

Council Meeting Agenda - 28 September 2022

Meeting will be held in the Council Chamber at Level 2, Philip Laing House
144 Rattray Street, Dunedin
[ORC YouTube Livestream](#)



Members:

Cr Andrew Noone, Chairperson	Cr Gary Kelliher
Cr Kevin Malcolm, Deputy Chairperson	Cr Michael Laws
Cr Hilary Calvert	Cr Gretchen Robertson
Cr Michael Deaker	Cr Bryan Scott
Cr Alexa Forbes	Cr Kate Wilson
Cr Carmen Hope	

Senior Officer: Pim Borren, Interim Chief Executive

Meeting Support: Dianne Railton, Governance Support Officer

28 September 2022 10:00 AM

Agenda Topic

Page

1. APOLOGIES

No apologies were received prior to publication of the agenda.

2. PRESENTATIONS

2.1 Otago Rescue Helicopter Trust - Annual Presentation

Mr Graeme Gale (HeliOtago) and Mr Stephen Woodhead (Trustee) will present and respond to questions.

2.2 Port Otago Annual Report Presentation

Chairman Paul Rea, Director Pat Heslin, CE Kevin Winders and CFO Stephen Conolly will present and respond to questions.

3. PUBLIC FORUM

Requests to speak should be made to the Governance Support team on 0800 474 082 or to governance@orc.govt.nz at least 24 hours prior to the meeting; however, this requirement may be waived by the Chairperson at the time of the meeting.

4. CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

5. CONFLICT OF INTEREST

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

6. CONFIRMATION OF MINUTES

The Council will consider minutes of previous Council Meetings as a true and accurate record, with or without changes.

6.1 [Minutes of the 15 September 2022 Council Meeting](#)

5

5

7.	OPEN ACTIONS FROM RESOLUTIONS OF THE COUNCIL	9
	Actions from resolutions of the Council will be reviewed.	
7.1	Open Actions of Council at 28 September 2022	9
8.	MATTERS FOR COUNCIL CONSIDERATION	10
8.1	ANNUAL REPORT 2021/2022 - ADOPTION	10
8.1.1	Attachment 1: Annual Report 30 June 2022	12
8.2	PORT OTAGO STATEMENT OF CORPORATE INTENT	148
	The report is provided for Council to receive Port Otago's Statement of Corporate Intent for the three years to June 2025.	
8.2.1	Attachment 1: 2022 Port Otago Statement of Corporate Intent to June 2025	150
8.3	CONSENT FEES POLICY	169
	The 15 September 2022 Regulatory Committee approved the Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects Policy, and due to delegations set out in the register, the report is provided for Council approval.	
8.3.1	Attachment 1: Review of Consent Fee Support Policy	171
8.3.2	Attachment 2: Financial Support for Resource Consent Fees Draft Policy for Approval	186
8.4	RMA COMPLIANCE AND ENFORCEMENT POLICY	191
	This report seeks the adoption of minor changes to the RMA Compliance and Enforcement Policy. The 15 September 2022 Regulatory Committee adopted the recommended changes and are presented to Council for adoption in accordance with the relevant delegations.	
8.4.1	Attachment 1: ORC RMA Enforcement Policy September 2022 Update	194
8.5	APPROVE MINOR AMENDMENT TO FLOOD PROTECTION MANAGEMENT BYLAW 2022	205
	Minor changes are required to the legend on some of the maps contained in the schedules to the Flood Protection Management Bylaw 2022 ("Bylaw"). In accordance with the Local Government Act 2002 ("LGA"), approval is sought from Otago Regional Council ("Council") for these minor changes or correction of errors.	
8.5.1	Attachment 1: Second Schedule original 29 June 2022	210
8.5.2	Attachment 2: Third Schedule original 29 June 2022	222
8.5.3	Attachment 3: Second Schedule revised for approval	233
8.5.4	Attachment 4: Third Schedule revised for approval	245
8.6	APPROVE AMENDMENTS TO WAITAKI DESIGNATION NOTICE OF REQUIREMENTS	256
	The report is provided for Council approval of the amended Notice of Requirement ("NoR") following public consultation and for the lodgement of the application for designations with the Waitaki District Council ("WDC") as part of WDC's Proposed District Plan ("the Plan") review. This is to provide for designations of land on which Otago Regional Council ("ORC") flood protection works and assets are situated.	
8.6.1	Attachment 1: Consultation Outcomes	262

8.6.2	Attachment 2: Notice of Requirement	268
8.6.3	Attachment 3: Maps	437
8.7	INTEGRATED CATCHMENT MANAGEMENT (ICM) UPDATE	443
	The report provides an update to Council on the progress on decisions made at the 10 August 2022 meeting of the Strategy and Planning Committee regarding the Integrated Catchment Management (ICM) Programme, and to propose a Terms of Reference for the proposed ICM Working Group.	
8.7.1	Attachment 1: ICM Working Group Terms of Reference	447
8.8	REGIONAL WELLBEING FRAMEWORK PROGRESS UPDATE AND DRAFT REPORT	451
	The report is provided to update Council about progress on ORC's wellbeing programme, and to provide, for noting, the current working draft of Otago's Regional Wellbeing Framework, and a draft version of the accompanying report from our consultants, Kōtātā Insight.	
8.8.1	Attachment 1: Draft Otago Regional Wellbeing Framework - September 2022	458
8.8.2	Attachment 2: Draft Wellbeing Framework and Indicators Report - September 2022	459
8.9	BUDGETING FOR OPERATIONAL DEFICITS	504
	This report was referred to Council at the 21 September 2022 Audit and Risk Subcommittee. The report provides clarity on steps to take to end the practice of budgeting for operational deficits.	
8.10	REPORT TO COUNCIL FROM CHAIR OF AUDIT AND RISK SUBCOMMITTEE SEPTEMBER 2022	510
	The Terms of Reference of the Audit and Risk Subcommittee require the Subcommittee to conduct an annual review of its work and for the Chairperson to provide a report to Council.	
8.10.1	Attachment 1: Report to Council from Chair of Audit and Risk Subcommittee	514
8.11	INTERREGNUM DELEGATIONS	517
	The report is provided for delegated authority for the interregnum period of Council.	
8.12	DOCUMENTS SIGNED UNDER COUNCIL SEAL	519
	The report informs Council of delegations which have been exercised during the period 29 June 2022 through 28 September 2022.	
8.13	ACKNOWLEDGEMENT OF RETIRING COUNCILLORS	521
	At the end of this triennium, Councillors Michael Deaker and Hilary Calvert are retiring. This report records its thanks for the service given by the Councillors for their terms in office and provides the Chair the opportunity to express the Council's appreciation for the 21 years of service rendered by Cr Michael Deaker and the 3 years of service rendered by Cr Hilary Calvert.	
9.	RECOMMENDATIONS ADOPTED AT COMMITTEE MEETINGS	522
9.1	Recommendations of the Strategy and Planning Committee	522
9.2	Recommendations of the Regulatory Committee	524
9.3	Recommendations of the Governance, Communications and Engagement Committee	525
10.	CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS	527

10.1	CHAIRPERSON'S REPORT	527
10.1.1	Attachment 1: A week with Local Government (Cr Forbes)	531
10.1.2	Attachment 2: Letter to Christine Garey - Bus Accident	539
10.1.3	Attachment 3: Letter to MP Michael Wood - Public Transport	544
10.1.4	Attachment 4: Letter to Otago Mayors - Progress on Controlling Wilding Conifers	545
10.2	CHIEF EXECUTIVE'S REPORT	546
11.	RESOLUTION TO EXCLUDE THE PUBLIC	547
<p>That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987), namely:</p> <ul style="list-style-type: none"> - Minutes of the 24 August 2022 public-excluded Council Meeting - Minutes of the 29 August 2022 Extraordinary public-excluded Council Meeting - Minutes of the 15 September public-excluded Council Meeting - 3.1 Public Transport Solutions - 3.2 Process for Appointing a Permanent Chief Executive 		
11.1	Public Exclusion Table	547
12.	CLOSURE	



Minutes of an ordinary meeting of Council held in the
Council Chamber on
Thursday 15 September 2022 at 1:00pm

Membership

Cr Andrew Noone

(Chairperson)

Cr Kevin Malcolm

(Deputy Chairperson)

Cr Hilary Calvert

Cr Alexa Forbes

Cr Michael Deaker

Cr Carmen Hope

Cr Gary Kelliher

Cr Michael Laws

Cr Gretchen Robertson

Cr Bryan Scott

Cr Kate Wilson

Welcome

Chairperson Noone welcomed Councillors, members of the public and staff to the meeting at 1:00pm. Staff present included Pim Borren, (interim Chief Executive), Nick Donnelly (GM Corporate Services), Anita Dawe (GM Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer), Dianne Railton (Governance Support), and Warren Hanley (Senior Resource Planner Liaison). Also present were Simon Anderson (lawyer from Ross Dowling, Felicity Boyd (consultant from Incite), and Shannon Wallace (MfE).

Chair Noone acknowledged the recent passing of Her Majesty Queen Elizabeth II on 8 September 2022, and asked attendees to stand for a moments silence.

1. APOLOGIES

Resolution: Cr Noone Moved, Cr Calvert Seconded:

That the apologies for Cr Deaker and Cr Forbes be accepted.

MOTION CARRIED

Cr Hope attended the meeting electronically.

2. PUBLIC FORUM

No public forum was held.

3. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. CONFIRMATION OF MINUTES

Resolution: Cr Laws Moved, Cr Wilson Seconded

That the minutes of the (public portion of the) Council meeting held on 24 August 2022 be received and confirmed as a true and accurate record.

MOTION CARRIED

Resolution: Cr Laws Moved, Cr Wilson Seconded

That the minutes of the (public portion of the) Council meeting held on 29 August 2022 be received and confirmed as a true and accurate record.

MOTION CARRIED

6. MATTERS FOR CONSIDERATION

6.1. Draft submission on Ministry for the Environment's consultation document "Managing our wetlands in the coastal marine area"

The paper reported on the Ministry for the Environment's (the Ministry) consultation document "*Managing our wetlands in the coastal marine area*" (the current consultation) and recommend a draft submission for Council approval. Anita Dawe (General Manager Policy and Science) and Warren Hanley (Senior Resource Planner Liaison) were present to speak to the report and respond to question.

Following discussion, the submission will be amended to include the wording '*if further changes to this instrument are identified as being required, ORC would support that work being done through the Regional Sector Group*'.

Resolution CM22-234: Cr Wilson Moved, Cr Malcolm Seconded

That the Council:

- 1) **Approves** the submission on *Managing our wetlands in the coastal marine area* (as appended) to be lodged on behalf of Otago Regional Council submission with the Ministry for the Environment, no later than 21 September 2022.

MOTION CARRIED

7. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Cr Noone Moved, Cr Calvert Seconded:

Chair Noone moved that the public meeting be adjourned and reconvene following the public-excluded session, to provide the opportunity for RPS discussion to occur in public if required.

Chair Noone also moved that the public be excluded from the following parts of the proceedings of this meeting, (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987), and that Simon Anderson (lawyer from Ross Dowling) and Felicity Boyd (consultant from Incite) be permitted to remain at this meeting, after the public has been excluded, because of their legal and professional knowledge.

MOTION CARRIED

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\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>Minutes of the 24 August 2022 public excluded Council Meeting</i>	<p>Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons;</p> <p>Section 7(2)(b)(ii) To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;</p> <p>Section 7(2)(i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	
<i>Minutes of the 29 August 2022 Extraordinary public excluded Council Meeting</i>	<p>Section 7(2)(g) To maintain legal professional privilege.</p>	
<i>2.1 RPS Notification</i>	<p>Section 7(2)(g) To maintain legal professional privilege.</p>	<p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of</p>

		<p>the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p><i>2.2 Process for appointing a permanent Chief Executive</i></p>	<p>Section 7(2)(i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are shown above.

8. CLOSURE

The public meeting reconvened at 2:42pm, and as there was no further business and Chairperson Noone declared the meeting closed at 2:42pm.

 Chairperson

 Date

Council Meeting Agenda - 28 September 2022 - OPEN ACTIONS FROM RESOLUTIONS OF THE COUNCIL

OPEN ACTIONS FROM RESOLUTIONS OF THE COUNCIL (PUBLIC) AT 28 SEPTEMBER 2022

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
29/09/2021	Chairperson's Report	In Progress	Undertake a review of the Manuherehia Governance decision making process. Res CM21-167	Chairperson	09/02/2022 Delayed until TAG complete science work. 29/03/2022 Still waiting for TAG to complete the science work.	09/12/2021
23/03/2022	ENG2202 Bylaw Approval to Commence Consultation	In Progress	Dr Palmer (GM Operations) to develop a policy around construction of walkways on ORC owned floodbanks by 30 June 2022. Res CM22-132	General Manager Operations	22/04/2022 A policy is in preparation. The timeframe is unable to be met due to the resolution made by finance committee on 1 June 2022.	30/06/2022
29/06/2022	CS2233 Annual Plan 2022/23 - Adoption	In Progress	Staff to report back to Council on alternative catchment based rating systems for river management (and potentially other catchment funded work streams) in time for consideration in the 2023/2024 Annual Plan. Res CM22-196	General Manager Corporate Services and CFO, Manager Corporate Planning	17/08/2022 General Manager Corporate Services and CFO This will be included in the Annual Plan 2023-24 process.	30/06/2023

8.1. Annual Report 2021/22 - Adoption

Prepared for:	Council
Report No.	GOV2253
Activity:	Governance Report
Author:	Sarah Munro, Finance Manager Expenditure and Reporting
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	28 September 2022

PURPOSE

- [1] The Annual Report for the period 1 July 2021 to 30 June 2022 has been completed and is presented to Council for adoption.

RECOMMENDATION

That the Council:

- 1) **Receives** this report.
- 2) **Approves** and adopts the Annual Report for the year ended 30 June 2022.
- 3) **Authorises** the chairperson and Chief Executive to sign the Annual Report and Representation Letter on behalf of Council.

BACKGROUND

- [2] The draft Annual report was presented to the Audit and Risk committee on 21 September 2022 for their review.
- [3] Council's Auditor, Mrs Heidi Rautjoki from Deloitte, is currently the appointed Auditor of the Council. Mrs Rautjoki and Mr Aveshin Govender, an Associate Director for Deloitte, attended the Audit and Risk Subcommittee meeting and discussed the audit process and their findings with the Audit and Risk Subcommittee.
- [4] Deloitte's audit opinion will be issued after Council approves the Annual Report and Financial Statements. Deloitte have indicated there are no matters that have arisen through the audit that warrant them issuing a modified audit opinion.
- [5] The Audit and Risk Subcommittee endorsed the draft Annual Report and Financial Statements for the year ended 30 June 2022, and recommended that they be presented to Council for adoption at the 28 September 2022 Council meeting.
- [6] The Annual report is attached for consideration and approval of Council. The representation letter will be circulated via email when available.
- [7] The Annual Report includes the Statement of Service Performance for each group of activities and Financial Statements for Council as a whole, and the Group. The Group comprises Council and its wholly owned subsidiary, Port Otago Limited, and its subsidiaries.
-

- [8] The draft Statement of Service Performance and preliminary financial result for the year were presented to the Finance Committee on 25 August 2022.
- [9] The preliminary financial result for the period 1 July 2021 to 30 June 2022 included detail and explanation around the major variances between actual and planned operating expenditure. The significant adjustments between that preliminary report and the final financial result included in the Annual Report are detailed below:
- a. Re-classification in the Annual Report of councillors' remunerations of \$858,000 from employee benefits expense expenditure in the preliminary result to other expenses expenditure in the Annual Report.
 - b. Revaluations had not been completed at the time the preliminary result was presented. Investment Property was revalued as at 30 June 2022 and resulted in a \$350,000 gain, increasing the value of the asset and revaluation reserve.
 - c. The shares in subsidiary Port Otago Limited were revalued as at 30 June 2022 and resulted in a \$87,960,000 gain, increasing the value of the asset and revaluation reserve.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [10] None noted.

Financial Considerations

- [11] None noted.

Significance and Engagement

- [12] None noted.

