Committee, he found it difficult to understand what the impact on the Council’s budget would be without a financial statement. In response to Cr Highsted, the Chief Financial Officer said there had been a small increase for Children’s Day and a 10k increase for the Eastern Southland Gallery mainly due to increases in insurance premiums.

Cr Gardyne said it would be helpful to have a discussion about insurance requirements given some of the collections at the Eastern Southland Gallery were irreplaceable.
His Worship suggested a future report be provided to ensure the Council understood
the quantum and impact of insurance premiums.

The motion was put and it was carried.

15. ADDITION TO STAFF WARRANT AND AUTHORISATIONS (SC2354)

A memo had been received from the senior Regulatory Officer requesting the Council
to appoint and authorise the warranting of a staff member employed by Abernethy
Contracting to undertake regulatory and enforcement functions under the Local
Government Act 2002 and other relevant Acts. Mr Shawn Morgan would provide after
hours cover during the Christmas period as an Animal Control Officer.

RESOLVED on the motion of Cr Davis, seconded by Cr Gardyne, THAT the Council
appoint and authorise Mr Shawn Morgan as an Animal Control Officer to undertake
various enforcement related duties in line with this role for the Council.

16. MATAURA COMMUNITY BOARD REPORT

A copy of the report of the Mataura Community Board meeting held on 2 December
2019, had been circulated with the agenda.

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

AND THAT the recommendations contained in the report be ratified.

The meeting concluded at 4.18pm
Purpose of report

The Council at its meeting on 21 March 2019 considered a report outlining the approach recommended to the District Plan Review, including an overview of matters to be considered, the role of Councillors and consultation. That approach was endorsed on the understanding that these matters would be further considered following local body elections. A copy of the report to the March 2019 meeting and the relevant minutes are attached as appendix 1.

This report:

• assesses the work undertaken to date;
• highlights the new issues that have arisen that impact on the District Plan Review;
• sets out the progress proposed for the next phase of the review; and
• outlines options for Councillor involvement

Work undertaken to date

The content of the District Plan Review is influenced by a number of factors, including:

• the provisions of the Resource Management Act 1991;
• various directives of the Government expressed through Regulations, National Environmental Standards and National Policy Statements;
• the Regional Policy Statement, especially the mandatory directives of what is to be included in the District Plan; and
• those matters the Council considers to be of resource management significance within the District

Having regard to these matters, 82 separate issues requiring consideration were identified. A number of these are of a technical nature, for example, noise, hazardous substances and signage. The issue of most significance is providing for future growth of urban areas, including expansion and servicing of land for residential, industrial and commercial use. A Spatial Plan approach has been adopted to consider the issues associated with future growth and that is currently subject to public consultation.
At an initial workshop held in February 2019, Councillors identified those issues they considered of strategic importance requiring their input and direction at an early stage. Councillors also determined that all elected members would attend all future workshops associated with the District Plan review. The staff and consultants working on the District Plan review then commenced work on bringing together relevant background information on those 82 issues, having regard to the various statutory documents listed above. The adequacy of the current District Plan provisions was also assessed, taking into account the provisions of the District Plans of other Southland and adjoining Councils and current best practice. This information was brought together in a series of what has been termed “Scoping Reports” and they provide an important component of the data that the Resource Management Act requires to be collected to justify what is ultimately included in the District Plan review.

Approximately two-thirds of the scoping reports have been completed. Those not yet progressed are connected to the Spatial Plan process (and that process may well remove the need for Scoping Reports on those issues) or are of a technical nature where the Review Team has concluded a scoping report is not beneficial.

For those matters Councillors identified as requiring their early input, on completion of a draft scoping report, a presentation was made at a Council workshop, with more than a dozen matters considered. Three workshops have been held, including one at the Hokonui Marae.

In retrospect, the form and content of the workshops was not ideal. While on some issues there was clear and useful direction given by Councillors, on others the outcome was less clear. In part that may be attributable to the presentation given. It also appeared not all Councillors had the same enthusiasm for some topics as the presenter. Notwithstanding that, the scoping report phase is now complete, and an alternative approach is desirable for future workshops.

New issues impacting on the District Plan review
Since the review process commenced, the Government has introduced new, or modified existing, components of the statutory framework. These are as follows:

1. **National Planning Standards**
   The National Planning Standards are regulations issued by the Government. The final version of the Standards was released in April 2019, setting out the format to be adopted and content for all Policy Statements and Plans prepared under the Resource Management Act 1991. The Standards applying to District Plans include a common set of definitions, a numbering template, the order and name of chapters, map requirements and electronic accessibility requirements.
The Standards include provisions which are mandatory and other provisions which are discretionary, but which must be included if the issue is relevant to the District. The mandatory provisions require reference to the NZ Coastal Policy Statement, notwithstanding the Gore District has no coastal boundary. Other mandatory chapters include tangata whenua and urban form/development. The discretionary provisions include zones, and issues such as natural features and landscape, heritage and natural hazards all of which are relevant to the Gore District and which must be considered given the directives contained in the Resource Management Act. Having regard to the Standards, the Gore District Plan Review is likely to comprise at least 50 chapters. Attached as Appendix 2 is the list of chapters likely to be contained in the District Plan Review.

Where a chapter is included in a district plan there are also mandatory and discretionary content provisions which vary depending on whether the chapter deals with strategic issues, technical matters, the regime for activities or administrative matters. Objectives and policies are mandatory. Issues and methods (including rules) are discretionary but such matters require inclusion when considering activities. Of considerable benefit, it is discretionary to include an introduction to each chapter and explanations to issues, objectives and policies.

While it is possible to draft a district plan of similar size to the current Plan in terms of the number of pages, section 32 of the Resource Management Act requires an evaluation of the provisions included in the District Plan Review. The evaluations prepared by other Councils range in size for each issue (now chapter) from 7 – 55 pages on average. The section 32 evaluation for the Gore District Plan Review is likely therefore to be in the order of 300 – 400 pages. That evaluation, in addition to the District Plan review, is required to be considered and adopted by the Council.

In summary, the requirements of the National Planning Standards while introducing consistency between Plans, when implemented as envisaged, increase significantly the size and complexity of the Gore District Plan review when viewed in hard copy. Considerable cross-referencing is necessary and that will be more user friendly in the required electronic format.

2. National Policy Statements

National Policy Statements are directives from the Government on how Councils are to deal with particular issues. This can take the form of outlining a position to be adopted through one or more objectives and policies and/or setting out a particular process to be followed, or investigations/research to be undertaken, usually resulting in matters being included in resource
management documents (regional policy statements, regional plans or
district plans).

The following National Policy Statements have been promoted in the past
twelve months.

(a) Proposed National Policy Statement on Indigenous Biodiversity (NPSIB)
Section 6(c) of the Resource Management Act, as a matter of national importance, requires the Council to provide for the protection of areas of significant indigenous vegetation and significant habitats of indigenous fauna. There has been considerable debate in the Courts (and at Council level) as to the meaning of the word “significant”. The proposed NPSIB recognises that at least one of the reasons an area or habitat may be significant is for its contribution to maintaining biodiversity.

Submissions close on the proposed NPSIB on 14 March and the Government has indicated the consideration of the submissions lodged and adoption of the NPS will be dealt with as a matter of urgency.

The proposed NPSIB requires the Council as part of the District Plan review to identify and protect:

- a number of listed uncommon ecosystem types, including frost hollows, braided river beds and boulderfields of selected rock types;
- indigenous vegetation or habitats associated with wetlands;
- land environments that have 20% or less remaining of indigenous vegetation cover; and
- habitats of threatened and at-risk species

A Regional Policy Statement may be more stringent than these requirements.

During the development of biodiversity-related provisions, the Council is required by the proposed NPSIB to consult with those whose properties may be affected, the public and the tangata whenua. The values and interests of the tangata whenua must also be incorporated in to the management of biodiversity.

Council staff and consultants representing the four Southland Councils are working collaboratively to understand and assess the potential impact of the NPSIB. There are likely to be many hundreds of sites within the Gore District that would meet the criteria listed above.
In addition, the NPSIB requires the management of the effects of activities to ensure “no net loss” of indigenous biodiversity values. Where the effects of activities cannot be avoided, remedied or mitigated, the NPS provides for consideration of offsetting (or environmental compensation) subject to criteria set out in the NPSIB.

The proposed NPSIB also directs the Council to promote maintenance of biodiversity outside of the identified area, including encouraging planting of locally sourced indigenous species, consideration of interruptions to breeding cycles and migratory pathways, the impact of introduced pest plants and animals, and provision of buffer areas adjoining areas of indigenous biodiversity. Councils are expected to provide a range of regulatory and non-regulatory incentives to achieve positive outcomes.

The number of experts available to assist with the work required to give effect to the NPSIB is very limited, notwithstanding that the size of the task, together with the consultation required, will stretch the resources of Council staff, consultant’s and Councillors.

(b) Proposed National Policy Statement for Highly Productive Land

The purpose of the Proposed National Policy Statement for Highly Productive Land is to:

- recognise the full range of values and benefits associated with the use of highly productive land for primary production;
- maintain its availability for primary production for future generations; and
- protect it from inappropriate subdivision, use and development.

In the past, Councils have used the Land-Use Capability (LUC) system to identify highly productive land. That system categorises land into eight classes according to its long-term capability to sustain one or more productive uses, with Class 1 being the most versatile land (for example, the fertile portions of river valleys) and Class 8 comprising land that should be retired (for example, the erosion prone high country).

Historically, Class 1 and 2 land has been considered highly productive. However, the Government intends to extend this in the first instance to include Class 3 land. Those parts of NZ with the most extensive areas of Class 3 land are mid Canterbury and north-eastern Southland, including the Gore District.
Councils will be able to exclude some of the areas identified where this can be justified on the basis on criteria set out in the NPS. These include:

- the suitability of the climate for primary production;
- the size of land properties to support primary production;
- water availability; and
- access to transport routes and appropriate labour markets.

The spatial planning exercise undertaken by the Council is also a factor to which regard can be had.

A key focus of the NPS is to protect highly productive land from “inappropriate” use and development. The Government considers what is appropriate or not will depend on the local context and actual impacts of development on highly productive land. However, it is apparent that under this NPS, any subdivision of land identified as highly productive will be subject to rigorous examination, and there will be pressure in a regulatory sense to only approve those where rural production continues or rural support activities are established. This contrasts considerably with the laissez-faire approach of the current District Plan that permits the creation of rural lots of 2 hectares or more.

The proposed NPS also includes a definition for “sensitive activities” which includes schools and residential use. The intent is to encourage setbacks and buffers between areas of highly productive land and adjacent sensitive activities. This is particularly important where agricultural sprays are used or other practices adopted that could result in reverse sensitivity effects.

The NPS for Highly Productive Land is expected to take effect mid-2020. The Government through the Ministry for Primary Industries intends to provide guidance and technical assistance in the implementation of the NPS. The NPS introduces a new topic into the Gore District Plan Review process and regard will also need to had to any guidance given, meaning that work on the related parts of the Rural and Subdivision chapters of the District Plan review will not take place until the third or fourth quarter of 2020.

(c) Proposed National Policy Statement on Urban Development

This NPS is directed primarily towards the management of growth and development in the major urban areas, but some of the provisions also apply to other urban areas with a current or proposed population of
Gore township had a 2013 population of 7,353 and a projected 2030 population of less than 9,000, so the NPS will not directly apply. However, current best practice is to comply with the following provision when assessing the extent of land that should be zoned for future use.

*Local authorities must ensure at all times their plans enable at least enough development capacity that is feasible and likely to be taken up to meet the demand for dwellings (in terms of location, typology and price) and business land (in terms of location, floor area and extent of land) over the short, medium and long term.*

A local authority meets these obligations by ensuring:

a) **Short term** – that the development capacity is enabled by resource management plans and serviced with development infrastructure

b) **Medium term** – that the development capacity is enabled by resource management plans and either:
   i.  is serviced with development infrastructure, or
   ii.  the funding for the development infrastructure required to service that development capacity must be identified in a Long Term Plan required under the Local Government Act

c) **Long term** – that:
   i.  the development capacity is identified in all relevant plans and strategies
   ii.  the development infrastructure required to service it is identified in the relevant Infrastructure Strategy required under the Local Government Act 2002.

Once the spatial plan process completes its consultation phase and is adopted by the Council, regard needs to be given to the actual extent of land zoned for urban use taking into account the ability to provide and pay for associated infrastructure. As a consequence, the Council will need to consider future infrastructure funding options. That discussion is likely to be required in the third quarter of 2020.

Collectively, these matters introduce uncertainties into the District Plan review process. The March 2019 report to the Council noted it was a target of the planning team to have a draft of the District Plan Review completed by March 2021. That is still the intent.

**Proposed action for 2020**
Staff and consultants have commenced the drafting of the technical chapters of the District Plan review, together with the section 32 evaluation for each topic. While the District Plan review is required to be available in an electronic format,
and the Council has the necessary software to achieve that, the initial drafts are being prepared using MS Word to test the template to be used for each chapter.

Following an internal audit and revision, sign-off of the draft will be sought from the Council. A copy of that draft will also be forwarded to those iwi groups wishing to be consulted, as required by the Resource Management Act, although the process for that to occur is not clear at this stage.

Some of these chapters may appear quite dull, but they are an integral part of the implementation of the Plan. In several chapters, some of the text to be used is prescribed by the National Planning Standards.

Following on from the scoping documents prepared, and feedback from Councillors, some of the more conceptual and directive chapters can also now be drafted. Initially these will be the non-contentious parts of the District Plan Review, moving onto the more complex and/or potentially contentious provisions later in the year. The same process as described above will be followed, although it can be expected for the more complex and/or contentious chapters several revisions and referrals back to the Council may be necessary before it is in a form acceptable to the Council.

The drafts of the technical and non-contentious chapters of the District Plan will comprise about one-half of the document and it is anticipated these will be submitted to the Council for approval as a draft over the next eight months.

Various work streams are, or about to be, underway to provide additional information prior to the more complex chapters of the District Plan Review being drafted. These are:

(a) The Spatial Plan
A document “Ready for Tomorrow – A Discussion about Spatial Planning” has been released for public feedback by 26 February. Following consideration of that feedback, and adoption by the Council at its April meeting, there will be an informed basis for guiding zoning patterns in the District Plan Review and the provisions for each of the Zones. Work can then commence on the chapters dealing with zoning and this will be ongoing throughout the year, probably with the need to seek direction from the Council on some issues and which of the options it wishes to adopt to respond to those issues.

The National Planning Standards enable discretionary Special Purpose Zones that meet criteria specified in the regulations, including size, effects, or the nature of the activity. Before reporting to Council on whether to adopt any
Special Purpose Zones in the District Plan, discussion will be held with those affected.

(b) **Expert Advice on Heritage Structures and Trees**

The Council has previously requested expert advice be sought with regard to the various heritage buildings and notable trees listed in the current District Plan, to assess whether their values pass the good practice threshold for their retention. Appropriate experts are currently being engaged and the work will be undertaken in consultation with affected land owners. It is expected this work will be completed by May and it will be reported back to the Council at that time.

(c) **Landscape**

A group comprising staff and consultants from the Southland Councils is currently reviewing previous work undertaken assessing landscapes in the region with a view of identifying the values that deem landscapes to be of regional or national significance. In addition to any landscapes that fit these categories, the Council is also required by the Resource Management Act to identify those landscapes of local significance and those landscapes of cultural significance.

A technical group, including statutory organisations and staff representing iwi groups is to meet late February to provide guidance to undertake this work. It will require public consultation at some point in the process and as a consequence it is likely to take twelve months to complete. An expert landscape architect has been engaged to assist in identifying the values of the locally and culturally significant landscapes and the options for protecting those values.