Legislative and Risk Considerations

- [13] Under section 98 of the Local Government Act council is required to prepare and adopt an Annual Report within 4 months after the end of the financial year.

Climate Change Considerations

- [14] None noted.

Communications Considerations

- [15] None noted.

NEXT STEPS

- [16] None noted.

ATTACHMENTS

1. Annual Report 30 June 2022 [8.1.1 - 136 pages]



Otago Regional Council Annual Report

1 July 2021 to 30 June 2022



Moeraki, Waitaki

Contents

Introduction	2
Message from our Chair and Chief Executive.....	2
Councillors and their Constituencies	4
Development of Māori Capacity to Contribute to Decision Making	5
Our Strategic Directions	6
Community Outcomes	7
Acknowledgements	7
Our Activities and Performance	8
Overview of our Activities	9
Statement of Service Provision	10
Regional Leadership	11
Environment	23
Safety and Resilience	36
Transport	47
Financial Statements	54
Funding Impact Statements for Otago Regional Council Activities	55
Financial Statements	61
Annual Report Disclosure Statement for year ending 30 June 2022	121
Additional Information	127
The Organisation	128
Directory	128
Office and Depot Locations	129
Statement of Compliance	129
Independent Auditors' Report	130

Introduction



Chairperson, Andrew Noone and Interim Chief Executive, Dr Pim Borren.

Message from our Chair and Chief Executive

Tenā koutou, there have been many challenges during the 2021-22 financial year. The most significant being ongoing work to develop our Regional Policy Statement (RPS) and the proposed Land and Water Regional Plan (LWRP). Both pieces of work required enormous workload on the part of staff and governance.

The challenges are due to a range of reasons, not least of all the changing landscape the Otago Regional Council is working within. The proposed Land and Water Regional Plan (LWRP) is challenging partly because ORC

has not reviewed its existing Plan for such a long time and partly because this council is now the first “cab off the rank” in terms of leading the sector to get the new Plan notified on current timelines.

There have been many changes in both legislation and national policy statements (NPS) as central and regional government grapple with the challenges of greater protections for our environment as well as the onset of climate change and the range of added concerns such change creates across all countries.

As a result of ORC stepping up to these significant responsibilities, the Council has increased resourcing to meet this increased work requirement. We appreciate the significant impact this increased commitment placed on our ratepayers but largely feel our communities across the region understand the need for ORC to lift its game.

Another significant achievement has been signing a new formalised MOU with local mana whenua Kāi Tahu and the closer governance partnership manifested through regular Mana to Mana meetings, as well as the contribution of two representatives on our Strategy and Planning Committee. Our relationship with mana whenua continues to evolve in positive and constructive ways and we look forward to continuing progress in the years ahead.

As we take a breath following a busy year, we notice two words, 'ramping up,' mentioned repeatedly throughout this report describing the Otago Regional Council's 2021-22 performance.

Additional to our increased activity, we have also shared with the rest of NZ the challenges and delays caused by the Covid-19 pandemic. Notwithstanding these challenges our workload increased during this financial year, as did public-facing engagement, public transport work and governance and accountability across the board.

Much of this year's growth, such as in consents arising from stricter on-farm grazing requirements, reflects relatively recent Government policy coming into effect for the first time. Also, community aspirations for how waterways should be safeguarded from pollutants. Other work streams, such as managing plant and animal pests like wallabies and rabbits and moving to protect our nationally important wetlands such as Lake Tuakitoto near Kaitangata, which literally brims with indigenous bird and plant biodiversity, also reflected the consulted pathway Otago people set for us.

Moving to online public consultation due to Covid-19 meant we could still press ahead with plans to help safeguard Otago's environment and manage the jewels in Otago's crown, our rivers and lakes. This occurred for public consultation for the LWRP.

We are proud that despite the complex, multi-layered and often controversial nature of this task, the dedication across ORC teams has been second to none as we move steadily towards notifying our draft LWRP at the end of 2023.

We are committed and on track to deliver a robust, high-quality plan that will help to manage our precious freshwater resource in the face of climate change and population growth and provide for the commercial and recreational needs of Otago in the years to come.

Challenges this year especially affected quarter one, with Covid-19 alert level 4 (lockdown) restricting fieldwork activities and impacting planned programmes for flood protection, biosecurity, environmental monitoring and some regulatory work.

Although we completed a review of our flood protection bylaw required after 10 years and gazetted a new 2022 version. We also kept up maintenance on our flood and drainage infrastructure – although our schemes did not need testing in what was a dry 12 months.

Covid-19, illness and driver shortages also played havoc

with our public transport services in Dunedin and Queenstown, reducing patronage numbers and driver availability in the latter part of the year.

Despite all these challenges, the Council as a whole nevertheless delivered and met 65% of our service targets for the year. Also, we saw a massive effort put in by our staff at the Environment Court as new provisions were rigorously tested and validated, in most cases.

We would like to thank all ORC staff for their dedicated mahi, and our public for their support of our work. Community engagement levels with the council have continued to be strong, for positive and for negative, and this is testament to the interest in us our communities throughout Otago maintain.

It's important here to acknowledge compliance of new rules and regulations – especially landowners and farming communities. The pace of change has been demanding, with the ORC needing to respond to Central Government reforms, all the while balancing community expectations. We are delighted that communities we represent clearly care as much for our environment as we do.

We would especially like to acknowledge our Council members for their ongoing commitment to our communities across the region. This year we will farewell Michael Deaker after seven terms and Hilary Calvert after one term and would like to acknowledge their contribution to ORC. During the year we also farewelled Sarah Gardner, Chief Executive and acknowledge her significant contribution to ORC. We wish all of them well for their futures.

Next year will be another big year for ORC, and the words 'ramping up' will come back to this report we have no doubt. Keep an eye out for major restoration projects of Lake Hayes and the Te Hikapupu/Pleasant River – the latter courtesy of significant funding from the Ministry for the Environment. Also, our new Regional Land and Water Plan!

Kā mihi nui,



Andrew Noone
CHAIRPERSON



Dr Pim Borren
INTERIM CHIEF EXECUTIVE

Introduction

Councillors and their Constituencies

Your elected Otago Regional Councillors represent the region's four constituencies – Dunedin, Dunstan, Moeraki and Molyneux.

Chair – Andrew Noone. **Deputy Chair** – Michael Laws (July-March), Kevin Malcolm (April-June)

Dunedin constituency

Six councillors represent the Dunedin constituency.

Six Councillors represented the Dunedin constituency for the first four months of the financial year; Cr Marian Hobbs resigned from her position on 01 November 2021 and was not replaced. Dunedin is comprised of central Dunedin and the Waikouaiti Coast, West Harbour, Otago Peninsula and Saddle Hill community board areas located within the Dunedin City territorial area.

Cr Hilary Calvert, Cr Gretchen Robertson, Cr Bryan Scott, Cr Michael Deaker, Cr Andrew Noone

Dunstan constituency

Three councillors represent the Dunstan constituency.

Dunstan is comprised of the Central Otago District and Queenstown Lakes District territorial areas.

Cr Alexa Forbes, Cr Gary Kelliher, Cr Michael Laws

Moeraki constituency

One councillor represents the Moeraki constituency.

Moeraki is comprised of the Otago portion of Waitaki District territorial area, being part of the Ahuriri and Corriedale wards, and the entirety of the Oamaru and Waihemo wards.

Cr Kevin Malcolm

Molyneux constituency

Two councillors represent the Molyneux constituency.

Molyneux is comprised of the Clutha District territorial area and the Mosgiel-Taieri and Strath-Taieri community board areas located within the Dunedin City territorial area.

Cr Carmen Hope, Cr Kate Wilson



Cr Andrew Noone
CHAIR



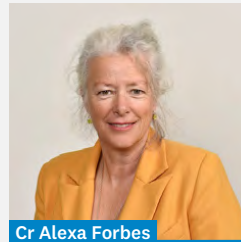
Cr Kevin Malcolm
DEPUTY CHAIR



Cr Hilary Calvert



Cr Michael Deaker



Cr Alexa Forbes



Cr Carmen Hope



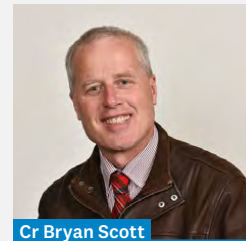
Cr Gary Kelliher



Cr Michael Laws



Cr Gretchen Robertson



Cr Bryan Scott



Cr Kate Wilson

Development of Māori Capacity to Contribute to Decision Making

He Mahi Rau Rika, Council's Significance, Engagement and Māori Participation policy, expresses our intentions to go beyond our minimum statutory responsibilities through engagement with Māori. This includes actively seeking to provide for meaningful engagement with mana whenua, based on the principles of partnership in Te Tiriti o Waitangi. He Mahi Rau Rika, was adopted in October, replacing the 2017 Significance and Engagement policy.

Over 2021-22 we have worked with our iwi partners and their resource consultancy arms (Aukaha and Te Ao Marama) to give effect to the Treaty of Waitangi partnership, strengthen it and acknowledge the unique, enduring relationship mana whenua have with this land.

The acknowledged practice of Te Rūnanga o Ngāi Tahu is that consultation in the first instance is with Papatipu Rūnanga. There are four Kāi Tahu ki Otago Rūnanga:

- Te Rūnanga Moeraki
- Kati Huirapa Rūnanga ki Puketeraki
- Te Rūnanga o Ōtākou
- Hokonui Rūnanga

There are three Ngāi Tahu ki Murihiku Rūnanga with interests in the region as well, which are:

- Awarua Rūnanga
- Waihopai Rūnanga
- Ōraka-Aparima Rūnanga

This year saw more engagement with Southland Rūnanga, and representatives were invited to join Mana to Mana and the Land and Water Regional Plan Governance Group.

We are committed to supporting and facilitating mana whenua participation in our workstreams and decision making, and building the work we do in partnership.

At the governance level this is reflected in the Mana to Mana group which enables councillors and Rūnanga Chairs/Upoko to regularly meet to identify and agree key areas for engagement and to review the development of the partnership. In June 2022 refreshed Terms of Reference for Mana to Mana were signed at Puketeraki Marae, as a commitment to the partnership.

At an operational level there has been increasing, active engagement on a range of issues, including land, water and air quality, biodiversity, natural hazards infrastructure, compliance and consenting, climate change and emergency management.

For 2021-2022 key opportunities included:

- Implementation of He Mahi Rau Rika (Significance, Engagement and Māori Participation Policy)
- Strengthening governance engagement in the partnership, via four meetings of Mana to Mana (and refreshed Terms of Reference)
- Iwi representation on the Strategy and Planning Committee (two iwi seats with full voting rights)
- Implementation of the Strategic Directions 2021-31
- Rūnaka feedback on ORC values translations and graphic development
- Development of Integrated Catchment Management and Catchment Action Plan frameworks
- Land and Water Regional Plan Governance Group (ongoing)
- Members of the Land and Water Regional Plan project team, including chapter development, community consultation and the Māori economy work programme (ongoing)
- Partnership with rūnaka in 'Jobs for Nature' funded projects, such as Te Hakaupū/Pleasant River restoration project
- Engagement in Council's 'Whare Rūnaka Dunedin' project
- Ongoing working relationships in the consenting, compliance and regulatory teams
- 'Te Mana o Taiari' governance, alongside Iwi and the Department of Conservation (ongoing)
- Biodiversity Regional Hui cooperation (ongoing)
- Development of improved social procurement processes and policies
- Direct engagement between Civil Defence Emergency Management, Rūnaka and Iwi

We recognised the need to invest in building the bicultural competence of our staff. ORC entered into an agreement with the Otago Polytech to provide bicultural competency training which includes modules on Te Reo, Tikaka, and the Treaty of Waitangi. There has been strong interest and uptake amongst staff this year.

Strategic Directions

Our strategic directions help to set the direction for us as a regional council and guide us to deliver on our priorities for the good of the region.

Our strategic directions were updated in 2021.

Our Values

Ō MĀTAU UARA

- Accountable
- Caring
- Creative
- Collaborative
- Trustworthy
- Open and honest

Our Mission

TE KAUPAPA

Enriching life in a way that ensures positive relationships between environment, people and place, now and for our future.

Whakahaumakohia te ao kia whiria te taura ora ki waeka i te taiao, i te tai-takata, i te tai-whenua mō nāianeī, mō te āpōpō hoki.

Vision for ORC – TE WHĀIKA KI ORC

Otago's communities, through engagement, trust us to make well-informed decisions and enable solutions.

What we will do – KA AHA MĀTAU

Protect, Connect, Enhance, Enable

Ka tāwharau, ka whakahono, ka whakaniko, ka whakamana

The wellbeing of Otago's communities – now and in the future – is at the heart of what we do. We strive to ensure communities can rely on the Otago Regional Council for knowledge about the region's environment and communities; to lead environmental management in Otago in partnership with mana whenua; to collaborate to create resilient and sustainable communities; and to advocate for Otago communities on issues affecting the region.







Community Outcomes

Our Vision for Otago – TĀ MĀTAU WHAIKA KI ŌTĀKOU

	Communities that connect with, and care for, Otago's environment		An environment that supports healthy people and ecosystems
	Communities that are resilient in the face of natural hazards, climate change and other risks		Te Ao Māori and Mātauranga Kāi Tahu are embedded in Otago communities
	Sustainable, safe and inclusive transport		A sustainable way of life for everyone in Otago


ORC's Community Outcomes describe what is valued as important for a good quality of life in Otago. In our 2021-31 Long-term Plan the Otago Regional Council identified these six Community Outcomes which the Council seeks to achieve through the delivery of our activities. We aspire to improve the wellbeing (social, economic, environmental and cultural) of our region through our work in these four groups of activities.

This matrix shows the four groups of activities and the Community Outcomes to which they most strongly align:

						
Regional Leadership	✓	✓	✓	✓	✓	✓
Environment	✓	✓	✓	✓		✓
Safety and Resilience			✓			✓
Transport					✓	✓

Acknowledgements

We thank the district and city councils, other institutions, urban and rural industries, Kāi Tahu and the communities of Otago for working constructively with us to ensure the best possible outcomes for our region and its people.

 **Andrew Noone**
CHAIRPERSON

 **Dr Pim Borren**
INTERIM CHIEF EXECUTIVE

Our Activities and Performance

Our Activities and Performance



Overview of our Activities

Otago Regional Council’s ten activities are arranged into four groups of activities:



Regional Leadership

- Governance and Community Engagement
- Regional Planning
- Regulatory

Our Regional Leadership work supports informed decision making and an engaged community. Our democratic decision-making process and community-elected councillors ensure everyone’s voices around Otago are heard and that leadership is provided to benefit Otago. Our regional plans set out objectives, policies and rules for the sustainable use of natural and physical resources in Otago, and our regulatory work supports the sustainable management of water, land, air and coast. We also need organisational and functional strategies and plans to support regional regulation and implementation, promote regional wellbeing and build community capacity and resilience.



Environment

- Land and Water
- Biodiversity and Biosecurity
- Air

Environmental management is at the heart of what Otago Regional Council does. We have a responsibility to lead and work with communities in our natural environment. We facilitate the sustainable use of water, land, air and coasts. We do this in part by protecting our unique biodiversity, managing pests, and monitoring the state of the environment. We are also reviewing our regional plans and transitioning towards an integrated catchment management approach to protect freshwater, land, coastal environment, and ecosystems.



Safety and Resilience

- Natural Hazards and Climate Change
- Flood Protection, Drainage and River Management
- Emergency Management

Risk management and building resilience is a key focus for Otago Regional Council. We identify and monitor natural hazards and work to support communities to understand the implications of risk and to make informed decisions. Climate change is a critical issue; our work includes gathering information to better understand the challenges and risks to the region, as well as looking at adaptation planning. Our flood protection schemes help protect people and properties from floods; and our drainage schemes help maintain the productive capability of the land and waterways. We also respond to flood events and support Otago Civil Defence and Emergency Management.