From time to time work on the landscape issues will be reported to the Council to enable any guidance it may wish to give, prior to considering a draft of the Landscape chapter in the District Plan Review.

(d) **Biodiversity**

Once the National Policy Statement for Indigenous Biodiversity is finalised and adopted by the Government, it will be necessary for the Council to engage an expert to advise on the sites that meet the criteria set out in the NPS. The process to be followed, the time it will take and the associated cost are all huge unknowns at this stage and will require further consideration and direction from the Council.

A further complexity arises from the provisions of the Regional Policy Statement that specify Environment Southland is responsible for impacts on indigenous biodiversity within lakes, rivers, wetlands and their margins. It is
likely the intent of this provision is to apply to natural hazards and water quality, but clarification is needed before the Council undertakes any assessment of the impacts of the NPS because as currently worded, it is Environment Southland and not the Gore District Council that should be undertaking the required investigations in lakes, rivers, wetlands and their margins.

It is intended to report to the Council, and seek feedback and guidance, as more information becomes available on each of these topics.

**Options for Councillor Involvement**

As noted in the report considered at the March 2019 Council meeting, the district plan is one of the more significant documents prepared by the Council. As a consequence, Councillors should have an active role in its preparation, providing guidance and direction on the issues of interest to them, to those drafting the district plan review documents before adoption by the Council. How Councillors provide that input is for the Council to determine.

Basically, there are three options available, all of which will also include a tangata whenua representative being present:

1. Appoint a Committee to consider all matters;
2. Appoint a Committee to overview all matters, referring contentious and significant matters to the full Council; or
3. The full Council to consider all matters.

The commitment required from Councillors on the District Plan Review will build during the year. Currently, the Planning Consultant and two external consultants are drafting the District Plan Chapters. The vacant graduate Planner position at Council is to be filled in February and that person will also be assisting with the District Plan review.

Once chapters have been drafted by the review team members, they will be reviewed by the Planning Manager and Planning Consultant, with input as required from other Council staff. Where considered appropriate, consultation will take place with statutory agencies and other interested parties before referral to Councillors for sign-off, although where issues are complex and/or potentially contentious, feedback from Councillors will be sought prior to any consultation undertaken.

The intent is to engage an external person as a facilitator at the meetings with Councillors, with the Planning Manager and Planning Consultant presenting the reports. Other consultants will not be present. Initially, meetings will be four-weekly, with varying and increasing volumes of material that will require
consideration prior to the meetings. Some site visits/field trips will also be recommended.

Regardless of which option is adopted, three-monthly progress reports will be made to the Council.

The involvement of all Councillors in the consideration of all chapters may create some programming issues and place additional pressure on the time of Councillors during what is already shaping up as a busy year. This comment is offered on the basis that I understand some Councillors are already time-challenged with the number and frequency of Council workshops on other Council activities and projects.

In addition, the Council may need to take cognisance of the fact that the next review of the Long Term Plan will commence in earnest in the second half of the calendar year. On this basis it may be prudent for the Council to opt for appointing a Committee to overview the District Plan review on its behalf, with the caveat or condition that contentious and significant matters (to be specified) are reserve for the consideration of the full Council. If this option is adopted there is an opportunity for an electronic copy of reports and other material to be circulated to all Councillors, if they wish, for their information.

**RECOMMENDATION**

**THAT** the Council endorse the approach proposed for the Gore District Plan review,

**AND** **THAT** the Council determine how it wishes to provide for Councillor input into the review.
Background
The current district plan was due for review in 2016. However, at that time a number of significant amendments were being considered by the Government to the Resource Management Act 1991 (the RMA). These included the mandatory adoption of a template for all new plans as to layout and content, including the use of a standard set of definitions and presentation of planning documents in an ePlan format. The Gore District Council resolved to delay work on the district plan review pending finalising of these amendments. A number of other Councils also resolved to delay notifying reviews of their planning documents for the same reason.

Major amendments to the RMA were enacted in 2017 and these have progressively taken effect. The final component of these amendments is the National Planning Standards which sets out the template to be followed for all RMA planning documents. A draft of the template was notified in June 2018. The Government must finalise the template and the requirements for ePlan documents no later than 18 April 2019. This will provide certainty to the Council as to the requirements for the content and format of the district plan review.

The Council is now able to proceed with the review of the Gore District Plan. This report outlines the anticipated review process and timing. Neither is set in concrete and will be modified as required to meet the wishes of the Council. A review of the approach will also be undertaken following local body elections.

Matters to be considered
The RMA requires the review process to start from first principles in terms of identifying the matters of resource management significance and the local issues to be assessed in the review of the district plan. The RMA itself provides direction on various matters to be provided for in the district plan, for example, heritage, hazards, outstanding natural features and landscapes and customary rights.

Regard also needs to be given to a multitude of documents, including:

- National Policy Statements (Electricity Transmission, Urban Development Capacity)
- National Environmental Standards (Forestry, Telecommunications, Electricity transmission)
- Southland Regional Policy Statement
- NZ Heritage List
- Iwi planning document (Te Tangi a Tauira - The Cry of the People)
- Regional Plans (Air, Water, Effluent Disposal)
- Mataura Water Conservation Order
- District Plans of adjoining Councils
- Conservation Management Strategy for Southland
- Reserve Management Plans
The Southland Regional Policy Statement is of particular significance because it contains a number of mandatory directions of matters that must be dealt with in the district plan review. These include:

- prioritising public access to lakes and rivers
- controlling rural-residential development
- addressing the effects of mineral extraction, earthworks and vegetation clearance
- addressing the effects of rural land use on high values soils, landscapes and indigenous biodiversity
- identifying and protecting outstanding natural features and landscapes
- encouraging use of small scale renewable energy generation
- identifying areas for urban growth

There is therefore an extensive list of issues that require consideration in the review process. Issues will relate to:

- the activities and controls allowed in different zones;
- changes to zoning patterns, and in that regard the Spatial Plan will provide assistance;
- evolving issues, for example, the implications climate change; and
- matters of detail that may be relevant across the whole district, for example, noise, signage and home based industries.

Assessment is also required as to whether the use of rules in the district plan is the appropriate method to adopt to deliver the outcomes the Council may wish to achieve. Having regard to social, economic and environmental considerations, the use of bylaws, or education, may be more appropriate in some cases.

It is important to note, the district plan is unable to consider the following:

- soil conservation;
- quality and quantity of water;
- discharges of contaminants;
- rules in a National Environmental Standard; and
- economic development (except where identifying areas for growth)
- trade competition

Role of Councillors

The district plan is one of the more significant documents prepared by the Council, impacts on the way that occupiers can use their land, how new developments are undertaken and levels set to protect the amenity of residents and the desire to promote certain areas of economic and social growth. As a consequence, elected representatives should have an active role in its preparation, providing, within the
statutory framework of the RMA, guidance and direction to those drafting the district plan review documents.

Commencing in May, it is proposed to hold workshops every four weeks or so with the full Council to focus on various issues to be considered during the review process. To enable open discussion of options in response to issues the public will be excluded from these workshops. On matters of significance however, it is anticipated that the Council would wish to undertake consultation with interested parties or the wider public before determining what should be included in the review of the district plan, as discussed below.

Later in the process, it will be necessary to consider the role of Councillors in determining submissions lodged to the district plan. Various approaches have been adopted by other Councils in terms of appointing a panel comprised either totally or in part of elected representatives and/or independent hearing commissioners. It is noted however, if a Councillor wishes to be appointed to the panel to consider submissions lodged to the review of the district plan, it is a requirement they complete the necessary commissioner training. In the meantime, subject to the standard conflict of interest principles applying, there is no impediment to any Councillor participating in workshops considering district plan issues.

Consultation
During the district plan preparation process, the RMA requires consultation with the Minister for the Environment, other government agencies affected (for example, Department of Conservation, NZ Transport Agency), Environment Southland, Clutha and Southland District Councils, and the tangata whenua through iwi authorities.

Where Councils have provided opportunities for input during the drafting process from potentially affected businesses, interest groups and the wider public, there has been a perception of reduced numbers of submissions on plan provisions and appeals on Council decisions. Arising from that, it is proposed to use networks to engage with a wider group as well. This would result in the following structure of groups contributing to the district plan review:

1. The planning team
   Preparing the Review of the District Plan
   - Ian Davidson-Watts (General Manager Regulatory and Planning) Review Director
   - Keith Hovell (Consultant) Review Manager
   - Fran Davies (Planner)
   - Lynley Hocking (Technician)
   - Robert Buxton (independent Planning Consultant)
   - Kirstyn Lindsay (independent Planning Consultant)

From time to time other consultants will be engaged to undertake specialist studies.
2. **Plan Advisory Group**

Comprising relevant Council staff and representatives of those organisations with whom consultation is mandatory, as set out above. In order to maximise the opportunity for future planning synergies within Southland, an invitation will be extended to Invercargill City to also be represented in this group. From time to time it will also be necessary for legal advice to be sought. Accordingly, the legal firm Anderson Lloyd in Dunedin has been engaged for that purpose, and will form part of this group.

While communication with this group will generally be electronic, from time to time meetings will be held on topics of significance beyond the district. For example, three jointly funded regional studies are currently being undertaken with regard to landscapes of regional significance, climate change and indigenous biodiversity. Additional work is likely to be required at a Gore District level and that will be done in consultation with the wider group.

3. **Feedback Network**

This will comprise organisations and professionals active in the planning sphere, such as telcos and surveyors, together with developers and interest groups. As part of the initial consultation on the district plan review, an opportunity will be given for any member of the public who wishes to be consulted to advise the Council, and they will be added to the network.

No meetings of this group is envisaged, unless requested. Rather, email and possibly social media will be utilised.

At critical stages it may also be appropriate to consult with the Mataura Community Board. In that regard a workshop is to be held with the Mataura Community Board on 8 April to facilitate the scoping of issues of significance to it.

Prior to reviewing the current list of trees and heritage structures in the operative district plan, it would be good practice to seek feedback from the public on whether any additional trees or heritage structures should be assessed. Only those trees and heritage structures that meet the “significant” threshold level can be included in the review of the district plan. It is possible that some of the items now in the district plan will not meet the required threshold, while others could be added.

The mandatory RMA requirements for consultation with iwi authorities occurs at different levels, including:

- Enabling iwi authorities to identify resource management issues of concern to them;
- Undertaking general consultation during the preparation of the review of the district plan; and
- Supplying a draft of the final district plan review document to iwi, allowing adequate time to consider the document and provide comment on it. The Council
must also record what action it takes in response to the comments made.

While the template for district plans requires the inclusion of a chapter on Tangata Whenua issues, the expectation of iwi, and the approach adopted by other Southland Councils, is to also integrate iwi concerns into the relevant chapters throughout the plan.

Given the wide range of input from iwi enabled by the RMA, it is recommended the Council provide for an iwi representative to attend and participate at Council workshops where district plan issues are being considered.

**Timetable**
At this stage it is difficult to provide a firm timetable for the district plan review process. As outlined above, it is proposed to hold a series of workshops with the Council through to the end of the current term. Experience during that period will enable a firmer guideline to be provided. However, it is a target of the Planning Team to have a draft of the district plan completed by March 2021 – a two year process.

**RECOMMENDATION**

THAT the Council endorse the approach proposed for the review of the Gore District Plan,

AND THAT the Council invite a representative of the tangata whenua to attend and participate in Council workshops considering issues associated with the review of the Gore District Plan.
Excerpt from minutes of the 26 March 2019 Council meeting

9. DISTRICT PLAN REVIEW (SC2383)

A memo had been received from the Planning Consultant advising that following major amendments to the Resource Management Act being enacted in 2017 and having progressively taken effect, the Council was now able to proceed with a review of its District Plan. The report outlined the anticipated review process and timing. Neither was set in concrete, and would be modified as required to meet the wishes of the Council. A review of the approach would also be undertaken following the local authority elections in October.

Details of the matters to be considered, the role of Councillors and consultation were outlined.

It was difficult to provide a firm timetable for the review process. It was proposed to hold a series of workshops with the Council, starting in April, through to the end of the current electoral term. Experience during that period would enable a firmer guideline to be provided. It was the target of the planning team to have a draft of the District Plan completed by March 2021.

RESOLVED on the motion of Cr Davis, seconded by Cr Bolger, THAT the Council endorse the approach proposed for the review of the Gore District Plan,

AND THAT the Council invite a representative of the tangata whenua to attend and participate in Council workshops considering issues associated with the review of the Gore District Plan.

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APPENDIX 1
Likely Chapters for Gore District Plan Review

PART 1 INTRODUCTION AND GENERAL PROVISIONS

INTRODUCTION
1. Foreword
2. Contents
3. Purpose
4. Description of the district

HOW THE PLAN WORKS
5. Statutory context
6. General approach
7. Relationships between spatial layers

INTERPRETATION
8. Definitions
9. Abbreviations

NATIONAL DIRECTION INSTRUMENTS
10. National policy statements and New Zealand Coastal Policy Statement
11. National environmental standards
12. Regulations
13. Water conservation orders

TANGATA WHENUA/Mana Whenua
14. Tangata whenua/mana whenua

PART 2 DISTRICT WIDE MATTERS

STRATEGIC DIRECTION
15. Urban form and development
16. Climate Change

ENERGY, INFRASTRUCTURE, AND TRANSPORT (EIT)
17. Energy
18. Infrastructure
19. Transport

HAZARDS AND RISKS
20. Contaminated Land
21. Hazardous Substances
22. Natural Hazards

HISTORICAL AND CULTURAL VALUES (HCV)
23. Historical heritage
24. Notable trees
25. Sites and areas of significance to Māori

NATURAL ENVIRONMENT VALUES
26. Ecosystems and indigenous biodiversity
27. Natural character
28. Natural features and landscapes
29. Public access

SUBDIVISION
30. Subdivision

GENERAL DISTRICT-WIDE MATTERS
31. Activities on the surface of water
32. Earthworks
33. Light
34. Noise
35. Signs
36. Temporary activities

PART 3 AREA SPECIFIC MATTERS

ZONES
37. Large lot residential zone
38. General residential zone

Rural zones
39. General rural zone
40. Rural Production Zone
41. Rural Lifestyle Zone
42. Settlement Zone

Commercial and mixed use zones
43. Neighbourhood centre zone
44. Local Centre Zone
45. Mixed Use Zone
46. Town Centre Zone

Industrial zones
47. Light industrial zone
48. General industrial zone

Open space and recreation zones
49. Natural open space zone
50. Open space zone
51. Sport and active recreation zone

Potential Special purpose zones
52. Airport zone
53. Future urban zone
54. Māori purpose zone
55. Mining zone
56. Southern Field Days zone

DESIGNATIONS
57. Designations

PART 4 APPENDICES AND MAPS

58. Appendices
59. Maps
Councillors will no doubt recall that the Gore District Council opted to prepare a submission to the Productivity Commission in response to its draft report on local government funding and financing. The draft report, like its finalised counterpart, is a comprehensive body of work extending to over 300 pages. Given the limited resources of the Council and acknowledgement of the fact that Local Government New Zealand would be making a very detailed submission on behalf of the local government sector, the Council decided to submit on only a few key points.

To refresh councillors’ memories and to acquaint newly elected members with the content of the Council’s primary concerns, please find enclosed a copy of the submission that was forwarded to the Productivity Commission. The Commission has now finalised its report after considering submissions received. I have a copy of the final report which comes to 343 pages. On the assumption that not every councillor would want to wade through the full finalised report, I have enclosed a higher level executive summary of the Commission’s key findings and conclusions.

In regard to the four specific matters raised by the Council I can advise as follows:

1. Funding for 3 waters. No change resulted from the suggestion that the funding partnership be established with central government to supply key 3 waters infrastructure. The Commission has continued with the stance that government funding for 3 waters infrastructure should only take place where communities are forced to upgrade land transport and 3 waters infrastructure vulnerable to climate change damage. In addition the Commission has continued with its recommendation that financial assistance should be provided to communities which have a high deprivation index in order that they can meet minimum health and environmental standards. On this point the Commission warns that financial assistance needs to be designed to avoid rewarding past inaction and instead reward action for suitably lifting the performance of water providers to those affected communities.

2. Requirement for independent chair on audit and risk committees. On this point the Council was successful in its submission. The Commission has amended its original recommendation that every audit and risk committee should have an independent chairperson, to an insistence that every audit and risk committee should have at least one external member to help ensure the membership spans the full range of requisite skills and experience and acts independently and objectively.
3. Abolition of rates differentials and uniform annual general charges. The Commission has stepped back from its initial recommendation to abolish rating differentials. Rather than advocating for outright abolition of differentials, the Commission has lamented the lack of transparency in rating decisions. As it states at page 164 of the final report, *when councils do apply the benefit principle they necessarily apply the “rule of thumb” to do so. Yet council staff and elected members do not usually have the skills in economic analysis required to identify robust rules. As a result it is easy for specious considerations to influence judgements.*

This commentary has in turn been converted into a recommendation that councils should make better and more transparent use of their rating and other funding tools.

In relation to uniform annual general charges, the Commission appears to have had a 180° turnaround in its thinking. The recommendation contained in its draft report was for uniform annual general charges to be abolished within five years. Citing the advocacy of Federated Farmers of New Zealand, the Local Government Business Forum and Business New Zealand, the Commission has come down with a recommendation that the 30% cap on the use of the uniform annual general charge should be removed. By way of rationale, the Commission comments at page 222 of its final report that a statutory cap is inconsistent with local government having the autonomy to determine their rates policy via the statutory considerations of section 101 of the Local Government Act. This section requires councils to consider the effects on community wellbeing of their rating decisions and section 103 requires them to explain how they have done this. The Commission has noted that only a small number of councils are currently near the statutory cap. It observed that overall there is very little risk that without the cap, councils will use uniform charges to substantially shift more of the burden of rates on to low income households.

4. Proposed phase-out of rates rebate scheme. The Commission has been unmoved in its thinking on phasing out the rates rebate scheme. Its concluding comment on the subject is that the scheme is inconsistent with central government’s principal policy to assist low income families living in private accommodation to meet their housing costs which is available through the accommodation supplement. The Commission notes that most people who receive relief from the rates rebate scheme are not eligible for the accommodation supplement because their accommodation costs (mostly rates and insurance) are too low. It sees inequity in other low income households who rent but have the same or higher housing costs not being eligible for assistance through the rates rebate scheme. Therefore its abolition is recommended.
**Conclusion**

Overall the Council can only be mildly satisfied that just one of four of its key recommendations appear to have struck a chord with the Commission. However the Council can take some solace in that the Commission is making recommendations to the government which may or may not choose to embrace what is being suggested. Indeed, history would suggest that when it comes to local government funding and reports and recommendations, the government is generally very wary about taking a revolutionary approach.

**RECOMMENDATION**

**THAT** the report be received.
Dear Sir

Local Government Funding and Financing: Draft report

The Gore District Council commends the Commission for its draft report on Local Government Funding and Financing. In the main, the report represents a comprehensive body of work that will add appreciably to the thinking and policy development in regard to local government funding, financing and governance. The Council particularly found the statistics provided in the report of considerable interest and assisted in being able to place current pressures being experienced within a national context.

The Council has channelled most of its key comments or concerns through Local Government New Zealand, which is submitting on behalf of all councils in New Zealand. However there are some specific points that the Council feels strongly about which are either not present or not sufficiently emphasised in the Local Government New Zealand submission, which we would like to bring to the Commission’s attention. These issues are as follows:

1. Funding for 3 Waters
   In the view of the Gore District Council, a funding partnership with central government to supply 3 Waters infrastructure, is the single most important step to be introduced to resolve local government funding challenges. Unfortunately the draft report appears to take a more passive approach in this area, with the suggestion that 3 Waters funding be targeted to areas experiencing tourism growth, communities facing retreat due to climate change or those smaller councils with static or declining populations where special assistance is required.

   In our view, these recommendations do not go far enough. For all councils, the need to upgrade aging infrastructure and at the same time make a step change upwards in respect of quality treatment processes both in water and wastewater, is a stiff financial cocktail.

   Central government has repeatedly stated that it is concerned about providing a quality infrastructure to enable the economy to grow. For this to occur, a funding partnership
akin to what currently occurs with roading and financial input from the New Zealand Transport Agency, is required.

In our view, if local government had central government funding support for operational and capital expenditure in 3 Waters as currently occurs in land transport, its funding pressures would most likely disappear.

It needs to be borne in mind that the bulk of the 3 Waters infrastructure that has been provided in New Zealand up until the 1980s, was accompanied by central government funding assistance. The removal of general financial assistance in the 1980s accompanied by the sensible obligations of developing asset management plans and infrastructure strategies, together with higher regulation in regard to water and wastewater treatment, has seriously challenged local government. These serious challenges can be seen in the statement made on page 45 of the report that local authority debt has increased from $2.7 billion in 2000 to $16.2 billion in 2018 – an increase of 600%. It would be interesting to learn the proportion of this growth in debt that is attributable to 3 Waters projects. We suspect, based on the Council’s own experience, that it would be considerable.

2. Requirement for independent chair of Audit and Risk Committee – recommendation 5.3

The Gore District Council does not agree with the Commission’s recommendation that the Local Government Act 2002 should be amended to require all local authorities to have an independent chair of an Audit and Risk Committee. With respect, it seems the Commission, like many other commentators within the sector, has been mesmerised by the allure of independent chair without pausing to reflect what actual benefits an independent chair might bring. In our view, the chair of a committee is hamstrung by the need to be objective, neutral and focus on efficiency and fairness issues in respect of managing debate/discussion. These duties stymie and often run direct interference with the ability of the chair to be provocative in questions posed and play “a devil’s advocate” role to bring robust thinking to the committee’s endeavours.

The Gore District Council believes an independent member should be a mandatory provision of every Audit and Risk Committee but it should not extend to having an independent chair. The Council has its own independent member on its Audit and Risk Committee and has recently extended to this approach to having an independent person on its Capital Works committee. In both cases, the independent members come to meetings unencumbered with the need to be a fair facilitator or unduly concerned about meeting efficiency issues. In our view, such an arrangement is far more conducive to cultivating thought-provoking questions and discussion.

3. Abolition of rates differentials and uniform annual general charges – rates recommendation 7.1

The Council does not support the proposed abolition of rating differentials and removal of the uniform annual general charge. The Commission appears to be very clinical in its thinking in this area without regard for the likely impacts that would occur should the recommendation be implemented. Whilst it is noted that the Commission is recommending a five-year phase-in period, advancing this suggestion without the benefit of any modelling to see what impacts may occur, seems premature.
Rating differentials and the use of the uniform annual general charge are instruments to help spread the rating burden and give elected members the ability to exercise judgement on contentious issues of fairness and affordability. In our view, elected members are expected by the public to respond to affordability and fairness issues rather than sitting back and applying a brutal and simple formula based on property value and allowing costs to fall where they may.

Put simply, without differentials and the use of a uniform annual general charge, it is the Gore District Council's belief that some sectors would be unduly and unfairly financially punished. This comment is offered with the experience that targeted rates, while fine in theory, can be difficult to accurately and convincingly apply with a number of council services. Activities such as 3 Waters and solid waste are relatively easy to accommodate within a targeted rates regime. However the likes of Parks and Reserves, Libraries and swimming pools, where the prevailing national market is that user charges, if applied, should be modest, can mean that applying targeted rates to these type of activities can be a specious and unconvincing exercise. This is where differentials and the use of the uniform annual general charge can assist in softening the blow for some groups of ratepayers.

For these reasons, the proposed removal of these rating instruments is not supported.

4. Proposed phase-out of Rates Rebate Scheme – recommendation 7.6
The Council opposes the suggested phase-out of the Rates Rebate Scheme. Whilst it is acknowledged that the administration of the scheme is cumbersome, it needs to be borne in mind that the scheme has proved to be very popular with eligible ratepayers. The commission's suggestion of more use of rates postponement schemes is noted but not supported. In our view, rates postponement offers short-term relief in exchange for downstream pain. For a Council it will have more unpaid rates on its books, while for the property owner postponed rates will provide an unwelcome surprise and expected proceeds from the sale do not materialise.

This latter point is particularly the case if a property is sold as a result of a deceased estate. In these circumstances the beneficiaries of the estate may be oblivious to a rates postponement scheme being put in place and the Council stands accused of being "greedy" and having "a hand in the grave" to extract its rating pound.

The Council therefore believes that the Rates Rebate Scheme would be better modified and strengthened as opposed to being cast aside.

We hope you find these few comments useful to your deliberations.

Thank you for the opportunity to comment.

Yours sincerely,

Tracy Hicks
Mayor

Stephen Parry
Chief Executive
7. EMERGENCY COMMITTEE

(Memo from Administration Manager – 30.01.20)

At the December meeting of the Council in 2019 an emergency committee was established to deal with any matters that would arise over the extended Christmas holiday period. A committee comprised of His Worship, Cr Bolger and Cr McPhail was established with authority to make any decisions required.

A copy of the minutes of the meeting held on 16 December is attached for the Council’s information.

RECOMMENDATION

THAT the notes of the Emergency Committee meeting held on 16 December 2019 be received,

AND THAT the decision taken be ratified.
Minutes of a meeting of the Gore District Council Emergency Committee, held in the Mayor’s office, James Cumming Wing, 10C Ardwick Street, Gore, on Monday 16 December 2019, at 4.35pm

Present  His Worship the Mayor (Mr Tracy Hicks JP), Crs Bolger and McPhail.

In attendance The Chief Executive (Mr Stephen Parry) and HR/Administration Manager (Susan Jones).

1. GORE PAKEKE LIONS – REQUEST FOR ADDITIONAL FINANCIAL ASSISTANCE (SC2292)

_Cr McPhail declared a conflict of interest and did not participate in the discussion._

A memo had been received from the Chief Executive following a visit that he and His Worship had received from Gore Pakeke Lions. The Club representatives advised of the challenging environment which the Pakeke’s recycling operation found itself in. The Club was seeking an increase in Council funding for this year to assist in meeting additional costs of freighting its mixed paper from Gore to Green Island.

The Council currently made an annual grant to Pakeke Lions of $25,000 in recognition of its contribution to recycling and diverting waste from the landfill. The funding increase of $3,840 was sought to give Pakeke Lions time to explore other options for the disposal of mixed paper.

The Chief Executive said the modest increase was able to be funded from the existing grants budget where there were small savings available due to not all budgets set within the activity being fully expended.

_RESOLVED on the motion of His Worship the Mayor, seconded by Cr Bolger, THAT the Council approve additional funding of $3,840 sought by Gore Pakeke Lions._

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The meeting concluded at 4.41pm
8. WELCOMING COMMUNITIES

(Memo from Administration Manager – 30.01.20)

Welcoming Communities has been a programme supported by Immigration New Zealand, the Office of Ethnic Affairs and local government. The Southland region was selected as part of a pilot and the programme has been led by Great South/Venture Southland since 2017. Great South has signalled that it will conclude its involvement at the end of February and hopes that the four Southland Councils will continue with the programme in some capacity. Both Invercargill City and Southland District Councils have confirmed their continuation.

The Gore District Council is fortunate to have a part-time Migrant Services Coordinator, Mrs Mihaela Erdelyi who has been closely associated with the Welcoming Communities programme since its inception. Much of what the Welcoming Communities programme offers is already covered by Mrs Erdelyi’s role. Therefore, by the Council continuing to support the programme, there is not expected to be any noticeable increase in workload for Mrs Erdelyi.

An overview of the programme prepared by Great South is attached for the Council’s information.

RECOMMENDATION

THAT the Council confirm its intention to implement the Welcoming Communities programme into its relevant plans and documents.
Welcoming Communities – Overview of Programme

To

The Gore District Council – Councillors and relevant staff

Date

23/01/2020

Welcoming Communities – Overview of Programme

Author

Ben Lewis, GM Business Development Services

Approved by

Ann Lockhart, CE

A.) Explanation of Welcoming Communities and the advantages of the programme

Welcoming Communities is a programme supported by Immigration New Zealand, local government and the Office of Ethnic Communities and their communities and is currently in 10 councils and five regions across New Zealand. The programme focusses on enhancing community’s so newcomers can participate, contribute and thrive. Welcoming Communities recognises that communities are healthier, happier and more productive when newcomers are welcomed and included. Newcomers are migrants, former refugees, international students and anyone new to the community.

How the programme works

The Welcoming Communities Standard for New Zealand sets the benchmark for what a successful welcoming community looks like. Member councils involve local residents and newcomers in developing and implementing Welcoming Plans to meet the Standard’s outcomes and work towards greater economic, social and cultural success. Accreditation formally recognises that a council and community have met the Standards outcomes.

The programme focusses on enhancing eight key outcomes which are: Inclusive leadership, welcoming communications, equitable access, connected and inclusive communities, economic development and employment, civic engagement and participation, welcoming public spaces and culture and identity.

Great South/Venture Southland have been leading this programme since 2017. Great South will conclude leading the programme by the end of February 2020. However, it is Great South’s hope that the four Southland councils will continue with the programme in some capacity. ICC and SDC have confirmed that they will be implementing this into their respective community plans.

The advantages of the programme are:

• Regions build a competitive advantage to attract, support and retain newcomers.
• Southland is facing a workforce shortage due to an ageing population. It is recognised that by developing a welcoming environment we will help attract more people to the region, retain those already here and counter the projected workforce shortage.
• It provides a way to assess and reflect on progress and how to improve welcoming practices
• Shows that a council and community are part of an international welcoming network
• Provides councils with access to support, resources, knowledge sharing and networking New Zealand and overseas through the Welcoming Communities programme.
• Celebrates success and a shared pride in positive outcomes for the community

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B :) The Four Stages of Accreditation:
Accreditation formally recognises that a council and community have met the outcomes in the Welcoming Communities Standard for NZ. It sets the community apart as being intentionally welcoming and inclusive. Progression between the stages is optional and self-paced.

Stage 1: Committed
The Gore District Council already have accreditation for the first of the four stages of accreditation and is a **Committed** Welcoming Community. This means that Gore is recognised as a Committed Welcoming Community. *This stage means that the Mayor, the council, its CEO and other community partners have signed up to the Welcoming Communities programme.*

Stage 2: Established Phase
Great South is currently working through this stage of accreditation with MBIE and they are assessing the evidence that we have built up over the last two years. Through this evidence the Gore District Council could be recognised as an Established Welcoming Community to be notified in April 2020. *This stage means that the council and community are clear about what they want to achieve, have a Welcoming Plan and have started implementing activities.*

Stage 3: Advanced
Great South does not expect that Councils continue to this phase of the programme and it will be up to councils to decide if they want to continue to this phase. *This phase means that the council and community are moving towards fully implementing their Welcoming Plan. They are confident about how to deliver successful welcoming activities that make a difference and are trialling innovative activities.*

Stage 4: Excelling
The council and community have implemented most of their welcoming Plan and are excelling.

C.) How you can integrate the Programme into your own Welcoming Community Plan

It is not expected that councils create a new Welcoming Plan. However the council should be integrating Welcoming Communities into their policies and plans. A relevant section of the Welcoming plan is:

1.5 Council internal and external policies, services, programmes and activities recognise and address cultural diversity. As council policies, services, programmes and activities reach renewal, review and update where appropriate according to the Welcoming Community’s framework,

D.) Reporting going forward?