Transport

- Transport (including Regional Transport and Public Passenger Transport)

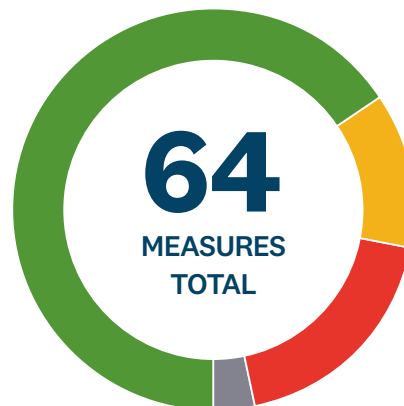
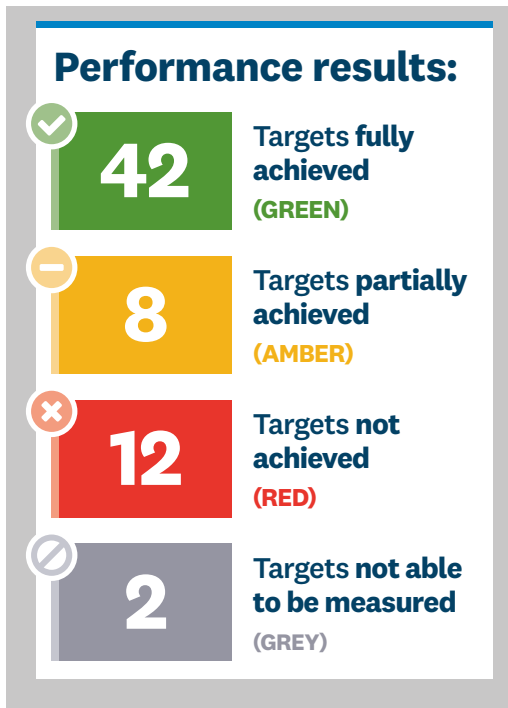
Otago Regional Council is responsible for public transport in Otago and through contracted operators we provide public passenger transport services in Dunedin and Queenstown. We also provide a regionwide Total Mobility scheme to assist eligible people who are unable to use public transport. We facilitate wider transport projects in Otago and prepare a Regional Land Transport Plan in collaboration with Environment Southland. We are also responsible for the servicing and maintaining three of Otago’s nine stock truck effluent disposals (STEDs).

Statement of Service Provision

This section reports on Council’s performance against service measures adopted in the Long-term Plan 2021-31.

The Long-term Plan contains 36 Level of Service statements, 64 measures and 72 targets; of these, 64 relate to activities delivered in the 2021-22 year. Performance against these service measures and targets is reported by groups of activities and quarterly updates have been presented to Council’s Finance Committee.

Funding Impact Statements, that identify the costs and funding associated with each group are included in the financial section of this Annual Report.



Bendigo, Central Otago

Regional Leadership

This group of activities includes the following council activities:

- Governance and Community Engagement
- Regional Planning and Urban Development
- Regulatory

Performance results



Community Outcomes

Our Regional Leadership activities contribute to:



Governance and Community Engagement

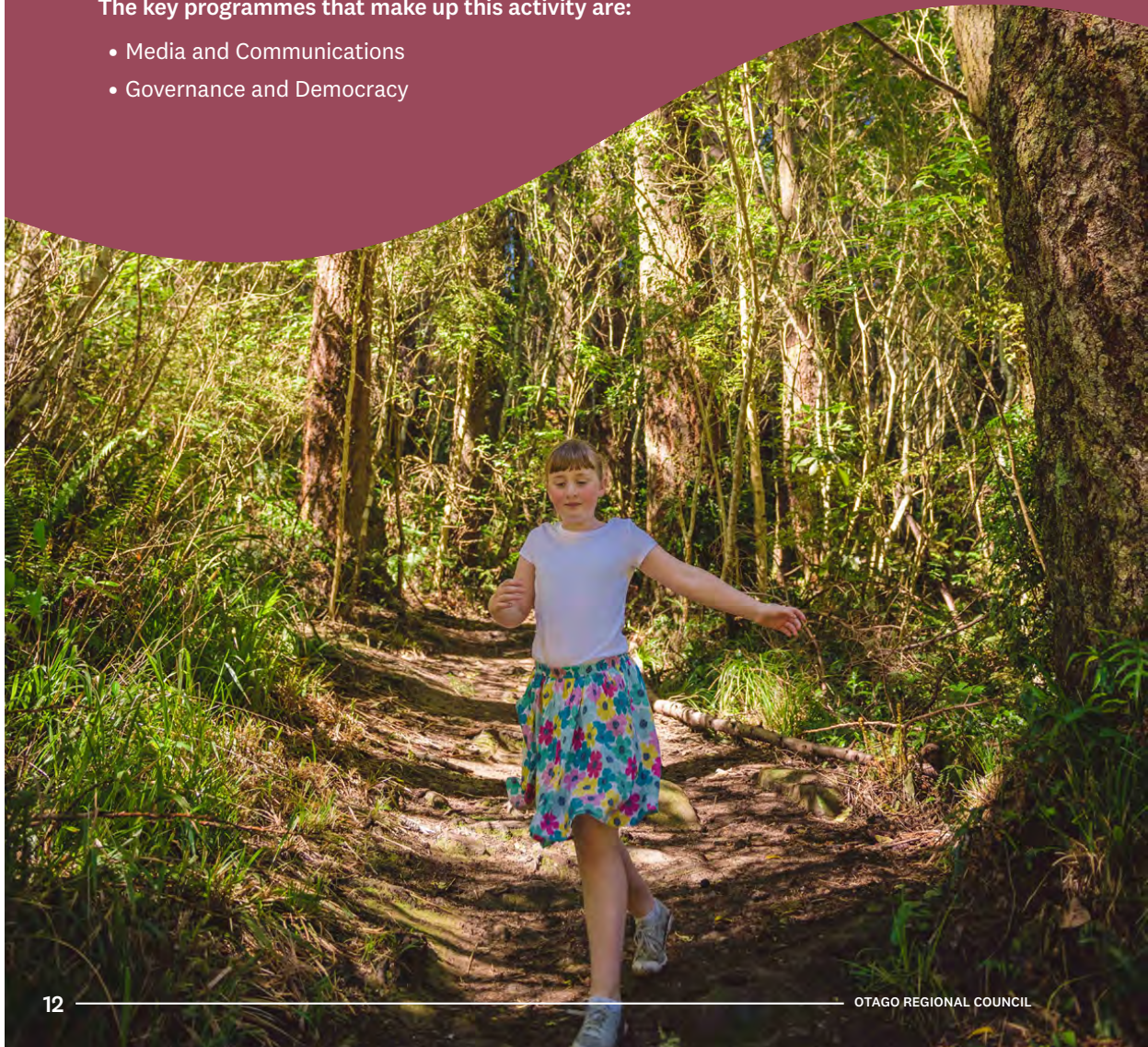
Connecting our communities in a timely and meaningful way to the work of the Regional Council is vital.

Through our elected representatives and communication and engagement activities, the many diverse voices from around Otago can be heard and be part of our decision-making processes. In turn, we share the stories about our work, to raise awareness of the results of the investment Otago people make in us.

We aim to provide quality leadership that benefits our region and our work in this activity supports Otago's elected Regional Council representatives to carry out their duties.

The key programmes that make up this activity are:

- Media and Communications
- Governance and Democracy



Performance and Delivery

Media and Communications

We have a dedicated team providing easy-to-understand communication that encourages and drives engagement with communities in Otago. This year our work crucially provided information people needed to keep doing business with ORC during Covid-19 restrictions.

We also promoted and drove participation in the online consultation process for the pivotal first phase of engagement leading to a new Land and Water Regional Plan - a priority for ORC, and the 2022-23 Annual Plan. We maintained our media presence, responding to media enquiries and telling the positive stories about ORC's work and programmes wherever possible. Our media releases and promotion of council papers assisted ORC's profile in a dynamic year.

Our responsibility under the Local Government Official Information and Meetings Act is to provide the public with transparency about our work. This year we responded to 24 media enquiries and issued 103 releases to media. We received 124 requests under LGOIMA and fulfilled 121 (97.5%) within the statutory time frame.

We conducted Council's inaugural community perceptions survey to understand community awareness, perceptions and expectations of the Council. This will provide a baseline for understanding community perceptions of the organisation, the work we do and the impact it is having for the Otago communities and the environment. The research consultants recommended four key considerations and a subsequent action plan was developed and is being implemented.

Enviroschools

Council coordinates the Enviroschools programme in Otago, which aims to foster a generation of young people who instinctively think and act sustainably. Our support of over 100 schools and Early Childhood Centres throughout Otago continued this year, although Covid-19 restrictions limited the number and types of events we were able to run.

Customer Experience

Although there were challenges from the pandemic and Council's in-person customer service points were closed during Covid-19 alert levels three and four, we continued to provide services and respond to enquiries online and via phone. Our two public facing offices at Queenstown and Dunedin reopened to the public in September. Over the year, general enquiries continued at a steady rate with over 57,000 enquiries via phone, email, social media and in person. As in other years, the main focus for our customer interactions continued to be transport, rates, and consents.

Governance and Democracy

The year saw a sustained pace of governance work to support Council priorities, we held 17 Council meetings,

33 committee meetings, plus four subcommittee meetings. There was change around the council table during the year with Councillor Marian Hobbs resigning on 1 November 2021 and after considered options under the Local Government Act, the Council decided not to fill the vacancy. Councillor Michael Laws resigned as Deputy Chair in May, with Councillor Kevin Malcolm voted in as the new Deputy Chair. Council also reviewed its Code of Conduct, adopting a new version, which added mediation as a requirement and established an independent person to run the process.

The Council also kept an eye on Local Government reform driven by Central Government. This meant briefings, submissions and engagement on Three Waters, Resource Management and the Future for Local Government Review. ORC continued to submit six-monthly reports to the Minister for the Environment, David Parker on progress towards achieving his November 2019 recommendations related to the Land and Water Regional Plan.

In December Council initiated an independent inquiry into demolition material deposited into the Clutha Mata-Au River in March 2021. Sir Graham Panckhurst was appointed to lead this and in June, following a review of the relevant information and interviews, he delivered his findings. The inquiry resulted in learnings for the organisation.

Iwi Engagement



We are particularly proud of our committed support of mana whenua participation in ORC workstreams, in our decision-making, and building the work we do in partnership. This year there were 19 projects or outputs from the Council's partnership with iwi. More detail on our partnership work is included earlier in this Annual Report.

An important aspect of working in partnership is building bicultural competency. Bicultural competence is the ability to work alongside Te Ao Māori (Māori worldview) with confidence and understand how it is relevant to Council's work. Biculturally competent people can relate to varied ideas and people in a more flexible and adaptable manner. So in addition to working towards a greater relationship between Council and mana whenua, it is also a fantastic soft skill for our staff.

Council entered into an agreement with Otago Polytechnic to provide bicultural competency training over three years. This includes training modules on Te Reo, Tikaka, and the Treaty of Waitangi, with associated assessment and micro-credentials to demonstrate learning. Interest and uptake has been strong this year with 57 participants, some enrolled in multiple courses.


Performance Results

LEVEL OF SERVICE: Provide and promote governance processes and democratic decision making that is robust and transparent for the community.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of council agendas that are publicly available two working days or more before a meeting.	100%	100% 
Percentage of official information requests responded to within 20 working days of being logged.	100%	97.5% 



NOTE: 124 requests received and 121 responded to within the statutory time frame. Three requests fell outside of 20 days due to issues with internal processes; to address these issues we have initiated a LGOIMA training programme for staff.

LEVEL OF SERVICE: Develop and deliver robust and effective corporate planning and reporting.



PERFORMANCE MEASURE	TARGET	RESULT
Deliver our statutory requirements with acceptable process and deliverables to decision-makers and the community.	Unmodified audit reports received.	



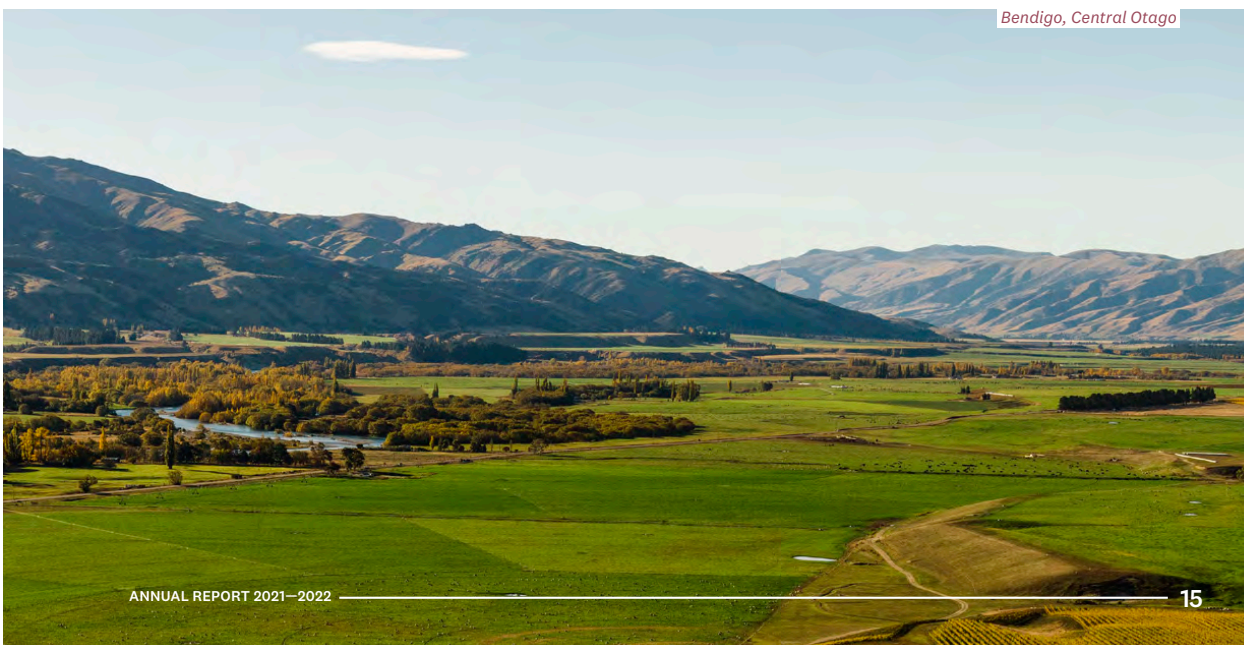
LEVEL OF SERVICE: Build mana whenua participation in Council decision making through a treaty-based partnership approach in our engagement.

<p>PERFORMANCE MEASURE Work done in partnership with iwi; increase the number of outputs and groups working together on projects.</p>	<p>TARGET Establish baseline.</p>	<p>RESULT 19 </p>
<p>PERFORMANCE MEASURE Build the bicultural competency of ORC staff and Councillors.</p>	<p>TARGET ≥50 participants in programme per year.</p>	<p>RESULT 57 </p>

LEVEL OF SERVICE: Provide relevant, timely and accessible communications and engagement activities which enable the community to understand and participate in ORC's programmes and decision making.

<p>PERFORMANCE MEASURE Annual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.</p>	<p>TARGET Survey completed to establish baselines and a report made public.</p>	<p>RESULT 9 December 2021 Council Meeting </p>
<p>PERFORMANCE MEASURE Customers express high levels of satisfaction with customer service provision.</p>	<p>TARGET Determine methodology and conduct benchmarking of customer satisfaction.</p>	<p>RESULT </p>

NOTE: Project was not progressed and has been deferred until the next financial year due to staff turnover and prioritisation.



Regional Planning

We set strategic direction on Otago’s natural resources through a robust resource planning framework that guides how people interact with the environment. Our regional plans set out objectives, policies and rules for sustainably using natural and physical resources in Otago, including water, land, air, and the coast.

The Otago Regional Council also needs organisational and functional strategies and plans to support regulation, on-ground action and community capacity-building. Strategic direction and collaboration on important regional issues, such as climate change and community wellbeing, help support better outcomes for Otago communities.

Another important component of this activity is working with Otago’s city and district councils on resource management and urban development.

The key programme that makes up this activity is:

- Regional Planning



Performance and Delivery

The Regional Policy Statement (RPS) identifies the significant resource management issues for Otago and explains how national direction on resource management will be applied. It sets out what we want for Otago, what's stopping us achieving this, and how we will solve those problems.