If councils decide to continue with the programme there will be a need for some reporting to MBIE this is not expected to be onerous. Council will be asked for a formal update every six months and a template will be provided. It will cover things like key achievements, and upcoming work programme. Coordinators are generally able to populate the template with information they are preparing for other programme management purposes. Immigration NZ (the programme manager) will be in regular informal contact with the person within the council with responsibility for Welcoming Communities. They will be invited to join monthly conference calls with other coordinators and attend national workshops as they come up. The programme manager will make direct contact with the Gore District Council as part of the transition.

What progress will Councils need to show?
Promoting the programme, conducting the new stocktake, benchmarking against the standard and then producing a new Welcoming Plan will be conducted by the council working with its community as is appropriate to that community. Key milestones will be determined by the council in conjunction with its community and supported by INZ. The programme is very much a collaboration between INZ and the council. Current accreditation expires every three years. If a council wishes to remain accredited after this time it must submit a new application to renew or progress its application.
**Become an accredited Welcoming Community**

We all want to live in a community where we can participate, contribute and thrive. *Welcoming Communities – Te Waharoa ki ngā Hapori* is a programme that makes that happen.

Welcoming Communities recognises that communities are healthier, happier and more productive when newcomers are welcomed and included. Supported by Immigration New Zealand, local government councils and their communities throughout the country are helping newcomers feel at home. Newcomers are recent migrants, former refugees, international students and anyone new to the community.

The Welcoming Communities Standard for New Zealand sets the benchmark for what a successful welcoming community looks like. Member councils involve local residents and newcomers in developing and implementing Welcoming Plans to meet the Standard’s outcomes and work towards greater economic, social, civic and cultural success.

Accreditation formally recognises that a council and community have met the Standard’s outcomes. It sets the community apart as being intentionally welcoming and a place where everyone can belong and flourish.

**The benefits of accreditation**

Accreditation builds a competitive advantage to attract, support and retain newcomers and:

› shows that a council values and welcomes newcomers
› provides a way to assess and reflect on progress and to improve welcoming practices
› celebrates success and a shared pride in positive outcomes for the community
› shows that a council and community are part of an international welcoming network
› showcases welcoming activities on the national and international stage
› provides councils with access to support, resources, knowledge sharing and networking in New Zealand and overseas through the Welcoming Communities programme.

**Who can apply**

Councils and communities who have signed up to the Welcoming Communities programme can apply for accreditation as a Welcoming Community.
The four stages of accreditation

A council and its community choose how quickly they move through the stages. Accreditation is valid for three years. The table below describes the four stages of accreditation, how they are assessed and the increasing benefits and recognition for each stage.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
<th>Assessment</th>
<th>Benefits and recognition</th>
<th>Application fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>The Mayor, the council, its CEO and other community partners have signed up to the Welcoming Communities programme</td>
<td>The following are in place:&lt;br&gt;› Council resolution&lt;br&gt;› MBI funding agreement&lt;br&gt;› Welcoming Communities Coordinator&lt;br&gt;› Statement of Commitment&lt;br&gt;› Public notification of commitment</td>
<td>‣ Seed funding – $50,000 per annum per council or group of councils for the first 3 years&lt;br&gt;› Access to national and international resources, support and advice&lt;br&gt;› Promoted on INZ’s website&lt;br&gt;› Access to national Welcoming Communities workshops&lt;br&gt;› Regular newsletters and networking opportunities&lt;br&gt;› Announcement and certification</td>
<td>No fee</td>
</tr>
<tr>
<td>Stage 2</td>
<td>The council and community are clear about what they want to achieve, have a Welcoming Plan and have started implementing activities</td>
<td>Self-assessment Review of self-assessment by the External Accreditation Assessment Panel (the Panel)&lt;br&gt;Report</td>
<td>All non-financial benefits and recognition detailed above, plus:&lt;br&gt;› a contribution for Welcoming Communities activities ($9,500)&lt;br&gt;› eligible to apply for national awards</td>
<td>$1000</td>
</tr>
<tr>
<td>Stage 3</td>
<td>The council and community are moving towards fully implementing their Welcoming Plan. They are confident about how to deliver successful welcoming activities that make a difference and are trialling innovative activities</td>
<td>Self-assessment Review of self-assessment by the Panel&lt;br&gt;Site visit by the Panel&lt;br&gt;Report</td>
<td>All non-financial benefits and recognition detailed above, plus:&lt;br&gt;› a contribution to professional development ($2,000)&lt;br&gt;› case studies are featured in INZ publications and internationally&lt;br&gt;› INZ media release</td>
<td>$1500</td>
</tr>
<tr>
<td>Stage 4</td>
<td>The council and community have implemented most of their Welcoming Plan. They are reflecting on their successes and sharing their knowledge and experience with other councils and communities in the welcoming network</td>
<td>Self-assessment Review of self-assessment by the Panel&lt;br&gt;Site visit by the Panel&lt;br&gt;Report</td>
<td>All non-financial benefits and recognition detailed above, plus:&lt;br&gt;› a contribution to professional development ($2,500)&lt;br&gt;› support from INZ to leverage off status nationally and globally</td>
<td>$1500</td>
</tr>
</tbody>
</table>

More information

For more information about accreditation go to the Welcoming Communities accreditation page on INZ’s website – [www.immigration.govt.nz/welcomingcommunities](http://www.immigration.govt.nz/welcomingcommunities) or email – welcomingcommunities@mbie.govt.nz
FINANCIAL REPORT FOR DECEMBER 2019

(Memo from Accountant – 29.01.20)

Summary

Key points:
- Total revenue is lower than budget by 1,028k
- Total expenses are higher than budget by 196k
- Total variance is unfavourable to budget by 1,224k

Revenue is mainly in line with the budget, with the exception of NZTA recoveries for the roading program being lower than expected. Expenditure is currently higher than budget. There are two factors creating this: Depreciation and Insurance premiums. The asset revaluation performed in June 2019 has resulted in an increase in the value of assets, which has, in turn, increased depreciation and insurance premiums.

The majority of the capital projects are on schedule with some exceptions in the 3 Waters area. The progress of significant capital projects is reported to the capital works committee.

The lower general debtors balance in September and December are due to the timing of the NZTA subsidy. All other balance trends are on par with previous years three-year average.

Total expenses at a glance...
Capital expenditure at a glance...

% of Annual Budget Spent

% of year to date Budget Spent

Revenue for 7 largest groups of activities

- 3 Waters & Solid Waste
- Aquatic Services & Stadiums
- Central Administration
- Heritage Precinct
- Parks and Reserves
- Regulatory
- Roading
### Revenue and Expenses by Department

for the 6 months ended 31 December 2019

<table>
<thead>
<tr>
<th>Department</th>
<th>Revenue Actuals</th>
<th>Revenue Current</th>
<th>Revenue Favourable / Unfavourable</th>
<th>Annual Revenue</th>
<th>% of Annual Revenue</th>
<th>Expense Actuals</th>
<th>Expense Current</th>
<th>Expense Favourable / Unfavourable</th>
<th>Annual Expense</th>
<th>% of Annual Expense</th>
<th>Totals Actuals</th>
<th>Totals Current</th>
<th>Totals Favourable / Unfavourable</th>
<th>Annual Totals</th>
<th>% of Annual Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Waters &amp; Solid Waste</td>
<td>4,437</td>
<td>4,117</td>
<td>(321) F</td>
<td>8,496</td>
<td>52%</td>
<td>4,643</td>
<td>4,330</td>
<td>(313) U</td>
<td>8,546</td>
<td>54%</td>
<td>(206)</td>
<td>(213)</td>
<td>8 F (50)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aquatic Services &amp; Stadiums</td>
<td>1,019</td>
<td>1,023</td>
<td>3 U</td>
<td>2,046</td>
<td>50%</td>
<td>951</td>
<td>960</td>
<td>9 F</td>
<td>1,889</td>
<td>50%</td>
<td>68</td>
<td>62</td>
<td>6 F 157</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cemeteries</td>
<td>164</td>
<td>168</td>
<td>4 U</td>
<td>337</td>
<td>49%</td>
<td>164</td>
<td>151</td>
<td>(13) U</td>
<td>300</td>
<td>55%</td>
<td>0</td>
<td>18</td>
<td>U 37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Administration</td>
<td>1,691</td>
<td>1,726</td>
<td>34 U</td>
<td>3,416</td>
<td>50%</td>
<td>1,756</td>
<td>1,802</td>
<td>46 F</td>
<td>3,375</td>
<td>52%</td>
<td>(65)</td>
<td>(76)</td>
<td>12 F 41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civil Defence</td>
<td>60</td>
<td>60</td>
<td>(0) F</td>
<td>121</td>
<td>50%</td>
<td>63</td>
<td>62</td>
<td>(0) U</td>
<td>125</td>
<td>50%</td>
<td>(2)</td>
<td>(2)</td>
<td>0 F 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Grants</td>
<td>304</td>
<td>296</td>
<td>(8) F</td>
<td>592</td>
<td>51%</td>
<td>399</td>
<td>478</td>
<td>79 F</td>
<td>652</td>
<td>61%</td>
<td>(95)</td>
<td>(182)</td>
<td>87 F (60)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elected Members</td>
<td>614</td>
<td>600</td>
<td>(15) F</td>
<td>1,200</td>
<td>51%</td>
<td>629</td>
<td>609</td>
<td>(20) U</td>
<td>1,196</td>
<td>53%</td>
<td>(14)</td>
<td>(9)</td>
<td>(5) U 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Precinct</td>
<td>1,239</td>
<td>1,178</td>
<td>(61) F</td>
<td>2,357</td>
<td>53%</td>
<td>1,174</td>
<td>1,199</td>
<td>25 F</td>
<td>2,387</td>
<td>49%</td>
<td>65</td>
<td>(20)</td>
<td>86 F (29)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks and Reserves</td>
<td>1,972</td>
<td>1,896</td>
<td>(76) F</td>
<td>3,794</td>
<td>52%</td>
<td>1,936</td>
<td>1,852</td>
<td>(83) U</td>
<td>3,696</td>
<td>52%</td>
<td>37</td>
<td>(44)</td>
<td>(7) U 99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>458</td>
<td>451</td>
<td>(7) F</td>
<td>903</td>
<td>51%</td>
<td>615</td>
<td>578</td>
<td>(37) U</td>
<td>1,096</td>
<td>56%</td>
<td>(157)</td>
<td>(126)</td>
<td>(31) U (193)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Conveniences</td>
<td>55</td>
<td>55</td>
<td>(0) F</td>
<td>111</td>
<td>50%</td>
<td>87</td>
<td>75</td>
<td>(12) U</td>
<td>151</td>
<td>58%</td>
<td>(32)</td>
<td>(20)</td>
<td>(12) U 40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulatory</td>
<td>1,186</td>
<td>1,245</td>
<td>58 U</td>
<td>2,369</td>
<td>50%</td>
<td>1,231</td>
<td>1,169</td>
<td>(61) U</td>
<td>2,719</td>
<td>45%</td>
<td>(44)</td>
<td>(75)</td>
<td>(120) U (350)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roading</td>
<td>2,826</td>
<td>4,242</td>
<td>1,416 U</td>
<td>8,488</td>
<td>33%</td>
<td>2,545</td>
<td>2,731</td>
<td>186 F</td>
<td>5,464</td>
<td>47%</td>
<td>281</td>
<td>1,511</td>
<td>(1,230) 3,024</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Income Total: 16,029 17,057 1,028 U 34,230 47% 16,193 15,997 (196) U 31,596 51% (164) 1,060 (1,224) U 2,634
Commentary on underlying revenue and expense variances

Overall income is unfavourable by $1,028k. A total of 47% of the annual budgeted revenue has been received. Overall expenditure is unfavourable by $196k. A total of 51% of the annual budget has been spent.

The 3 Waters and solid waste area has an overall favourable variance of $8k. Revenues are up by $321k. This continues to be driven by trade waste fees. Expenses are up by $313k, the main contributors for this variance are increased depreciation expenses and increased insurance premium costs. Offsetting these higher costs are decreased interest costs from capital projects yet to be completed and higher than forecasted industrial hub operating fees collected. Recycling expenses are also up as a result of the advanced exit payments from the recycling contract, over budget by $50k year to date.

Aquatic services and stadiums have an overall favourable variance of $6k. Revenue is down slightly, and expenditure is currently on track.

The cemetery activity has an overall unfavourable variance of $17k. This is mainly due to the timing of cemetery maintenance; this needs to be monitored.

Central administration has an overall favourable variance of $12k. Revenues continue to be slightly behind due to lower than expected interest income on term deposits. Currently, expenses are lower than forecast. IT may create a variance in the future, due to upgrading ageing IT Infrastructure to improve the resilience of the Council’s systems. This variance will be offset by capital expenditure.

Civil defence has an overall variance of $0k. The civil defence activity is on track.

Community grants have an overall favourable variance of $87k. This is due to the timing of grants being issued.

The elected member’s section has an overall unfavourable variance of $5k. This is due to the timing of payments to the Southland Regional Development Agency payment (SRDA).

The heritage precinct activities have an overall favourable variance of $86k. The library and the visitor centre expense budgets are lower than expected due to timing. Arts and heritage have higher than expected revenue, and this is mostly due to the dividend received from the sale of the Civic Assurance building. This dividend is to be used to pay down part of the former Smith’s City building loan. The arts and heritage activity has been chosen to receive this dividend due to the majority of the activity being funded through the UAGC.

The parks and reserves department has an overall unfavourable variance of $7k. The favourable revenue variance continues to be driven from favourable plant disposals in
July. While expenditure is higher than budget, it is attributable to the timing of general maintenance.

Property has an unfavourable variance of $31k. The unfavourable expense variance can be attributed to the timing of maintenance and additional waste disposal costs due to cleaning out the Civic Administration Building prior to relocating to the James Cumming Wing. Insurance premiums have also increased this year causing a small variance. Revenue for the Civic buildings is lower than expected, due to the James Cumming Wing no longer taking bookings while the council administration and library staff occupy the building.

Public conveniences an unfavourable variance of $12k, this is due to the timing of maintenance expenses and increased depreciation expenses resulting from the revaluation.

Regulatory has an overall unfavourable variance of $120k. Factors driving this up are: a decrease in parking revenue; building consent revenues being down; and planning consultant costs are also higher than planned due to transitioning to an in house planning manager.

The NZTA subsidy is $1,416k behind of budget; this is due to the timing of the roading revenue budgets and the roading program being rolled out. This variance is likely to stay as the Pyramid Bridge contract is lower than expected, and therefore the subsidies received will be less than budgeted.

In summary, the six months to December has concluded with an overall unfavourable variance of $1,224k. The majority relates to the timing of the roading NZTA subsidies, of which will remain this way due to lower than expected contract cost of Pyramid Bridge. The revaluation of infrastructure assets has resulted in higher asset values, which affected both depreciation and insurance premiums. It is important to note that depreciation is a non-cash expense and will not affect cash flow. The increase in insurance premiums is also due in part to the hardening insurance market. The unfavourable variance of the regulatory area continues to be actively managed.
Commentary on the capital expenditure
More detailed information on capital projects is included in reports to the Capital Works Committee.

A total of 21% of the annual capital expenditure budget has been spent. All variances at this point are due to the timing of the various projects.

3 Waters and solid waste are progressing slowly, with 24% of the capital budget spent.

The roading programme is progressing, with 25% of the annual budget spent. Pyramid Bridge construction is now underway.

Aquatic services and stadiums have a favourable variance of $74k, and 19% of the annual budget has been spent. Adjustments required from the earthquake-prone building structure assessment have now been completed.

Central administration is under budget by $150k due to the timing vehicle renewals and replacement of IT equipment.

The heritage precinct is under budget by $1,103k and 5% of the annual budget being spent. The library re-roof is on hold, and the Eastern Southland Gallery, seismic strengthening design work, is underway with the precinct upgrade works continuing.
Parks and reserves have an unfavourable variance of $18k. The Dog Parks project which was budgeted for in previous year are now complete; these are funded by loan. Plant and vehicle replacement are on track.

Property has a favourable variance of $735k. The civic administration building upgrade is now starting, with all staff relocated to the James Cumming Wing in late December. The renewal of a depot building is nearing completion, this project is funded via loan and was budgeted for in 2018/19.

### Capital expenditure by department
for the 6 months ended 31 December 2019

<table>
<thead>
<tr>
<th>Department</th>
<th>Current Actuals</th>
<th>Current Budget</th>
<th>Variance</th>
<th>Annual Current Budget</th>
<th>% of Annual Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Waters &amp; Solid Waste</td>
<td>1,506</td>
<td>3,180</td>
<td>1,674</td>
<td>6,363</td>
<td>24%</td>
</tr>
<tr>
<td>Aquatic Services &amp; Stadiums</td>
<td>47</td>
<td>121</td>
<td>74</td>
<td>242</td>
<td>19%</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>-</td>
<td>29</td>
<td>29</td>
<td>57</td>
<td>0%</td>
</tr>
<tr>
<td>Central Administration</td>
<td>68</td>
<td>218</td>
<td>150</td>
<td>436</td>
<td>16%</td>
</tr>
<tr>
<td>Elected Members</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Heritage Precinct</td>
<td>116</td>
<td>1,218</td>
<td>1,103</td>
<td>2,438</td>
<td>5%</td>
</tr>
<tr>
<td>Parks and Reserves</td>
<td>251</td>
<td>269</td>
<td>18</td>
<td>538</td>
<td>47%</td>
</tr>
<tr>
<td>Property</td>
<td>514</td>
<td>1,250</td>
<td>735</td>
<td>2,500</td>
<td>21%</td>
</tr>
<tr>
<td>Regulatory</td>
<td>71</td>
<td>214</td>
<td>143</td>
<td>428</td>
<td>17%</td>
</tr>
<tr>
<td>Roading</td>
<td>1,591</td>
<td>3,206</td>
<td>1,615</td>
<td>6,415</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,163</strong></td>
<td><strong>9,705</strong></td>
<td><strong>5,541</strong></td>
<td><strong>19,417</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>
## Statement of Financial Position

**as at 31 December 2019**

<table>
<thead>
<tr>
<th></th>
<th>Actuals 2019</th>
<th>Actuals 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash And Cash Equivalents</td>
<td>1,330</td>
<td>3,514</td>
</tr>
<tr>
<td>Inventories</td>
<td>274</td>
<td>254</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>3,716</td>
<td>1,682</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>197</td>
<td>83</td>
</tr>
<tr>
<td>Trade &amp; Other Receivables</td>
<td>1,281</td>
<td>1,309</td>
</tr>
<tr>
<td><strong>Current Assets Total</strong></td>
<td>6,799</td>
<td>6,841</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure Property Plant Equipment</td>
<td>446,458</td>
<td>395,640</td>
</tr>
<tr>
<td>Other Financial Assets</td>
<td>358</td>
<td>312</td>
</tr>
<tr>
<td><strong>Non-Current Assets Total</strong></td>
<td>446,816</td>
<td>395,952</td>
</tr>
<tr>
<td><strong>Assets Total</strong></td>
<td>453,615</td>
<td>402,793</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee Entitlements</td>
<td>572</td>
<td>551</td>
</tr>
<tr>
<td>Short Term Borrowings</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Short Term Provisions</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Trade &amp; Other Payables</td>
<td>1,620</td>
<td>1,370</td>
</tr>
<tr>
<td><strong>Current Liabilities Total</strong></td>
<td>8,247</td>
<td>7,976</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long Term Borrowings</td>
<td>13,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Long Term Provisions</td>
<td>84</td>
<td>88</td>
</tr>
<tr>
<td>Other Financial Liabilities</td>
<td>2,002</td>
<td>1,022</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities Total</strong></td>
<td>15,086</td>
<td>12,110</td>
</tr>
<tr>
<td><strong>Liabilities Total</strong></td>
<td>23,333</td>
<td>20,086</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>430,282</td>
<td>382,707</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Revaluation Reserve</td>
<td>289,355</td>
<td>241,533</td>
</tr>
<tr>
<td>Other Reserves</td>
<td>7,693</td>
<td>7,954</td>
</tr>
<tr>
<td>Accumulated Surplus</td>
<td>133,234</td>
<td>133,220</td>
</tr>
<tr>
<td><strong>Equity Total</strong></td>
<td>430,282</td>
<td>382,707</td>
</tr>
</tbody>
</table>
Commentary on the Statement of Financial Position
The major changes in the balance sheet from the same month in the prior year:

Assets
- Cash and cash equivalents have decreased on the same month last year, as surplus funds have been placed on term deposit.
- Inventories have increased due to additional replacement parts for the MVM industrial hub and also a delay in the half-year stock take.
- Other current financial assets have increased from this time last year due to the borrowing uplifted in advance of capital works being carried out. Current cash flow levels have been able to be maintained.
- Other current assets increased on the same month last year due to invoices being paid in advance of the full period being invoiced.
- Trade and other receivables have decreased slightly from the same month last year.
- Infrastructure, property, plant and equipment are up on the same period last year due to continuing capital works.
- Other non-current financial assets have increased on the same month last year. Driving this increase is the slight rise in Clean Air Loans and also additional LGFA borrower notes.

Liabilities
- Short term provisions remain unchanged due to the provision set aside for the Ouvea pre-mix removal. This will start to decrease as the project makes headway.
- Creditors are up slightly on the same month last year.
- Total debt has increased to $19 million, split between short term and long term borrowing, up $2 million on last year. $2 million has been invested in a short-term term deposit. Additional borrowing will be uplifted before the end of the current calendar year.
- Other non-current financial liabilities have increased on the same period last year. This is due to a decrease in the interest swaps valuation at 30 June 2019.

RECOMMENDATION

THAT the financial report to December 2019 be received.
10. QUARTERLY TREASURY REPORT

(Memo from Chief Financial Officer – 30.01.20)

Overview
The Council’s liability management policy requires that quarterly reports be prepared covering the key details of the council’s debt and hedging profile.

Mr Miles O’Connor of Bancorp has prepared the quarterly treasury report as at 30 September 2019, which is attached. A comprehensive analysis of current global markets has been included in the report.

In the future, these reports will be presented to the Audit and Risk Committee. However, the Audit and Risk Committee’s February meeting has been postponed.

Council borrowing and hedging
There has been no additional borrowing and no new hedging transactions in the last quarter.

In December the Council approved changes to the Liability Management Policy, which increase the level of floating-rate debt the Council is allowed to hold.

As at 31 December, the $2 million of pre-funding remained on term deposit.

The Council’s cost of funds as at 30 September was 4.29%, down slightly from 4.35% last quarter.

Mr O’Connor notes the overall cost of funds will decrease as the Council borrows more at floating interest rates.

<table>
<thead>
<tr>
<th>Liability Management Policy Compliance Summary</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are all treasury transactions in compliance with the policy?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are the fixed-rate hedging percentages within policy control limits?</td>
<td>Yes</td>
</tr>
<tr>
<td>Is the Council maintaining liquidity within policy control limits?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are all counterparty exposures within policy control limits?</td>
<td>Yes</td>
</tr>
<tr>
<td>Are all borrowing covenants and limits being complied with?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

RECOMMENDATION

THAT the report be received.
CONTENTS

1. MARKET ENVIRONMENT .......................................................................................................................... 1
   1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2015) .......................................................... 1
   1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 DECEMBER 2015) ........................................... 2
   1.3 LOCAL AUTHORITY SECTOR ............................................................................................................ 3
   1.4 CREDIT SPREADS ........................................................................................................................... 4

2. DEBT AND HEDGING PROFILE ............................................................................................................. 5
1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2015)

During the latter part of the quarter, especially December, the main market focus was on the actions of various central banks, specifically those of the major global economies - Federal Reserve ("Fed"), European Central Bank ("ECB"), People’s Bank of China and Bank of Japan. Also in the spotlight during the quarter were oil prices, which by the end of December had fallen around 28% from the early October highs, as well as concerns about global growth and worries about China’s economic health.

After months of hints and speculation, the Fed delivered a rise of the benchmark Federal Funds rate in December. The Federal Funds target rate range was raised by 25 basis points from a target range between 0.00% and 0.25% to a target range between 0.25% and 0.50%. Significantly, the decision by the Fed’s Open Market Committee ("FOMC"), was unanimous and consistent with market expectations.

Coming into the FOMC meeting, there was a virtual unanimity of opinion within the financial markets that the Fed would raise the Fed Funds rate, and markets had positioned themselves appropriately for the actual Fed decision and the accompanying forward guidance. Consequently, US bond yields were little changed after the announcement. However intra quarter volatility in the US bond market was high as the markets grappled with the opposing influences of an impending US rate hike against a slowing Chinese economy and the consequent effect on global growth. The benchmark US 10 year Treasury bond fell to a low of 1.91% in early October, climbed to 2.37% by mid November and closed the quarter at 2.27%.

The ECB delivered a further easing in monetary policy in December, lowering its deposit rate to minus 0.30% and both extending its asset purchase programme by six months and expanding it to include municipal debt. The ECB also lowered its inflation forecasts for 2016 to 1.0% (from 1.1%) and for 2017 to 1.6% (from 1.7%), while growth forecasts were slightly stronger.

In China weak offshore demand is stymying manufacturing activity, on the other hand the services sector will be encouraging Chinese officials who have conducted a series of stimulus measures, including six interest rate cuts since November 2014, to transition to a more consumption led growth model, away from the traditional exports and investment sectors. In the background though, the cooling Chinese property market has weighed on Chinese growth prospects because the large oversupply needs to be absorbed to reduce broader downside risks to the economy.
After leaving the Official Cash Rate (“OCR”) unchanged at 2.75% in October, the Reserve Bank of New Zealand (“RBNZ”) delivered another 25 basis point cut in December taking the total number of cuts in 2015 to four and the OCR from 3.50% at the start of the year to 2.50% by the end of December. In the lead up to the announcement markets were reasonably evenly divided as to whether a cut would occur, with pricing indicating a 60% chance of a 25 basis point cut.

The driver for the RBNZ cutting the OCR was, as it should be, inflationary expectations. The RBNZ also noted that uncertainties facing the economy are more numerous than they have been in years, namely dairy price declines, the extent of the forecast El Niño weather cycle, net migration remaining high and household spending picking up. Even though the RBNZ’s core scenario is for the OCR to remain at 2.50% through to 2017, it has room for further policy easing in the event of an unexpected major global ruction.

Market reaction to the OCR announcement would have come as a frustration to the RBNZ, with the NZD/USD and longer term swap rates rising immediately after the RBNZ announced the OCR cut. The reaction makes sense when taking into account the outlook, with the RBNZ appearing very reluctant to cut the OCR again this cycle and still expecting inflation to move back into the 1.0% to 3.0% target band early in 2016. The RBNZ have been overestimating the extent of future inflation for some time now, and with oil prices continuing to fall, those who remain sceptical about the RBNZ’s projections may well be proven to be right again.

In the six GlobalDairyTrade (“GDT”) auctions held during the quarter, three recorded rises in price and three recorded falls, but overall prices fell during the quarter. The GDT index reached a high of 837 on 6 October but following the last auction in December the index had fallen to 730, a decline of 13%. However Whole Milk Powder prices which make up the bulk of New Zealand’s dairy exports fell by 18%. If the downward trend continues Fonterra may be forced to lower its projected payout for the 2015/2016 season which currently sits at $4.60 per kgMS.
The chart below depicts the RBNZ’s projections for the 90 day bank bill rate from the last four Monetary Policy Statements, together with pricing from the 90 day bank bill futures market (the dotted blue line).

### 1.3 Local Authority Sector

The Local Government Funding Agency ("LGFA") held its last tender for the quarter on 9 December. In total, $105 million of bonds and Floating Rate Notes ("FRN") were issued, with $461 million of bids received. Details of the tender were as follows:

- **15 April 2020 maturity** - $15 million issued at a margin of 56 basis points over swap for an ‘A+’ rated borrower, compared to 39 basis points in the tender held in late September.
- **15 May 2021 maturity** - $50 million issued at a margin of 64 basis points over swap for an ‘A+’ rated borrower (not issued in the September quarter).
- **15 April 2023 maturity** - $15 million issued at a margin of 77 basis points over swap for a ‘A+’ rated borrower, compared to 52 basis points in the tender held in late September.
- **15 April 2027 maturity** - $25 million issued at a margin of 92 basis points over swap for a ‘A+’ rated borrower, compared to 65 basis points in the tender held in late September.

As can be seen credit spreads for LGFA debt increased during the quarter. The increase can be attributed to a decline in credit market sentiment overall with spreads to swap widening.
for all non sovereign debt during the quarter, however the increase in LGFA spreads was greater than spreads in the broader market. The increase in LGFA spreads was replicated in local authority standalone bond issuance spreads, however the total amount issued by this method was relatively minor.

1.4 CREDIT SPREADS

The increase in credit spreads mentioned previously is depicted in the chart below. It shows credit spreads for the New Zealand Corporate ‘A’ Grade Bond index (the grey shaded area) and the three year swap rate (red line) dating back to the start of 2008. The three year swap rate is used as it most closely replicates the duration of the Corporate ‘A’ Grade Bond index.
2. DEBT AND HEDGING PROFILE

As at 31 December 2015, Gore District Council (“the Council”) had $11.663 million of bank debt sourced from the ANZ Bank. The facility totals $13.6 million and has a line fee of 0.60% (which is only payable on the drawn amount) and a margin of 0.60%. The council is in the process of joining the LGFA, with this expected to be completed by February. The intention is to replace the bank debt with LGFA debt and thereby achieve the following objectives:-

- Reduce the council’s funding costs.
- Extend the duration of the council’s funding profile.
- Provide the council with another funding source, thus reducing concentration risk.

A bank facility will still be retained to provide the necessary liquidity for the council, with ANZ being the preferred provider as long as it can offer competitive pricing.

As at 31 December 2015 the council had five interest rate swaps to convert floating rate debt into a fixed rate. Details of the swaps are as follows:-

- $1.0 million maturing on 6 March 2017, at 4.33%.
- $2.0 million maturing on 5 March 2020, at 4.29%.
- $1.85 million maturing on 5 March 2021, at 4.73%.
- $2.7 million maturing on 7 March 2022, at 4.88%.
- $2.35 million maturing on 5 September 2023 at 4.57%.

In December the swap for $2.35 million that matured in September 2019 was extended out to mature in September 2023 with the rate reducing to 4.57% effective from the next roll date on 5 March 2016.

During the quarter the Liability Management Policy (and the Investment Policy) were reviewed and various amendments were made. One of the amendments involved applying a new set of interest rate risk management parameters which specify the minimum and maximum levels of fixed rate cover which the council shall adhere to when managing its external debt. The new parameters are contained in the table below.

<table>
<thead>
<tr>
<th>Fixed Rate Hedging Percentages</th>
<th>Minimum Fixed Rate Amount</th>
<th>Maximum Fixed Rate Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–2 years</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>2–5 years</td>
<td>25%</td>
<td>80%</td>
</tr>
<tr>
<td>5–10 years</td>
<td>0%</td>
<td>60%</td>
</tr>
</tbody>
</table>
The debt and hedging profile incorporating these parameters and the projected debt levels as supplied by the council is depicted in the graph below.