In recent years much work was done to review the RPS, with a draft notified at the end of 2020-21. However, the next steps in the processes were put on hold after interested parties made procedural challenges. Council subsequently brought proceedings in the High Court to determine whether the proposed RPS was a freshwater planning instrument, in its entirety, in terms of the Resource Management Act.

Although the hearings process was suspended awaiting the outcome of the High Court declaratory proceedings, an RPS Hearings Panel was appointed in January. In April the Panel directed parties to undertake pre-hearing discussions to resolve or narrow points of difference. ORC led this process with interested parties and pre-hearing discussions started in June. At the end of 2021-22 the High Court decision was still pending and the RPS Hearings were expected to start in September 2022.

Plan Changes

Our wider planning programme progressed this year with continued work on a range of plan changes. In May the Environment Court endorsed Plan Change 1 provisions and Council subsequently ratified proposed changes to the Regional Plan: Waste, set to become operative in July 2022. This was the result of a constructive mediation process and has meant a good environmental and policy outcome. Plan Change 7 to the Water Plan is operative and the rural provisions of Plan Change 8 to the Water Plan have also taken effect.

Urban Development

There has been important work in urban development with the Housing Bottom Lines for Queenstown and Dunedin added to the partially operative RPS in April. Staff provided support for QLDC and DCC Future Development Strategies (FDS).

Partnership agreements have progressed and these are expected to be formalised in July 2022. Support was also provided to the Waitaki District Council on an urban focused growth strategy.

Responding to Issues

It has been a busy year for our staff responding to potential issues arising from new government standards and legislation. Council has lodged submissions on a range of central government proposed policies and laws, including the National Environmental Standards for

Drinking Water, Environmental Monitoring and Reporting Act, the National Waste Strategy, and proposed changes to the Emissions Trading Scheme. Also, the Council was involved in two district plan reviews and concluded a complex appeal process involving significant natural hazard risk management matters.

Strategy Work

Our strategy team has provided oversight to ORC responses to legislative reforms, including Council briefings, and led collaborative work with district councils responding to Resource Management Act reform. With approval of the Council's Strategic Directions in October, work began to incorporate these across the organisation.

Strategy work on the Land and Water Regional Plan focused on improving understanding of the interaction between natural resources and the economy. This work has multiple workstreams including a farmer/grower workstream to develop a baseline economic report on Otago's primary industries, plus establishing an Industry Advisory Group; a "catchment stories" project to understand how Otago's communities manage land and water; a project in partnership with Aukaha and Te Ao Marama to understand the Māori economy; and an economic profile of land and water in Otago. Reports from these workstreams will feed into the economic impact assessment of the Land and Water Regional Plan.

We have been working collaboratively on a wellbeing framework for Otago with Kāi Tahu, Te Ao Marama, District Councils, and others including the Southern District Health Board and Kāinga Ora. The work will inform development of community wellbeing indicators and although a planned report on the project was not available before the end of the year, it is expected in September 2022.

Climate Change

Climate change is a major focus for the Council and a Principal Advisor Climate Change was appointed this year. Work has included programme development and workshops with local councils. An inventory of local government climate change initiatives is complete, and a Council stocktake underway, all of which support development of a climate change road map expected early in the new financial year. We also submitted on the draft National Adaptation Plan and the Emissions Reduction Plan.

Integrated Catchment Management

Good progress has been made towards our integrated catchment management framework. Six key work areas for developing Catchment Action Plans (CAPs) were identified and ongoing consultation is underway to finalise this framework, and collaboration options, with the community.

Performance Results

LEVEL OF SERVICE: Support Otago’s councils and communities to manage environmentally sustainable urban growth.

PERFORMANCE MEASURE

Develop an integrated planning framework that enables well managed urban growth across Otago.

TARGET

Establish partnership agreements with DCC and QLDC by 30 June 2022.

RESULT



NOTE: Partnership agreements, although significantly progressed by 30 June, were formalised at the Strategy and Planning Committee on 13 July 2022. Council endorsed an interim governance structure, to work in partnership with Dunedin City Council (DCC) to deliver the FDS for Dunedin, following a workshop on 26 May 2022. Council also endorsed the use of the existing Grow Well Whaiora Partnership to deliver the Future Development Strategy (FDS) in partnership with QLDC. ORC had been invited by QLDC to join the partnership in October 2021 and ORC committed to it in January 2022.

LEVEL OF SERVICE: Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.

PERFORMANCE MEASURE

Complete review of existing Regional Policy Statement (RPS).

TARGET

Respond to hearing recommendations within specified timeframes.

RESULT



NOTE: Hearings were delayed and therefore no recommendations were confirmed for ORC to respond to, however Council completed every task set by the panel since notification including the summary of submissions, preparation of S.42a reports, and conducting pre-hearing discussions. Hearings are schedule to commence in 2022-23.

PERFORMANCE MEASURE

Lead the development, implementation and review of Integrated Catchment Plans (ICP), in collaboration with iwi and community.

TARGET

Commence development of an Integrated Catchment Planning programme and report to Council on progress by 30 June.

RESULT



LEVEL OF SERVICE: Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues.

PERFORMANCE MEASURE

Report on community wellbeing indicators.

TARGET

Develop baseline wellbeing indicators and report to Council.

RESULT



NOTE: A draft of the wellbeing framework has been developed but not yet finalised. Progress was slower than anticipated due to taking a collaborative approach and accounting for the impacts of Covid-19, and the capacity and availability of ORC and our partners. A final report is expected to be presented in September 2022.

Regulatory

As a Regulatory authority, ORC supports the sustainable management of water, land, air and the coast. We process resource consents, develop rules for how natural resources are used and managed, monitoring them and ensuring the rules are applied. We investigate activities that don't comply, providing services to ensure activities in Otago are consistent with both national and regional rules in the Resource Management Act.

Regulation is not the only way to get results. ORC has an educational and awareness-raising role, collaborating with Otago communities on campaigns to increase knowledge and understanding of environmental matters.

We are also responsible for maritime activity and navigational safety on lakes, rivers and harbours and for the regulation of ports under the Maritime Transport Act. In Queenstown and Wānaka, navigational safety is delegated to the Queenstown Lakes District Council.

The key programmes that make up this activity are:

- Consent Processing
- Compliance Monitoring and Contaminated Sites
- Incident Response, Investigation and Enforcement
- Harbours and Waterway Management



Performance and Delivery

Regulatory work ramped up this year, processing more consents and exceeding targets for compliance monitoring audits. The quality of our regulatory processes was endorsed by the Courts, which ruled in ORC's favour on some notable cases related to consent conditions and enforcement.

Consent Processing

This year saw an increase in both consent applications and number of consents processed. ORC received 603 consent applications, compared to 587 in 2020-21, and we processed 55 resource consents each month on average. Despite the high workload, our Consent team met performance targets, processing 100% of resource consents within legislative timeframes. Decisions were issued on 665 consents, up from 404 the year before.

The higher volume of consents issued largely resulted from Plan Change 8, requiring consents for activities such as residential earthworks and discharges from dairy farms. Most applications that were related to deemed permits had been lodged in the previous year, but decisions came this financial year following the Plan Change 7 outcome. Since the Court approved this plan change, we issued decisions on 40 related applications to replace 58 deemed permits.

New consent requirements resulting from the National Environmental Standard for Freshwater (NES-FW) also contributed to a busy year. In preparation for the new requirement of consent applications for intensive winter grazing (IWG), the team developed information, held public workshops on dairy farm storage and provided landowners with advice. We also had a strong focus on staff training to prepare for the changes and meet demands.

The team received more than 200 enquiries a month on average, responding to over 80% within two working days and resolving 99% within seven working days. This is the first year we tracked response times and results will inform future baseline targets. We also provided more information on our website about the consents process and made copies of consent documents available online.

The quality of our consent processing was endorsed following a High Court appeal on consent duration for water takes by the Clutha District Council. The court found in ORC's favour and supported our approach to these types of applications. Our investigation and enforcement work was similarly recognised when the Court of Appeal dismissed an application by Wānaka developer Northlake Investments to overturn a 2017 conviction and fine for polluting the Clutha River. The win is not only important for ORC but for others involved in resource management compliance and enforcement.

Compliance Monitoring

As with other areas, compliance monitoring and enforcement also increased this year. We exceeded

compliance monitoring targets and graded 6,945 performance monitoring returns. Compliance monitoring included 1,097 onsite audits and site inspections, 243 dairy inspections, and 37 forestry inspections. All non-compliance found was followed up by staff and appropriate action taken, or investigations are ongoing.

Investigations and Enforcement

Significant investigations and enforcement followed pollution incidents or breaches of consent conditions. These ranged from sediment discharge and outdoor burning to aerial spraying, waste and septic discharge. This year ORC issued 104 formal enforcement actions and an interim enforcement order relating to a domestic wastewater discharge across a neighbouring property. We completed one prosecution, with six prosecutions ongoing. Standard operating procedures for incident responses were developed, improving consistency of service delivery and prioritisation of incident responses.

Incident Response

High demand for our incident response service continues, with 1,454 service requests through the Pollution Hotline related to 1,206 incidents. Water pollution (326), outdoor burning (278), and odour (174) were the most common issues reported. Our response to all incidents ranged from phone calls and desktop assessments to on-site investigations. Staffing for incident response has increased to better reflect high demand and provide coverage across Otago. Our ability to respond to oil spills has been maintained, with 20 responders attending two training exercises this year. A plan for responders to attend three exercises was untenable this year due to Covid-19 impacting training availability.


Harbour and Waterway Management

Managing our harbours and waterways involved upgrades to navigation aids and signage across Otago's waters, including in Otago Harbour and Lake Dunstan. Education and engagement included five days on the water for safety campaigns such as the national 'No Excuses' campaign, as well as time spent on the water around Otago interacting with recreational boating users. Educational presentations were made to various groups, and we improved our media campaign around boating safety. The Harbourmaster and/or Deputy Harbourmaster responded to all major and serious incidents within an hour of notification, however these incidents are not yet formally reported to Council.




ORC has improved the infringement and enforcement process to support the navigational bylaws, and this is with the Minister for Transport for final approval. We maintained compliance with the Port and Harbour Marine Safety Code and completed an internal review in May, which found safety management systems were fully compliant.

Performance Results



LEVEL OF SERVICE: Provide effective, efficient and customer centric consenting processes under the Resource Management Act (RMA) 1991 to enable the lawful use of natural and physical resources.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of resource consent applications processed within Resource Management Act 1991 legislative timeframes.	≥98%	100% 
Percentage of public enquiries for consent information completed within 7 working days.	Establish baseline.	Baseline: 99% 

LEVEL OF SERVICE: Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.

PERFORMANCE MEASURE	TARGET	RESULT
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%	116% 
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥85%	116% 
Percentage of significant non-compliances identified where action is taken in accordance with Compliance Policy.	100%	100% 

LEVEL OF SERVICE: Provide effective and efficient environmental response services to pollution incidents or notifications of non-compliant activities.

PERFORMANCE MEASURE	TARGET	RESULT
Maintain 24-hour/7-day-a-week response for environmental incidents.	Pollution hotline staff available/on call 24/7.	
Maintain 20 appropriately trained responders for maritime oil pollution incidents.	20 responders attend 3 exercises per year.	

NOTE: We maintained 20 appropriately trained responders who have been re-validated throughout the year by Maritime New Zealand (MNZ) when attending two exercises; the plan for three exercises was untenable due to Covid-19 impacts and MNZ agreed that two exercises only were required this year.

Regional Leadership – Regulatory

LEVEL OF SERVICE: Develop and maintain robust regulations and procedures to enable safe use and navigation of our region's ports, harbours, coastal areas and inland waterways.

PERFORMANCE MEASURE

Maintain compliance with Port and Harbour Marine Safety Code.

TARGET

Annual self-review is completed by ORC and POL and signed off by the Chief Executives.

RESULT



LEVEL OF SERVICE: Promote and encourage safe use of ports, harbours, coastal areas and inland waterways and take appropriate action in response to non-compliance and incidents.

PERFORMANCE MEASURE

Major incidents on Otago's harbours and waterways will be responded to.

TARGET

Major incidents and ORC's response are reported to Council quarterly.

RESULT



NOTE: Major incidents occurred in March and June and were responded to but not yet reported to Council.

PERFORMANCE MEASURE

On-water engagement, education of recreational users and safety campaigns are documented and reported annually.

TARGET

Report to Council by 30 June.

RESULT

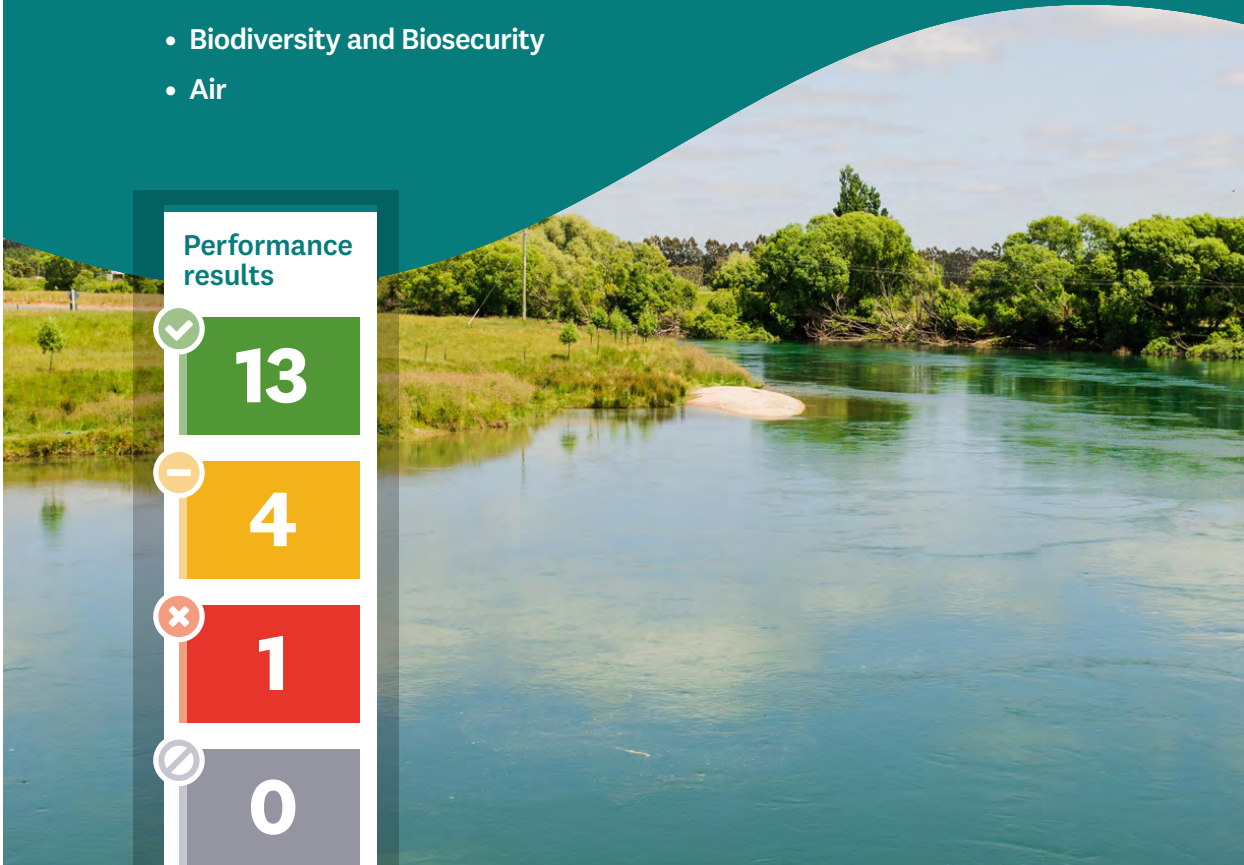


Matau branch of the Clutha River, South Otago

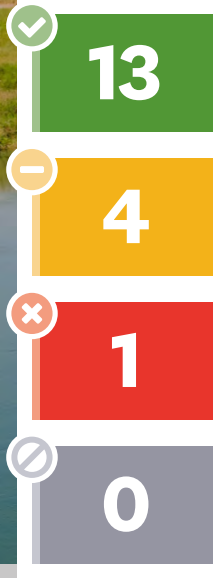
Environment

This group of activities includes the following council activities:

- Land and Water
- Biodiversity and Biosecurity
- Air



Performance results



Community Outcomes

Our Environmental activities contribute to:



Land and Water

Our role involves working with Otago communities to manage water quality and quantity. To do this well we need robust, integrated and consistent regional plans and strategies. Our current work includes an ambitious planning programme to develop a new Land and Water Regional Plan by 2023.