As can be seen from the chart the council had one very minor policy breach, from October 2017 to December 2017. The breach only occurred as a result of the new parameters being introduced. Accordingly it has been noted by the council, with the intention being to rectify the breach early in 2016.

The council’s cost of funds (inclusive of the bank line fee and margin) as at 31 December 2015 was 5.62%. This will decline in early 2016 once the LGFA funding is accessed, and to a minor extent, when the new rate for the swap that was extended applies.
11. BACKGROUND TO INSURANCE COSTS FOR THE EASTERN SOUTHLAND GALLERY

(Memo from Chief Financial Officer – 30.01.20)

**Background**

At its meeting on 10 December 2019, the Council approved an increase in the annual grant to the Eastern Southland Gallery to cover their rising insurance costs. The Council also requested a high-level report clarifying the need for the Eastern Southland Gallery to hold insurance for its collection.

In general, the cost of insurance has risen markedly. Since parts of the Gallery are identified as earthquake-prone, specialist art collection insurance had to be sourced, which has also increased the Gallery’s expenses.

The Council was interested to learn the rationale for insuring artworks that are irreplaceable.

**Why insure irreplaceable artworks?**

While the observation is correct that irreplaceable works are indeed irreplaceable, in most cases, a total loss of the work is unlikely. It is far more likely works may be damaged to various degrees by smoke, fire, water, vandalism or rubble.

Because of its value, most irreplaceable work would undergo restoration, rather than being ‘tossed out’. Restoration of artworks is very costly, and the insurance policy covers the cost of the restoration work.

Additionally, in the event of a total loss, the Gallery would be able to use the insurance pay-out to acquire artworks of equivalent prestige.

The Council’s Arts and Heritage Curator, Mr Jim Geddes noted:

“Our collection is of national significance and, to that end, the gallery is of national significance. Because of that, our 2002/2003 $1.3m redevelopment was funded by Government and contestable funding agencies. It was a condition of those funders, and the collection donors, that we have insurance in place for both the structure and the collections.

Worst case scenario – if we lose everything - we have an obligation to replace like-with-like and maintain a gallery of national significance.”

**Summary**

It makes sense for the Gallery to hold specialist collection insurance because the works are far more likely to be damaged than they are to be completely lost. Restoration would mean these significant works would continue to be enjoyed by the public.
Additionally, because the Gallery is of national significance, the original funding partners and collection donors expected their investment would be insured, to ensure Gore could maintain a gallery of national significance.

RECOMMENDATION

THAT the report be received.
12. MINUTES OF WASTENET MEETING

(Memo from Chief Executive – 30.01.20)

A copy of the minutes of the WasteNet meeting held on 18 December 2019 is attached for the Council’s information.

RECOMMENDATION

THAT the information be received.
MINUTES OF THE WASTE ADVISORY GROUP COMMITTEE
HELD IN THE COUNCIL CHAMBERS, INVERCARGILL CITY COUNCIL
101 ESK STREET, INVERCARGILL ON WEDNESDAY 18 DECEMBER 2019 AT 2.00 PM

PRESENT:
Cr A Crackett (Chair)
Mayor G Tong
Cr E Kremer
Cr N Davis
Cr C Bolger
Cr W Clark

IN ATTENDANCE:
Mrs C Hadley
Mr C McIntosh
Ms D Peterson
Mr R Sharma
Mr I Evans
Mr M Russell
Mrs J Affleck (Committee Secretary)

1. WELCOME

In the absence of a Chairperson, Mrs Hadley introduced herself, opened the meeting and called for nominations for the Chair of the Waste Advisory Group.

2. APOLOGIES

N/A

3. APPOINTMENT OF CHAIRPERSON

Moved Cr Mayor Tong, seconded Cr Davis and RESOLVED that Cr Crackett is elected as Chairperson.

4. APPOINTMENT OF DEPUTY CHAIRPERSON

Moved Cr Crackett, seconded Cr Bolger and RESOLVED that Mayor Tong is elected as Deputy Chairperson.

5. TABLED LATE ITEM

Moved Cr Crackett, seconded Mayor Tong and RESOLVED that Gore District Council’s (GDC) letter to Invercargill City Council (ICC) dated 17 December 2019, which pertains to the RFP for Contract 850 Recyclables Acceptance Services Update, be accepted as a late item.
6. **CONTRACT 850 RECYCLABLES ACCEPTANCE SERVICES – RFP MEDIATION UPDATE**
   A2866540

   Mr McIntosh took the meeting through the report, being an update on where the mediation process had got to.

   Cr Bolger said he was disappointed that we could not all agree, believing ICC did not give it the weight and gravity it deserved.

   Moved Cr Davis, seconded Mayor Tong and **RESOLVED** that the report “Contract 850 Recycling Acceptance Services RFP - Mediation Update” be received; and
   1. The Waste Advisory Group note that mediation took place on 22 August 2019; and
   2. That Invercargill City Council held the workshop agreed to at mediation on 10 September 2019; and
   3. That WasteNet note mediation remains adjourned.

7. **RFP FOR CONTRACT 850 RECYCLABLES ACCEPTANCE SERVICES UPDATE**
   A2866606

   Time was given for the tabled letter from GDC to be read.

   Mayor Tong said that following a Southland District Council (SDC) meeting this morning, they too will be sending a letter to the Chief Executive of ICC along the same lines as GDC’s letter tabled today. Their recommendation was made to WasteNet, and what has resulted has been disappointing.

   Cr Clark also stated his disappointment that the RFP had to be cancelled.

   Cr Crackett said she too is personally disappointed with the RFP process but this group can only now decide what they are going to do moving forward, and noted that the other two councils will seek to recover costs from ICC. To which Mayor Tong clarified that costs referred to both current and future costs incurred.

   Moved Cr Bolger, seconded Mayor Tong and **RESOLVED** that the report “RFP for Contract 850 Recyclables Acceptance Services Update” be received; and
   1. The Waste Advisory Group note that in accordance with clause 7.16.1 of the Request for Proposal documentation Contract 850 RFP will be concluded without an award of contract.

8. **UPDATE ON OTHER ISSUES**
   A2867277

   Mr McIntosh took the meeting through the report. WasteNet is more than just Contract 650, as it administers other contracts and liaises with central government and other bodies. A lot of that work was put on hold and other work has come in during the procurement of 850, and these matters will be brought back to this group at subsequent meetings.
The Ministry for the Environment is currently consulting on a significant increase in landfill levies which will have a bearing on the cost of these activities in the future.

Provincial Growth Fund has set aside some money to stimulate innovation in waste minimisation, which Southland could benefit from.

The review of the Waste Management and Minimisation Plan (which is a statutory requirement) was put on hold while the procurement process was underway. It was sensible to delay this at the time, as there was relative stability in the waste streams from Southland and the market situation, but this is not the case now and has become a priority. The issue here is managing the desire to minimise waste with the difficulty of finding diversions for waste streams at a time when markets are closing. This sizable work has to be done now, requires consultation and will need to be contracted out as WasteNet resources are limited.

Moved Mayor Tong, seconded Cr Bolger and RESOLVED that WasteNet receive the oral update and provide appropriate guidance to officers.

9. PUBLIC EXCLUDED SESSION

Moved Cr Bolger, seconded Mayor Tong and RESOLVED that the public be excluded from the following parts of the proceedings of this meeting, namely:

(a) Emission Trading Scheme Landfill Price

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1)(d) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<table>
<thead>
<tr>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under Section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Emission Trading Scheme Landfill Price</td>
<td>Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</td>
<td>7(2)(h)</td>
</tr>
</tbody>
</table>

Meeting was moved back into public at 2.33 pm

10. GENERAL

To Cr Clark’s question as to what WasteNet’s liabilities are in relation to Smart Environmental’s letter, Mayor Tong clarified that there was no liability to WasteNet, only ICC.
To Cr Clark’s statement that there was little or no chance to recover the cost of the tender, Mayor Tong said that this is only one solicitor’s opinion, and many solicitors will be involved before this matter is resolved.

Cr Crackett said that as this is an ongoing issue, there will be further discussions, as we all want to find a way forward in the best interest of all parties, but today is not that day.

Mayor Tong reiterated his support as Deputy Chair, to which Cr Crackett thanked him.

There being no further business the meeting closed at 2.35 pm

Next meeting: Monday 27 January 2020, 2.00-4.00pm at Invercargill City Council, Council Chambers
13. HEARING OF SUBMISSIONS TO LOCAL ALCOHOL POLICY

(Memo from Administration Manager – 10.02.20)

A hearing of submissions received to the Council’s Local Alcohol Policy was held on 12 December 2019. Submissions were received from Alcohol Healthwatch, the Health Promotion Agency and the Southern District Health Board.

A copy of the report of the hearing is attached for the Council’s information.

RECOMMENDATION

THAT the report of the hearing of the submissions to the Gore District Local Alcohol Policy be received,

AND THAT subject to the following revisions being included, the Local Alcohol Policy be adopted:

Clause 3.2(a) The wording to be amended from “imposing conditions of approval” to “imposing discretionary conditions”.

Clause 6.1(d) The words “including playgrounds” be added.

Clause 6.2(c) The wording be amended from “no restriction, however applications will need to justify the hours requested”, to “the hours between 8.00am on any day of the week to 3.00am the following day”.

Clause 6.4(c) The following be added: “Prohibiting single sales of beer or ready-to-drink spirits (RTDs) in bottles, cans or containers of less than 440ml in volume except for craft beer and shots or pre-mixed shots”.

Report of a hearing of submissions to the Gore District Council Local Alcohol Policy held in the Council Chambers, 29 Bowler Avenue, Gore on Thursday 12 December 2019 at 1.30pm.

Present  Cr Glenys Dickson (Chair), Crs Doug Grant and Bret Highsted.

In attendance  Senior Regulatory Officer (Frances Cowan) and Corporate Support Officer (Gillian Small).

Cr Dickson welcomed attendees and introduced the panel to the submitters from Alcohol Healthwatch (via teleconference). There were no conflicts of interest and media were not present.

Submissions had been received from Alcohol Healthwatch, Health Promotion Agency and the Southern District Health Board.

1. Submission from Alcohol Healthwatch

The submission from Alcohol Healthwatch noted that the purpose of the Local Alcohol Policy was to minimise alcohol-related harm that already existed across the region and to prevent further alcohol-related harm from happening. The submission provided tables showing the prevalence of drinking, hazardous and episodic drinking in the southern regional council area.

Recommendations included increasing the 50m restriction around sensitive sites, lowering the maximum closing hour of 3.00am for bars, taverns, entertainment venues and class 1 restaurants in the district, and support for the inclusion of discretionary conditions for on-licences. It also recommended that no new off-licences be issued within close proximity of existing off-licence premises. It was recommended that a cap be imposed on the number of off-licence bottle stores.

Alcohol Healthwatch recommended including a discretionary condition to control the amount of alcohol advertising that is visible within 500m from schools and early childhood facilities and further recommended provisions that restricted the sale of single alcoholic beverages (single sales).

The submission did not support the proposed maximum trading hours for club licences of 8.00am to 3.00am the following day Monday to Sunday, recommending these be reduced to 8.00am to 11.00pm Monday to Sunday. It further supported the proposed
discretionary condition for club licences that required a qualified manager on duty when alcohol was being sold and supplied during higher-risk periods.

Alcohol Healthwatch recommended maximum trading hours for special licences be specified in the LAP, with a 3.00am limit, and also supported inclusion and use of discretionary conditions for special licences.

In terms of monitoring, evaluation and review, Alcohol Healthwatch supported the list of proposed indicators for the next LAP review and suggested a range of indicators could be included in a monitoring and evaluation plan including numbers of alcohol-related Police events, Emergency Department presentations, crash analysis data, alcohol consumption data; and feedback from community members and local enforcement agencies. It recommended a cautious approach to interpreting the data.

Alcohol Healthwatch did not support the proposed off-licence trading hours of 7.00am to 11.00pm, recommending maximum trading hours of 10.00am to 9.00pm, with a trial of a closing time of 9.00pm across the region to be actively monitored.

Dr Nicki Jackson spoke to the submission from Alcohol Healthwatch via teleconference, with Health Promotion Advisor Nathan Cowie also present.

Dr Jackson advised that Alcohol Healthwatch submitted on policies throughout the country and that no region was immune to alcohol harm, with increased instances of heavy drinking in the past year. She said problem drinking by males was present in Southland as well as across New Zealand and that the Local Alcohol Policy provided an opportunity to have healthier alcohol use. She noted that the proposed policy supported the status quo and suggested the Council go further to minimise alcohol harm.

Dr Jackson discussed policy 6.1 (sensitive premises) which stated that residents within 50m of a proposed On, Off or Club Licence or renewal be consulted on any applications (excluding special licences), and recommended a 100-150m minimum to enable affected residents to comment.

On the subject of trading hours, Dr Jackson said restricted trading hours were the best way to minimise harm and the submission from Alcohol Healthwatch did not support a closing time of 3.00am for on-licensed premises as this led to higher levels of intoxication. The submission also did not support the hours of 7.00am to 11.00pm for off-licensed premises, suggesting a closing time of 9.00-10.00pm. It was noted that more than 80% of alcohol was sold by off-licensed premises.

Dr Jackson said the 3.00am closure for clubs was not supported by Alcohol Healthwatch as clubs had a more negative impact in rural areas where they acted as de facto taverns. She said the Licensing Trust could consider a cap and restrict the vicinity of off-licenses to each other.
Dr Jackson discussed item 6.3 (community impact), and recommended that the Council consider other options for gathering the views of the community to better support the alcohol licensing process, and that the Council have oversight of community impact assessments so they were a useful part of the decision-making process.

Dr Jackson discussed the single alcohol sales policy and was advised by the panel that most off-licensed premises did not sell single beverage items (under 440ml). Dr Jackson also requested consideration of a one-way door policy during the last hour of service.

Cr Highsted queried the specific data for Gore. Dr Jackson said the Ministry of Health only provided regional levels of data for the Southern District Health Board, however Dunedin City was not included. She said that hospital Emergency Departments, the Police and St John Ambulance kept data on all alcohol-related admissions.

Cr Dickson asked if other territorial authorities had tighter rules for off-licensed premises. Dr Jackson said the LAP for Auckland specified 9.00pm closing as well as a two-year freeze on new off-licenses. She said more than 80% of alcohol was sold by off-licensed premises.

Dr Jackson did not support the 3.00am closure for clubs, and said clubs had a more negative impact in rural areas as they operated as de facto taverns. She said the Licensing Trust could consider a cap and restrictions on the vicinity of off-licensed premises to each other.

With regard to community impact, the Alcohol Healthwatch submission was that this would be better managed by an overarching strong strategy, rather than on a case-by-case basis which required the applicants to provide a social impact statement as part of their application for an off-licence. Dr Jackson said this was better carried out by Council staff using conditions such as restrictions on alcohol advertising on shopfronts.

Cr Dickson queried the opening hours for on-licensed premises. The Senior Regulatory Officer advised that several premises had opening hours from 7.00am to enable patrons to be on licensed premises, however they did not regularly sell alcohol until 11.00am. They generally closed before 1.00am, with the 3.00am closing option being retained to allow flexibility for special events.

Cr Highsted noted that the local Police had not submitted on the policy nor recommended any changes to operating hours, whereas they likely would have done so if problems had occurred. Dr Jackson said the Policy appeared very relaxed.

The Senior Regulatory Officer advised that the Invercargill City Council had reduced its hours for on-licensed premises from 3.00am to 1.00am closure. She said all clubs in the Gore district were licensed to 1.00am and that the 3.00am closing time for clubs in the Policy could be brought back to 1.00am without the need for renewal of
licenses. The Police and the Council had an alcohol accord where the Council notified Police of any events with a closing time later than 3.00am.

Cr Highsted inquired about closing times for off-licensed premises in other districts. Dr Jackson said that Dunedin had asked for 9.00pm however Invercargill had later hours. All local off-licensed premises were closed by 9.00pm and for premises where bottle stores operated from the bar, they closed one hour before the closure of the premises.

Councillors did not think a one-way door policy was useful as people would be safer in a controlled environment and did not need to be served alcohol.

Dr Jackson asked about the likelihood of the Licensing Trust being discontinued. Cr Grant said there had been a referendum six years ago and that the majority of residents in the district were in favour of the Trust due to its involvement with the community.

Cr Dickson inquired about risk management for special licences. The Senior Regulatory Officer said these were assessed on an individual basis and required an Event Management Plan and Alcohol Management Plan, which outlined strategies for young people.

Cr Dickson thought the 3.00am closure could lead to over consumption. Cr Grant noted the trend of pre-loading by younger people in particular.

On the topic of Sensitive Premises, the Senior Regulatory Officer said unless in a commercial area, this was covered by the resource consent process. She said the District Health Board was notified of all applications and had the ability to object to any.

Cr Highsted said that the current format seemed to work, with self-regulation by the Trust.

2. Submission from Health Promotion Agency

The Health Promotion Agency submission recommended updating the objectives section of the document to provide a clearer picture of the harm and the aims of the LAP, along with a change in wording of clause 3.2 to refer to “discretionary conditions” rather than “conditions of approval”. The submission also suggested combining the key issues section with the objectives section and developing a clear Vision/Purpose and Policy Objectives.

With regard to trading hours, the Health Promotion Agency recommended the Council consider reduced trading hours for on-licences, a closing time of 9.00 or 10.00pm for off-licences, and that club hours be reduced to be more in line with the rest of New Zealand, with trading hours separated out into individual elements. The Agency
recommended the wording, “up to the national maximum allowed for within the Act” be added to clause 6.2(c).

Cr Grant noted the submission stated that out of 40 Local Alcohol Policies, the Council’s was the most relaxed for clubs. The Senior Regulatory Officer said sports clubs applied for special licences for events. Applications for alcohol licences were publicly notified as were variations to 3.00am, or renewals. These were consistent with neighbouring districts. A special licence could have discretionary conditions added, eg no more than two drinks purchased at one time.

Cr Dickson was in favour of a reduction from 3.00am to 1.00am for on licences.

3. Submission from the Southern District Health Board

Health Promotion Advisor Lynn Grace’s submission from the Southern District Health Board submission contained the following comments:

Sensitive Premises: the inclusion of parks and playgrounds to be considered as a community facility along with any structure such as a community hall or building.

Trading Hours: a further reduction particularly in off licence sales will further reduce alcohol-related harm.

Discretionary Conditions: these were supported with the comment that, “the Southern DHB believes the intention of including discretionary conditions in LAPs was for District Licensing Committees to identify particular conditions that they want to make compulsory in addition to what the Act specifies.

4. Revisions recommended by the Committee

The Committee recommended the following revisions be incorporated into the Local Alcohol Policy:

Clause 3.2(a) The wording be changed from “imposing conditions of approval” to “imposing discretionary conditions”.

Clause 6.1(d) The words “including playgrounds” be added.

Clause 6.2(c) The wording be changed from “no restriction, however applications will need to justify the hours requested”, to “the hours between 8.00am on any day of the week to 3.00am the following day”.

Clause 6.4(c) The following be added: “Prohibiting single sales of beer or ready-to-drink spirits (RTDs) in bottles, cans or containers of less than 440ml in volume except for craft beer and shots or pre-mixed shots”.

The meeting closed at 3.27pm.
14. REVIEW OF COMBINED LOCAL APPROVED PRODUCTS POLICY

(Memo from Senior Regulatory Officer – 12.02.20)

Pursuant to Section 67 of the Psychoactive Substances Act 2013 Gore District Council, Invercargill City Council and Southland District Council resolved in 2014 to adopt a single local approval products policy for their district. The effect is that in respect of the Policy they are to be treated as if they are a single territorial authority with a single district.

The Combined Local Approved Products Policy (LAPP) became effective on 22 December 2014. This Policy is due for review.

The misuse of psychoactive substances has the potential to create significant social problems within Southland Communities. Controlling the location of retail outlets will help avoid or mitigate these problems. The existing policy restricts the retail area for premises permitted to sell these products to an area located within Invercargill city only (see attached map).

Council staff have reviewed the Policy and recommend the continuation of a joint combined policy.

RECOMMENDATION

THAT the Council approve pursuant to Section 69 of the Psychoactive Substances Act 2019, proceed with the review on the basis the Council intends to retain its current Combined Local Approved Products Policy.
15. **DAMAGE AND COSTS FOLLOWING FEBRUARY FLOODING EVENT**

(Memo from General Manager Infrastructure – 12.02.20)

Details relating to the damage sustained following the 5-6 February flooding event in the Gore District will be tabled at the meeting.
16. RENEWAL OF SOUTHLAND TRIENNIAL AGREEMENT

(Memo from Chief Executive – 12.02.20)

Under section 15 of the Local Government Act 2002, all local authorities within a specified region must enter into an agreement containing protocols for communication and coordination during the period until the next triennial general election of members. This agreement must be put in place no later than 1 March following the recent local authority elections.

Enclosed is a copy of an updated triennial agreement which has been prepared by Environment Southland in consultation with other Southland local authority chief executives. A copy of the revised agreement together with a separate document showing changes made to the 2017 document, is attached.

All Southland councils are now invited to endorse this new agreement. Hopefully the next three-year term will be similar to what has occurred in Southland over the past three decades where strong inter-council relationships have meant that the agreement has rarely, if ever, had to be used to advance an issue.

RECOMMENDATION

THAT the Council endorse and approve the revised triennial agreement and authorise the Mayor and Chief Executive as signatories.
Triennial Agreement
Southland Region

For the triennium October 2019 to October 2022
STATEMENT OF INTENT

This agreement represents the shared desire of local government in the Southland Region to pro-actively collaborate and co-operate with each other, to maximise effectiveness and efficiency and to meet the current and future needs and interests of their respective communities.

PREAMBLE

The Local Government Act 2002 recognises that each individual local authority is only one player in the achievement of community needs and interests, and that attaining those objectives goes beyond local authority boundaries. The Act, through its principles further recognises that local authorities will need to actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes. The main framework for co-ordinating the collaboration between different local authorities is the Triennial Agreement.

This Agreement is deemed to meet the requirements of section 15 of the Local Government Act 2002.

For the legal context see Appendix 1.

PURPOSE

Through this Triennial Agreement, local authorities are encouraged to work together to recognise and provide for the local authorities playing a broad role in promoting the social, economic, environmental and cultural well-being of their communities in the present and for the future, while taking a sustainable development approach. This agreement provides an opportunity to reinforce the principle of collaboration and improve communication and co-ordination at all levels of local government in the Southland Region.

It is recognised that a significant level of formal and informal collaboration and co-
Agreement will be demonstrated through expanded relationships that help the local authorities to work co-operatively and collaboratively to advance community goals for the region as a whole. This agreement does not address local authorities’ relationships with Central Government agencies or other important sectors of the community, each of which will also be important to the effective delivery of community outcomes.

Appendix 2 lists possible areas of collaboration.

SIGNATORIES

The parties:

- Gore District Council
- Invercargill City Council
- Southland District Council
- Environment Southland (Southland Regional Council).

PRINCIPLES AND PROTOCOLS

The parties agree to working together for the good governance of their localities and the region.

Signatories to this agreement recognise that:

1. the communities within the Region are diverse and encompass a range of desired outcomes. Issues and concerns that are shared by some local authorities may be of little relevance to others. This Triennial Agreement acknowledges that it must have a range of sub-agreements or protocols developed for communication and co-ordination on local issues and media responses between and among local authorities.

2. collaboration among local authorities is necessary to address increasingly complex governance issues. Many issues cannot be solved by any one agency acting alone. Issues such as community safety and sustainable
development do not have simple solutions. This includes a commitment to make staff available across local authority boundaries during emergencies.

3. it is desirable that collaboration occur at both the governance and operational levels.

4. collaboration can make planning more efficient, reduce costs, increase available resources and help make strategic judgments about the allocation of resources and the delivery of services.

5. collaboration can help the local authorities promote the social, economic, cultural and environmental well-being of communities in the Region.

6. this agreement establishes a platform for ongoing discussion and consultation on issues, policy and programmes.

7. the councils agree to act in good faith on issues of information and disclosure.

8. the councils agree to work collaboratively in an open and transparent manner.

9. as signatories to this agreement all councils will ensure provision of the following:

(a) early notification to affected councils, through the distribution of draft documentation and information, of major policy discussions which may have implications beyond the boundaries of the decision-making council. This specifically includes the development of consultation policies and policies on significance and engagement.

(b) opportunities for all councils in the region to be involved in early consultation on the development of one another’s draft Annual Plan and draft Long-term Plan and other significant policy consultation processes or consultation documents.

(c) the application of a ‘no surprises’ policy, whereby early notice will be given over disagreements or differences between councils concerning issues, policy or programmes, before critical public announcements are made.

(d) where practicable, avoidance of unnecessary duplication by jointly or in a collaborative manner, engaging with communities and agencies in order to identify community outcomes and to prioritise those outcomes.

MAYORAL FORUM

The four Councils commit to continue the Southland Mayoral Forum (SMF) as a collaborative group made up of the Mayors and regional Chair. Its purpose is to provide governance leadership to programmes and projects with a regional perspective that cut across the local authorities and which require integrated leadership.

Terms of Reference for the operation of the Mayoral Forum have previously been agreed:

THE CHIEF EXECUTIVE OFFICERS

The Chief Executive Officers will meet on a regular basis to:

- Implement and manage collaborative projects and agreed actions;

- Identify and escalate strategic issues and opportunities for collaboration on strategy, policy and planning; and

- Include a framework for collaboration in the governance and management of effective and efficient delivery of services, infrastructure and regulatory functions across the region.

within a context that promotes the social, economic, environmental and cultural well-being of communities in the present and for
the future.
The CEs will be the “clearing house” for addressing strategic, emerging or identified issues. Emergency meetings between the combined CEOs can be called as required.

This does not preclude meetings being co-ordinated by councils other than the council next on the rotation, on request.

Deleted: Information and meeting notes to be distributed to the Mayoral Forum irrespective of the issues.

Deleted: All public communications from these meetings will be approved by all participants prior to their release.
GENERAL APPROACH TO CONSULTATION

Signatories to this agreement will endeavour to:

1. work jointly to share resources for the purpose of preparing background information on the various communities within the Region. Such information may include demographics, survey data and scientific studies and the analysis of social, economic, environmental and cultural trends.

2. actively collaborate and cooperate with government agencies and local authorities outside the region as considered appropriate to promote or achieve regionally focused priorities and desired outcomes, while making efficient use of resources, and in situations where issues and potential solutions cross local authority boundaries.

3. develop agreed or joint approaches to engaging with the media (including development of joint media statements), Government agencies, tangata whenua, and other organisations.

4. develop processes, protocols and agreements through which the councils can jointly participate in identifying, delivering services (e.g. S.17A, LGA), and funding facilities of significance to more than one district.

5. promote communication and co-operation among the local authorities in the Region.

6. provide early for notification/circulation of information, and participation in, decisions that may affect other local authorities in the Region.

7. make draft strategies, policies and plans available to all local authorities in the Region for discussion and development.

8. recognise that shared services in the region, or joint procurement approaches with joint or separate contracting, can bring efficiencies and savings in terms of planning, administration, consultation and operations; increases in available resources and promotion of cooperative approaches to the allocation of resources (refer to Appendix 2 and Shared Services Forum MOU).

9. use our statutory reporting documents to report steps taken to implement the intent of this document.

10. the following consultation process (in terms of Clause 3A, First Schedule RMA) will apply to any change, variation, or review of the Regional Policy Statement for the Southland Region, and the preparation of any future Regional Policy Statement:

(a) Environment Southland will seek the input of territorial authorities into the review of the Regional Policy Statement for the Southland Region.

(b) Environment Southland will make available to all local authorities, for discussion and development, draft copies of:

- any change or variation to the Regional Policy Statement
- any proposed Regional Policy Statement.

(c) territorial authorities will be given a reasonable period of time, but no less than 30 working days, to respond to any such proposal. Environment Southland agrees to consider fully any submissions and representations on the proposal made by territorial authorities within the region.
SIGNIFICANT NEW ACTIVITIES PROPOSED BY THE REGIONAL COUNCIL

If Environment Southland or a regional council-controlled organisation proposes to undertake a significant new activity, Section 16 of the Local Government Act 2002 shall be adhered to.

As part of this communication process, the parties agree to discuss the issues involved at one or more of the existing forums, and to provide early drafts of proposals to affected councils for early comment. This includes amendment of the Environment Southland’s significance and engagement policy.

Where it is proposed that Environment Southland undertakes significant new activities that are undertaken or have been proposed in a consultation document to be undertaken by one or more territorial authorities within the Region:

a. Environment Southland will as soon as practicable inform all territorial authorities within the Region of:
   • the nature of the activity proposed to be undertaken
   • the scope of the proposal (including size, districts covered and why)
   • the reasons for the proposal.

b. Territorial authorities will be given a reasonable period of time, but no less than 30 working days, to respond to any such proposal. Environment Southland agrees to fully consider any submissions and representations on the proposal made by territorial authorities within the Region.

c. Should there be substantive disagreement between the local authorities about whether

Environment Southland should undertake the activity, the parties agree to refer the matter to mediation, as set out in the process in this agreement for resolving disagreement.

DECISIONS OF A LOCAL AUTHORITY

If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with this agreement, the local authority must, when making the decision, clearly identify —

(a) the inconsistency; and
(b) the reasons for the inconsistency; and
(c) any intention of the local authority to seek an amendment to this agreement.

As soon as practicable after making any decision to which the above applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in subsections (a) – (c).

RESOLVING DISAGREEMENT

In the event of a disagreement over the terms of this agreement, the parties agree to refer the issue of disagreement to mediation for a resolution within 3 months of any such disagreement arising. If no agreement is forthcoming a mediator will be appointed by the president of the Southland District Law Society. If mediation is unsuccessful, any of the local authorities affected may ask the Minister of Local Government to make a decision on the proposal.

AUTHORITY

This agreement is signed under seal by the following on behalf of their respective authorities:
Environment Southland (Southland Regional Council)

Chair

Deputy Chair

Chief Executive
Southland District Council

Mayor

Deputy Mayor

Chief Executive
Invercargill City Council

Mayor

Deputy Mayor

Chief Executive
Gore District Council

Mayor

Deputy Mayor

Chief Executive
LEGAL REQUIREMENTS — Local Government Act 2002

This document is deemed to duly constitute fulfillment of section 15 of the Local Government Act 2002.

Section 15 requires that:

(1) Not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement under this section covering the period until the next triennial general election of members.

(2) An agreement under this section must include—
   (a) protocols for communication and co-ordination among the local authorities; and
   (b) a statement of the process by which the local authorities will comply with section 16 in respect of proposals for new regional council activities; and
   (c) processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than 1 district.

(3) An agreement under this section may also include—
   (a) commitments by local authorities within the region to establish or continue 1 or more joint committees or other joint governance arrangements to give better effect to 1 or more of the matters referred to in subsection (2); and
   (b) the matters to be included in the terms of reference for any such committees or arrangements, including any delegations.