We also assess water quality and quantity through our network of monitoring sites across the region, and this data informs planning and future decision-making. Our water monitoring and science programmes have expanded to include monitoring estuaries, the coast, groundwater, biomonitoring, land-use and soil monitoring.

We collaborate with communities to protect Otago's water resource through education, engagement and action. Our implementation programme includes education and support for landowners and catchment groups, as well as involvement in community-led projects and remediation works.

The key programmes which make up this activity are:

- Land and Water Planning
- Land and Water Science and Monitoring
- Land and Water Implementation



Performance and Delivery

Land and Water Planning

Our planning programme this year has focused on developing a new Land and Water Regional Plan (LWRP). This is due to be publicly notified by the end of 2023, so we are working steadily towards this deadline. This important task to replace an outdated water plan has involved a huge volume and wide range of tasks. We are working in a partnership approach with iwi, which at staff level involves a close working relationship with Aukaha and Te Ao Marama. At a governance level, the partnership is evident through the establishment of the Land and Water Governance Group, which includes Councillors and iwi representatives.

As part of the work to build the LWRP, an economic impact assessment took place, with phase one completed in June and a resulting regional economic profile underway. Work to understand the Māori economy, including a socio-economic narrative on the impacts of freshwater management in Otago on Kāi Tahu, has been scoped.

LWRP development has been split across two key workstreams: developing specific provisions for Freshwater Management Units (FMU), and developing region-wide plan provisions. Work on the region-wide provisions is ongoing, with the bulk of the tasks, including engagement with internal and external stakeholders and drafting the provisions, anticipated to be completed by December 2022.

Public Engagement

In October 2021 we launched an advertising and engagement campaign as the first public step towards developing the new Land and Water Regional Plan.

In this first stage of consultation we wanted to find out what the public and stakeholders knew about land and water, and what they valued most about lakes, rivers, streams, wetlands and groundwater in their areas. We appreciated that people all over Otago engaged with us and gave their time and feedback.

Over the year the Council's approach to developing FMU specific provisions pivoted, and the initial target to complete proposed management options for three FMUs was revisited. Rather than working through the multi-staged consultation process with FMUs in sequence, we instead completed the first stage of consultation in all FMUs in parallel. This change was intended to achieve greater efficiency in the science modelling work while also limiting the impacts of Covid-19 on the roll-out of the public consultation. This resulted in the completion of the first round of engagement in all of Otago's five FMUs, including the five rohe (sub-areas) of the Clutha/Mata-au FMU.

Science modelling work to support the second round of engagement is progressing well and the consultation will take place in the new financial year.

Science work related to the Manuherekia catchment in Central Otago has continued throughout the year, with the Technical Advisory Group (TAG) contracting additional studies. The results will be presented to Council in the new financial year and will also inform development of provisions in the LWRP.

Interim Planning Provisions

As well as developing a new LWRP, we have also worked to strengthen the Council's existing policy framework. This has included bringing in interim provisions to the operative Regional Plan: Water for Otago (Water Plan) and the Regional Plan: Waste for Otago (Waste Plan).

Plan Change 7 to the Water Plan and Plan Change 1 to the Waste Plan were made operative in March and July respectively, while Plan Change 8 which affects the Water Plan is scheduled to be fully operative in September 2022. These plan changes are intended to facilitate the transition from the existing Water and Waste Plans to a new fit-for-purpose Land and Water Regional Plan.

Science and Monitoring

The Council's science team has grown, and this year carried out an enormous amount of work to build the knowledge required for development of the Land and Water Regional Plan. This covered a wide range of areas including hydrology modelling, wetlands mapping, bio-monitoring and developing an urban water work programme.

Our land work has involved contaminant reduction scenarios, collecting groundwater and surface water data, and learning more about land use and soil attributes. As well supporting the LWRP process, we have also continued our state-of-the-environment monitoring and expanded our network.

Our water monitoring programme covers 107 river and eight lake sites across Otago and measures indicators such as rainfall, flow, water level, groundwater as well as water quality attributes and macroinvertebrates.

Our monthly State of the Environment (SOE) testing was conducted via our network of monitoring sites which measure water quality state and trends across the region. SOE monitoring results are based on five years of data. Current water quality results show that most sites retained the same quality grade as the prior year, with nine sites improving and eight sites degrading.

During the summer months we also carried out weekly recreational water quality monitoring at 25 popular swimming spots around Otago.

We have continued to grow our environmental monitoring programmes. This year we carried out extensive estuary monitoring; however, a planned report was not finalised due to a delay in macrofauna processing. This report will be available in the new financial year.

Environment – Land and Water

Our coastal monitoring programme advanced, and a marine mapping project was completed which will inform further development of our coastal state of the environment monitoring programme. A report was presented to Council in June 2021 outlining the draft programme and a follow-up report is expected in the new financial year.

Our groundwater monitoring programme progressed with 95% of sites sampled during the year and additional bores added to the existing network.

The development of a land-use monitoring programme is underway, and a soil SOE monitoring network was established, which includes soil mapping, monitoring and nutrient base load mapping.

Land and Water Implementation

Our science and monitoring work feeds not only into planning but also into our environmental implementation programmes. These ramped up this year with an expanded team and extensive community education, engagement and remediation works.

Additional staff were recruited in biodiversity, biosecurity, freshwater and integrated catchment management which has enabled us to do more across the region.

We supported landowners and community-led projects reinforcing best-practice land management and intensive winter grazing practices. We also supported catchment groups and continued grant funding to the Otago Catchment Community.

Water Quality Remediation Projects

We made significant progress this year on key restoration programmes and met the target to deliver 90% of priority actions. Key restoration programmes focused on Tomahawk Lagoon, Lake Tuakitoto and Lake Hayes. In order to make informed decisions and implement high-value actions we developed a strategic framework to assist in prioritisation, before starting on-the-ground restoration works. We engaged with the community about Tomahawk Lagoon in Dunedin, resulting in options being developed and prioritised. Community engagement for Lake Tuakitoto in the Clutha district, which was initially delayed due to Covid-19 impacts, has commenced along with an ecological assessment of the catchment.




The work programme to restore water quality in Wai Whakaata (Lake Hayes) has progressed. A cultural values assessment for the project has been commissioned and will inform a refreshed Lake Hayes strategy. Preparatory work detailing the proposed lake levels and the target range for the lake was completed, along with surveying works and preliminary geotechnical investigation for the culvert site at State Highway 6. Consenting and design of the culvert is underway, with the project expected to be completed in the new financial year.

Through the Jobs for Nature scheme we have received funding for a multi-year remediation programme for Te Hākapupu/Pleasant River. This exciting initiative will see us working in partnership with Kāti Huirapa Rūnaka ki Puketeraki and also working closely with the local community and other stakeholders.



Performance Results

LEVEL OF SERVICE: Monitor the state of Otago's freshwater resources and coastal environment and make accurate, relevant and timely information publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Implement a regional coastal environment monitoring programme.	Develop regional coastal monitoring programme and report to Council.	
NOTE: Regional coastal monitoring programme was defined and developed, however a report was not presented to Council during the financial year. Report will be presented to Council in the new financial year.		
Implement freshwater and estuarine environment monitoring programmes.	Annual report on monitoring programme completed and reported to Council.	
NOTE: Estuarine monitoring conducted but report was not presented by 30 June. Report will be presented to Council in the new financial year.		
Percentage of data from the water monitoring network that is captured quarterly.	≥95% data capture achieved.	

LEVEL OF SERVICE: Monitor Otago's land use and make accurate, relevant and timely information on sustainable land-use publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Develop and implement a regional land-use monitoring programme.	Develop regional land-use monitoring programme and report to Council.	Public briefing 8 December 2021 

LEVEL OF SERVICE: Provide a robust and integrated environmental planning framework for Otago's land, water and coast resources.

PERFORMANCE MEASURE	TARGET	RESULT
Complete the Land and Water Regional Plan (LWRP).	Report to Council on proposed management options for 3 Rohe or FMUs by 30 June.	
NOTE: A change of approach has meant consultation was conducted in all Freshwater Management Units (FMUs) across the region in parallel, rather than working through the process with FMUs in sequence. As a result, stage one consultation has been completed in all of Otago's FMUs, including the five rohe (sub-areas) of the Clutha/ Mata-au.		

Environment – Land and Water

LEVEL OF SERVICE: Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.

PERFORMANCE MEASURE	TARGETS	RESULT
'Otago Catchment Communities' is supported to meet deliverables and targets of funding agreement.	Funding is administered as per agreement.	
	Report to Council on deliverables and targets achieved by 30 June.	

LEVEL OF SERVICE: Promote and enable best practice land management for soil conservation, water quality preservation, the efficient use of water and to enhance Otago’s biodiversity and ecosystems.

PERFORMANCE MEASURE	TARGET	RESULT
Landowner/community led projects promoting best practice land management for soil conservation, water quality and the efficient use of water are identified and supported.	Three or more projects supported per year.	3

LEVEL OF SERVICE: Collaborate with iwi, communities and landowners to develop and deliver a programme of actions to improve water quality and indigenous biodiversity in selected degraded water bodies.

PERFORMANCE MEASURE	TARGETS	RESULT
At least three site specific action plans for selected degraded water bodies are developed, prioritised, and implemented.	Projects confirmed and priority actions identified by 30 September.	9 priority actions
	90% of priority actions undertaken as scheduled.	100%

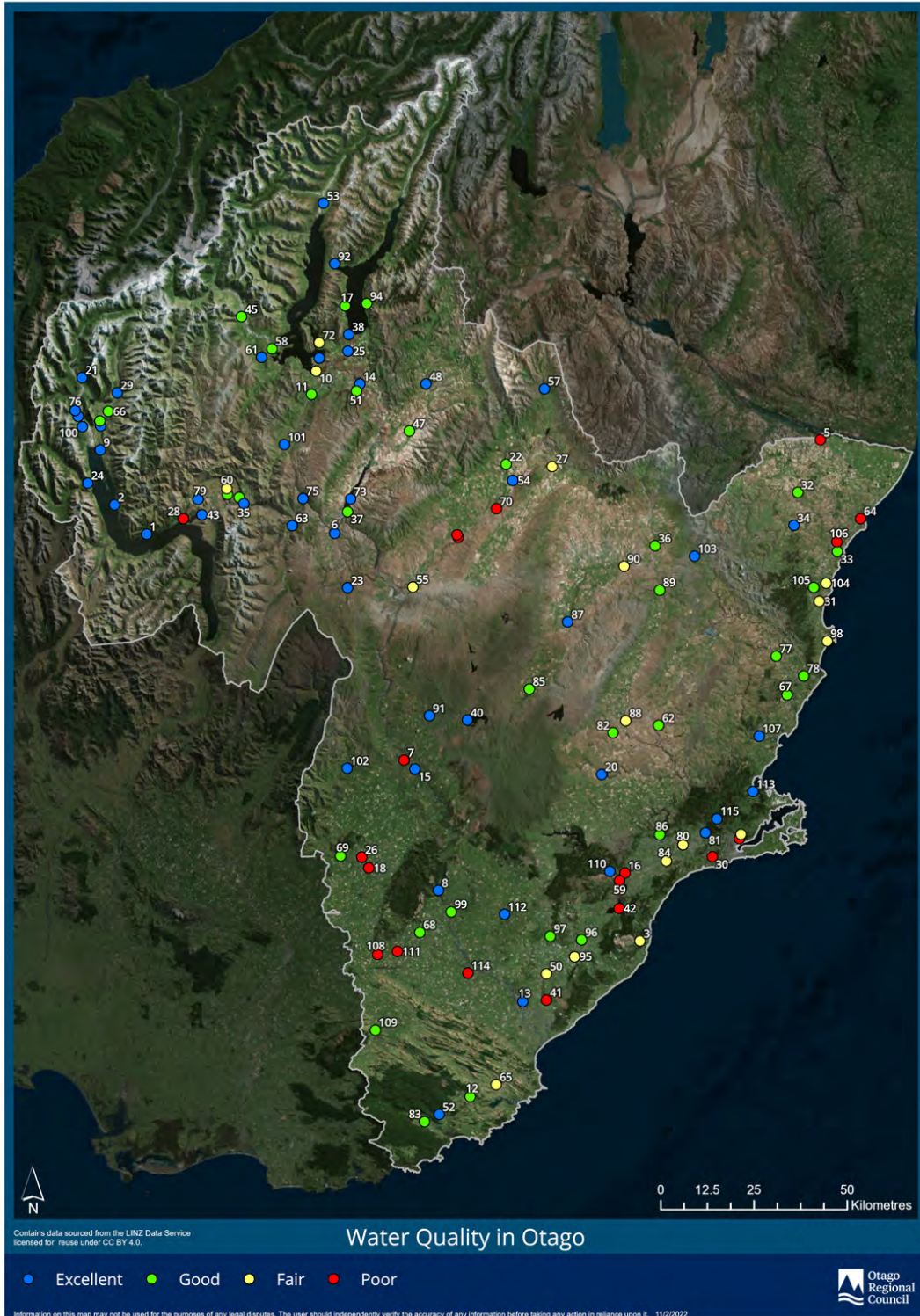
Supporting information:

Water quality

Summary of results showing variation in water quality grades across three five-year periods.

Rivers	2014-19	2015-20	2016-21	Lakes	2014-19	2015-20	2016-21
Excellent	37	37	41	Excellent	3	3	4
Good	32	34	32	Good	2	3	2
Fair	18	19	17	Fair	0	0	0
Poor	19	16	17	Poor	3	2	2
TOTAL	106	106	107	TOTAL	8	8	8

Results of the State of Environment water-quality monitoring 2016-2021:



Biodiversity and Biosecurity

Otago is home to unique species that we need to look after. Our Regional Pest Management Plan (Pest Plan) sets out the framework for how pest plants and animals will be managed in Otago. It is supported by a Biosecurity Strategy that looks at how we will work with other organisations and the community to achieve the goals set out in the pest plan.

Our biosecurity work supports the control of prolific pests, such as feral rabbits. We do this by educating our communities, facilitating compliance and through funding projects. Council also plays a lead role in facilitating government funding and overseeing projects such as wilding conifer removal and wallaby eradication.

Council's biodiversity work programme is growing and our monitoring programme is under development. We are strengthening partnerships across the region and we encourage and empower communities to take local action through our Ecofunding round.

The key programmes which make up this activity are:

- Biodiversity Science and Monitoring
- Biodiversity Implementation
- Biosecurity (Pest Management)
- Wilding Conifers



Performance and Delivery

Biodiversity Science and Monitoring

This year important steps were taken towards developing a monitoring framework and increasing our knowledge of indigenous biodiversity. We established an approach for prioritising ecosystems, an important step that will help focus our resources and actions in order to support biodiversity effectively across Otago. Habitat modelling in waterways began, however, was not completed due to weather and water-flow conditions. A biomonitoring programme to help assess environmental health was established and includes monitoring of macroinvertebrates at 33 sites around Otago. Further development of our biodiversity monitoring programme is ongoing and will feed into our environmental implementation work.

Biodiversity Implementation

The biodiversity implementation programme this year focused on a regional partnership approach to maintain and enhance indigenous biodiversity in Otago. Our leadership role in the region included facilitating and coordinating regional biodiversity hui in November and April. We engaged with key partners and participated in a National Biodiversity Working group and a sub-group for the National Policy Statement on Indigenous Biodiversity (NPSIB) response. Our commitment to mana whenua saw the Council assisting landowners from Ōtākou rūnaka with their application to Ngā Whenua Rahui, a contestable fund for protection of indigenous ecosystems on Māori land. Our continued involvement in partnerships projects, such as the government-funded Jobs for Nature projects including Ngā Awa Taieri (DOC led) and Te Hakapupu (the Pleasant River Catchment) Restoration, are set to benefit Otago.