(4) An agreement under this section may be varied by agreement between all the local authorities within the region.

(5) An agreement under this section remains in force until it is replaced by another agreement.

(6) If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with, the agreement under this section that is currently in force within the region, the local authority must, when making the decision, clearly identify—
   (a) the inconsistency; and
   (b) the reasons for the inconsistency; and
   (c) any intention of the local authority to seek an amendment to the agreement under subsection (4).

(7) As soon as practicable after making any decision to which subsection (6) applies, the local authority must give to each of the other local authorities within the region notice of the decision and of the matters specified in that subsection.

Section 14(e)—
a local authority should actively seek to collaborate and co-operate with other local authorities and bodies to improve the effectiveness and efficiency with which it achieves its identified priorities and desired outcomes.
APPENDIX 1

Section 14 (g) – a local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets.

Section 16 – (summary) if a regional council, or a regional council-controlled organisation, proposes to undertake a significant new activity, the regional council must advise all the territorial authorities within its region of the proposal and seek their agreement.

LEGAL REQUIREMENTS – Resource Management Act 1991

Clause 3A, First Schedule -

(1) A triennial agreement entered into under section 15(1) of the Local Government Act 2002 must include an agreement on the consultation process to be used by the affected local authorities in the course of—
(a) preparing a proposed policy statement or a variation to a proposed policy statement; and
(b) preparing a change to a policy statement; and
(c) reviewing a policy statement.

(2) If an agreement on the consultation process required by subclause (1) is not reached by the date prescribed in section 15(1) of the Local Government Act 2002—
(a) subclause (1) ceases to apply to that triennial agreement; and
(b) 1 or more of the affected local authorities—
(i) must advise the Minister and every affected local authority as soon as is reasonably practicable after the date prescribed in section 15(1) of the Local Government Act 2002; and
(ii) may submit the matter to mediation.

(3) If subclause (2) applies, the parts of the triennial agreement other than the part relating to the consultative process referred to in subclause (1) may be confirmed before—
(a) an agreement on the consultative process is reached under subclauses (4) and (5)(a); or
(b) the Minister makes a binding determination under subclause (5)(b).

(4) Mediation must be by a mediator or a mediation process agreed to by the affected local authorities.

(5) If the matter is not submitted to mediation or if mediation is unsuccessful, the Minister may either—
(a) make an appointment under section 25 for the purpose of determining a consultation process to be used in the course of preparing a proposed policy statement or reviewing a policy statement; or
(b) make a binding determination as to the consultation process that must be used.

(6) The consultative process must form part of the triennial agreement, whether or not the other parts of the triennial agreement have been confirmed, in the event that—
(a) an agreement is reached under subclause (4) or subclause (5)(a) as to a consultative process, as required by subclause (1); or
(b) the Minister makes a binding determination under subclause (5)(b).

(7) In this clause, “affected local authorities” means—
(a) the regional council of a region; and
(b) every territorial authority whose district is wholly or partly in the region of the regional council.
APPENDIX 1

Existing structures that promote communication and collaboration include, but are not limited to:

- Assistance with WINZ System
- Barberry Control
- Emergency Management Welfare Group
- Co-ordinating Executive Group
- Election Returns
- Emergency Management Southland
- GIS Data Sharing Gravel
- Gravel management
- Great South (formerly Venture Southland
- Hazardous Waste Group
- Hazardous Waste Response Group
- Information Technology
- Invercargill Peri-urban Sewage
- Laboratory Testing and Monitoring
- Maintenance of Boundary Roads and Bridges
- Milford Community Trust
- NZAA Register Update
- Our Way Southland
- Public Information Management Team (SEMO)
- Rakiura National Park Report
- Regional Advisory Group (Transport)
- Regional Transport Committee
- Representation Review projects
- Review of the Southland District Plan
- Review of the Southland Regional Policy Statement
- Riverton Harbour Committee
- Road Safety Committee
- Road Safety Co-ordination (joint employment)
- Road Safety Southland Trust
- Snow Pole Route Closure
- Southern Rural Fire Authority
- Southern Scenic Route Signs
- Southland Coastal Landscape Study
- Southland Emergency Management Group
- Southland Heritage Building Preservation Trust
- Southland Regional Heritage Committee
- Southland Shared Services Forum
- Spartina Control
- Specification/Policy Sharing and Development
- Stock Truck Effluent Working Group
- Te Anau Basin Planning Study
- Te Roopu Taiao
- Tender Evaluations
- Urban Fire Risk
- Waiau River Working Party
- Wastebusters Group
- WasteNet/Waste Advisory Group
- Wetlands on Private Land
Moved up [1]: LEGAL REQUIREMENTS

Local Government Act 2002

This document is deemed to duly constitute fulfilment of section 15 of the Local Government Act 2002.

Section 15 requires that:

1. Not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement under this section covering the period until the next triennial general election of members.

2. An agreement under this section must include:

   (a) protocols for communication and co-ordination among the local authorities;

   (b) a statement of the process by which the local authorities will comply with section 16 in respect of proposals for new regional council activities; and

   (c) processes and protocols through which all local authorities can participate in identifying, delivering, and funding facilities and services of significance to more than 1 district.

3. An agreement under this section may also include:

   (a) commitments by local authorities within the region to establish or continue 1 or more joint committees or other joint governance arrangements to give better effect to 1 or more of the matters referred to in subsection (2); and

   (b) the matters to be included in the terms of reference for any such committees or arrangements, including any delegations.

4. An agreement under this section may be varied by agreement between all the local authorities within the region.

5. An agreement under this section remains in force until it is replaced by another agreement.

6. If a decision of a local authority is significantly inconsistent with, or is expected to have consequences that will be significantly inconsistent with, the agreement under this section that is currently in force within the region, the local authority must, when making the decision, clearly identify:

   (a) the inconsistency;

   (b) the reasons for the inconsistency;

   and

   (c) any intention of the local authority to seek an amendment to the agreement under subsection (4).
The Mayoral Forum is a non-statutory body. It is formed by the agreement of the local authorities that comprise it. Its power to act on any matters is prescribed through the Triennial Agreement made between those local authorities at the beginning of each Triennium. This Agreement can be revisited and updated at any time but must be consulted on with each of the local authority signatories.

The purpose of the Mayoral Forum in Southland is to provide governance leadership to programmes and projects with a regional perspective that cut across the local authorities and which require integrated leadership. These are “horizontal” programmes of a regional nature that require a joined-up regional approach in order to be successful.

There are a number of regional documents that need to be co-ordinated into the consensus direction overseen by the Mayoral Forum and delivered by the councils. Arguably, the primary document is the Regional Policy Statement which identifies the high level directions of the region. This is a community consensus document.

The Regional Policy Statement is then given effect to in other documents:
- Regional Plans
- Environment Southland
- District Plans of each of the territorial councils
17. GREAT SOUTH LETTER OF EXPECTATION 2020

(Memo from Chief Executive – 12.02.20)

Under the constitutional arrangements in place for the governance and operation of Great South, a letter of expectation has to be prepared each year by the Southland Mayoral Forum to enable the Great South Board to prepare a draft Statement of Intent. A high-level letter of intent was developed in December and January and approved by the Southland Mayoral Forum in early February.

A copy of the letter of expectation that was sent to Great South is attached.

The Council can expect to see in due course a draft Statement of Intent from the new board of Great South for its consideration and approval by the end of March.

The Great South board will then consider feedback received from all shareholders by 1 May 2020 and deliver the completed Statement of Intent to joint shareholders by 30 June 2020.

In the meantime the Council will need to determine its own priorities in respect of specific services that it would like Great South to deliver. That stated, with only a sum of $60,000 set aside for contract-type services, the Council needs to be somewhat modest in its expectations. Crystallisation of thoughts in that regard can take place over the next month or so and may be a useful adjunct to the consideration of the Council’s annual budget for 2020/21.

RECOMMENDATION

THAT the Council receive and endorse the letter of expectation forwarded to Great South.
15 January 2020

Mr Ian Collier - Chairman
Great South
iandcollier@gmail.com
INVERCARGILL

Dear Ian

Letter of expectation 2020

Introduction
I am writing this letter of expectation 2020 on behalf of the Joint Shareholders of the Southland Regional Development Agency Ltd – trading as Great South – to detail the shareholders expectations for 2020-2021 and assist the Great South board in preparing the Statement of Intent for 2020-2021.

As you are aware there is a well-defined legislative process to follow to support the Great South board in preparing the statement of intent on an annual basis. It is the second year of implementing this approach and undertaking this process. To recap – and in summary – schedule 8 in the Local Government Act 2002 requires that a draft statement of intent should be provided to the shareholders for comment before 1 March with the shareholders then being required to provide feedback before 1 May. In developing the statement of intent, Great South should have regard to the specific content requirements outlined in Part 2 of schedule 8 as well as the comments provided by shareholders in finalising the document prior to the start of the new financial year.

The principles for the establishment of Great South as a council controlled organisation are based on the following roles and responsibilities:

• Mayoral Forum and Joint Shareholders Committee – sets the direction and establishes the regional priority areas of focus for Great South by way of an annual letter of expectation.
• Great South board – governs, oversees resource allocation and monitors performance of the organisation by way of an annual statement of intent
• Great South management – plans, delivers and reports to the Great South board by way of an annual business plan and report.

To this end this letter of expectation is intended to inform the statement of intent from the Great South board which will come into effect on 1 July 2020.

The letter is also intended to provide an opportunity for dialogue between the Great South board and the joint shareholders, primarily through the Joint Shareholders Committee, and to support an open, constructive and co-operative working relationship.
Public Expectations

The shareholder councils (Class A shareholders) expect that Great South as a CCO is mindful of the public scrutiny that comes with being a CCO. Specifically the shareholder councils expect that their CCOs:

a. Build accountability and constructive working practices between their organisation and the shareholders.

b. Commit to transparency and accountability to the public. This includes fulfilling the planning, reporting and disclosure requirements of the Local Government Act 2002 as it applies to CCOs, and the requirements of the Local Government Official Information and Meetings Act 1987 as it applies to CCOs.

c. Ensure their organisation is fiscally disciplined with expenditure.

d. Conduct their affairs in accordance with sound business practice.

e. Understand and consider the shareholder councils’ strategic priorities as set out in their Long Term Plans 2018-2028 (and are aware of the draft Long Term Plan 2021-2031 priorities currently being developed) and any other relevant documents in setting their own priorities.

No Surprises

The shareholder councils expect the CCO to keep the shareholders, through the Joint Shareholders Committee, informed on a ‘no surprises’ basis. We expect the board to be sensitive to the demand for accountability placed on the councils from their respective ratepayers, and that the actions of the CCO have an impact on the shareholder councils. The expectations of shareholders are conveyed to the board via the Joint Shareholders Committee. The Joint Shareholders Committee was involved in the preparation of this Letter of Expectation and it is expected that the committee will receive regular reports from the board on progress against priorities.

Shareholder ownership feedback

The joint shareholders wish to reinforce their support of the Great South operation following its first year of business in 2019-2020. The work undertaken by the Great South board in the establishment phase is appreciated and recognised as significant in creating a solid foundation going forward.

As Great South moves into its second year the shareholders expect that it should be able to use the base created in the first year as a platform from which significant forward momentum can be created in the regional development space. In particular, there is an expectation that Great South will look to take on projects of significant scope, attract new financial investment, resources and activity to support development of the region as a whole. Achievement of these objectives will require Great South to be agile, decisive and focused on a few priorities that will make a difference.

Great South will not achieve the ambitions that its shareholders have if it tries to address all of the regional development issues that it perceives may exist across the region. There are other agencies, such as a number of the shareholders and in particular the four councils, who have clear responsibilities in areas that contribute to regional development activity. It is important all parties acknowledge that for the Southland region to prosper a multi-agency approach is required and no one entity is solely responsible for Southland’s regional development. Regional development requires a team approach.

The joint shareholders wish to reinforce the following points for consideration by the Great South board as part of the development of the statement of Intent process:

- While some time has passed since the Southland Regional Development Strategy was released it is still the guiding document for regional development activity whether that work is undertaken by Great South or other agencies.
- Regional priorities and regional actions should remain the focus of Great South.
The focus should be on a smaller number of high priority value added initiatives that develop the Southland region rather than individual communities.

- The focus should also be on promoting new investment to support development across the whole of the Southland region.
- Continued commitment from the class A shareholder councils to contribute to the core costs of Great South in the 2020-2021 financial year, being:
  a. ICC $800,000
  b. SDC $500,000
  c. GDC $150,000
  d. ES $150,000
- There is an understanding from the Great South board for the need to fulfil legislative requirements as a council controlled organisation and the associated monitoring and reporting obligations required by any other investment agreements it enters into.

**Purchaser of service investment intentions**

The joint shareholders acknowledge the work undertaken by the Great South board in 2019-2020 and understand the importance of continuity and consistency in developing opportunities and priority areas of investment for the region. To this end the purchasing intentions and level of investment identified by the councils as a purchaser of services aims to build on the intentions signalled last year.

The following high level areas of focus reflect the level of investment confirmed by contributing councils. It is expected that the Great South board will take this into account when developing its statement of intent for 2020-2021.

**Council (ICC, SDC, GDC, ES) purchaser of service investment intentions to Great South 2020-2021**

<table>
<thead>
<tr>
<th>Area of focus</th>
<th>ICC</th>
<th>SDC</th>
<th>GDC</th>
<th>ES</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional economic development</td>
<td></td>
<td>$200,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business sector support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nil</td>
</tr>
<tr>
<td>Regional tourism development</td>
<td></td>
<td></td>
<td>$210,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional event delivery</td>
<td></td>
<td></td>
<td></td>
<td>$90,000</td>
<td></td>
</tr>
<tr>
<td>Regional wellbeing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nil</td>
</tr>
<tr>
<td>Total purchaser of service investment</td>
<td></td>
<td>$500,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It is anticipated the finalised purchasing intentions will be confirmed by investment agreements or other such contractual arrangements as determined and agreed by the respective councils and Great South.
Monitoring and accountability

The shareholders, and shareholder Councils in particular as major funders, require regular progress reporting. This is to include detail of progress towards specified key performance areas and investment agreement milestones to the Joint Shareholders Committee. It will also include a presentation to the joint shareholders twice yearly. This will provide a forum for all parties to discuss whether Great South is achieving the goals that the shareholders want it to achieve and consider issues and opportunities available to all parties.

Next steps

On receipt of this letter of expectation the joint shareholders request the Great South board prepare and provide its draft statement of intent to the Joint Shareholders Committee by 1 March 2020.

The Joint Shareholders Committee and individual shareholders will then consider the draft statement of intent and provide feedback to the Great South board by 31 March 2020.

The Great South board will then consider the feedback by 1 May 2020 and deliver the completed statement of intent to the joint shareholders by 30 June 2020.

Please contact me if you have any matters for consideration and I look forward to supporting the Great South board in advancing this process accordingly.

Yours faithfully

Mayor Tracy Hicks
Chair of the Southland Mayoral Forum
EXCLUSION OF THE PUBLIC

His Worship to move that the public be excluded from the following parts of the proceedings of this meeting, namely the items as listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing the resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987, for the passing of this resolution are as follows:

<table>
<thead>
<tr>
<th>General Subject Matter</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Grounds under Section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirmation of Minutes</td>
<td>Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations; and maintain legal professional privilege.</td>
<td>7 (2)(a) and 7 (2)(g)</td>
</tr>
<tr>
<td>Confirmation of the minutes of the ordinary meeting of the Gore District Council, held in committee, on Tuesday 10 December 2019.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Southland Regional Development Agency transition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mataura water supply – Pleura Dam desilting project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Minutes of WasteNet meeting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Minutes of Emergency Committee</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>