Our EcoFund continued to foster community-led projects that protect and enhance our flora, fauna and environment across Otago. We had 53 applications, with groups asking for \$1,108,239 – a new high for the fund. More money was on offer than usual as the pool was increased to target community rabbit initiatives, water quality enhancement as well as native planting following wilding pine removal. This brought total funding available to \$470,000. In all, 25 groups had funding applications approved, with projects from Dunedin and Oamaru to Mt Aspiring and Queenstown, and onwards to Tautuku and the Catlins in the south. Initiatives will benefit a range of environmental objectives such as water quality, predator control, native revegetation and environmental education. As well as the EcoFund, Council contributed financially to Predator Free Dunedin, Orokonui Ecosanctuary and Wakatipu in the Wild.

We are working to meet our Biodiversity Action plan targets; however, some work is on hold to ensure alignment with the National Policy Statement for Indigenous Biodiversity (NPSIB) once finalised. Work has been initiated to develop a common platform to

share biodiversity and biosecurity information, and we continued to build on initiatives to develop and implement large, landscape scale programmes. We participated in regional and national level engagement, while our community-based outreach included work to integrate education and awareness of biodiversity into our farm support programmes.

Biosecurity

This year we have also increased the resourcing and delivery of biosecurity education, engagement and enforcement. Our work programme has ramped up with more pest inspections along with additional monitoring and support for local rabbit control groups. There have been 2389 pest plant inspections, 66 rook inspections, and 800 rabbit inspections undertaken this financial year. Staff also surveyed 880 freshwater users as part of Council's delivery of the national Check, Clean, Dry (CCD) Programme which aims to prevent the spread of invasive freshwater pests.

While we've implemented our Biosecurity Operational Plan and exceeded inspection targets in some areas, we didn't fully meet all targets due to Covid-19 impacts and ongoing development of processes. The Biosecurity Operational Plan includes five priority areas: rabbits, wallaby wilding conifers, lagarosiphon and the exclusion pest programme. This year we completed, or mostly achieved, 35 of our 37 targets in these areas. Additionally, we are leading work to establish community-led responses to rabbit management, using our resources to facilitate eight community-led responses in places such as Gibbston, Lake Hayes, Moeraki, Queensberry and the Otago Peninsula. More broadly, we attended 22 community events to provide pest-specific advocacy and education.

Wallaby Eradication

Our wallaby eradication programme accelerated this year with additional national funding. Wallaby control progressed across seven management units with four ground-based contractors using a range of surveillance methods. The successful wallaby search and eradication programme covered around 300,000 hectares. The public reporting 38 sightings of wallaby, of which 24 were confirmed and followed up by contractors, with eight destroyed. Wallaby sightings occurred across the region, with most sightings in North Otago.

Wilding Conifers

Our wilding conifer programme has also received ongoing Government investment and continued activity. Despite delays due to Covid-19 restrictions and contractor pressures, we enabled control operations across 68,000 hectares in Otago, funded through the National Wilding Conifer Control Programme.

Performance Results

LEVEL OF SERVICE: Collaborate with iwi, DOC and other key organisations to develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.

PERFORMANCE MEASURE	TARGET	RESULT
Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	Priority actions achieved within timeframes specified in annual work plan.	

NOTE: The Biodiversity Action Plan (2019-2024) consists of 15 actions. Five of these actions are ongoing and work is underway across all of them. Completed actions include employment of a Biodiversity Programme Leader and initial biodiversity mapping and prioritisation. Two actions are collaborative and need to be progressed through the Otago Biodiversity Forum. There are three actions which are reliant on the National Policy Statement for Indigenous Biodiversity (NPSIB), which is yet to be finalised. Remaining actions are due for completion in 2024-25 and work has commenced on the majority of these.

PERFORMANCE MEASURE	TARGETS	RESULT
Partnerships established in line with the Biodiversity Action Plan and joint projects developed.	Establish baseline number of partnership engagement activities and events, and report to Council.	
	Joint projects scoped and milestones identified and reported to Council.	

LEVEL OF SERVICE: Provide support and funding to selected initiatives and organisations across the region which deliver biosecurity, biodiversity and environmental outcomes that align with our strategic objectives.

PERFORMANCE MEASURE	TARGET	RESULT
Complete a report on the initiatives and organisations supported and the key deliverables achieved.	Report to Council by 30 June.	

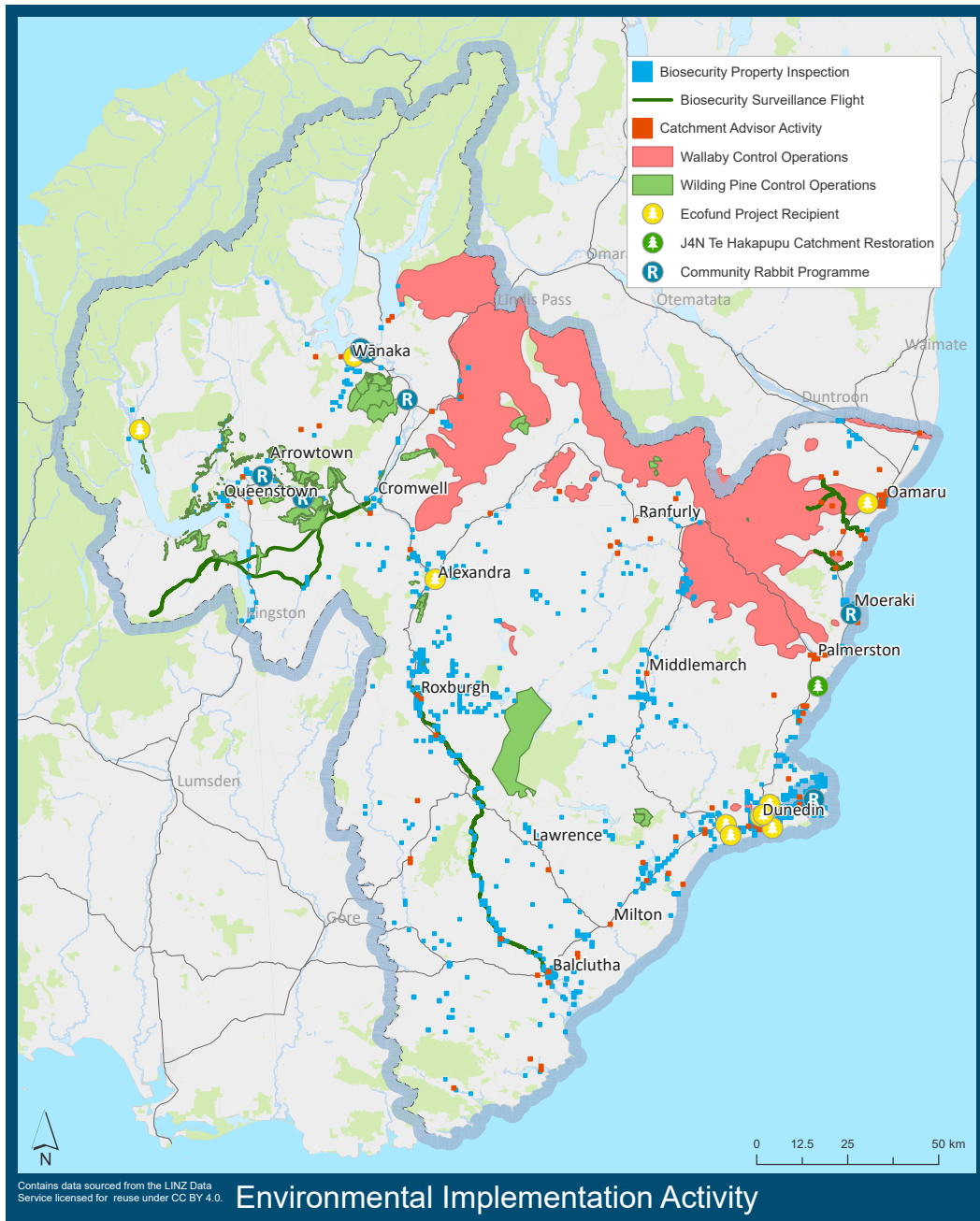
PERFORMANCE MEASURE	TARGET	RESULT
Percentage of funding administered as per agreements.	100%	

LEVEL OF SERVICE: Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan (RPMP).

PERFORMANCE MEASURE	TARGET	RESULT
Priority targets within the Biosecurity Operational Plan (BOP) are identified and achieved.	Priority actions achieved within timeframes specified in annual work plan.	

NOTE: Some Biosecurity Operational Plan targets were exceeded; however, not all were fully met. Over 85% of priority targets were fully or substantially achieved however, Covid-19 restriction and process issues impacted on results. A significant system change will roll out in the new financial year which will assist with processes.

Supporting information:



Air

Good air quality is necessary for health and well-being. We are responsible for making sure our region complies with the government’s National Environmental Standard for Air Quality and, under the Resource Management Act, for controlling the discharge of contaminants into the air.

Meeting air quality standards is especially challenging in areas with extremely cold winter weather and temperature inversions. Otago’s air quality often degrades during winter when domestic heating emissions increase with cold and calm weather and inversion layers occur.

We monitor air quality at sites across Otago, including Milton, Mosgiel, Dunedin, Alexandra, Clyde, Cromwell and Arrowtown. These sites measure the concentration of particles in the air and capture a mixture of PM10 and PM2.5 pollutants*.

ORC also contributes to clean air and healthy homes as a Trustee of the Cosy Homes Trust.

The key programme which makes up this activity is:

- **Air Science and Monitoring***

* PM¹⁰ are solid or liquid particles in the air, smaller than 10 micrometres, and although they include vehicle and industry emissions, and natural sources such as dust and pollen, the main source in Otago is from home heating emissions. PM^{2.5} (particles smaller than 2.5 micrometres) is a more direct indicator of the smaller particles that are emitted during combustion.



Performance and Delivery

ORC’s air science and monitoring this year focused on monitoring site upgrades and region-wide monitoring in winter, the results of which will help inform the review of our Regional Plan Air.

Our monitoring programme operated across four continuous sites in Alexandra, Arrowtown, Dunedin and Mosgiel, and two winter-monitoring sites in Cromwell and Milton. We met our target of 95% data-capture for all sites. The data is publicly available on the LAWA website and all air quality exceedances were reported through news media during the winter months as required.

We made good progress on upgrades to air quality monitoring sites and equipment, despite challenges with availability of consultants, contractors, and consent delays. The upgrades represent a significant improvement to our monitoring network after many years of deferred work and will enable full-year

monitoring and data collection at all locations, once completed.

Four new instruments for the year-round monitoring of particulate matter in the air, PM^{2.5} were installed at Arrowtown, Clyde, Cromwell and Milton. This will help us understand emissions and particulate matter sources in Otago, as well as prepare for upcoming amendments to the National Environment Standards for Air Quality (NESAQ). The remaining upgrades to the network are scheduled for 2022-23.

The State of the Environment (SOE) State and Trends 2010-2019 report was released this year. The PM¹⁰ trends for this time indicate improving air quality at most monitored sites. However, more work is required to reduce emissions from home heating and meet the NESAQ.

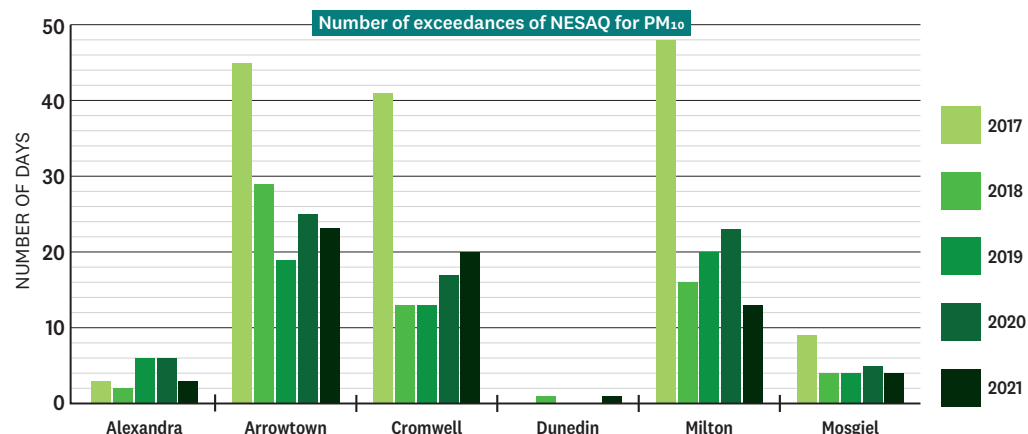
As well as our standard SOE air monitoring programme, Council undertook a PM^{2.5} monitoring campaign in winter 2021 with data collected from 14 airsheds around Otago. This information will help inform the Air Plan review.

Performance Results

LEVEL OF SERVICE: Monitor Otago’s air quality and make accurate, relevant and timely information publicly available.

PERFORMANCE MEASURE	TARGET	RESULT
Implement regional air monitoring programme.	Annual report on monitoring programme completed and reported to Council.	Data and Information Committee 9 March 2022 ✓
Percentage of data from the air monitoring network that is captured quarterly.	≥95% data capture achieved.	97% ✓

Supporting information:



Our Activities - Safety and Resilience

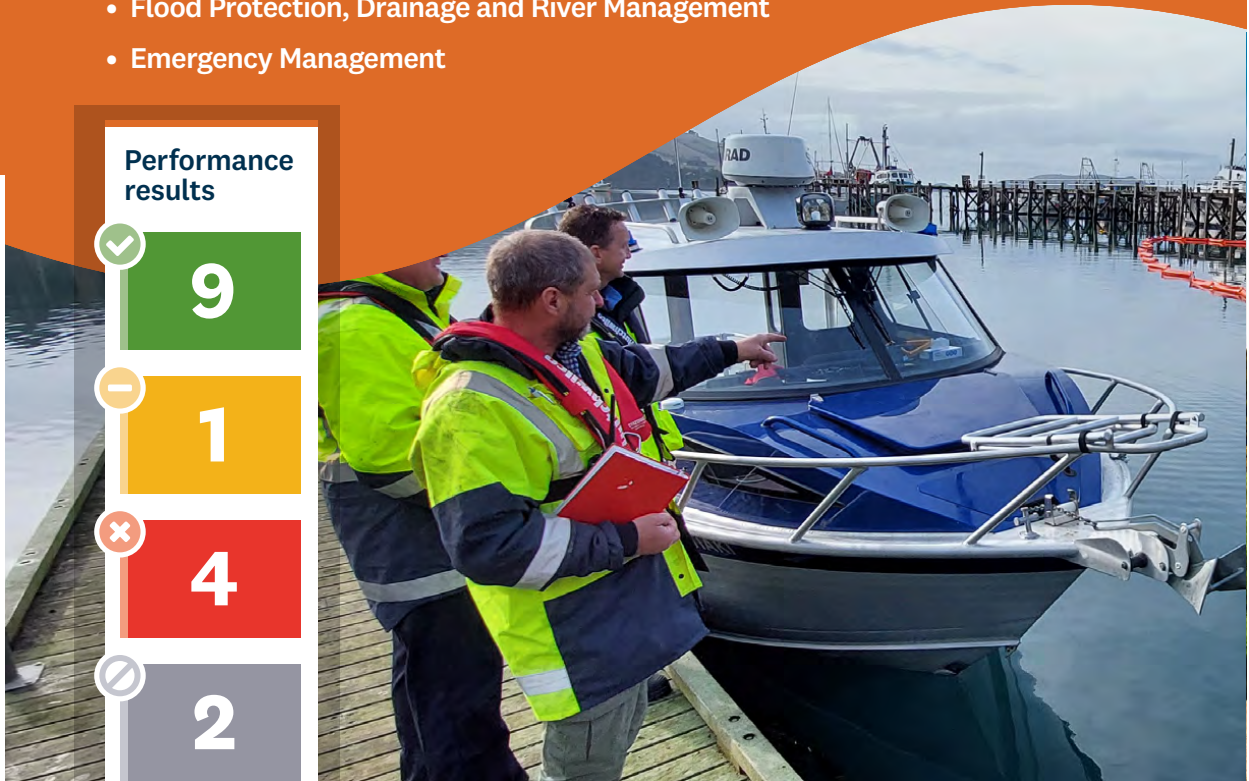
Carey's Bay Wharf, Otago Harbour

Safety and Resilience

This group of activities includes the following council activities:

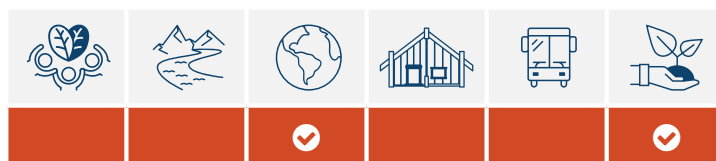
- Natural Hazards and Climate Change
- Flood Protection, Drainage and River Management
- Emergency Management

Performance results



Community Outcomes

Our Safety and Resilience activities contribute to:



Taieri River, Outram Glen

Natural Hazards and Climate Change

We set direction on the management of natural hazard risks in Otago. We support decision making to mitigate, or reduce the effects of natural hazards, climate change, and other risks.

We identify, monitor, and investigate natural hazards to provide intelligence that supports community resilience and the ability to adapt to environmental change. Our work includes monitoring rainfall, river and lake levels, and providing public information on water levels and flows, all of which help inform responses to flood events.

We engage with people, communities, iwi partners, and other stakeholders in Otago to develop partnerships and implement projects to address hazard risks, as well as increasing awareness and understanding.

We're working to understand more about the future impacts of climate change on natural hazards so we can collaborate with territorial authorities and communities to prepare and adapt. We're developing a comprehensive spatial approach to natural hazards to inform future priorities, at the same time as undertaking projects for the risks we already know about.

The key programmes that make up this activity are:

- Natural Hazards
- Flood and Low Flow Risk Management
- Climate Change



Performance and Delivery

We have worked closely with communities across Otago to provide hazard information, technical support and guide adaption to natural hazards. Work started on a natural hazard risk assessment and prioritisation approach to help inform adaptation planning and actions. This year we defined the problem, scoped the resource requirement, and drafted an initial programme plan.

The natural hazard and climate change adaptation programme in 2021-22 focused on South Dunedin, the Head of Lake Wakatipu in the Glenorchy area, and the Clutha Delta, with excellent progress. Planned natural hazard investigation and management for Roxburgh and Henley progressed more slowly than expected. Delays were due to internal resourcing, prioritising extra Head of Lake Wakatipu work, and providing technical assistance to unplanned Environment Court appeals. The work in Roxburgh and Henley is expected to be completed in the new financial year.

South Dunedin

Our team continued to lead the South Dunedin climate change adaptation project, the South Dunedin Future programme (SDF) in partnership with the Dunedin City Council (DCC). A programme manager for SDF was appointed by the DCC and part-funded by Otago Regional Council.

We progressed with a technical programme to better understand South Dunedin's physical environment and expected changes, with additional groundwater monitoring bores installed and potential sites for vertical ground movement assessment identified. We also initiated a Dynamic Adaptive Pathways Planning (DAPP) process along with DCC. Groundwater modelling was part of the NZ SeaRise research programme; however, due to the complexity of the modelling and Covid-19 related delays, the scope was adjusted and therefore not sufficiently progressed for further interrelated modelling to be commissioned. This is now expected to take place in the new financial year.

A comprehensive update on the South Dunedin Future programme was made public in June and approved by DCC and ORC in July 2022.

Glenorchy and Head of Lake Wakatipu

We conducted a large body of work to better understand natural hazards around the head of Lake Wakatipu and Glenorchy. Technical studies assessed the liquefaction and flood hazards, as well as flood mitigation options.

The liquefaction investigation was not planned but was prioritised given the potential significance of this hazard for Glenorchy, along with its importance to the development of the natural hazard adaptation strategy. The results of the liquefaction investigation confirmed the severity of this hazard for parts of Glenorchy.

Community engagement sessions were held in April and June, and a Dynamic Adaptive Pathways Planning approach begun to support community engagement and develop the way forward.

Clutha Delta

Clutha Delta natural hazard and climate change adaptation work progressed well. Work focused on establishment of an initial groundwater monitoring network to better understand the geological and groundwater characteristics of the area. This work complemented a coastal hazards investigation presented to the ORC Data and Information Committee in December.

Flood Response

We operated a 24-hour flood management and response system during the year. Although no significant flood events occurred, our monitoring helped provide timely forecasts, warnings and relevant weather, flow and water level information to Emergency Management Otago, district and city councils and the public. The information also helped inform decisions on the preparedness and management of flood protection schemes.



We expanded our monitoring, installing additional flow recorders in the Lower Clutha and Rees Rivers and a new rain gauge in the Mt Teviot area in collaboration with NIWA. Using radar data in our flood forecasting models also progressed.

Capturing Data





We continued to progress our LiDAR mapping programme as planned. This year we captured elevation data across about 4,000 sq. km of the Otago coast, including Dunedin and Mosgiel urban areas. Much of this information is now available to the public and the remainder is undergoing further processing, and will be available early in the new financial year.

Performance Results

LEVEL OF SERVICE: Provide information on natural hazards and risks, including the effects of climate change, so that communities and stakeholders can make informed decisions.

PERFORMANCE MEASURE	TARGET	RESULT
Relevant and up to date natural hazards information is available via the web-based Otago Natural Hazards Database.	Database information is checked and updated monthly.	
Percentage of flood warnings that are issued in accordance with the flood warning manual.	100%	100% 

LEVEL OF SERVICE: Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.

PERFORMANCE MEASURE	TARGET	RESULT
Complete regional natural hazards risks assessment (NHRA) and develop a regional approach for prioritising adaptation* to inform adaptation planning and implementation.	Commence natural hazard risk assessment and investigation of prioritisation approach.	
Implement prioritised natural hazard risks adaptation works.	Work in priority areas* is delivered as per plan by 30 June.	
	The Head of Lake Wakatipu natural hazards adaptation strategy progresses as per annual work plan.	
	Collaboration framework for South Dunedin and Harbourside natural hazards adaptation strategy is defined by 30 June 2022.	

NOTE: Work progressed well in South Dunedin, the head of Lake Wakatipu and the Clutha Delta. Due to the high degree of risk additional work around the head of Lake Wakatipu/Glenorchy was prioritised. Planned natural hazard investigation and management work for Roxburgh and Henley therefore progressed more slowly than originally anticipated..

* Priority areas are: Head of Lake Wakatipu, South Dunedin/Harbourside, Clutha Delta, Roxburgh, and Henley

Flood Protection, Drainage and River Management

Otago has large, developed areas situated on low-lying river flats often close to sea-level. Our flood protection schemes help protect people and their livelihoods in adverse weather events, and our drainage schemes help maintain the productive capability of land.

Around 43,000ha of rural and urban land in Otago has council-provided flood protection and drainage infrastructure. Three flood protection schemes, three drainage schemes and one combined flood protection and drainage scheme are council owned and managed. We also own but commission external management for parts of the Lower Waitaki River Control Scheme.

Under the Soil Conservation and Rivers Control Act 1941, the council also has important responsibilities. We conduct river and waterway management works to maintain channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways.

Looking after our rivers and waterways sustainably is more than simply managing the risk of floods. It's also about meeting community expectations for the safe, enjoyable, and respectful use of rivers and streams. Working together with communities, our goal is to prepare for future environmental challenges and retain the characteristics of our rivers and waterways that make Otago such a great place to live for everyone.

The key programmes which make up this activity are:

- Alexandra flood protection
- Leith flood protection
- Lower Clutha flood and drainage
- Lower Taieri flood protection
- West Taieri drainage
- East Taieri drainage
- Tokomairiro drainage
- Shotover River delta
- Designations and bylaws
- Dunedin rivers and waterways
- Clutha rivers and waterways
- Central Otago rivers and waterways
- Wakatipu rivers and waterways
- Wānaka rivers and waterways
- Waitaki rivers and waterways
- Lower Waitaki river control scheme (Environment Canterbury)



Performance and Delivery

Flood Protection Works

2021-22 has been a mixed year delivering our flood protection works. We achieved most of our planned maintenance for flood protection and drainage and met our performance target of 80%.

Schemes have continued to perform to their constructed design standards, with no breaches. Pumps were available as specified in our outage plan, with 100% compliance.

However, our planned capital renewals programme was not fully delivered. Although we actioned priority works our renewals did not progress as planned and most projects did not fully meet targets. The team focused on projects with a high priority and known scope, where positive progress could be made. The remaining projects required further investigations into scope and delivery requirements. Where consenting or more detailed scoping have prevented full delivery, the projects will be prioritised for the new financial year.

We are pleased our schemes remained resilient in weather events, and we monitor this as part of our maintenance work. The deferral of some renewal works is not critically detrimental to scheme performance.

Climate Resilience Projects

A priority has been delivering the Climate Resilience programme, and we have made considerable progress. These multi-year projects are part-funded through a national programme, led by the Ministry of Business, Innovation and Employment (MBIE), which is investing in infrastructure to support New Zealand's economic recovery from Covid-19.

Four projects make up our Climate Resilience programme; two located within the Lower Clutha flood protection scheme (Robson's Lagoon and Riverbank Rd) and two within the Lower Taieri flood protection scheme (Outram and Contour Channel).

Work largely progressed as planned. The Riverbank Rd project was completed in December 2021, with major instream structures for Robson's Lagoon completed ahead of schedule. The Contour Channel stages 5 and 6 flood-bank works were also finished.

The Outram Climate Resilience project has progressed slowly due to further design considerations along with a lengthy consenting process, which required diligent landowner negotiations and permissions. While the project has progressed, this has been slower than anticipated, resulting in some of the programme being deferred to the new financial year.

Taieri Scheme Review

The Taieri scheme review has been under development for several years and was officially launched in June 2021. The first phase of the project involved scoping and assessing scheme performance and reviewing existing information and modelling data. We engaged with the community on this, with a successful workshop in November. However, the scheme review has faced some delays, which is being addressed by a focused project management resource.

A risk analysis and assessment are scheduled for completion early in the new financial year.

New Flood Protection Bylaw

A 2022 Flood Protection Management Bylaw was adopted in June after community consultation and hearings. This replaces the 2012 bylaw and helps the Council manage, regulate and protect the effective operation of flood protection works. The bylaw controls activities which may affect the integrity or operation of flood protection works, such as plantings and earthworks and will take effect from September 2022.

River Management Works

The Council's river and waterway management programmes also faced challenges. In order to support fish-passage and biodiversity in waterways, our maintenance programme has a narrow time frame when work can occur. The Covid-19 alert level four restrictions in quarter one reduced this operating window. There were also delays to the heavily committed programme in some catchments due to weather and river conditions, low-flows, accessibility, gravel consent requirements, contractor availability and staff shortages. This resulted in 78% of our planned programme being delivered, below the 90% target for the year.

After multiple years of weather events resulting in flooding, this year proved stable with no significant events. This meant less unplanned work than previous years, contributing in part to reduced expenditure. However, unplanned action was still required, with 33 reactive works prioritised due to risk. Reactive works may take place following erosion, or gravel build-up, or blockages, which can occur at any time but especially during higher flow or weather events such as high winds. Reactive work is often identified through staff inspections or public information.

We responded to all 103 public enquiries relating to blockages and obstructions in rivers and waterways, assessing 94% of these within 20 days.

Safety and Resilience – Flood Protection, Drainage and River Management

Work Programme Progress




AREA	PROGRESS/PERFORMANCE
ALEXANDRA FPS	100% of planned maintenance completed. No capital works projects.
LEITH FPS	100% of planned maintenance completed. Two capital works projects; neither progressed as planned, further scoping and investigation is required.
LOWER CLUTHA FP&DS	68% of planned maintenance completed. 13 capital works projects; four progressed as planned, others experienced delays.
LOWER TAIERI FPS	39% of planned maintenance completed. Six capital works projects; two progressed as planned, others experienced delays.
WEST TAIERI DS	85% of planned maintenance completed. Seven capital works projects; two progressed as planned, others experienced delays.
EAST TAIERI DS	100% of planned maintenance completed. Nine capital works projects; one progressed as planned, others experienced delays.
TOKOMAIRO DS	74% of planned maintenance completed. One capital works project; progressed as planned.
DUNEDIN RIVERS AND WATERWAY MANAGEMENT	92% of planned works completed.
CLUTHA RIVERS AND WATERWAY MANAGEMENT	72% of planned works completed.
CENTRAL OTAGO RIVERS AND WATERWAY MANAGEMENT	80% of planned works completed.
WAKATIPU RIVERS AND WATERWAY MANAGEMENT	100% of planned works completed.
WĀNAKA RIVERS AND WATERWAY MANAGEMENT	89% of planned works completed.
WAITAKI RIVERS AND WATERWAY MANAGEMENT	52% of planned works completed.

FPS: Flood Protection Scheme

DS: Drainage Scheme


Performance Results

LEVEL OF SERVICE: Provide the standard of flood protection and control agreed upon with communities.

PERFORMANCE MEASURE	TARGETS	RESULT
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	≥80% of planned maintenance programme completed.	80% 
	Schemes function to their constructed design standards.	
	≥90% of renewals programme completed.	30% 


NOTE: The renewals programme did not progress as planned and the majority of projects have not fully met their targets, due to challenges with scoping, consenting and prioritisation. The team focused on projects with a high priority and known scope, where positive progress could be made.

LEVEL OF SERVICE: Respond efficiently and effectively to damage from natural hazard events.

PERFORMANCE MEASURE	TARGETS	RESULT
Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner.	Programme developed and communicated within 3 months of the event.	

NOTE: Not able to be measured as there were no flood events in 2021-22 which required a repair programme to be developed.

LEVEL OF SERVICE: Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.

PERFORMANCE MEASURE	TARGETS	RESULT
Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	100%	94% 

NOTE: 97 of 103 customer issues were responded to within the 20 days. Six issues were responded to outside of target time frame in the first half of the year. Processes were revised and all subsequent issues have been responded to within target time frame; quarters 3-4 achieved 100%.

PERFORMANCE MEASURE	TARGETS	RESULT
Percentage of planned maintenance actions achieved each year.	≥90%	78% 

NOTE: 105 of the planned 135 river maintenance actions were completed. Performance was affected by Covid-19 restrictions, staff shortages, delays with global consent renewals, weather and river conditions.

Emergency Management

Maintaining and improving our communities' resilience to emergencies is the fundamental reason for ORC's work in emergency management.

Together with territorial authorities we have responsibilities under the Civil Defence Emergency Management Act 2002 to ensure Otago's exposure to hazards is reduced, that we are prepared to respond to emergencies, and can recover effectively. ORC administers and coordinates the work of the Otago CDEM Group, operating through a shared service agreement with councils across Otago, while the Coordinating Executive Group (CEG) and the Otago CDEM Joint Committee oversee governance and operations.

Our programmes across the region are centred on national CDEM priorities of reduction, readiness, response, and recovery.

The key programme that makes up this activity is:

- Emergency Management



Performance and Delivery

This year we embedded a new operational structure, created and implemented a new community engagement framework, and participated in national sector reform. We clarified and reaffirmed shared service partnership arrangements between all Otago’s councils.

We have delivered a Regional Coastal Tsunami Plan and integrated Alpine Fault preparations into our annual planning. We developed and delivered a regional solution that will support welfare registration and needs assessments during emergencies. We supported national education campaigns such as the ‘Shake Out’ earthquake drill and tsunami hīkoi in October and also delivered the Clued-up Kids programme to primary school-age children in Queenstown Lakes, Waitaki and Clutha districts.

However, Covid-19 restrictions impacted planned community engagement activities, meaning a 50% reduction in delivery. This allowed for extra work to overhaul our community response group framework with refreshed resilience plans, community emergency hub guides and community response plans.

Readiness outcomes have historically been difficult to quantify, but as an outcome of our work this year, we can more objectively measure community groups’ capability across all Otago’s districts.

Emergency Events

There were no emergency events this year that required the regional Emergency Coordination Centre (ECC) to be activated. However, we now have the resources and processes for any activation of the ECC to be instantaneous and connected online.

We also enabled operational collaboration between all the regions council’s through funding and providing a common operating platform, D4H.

Staff Training

It has been challenging to build staff capability through training as Covid-19 restrictions prevented many planned activities. Staff turn-over and recruitment challenges further impacted the number of trained staff. ECC trained staff were below target numbers for fully trained Function Leads and Team Members; however, we exceeded targets for fully trained controllers.



Aftermath of wildfire, Lake Ōhau - 2020

Performance Results

LEVEL OF SERVICE: Support the Otago CDEM Group in improving the resilience of Otago to civil defence emergencies.

PERFORMANCE MEASURE

Support is provided to the Otago CDEM Group as per the CDEM Act and Otago CDEM Partnership Agreement.

TARGET

Fulfil all requirements as the administering authority.

RESULT



LEVEL OF SERVICE: Provide resources to coordinate an efficient and effective region-wide response to a civil defence emergency.

PERFORMANCE MEASURE

An adequate Emergency Coordination Centre (ECC) facility and staffing are available.

TARGETS

Adequate staff who are trained and available for any activation of the ECC.

RESULT



An appropriate facility is available for activation at all times.



NOTE: Due to staff turnover and Covid-19 restrictions impacting training availability, the number of trained staff was below target. Adequate staffing consists of staff who are trained (two staff trained as leads across each of the six functions) and available (a minimum of four staff per function) for any activation of the ECC.

PERFORMANCE MEASURE

ECC activated in a timely manner.

TARGET

ECC activated within 1 hour of Group Controller's decision to activate.

RESULT



NOTE: No emergency events which required the ECC to be activated; time frame not able to measured.



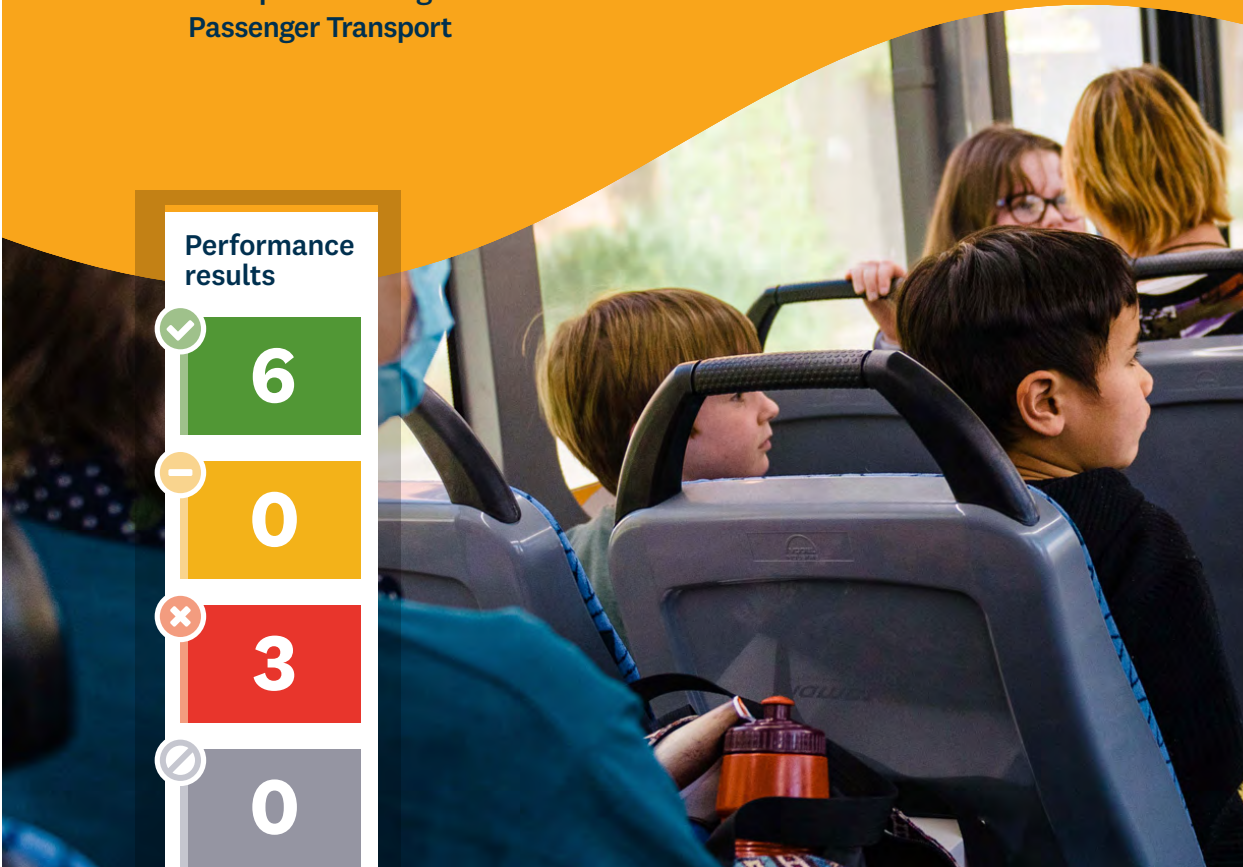
Multi-purpose shelter deployment training exercise, Dunedin Army Hall

EV Bus Open Day, Dunedin

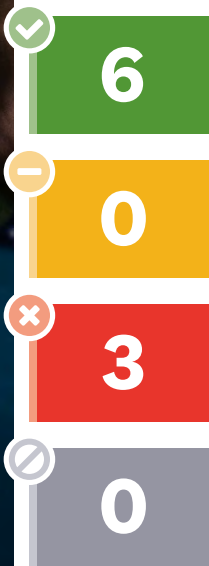
Transport

This group of activities includes the following council activity:

- Transport Planning and Public Passenger Transport



Performance results



Community Outcomes

Our **Transport** activities contribute to:

				✓	✓

Transport Planning and Public Passenger Transport

ORC aims to provide efficient, reliable public transport services to meet community needs. Together with partner agencies, we are responsible for preparing a Regional Public Transport Plan (RPTP) – a blueprint to deliver public transport in Dunedin and Queenstown. We contract bus operators and provide a region-wide Total Mobility Scheme to subsidise travel for eligible people unable to use public transport due to impairment.

ORC has strategic oversight, in partnership with Waka Kotahi (NZTA), on land transport matters. We coordinate regional land transport activities and produce a Regional Land Transport Plan (RLTP) in partnership with Environment Southland, NZTA and city and district councils. The RLTP outlines proposed transport network improvements for the next six years, and forms the basis of funding applications to the National Land Transport Fund on a three-yearly cycle.

There is one activity also named Transport. It includes the key work programmes of:

- Regional Land Transport Plan
- Public Transport Dunedin
- Public Transport Queenstown
- Regional Total Mobility Service



Performance and Delivery

Like elsewhere in New Zealand, this has been a challenging year to provide public transport. Driver shortages, coupled with seasonal illness and Covid-19, affected service reliability, particularly in the last quarter of the year. Covid-19 negatively influenced patronage rates and affected Total Mobility scheme uptake. The Government's introduction of half-price fares in April, along with easing border restrictions, resulted in some recovery from these impacts. An extra challenge was a delay in Waka Kotahi adopting the National Land Transport Plan (NLTP) with flow-on effects for the timing and implementation of the approved Regional Land Transport Plan (RLTP). Despite the challenges in 2021-22, we've achieved a great deal towards sustainable, safe and inclusive transport for Otago.

Public transport services were delivered in Dunedin and Queenstown throughout the year, along with customer experience initiatives such as free travel to key events, allowing pets on buses (off-peak and enclosed in carriers), continuation of the \$2-fare trial, improvements to our Transit app which shows bus movements, and installing an e-stop at Arthurs Point, Queenstown. The Council also continued to contract a ferry service on Lake Wakatipu. Ferry service patronage for the 2021-22 year topped 60,000 users, a 12% increase on 2020-21.

E-bus Trial

Steps were taken to reduce our carbon footprint. In October 2021 Council trialled an electric 'e-bus'. The trial, a collaboration between the Otago Regional Council and Go Bus Transport, tested the viability of the e-bus on Dunedin's public transport routes, including some of our steeper hills, the city centre and motorways. The e-bus travelled 3,148km and carried over 3,000 passengers, proving popular with passengers. It is estimated to have saved 2,511kg of CO2 emissions over the course of the trial. The trial results will support scoping a path to transition to a zero-emission public transport fleet in future.

Our current fleet was 100 per cent compliant with Regional Passenger Transport Vehicle quality standards at the annual audit. With a specialist accessibility advisor we conducted an extra set of accessibility inspections to ensure the standard of public transport we were providing was consistently high.

Feedback

Council is proud of its responsiveness to community feedback, particularly when we stepped in extending Orbus services to fill the gap when a commercial company ceased operating services to Dunedin schools, affecting Mosgiel, Taieri, Brighton and Green Island students. Also in response to community demand, and to the delight of bus travellers, a new weekend bus service was introduced between Palmerston and Dunedin in May.

Positive results of annual passenger surveys show high levels of satisfaction. In Queenstown overall passenger satisfaction was 98%. Dunedin had 89% passenger satisfaction, a reduction from 91% in 2021 and slightly below target for this year. It was great to see that more than 97% of respondents across the network thought catching the bus was value for money. Staff also initiated a new survey to understand users' perceptions of the Total Mobility scheme, with 87 per cent overall satisfaction with the service.

Challenges

Bus services were punctual and reliable for most of the year, with increasing challenges in quarter four as cancelled services escalated following driver illness and driver shortages. Just 92% of trips operated in April-June. In March, Council approved services to run on a reduced timetable if reliability rates dropped below 90 per cent for three consecutive weekdays. Although this wasn't required in the 2021-22 financial year, this threshold was triggered in July 2022, the new financial year.

The higher level of missed services has had a minor impact on patronage rates. However, in the first half of the year major factors hit patronage, mostly related to the Covid-19 pandemic. Despite some recovery, the network and the region remain impacted with annual patronage rates below target. Queenstown patronage was down by 9 per cent to 806,820 compared to 2020-21; and Dunedin patronage was down by 13 per cent to 2,367,099 compared to 2020-21. Half-price fares from central government in April led to a slight increase in patronage, but not sufficient to counteract the patronage shortfall from earlier in the year.

This was the first year of the Council's 2021-31 Regional Land Transport Plan (RLTP). The RLTP enables Waka Kotahi NZ Transport Agency to provide financial assistance to regional and district councils for qualifying transport activities, such as public transport. Throughout the year, the Otago and Southland Regional Transport Committees continued to meet productively.

Performance Results

LEVEL OF SERVICE: Advocate for Otago's regional transport planning priorities and aspirations at a national level.

PERFORMANCE MEASURE	TARGETS	RESULT
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency (NZTA).	RLTP implementation progress is reported annually to Regional Transport Committee.	


LEVEL OF SERVICE: Provide efficient, reliable and accessible public transport services that meet community needs.


PERFORMANCE MEASURE	TARGETS	RESULT
Annual public transport boardings in Queenstown per capita.	Increase (from prior year).	Decreased 9% 

NOTE: Covid-19 has impacted patronage and in Queenstown in 2021-22 there were 806,820 boardings; a decrease of 9% when compared to 2020-21. On a boardings per capita basis this is a decrease from 56 trips per person to 52.

PERFORMANCE MEASURE	TARGETS	RESULT
Annual public transport boardings in Dunedin per capita.	Increase (from prior year).	Decreased 13% 





NOTE: Covid-19 has impacted on patronage and in Dunedin in 2021-22 there were 2,367,099 boardings; a decrease of 13% when compared to 2020-21. On a boardings per capita basis this is a decrease from 26 trips per person to 23.

PERFORMANCE MEASURE	TARGETS	RESULT
Overall passenger satisfaction with Wakatipu public transport system at annual survey.	97%	98% 

PERFORMANCE MEASURE	TARGETS	RESULT
Overall passenger satisfaction with Dunedin public transport system at annual survey.	93%	89% 

NOTE: Dunedin had 89% passenger satisfaction, which is a reduction from 91% in 2021, but an increase from 88% in 2019 (survey not conducted in 2020 due to Covid-19).

Transport – Transport Planning and Public Passenger Transport

<p>PERFORMANCE MEASURE Percentage of scheduled services delivered (reliability).**</p>	<p>TARGETS 95%</p>	<p>RESULT 98%</p> 
<p>PERFORMANCE MEASURE Percentage of scheduled services on-time (punctuality – to five minutes).***</p>	<p>TARGETS 95%</p>	<p>RESULT 96%</p> 
<p>PERFORMANCE MEASURE Percentage of users who are satisfied with the provision of timetable and services information.</p>	<p>TARGETS Establish baseline.</p>	<p>RESULT Dunedin: 70% Queenstown: 88%</p> 
<p>PERFORMANCE MEASURE Percentage of users who are satisfied with the overall service of the Total Mobility scheme.</p>	<p>TARGETS Establish baseline.</p>	<p>RESULT 87%</p> 

**Reliability is based on scheduled trips completed in full. A service trip leaving the origin stop >59 seconds early or >9 minutes and 59 seconds late is deemed not to have operated.

***Punctuality is based on scheduled service trips leaving origin stop between 59 seconds before and four minutes and 59 seconds after the scheduled departure time.

E-bus Open Day, Dunedin



Public Transport Satisfaction Survey Dunedin

Survey taken from 7 July to 10 July 2022

Overall satisfaction

89 %

The overall level of satisfaction with the Dunedin public transport system has decreased from 2021.

▼ 94 % in 2021 ▲ 88 % in 2019



Participants

22 % aged 18-24
aged 45 - 59

22% of participants were aged 18-24 and 45-59 followed by 13% aged 35-44 years.



19 % supergold cardholders

19% of participants were supergold card holders.



45 % travelling to work

45% of participants used the bus to get to work. 19% used the bus for shopping and 15% used for other.



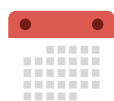
86 % would recommend using bus

86% of participants would likely or very likely recommend public transport to friends or colleagues



28 % use the bus for 2 to 4 trips per week

28% of participants use the bus for 2 to 4 trips per week. 27% use the bus for 2 or more trips per day.



Passenger satisfaction

89 % exterior of the bus
▼ 92 % in 2021 / 91% in 2019

91 % interior of the bus
▼ 93 % in 2021 / 92 % in 2019

73 % bus is on time
▼ 89 % in 2021 / 79 % in 2019

82 % how often the services run
▼ 85 % in 2021 / 86 % in 2019

97 % value for money of fare
▲ 94 % in 2021 / 82 % in 2019

93 % having enough seats available
▼ 97 % in 2021 / 94 % in 2019

95 % ease of getting on and off the bus
▲▲ 95 % in 2021 / 94 % in 2019

94 % comfort of inside temperature
▲▶ 92 % in 2021 / 94 % in 2019

91 % helpfulness and attitude of driver
▼▶ 92 % in 2021 / 91 % in 2019

96 % personal security during trip
▲ 95 % in 2021 / 95 % in 2019

96 % satisfaction with current trip
▼▲ 98 % in 2021 / 95 % in 2019

70 % information about services and delays
▼▶ 81 % in 2021 / 70 % in 2019

90 % travel time
▼▲ 92 % in 2021 / 85 % in 2019

95 % convenience of paying
▲▲ 95 % in 2021 / 84 % in 2019

86 % ease of getting route information
▼▲ 90 % in 2021 / 85 % in 2019

Public Transport Satisfaction Survey Wakatipu

Survey taken from 7 July to 10 July 2022

Overall satisfaction

98 %

The overall level of satisfaction with the Wakatipu public transport system has increased from 2021.



▲ 96% in 2021 ▲ 97% in 2019

Participants

48 % aged 25-34

48% of participants were aged 25-34 followed by 18% aged 18-24 years.



93 % non supergold cardholders

93% of participants were not supergold card holders.



51 % travelling to work

51% of participants used the bus to get to work.



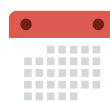
96 % would recommend using bus

96% of participants would likely or very likely recommend public transport to friends or colleagues



30 % use the bus for 5 or more trips per week

30% of participants use the bus for 5 or more trips per week, followed by 24% using the bus 2 or more times per day.



Passenger satisfaction

96 % exterior of the bus
▲ 88% in 2021 / 95% in 2019

93 % interior of the bus
▼ 98% in 2021 / 97% in 2019

80 % bus is on time
▼ 86% in 2021 / 81% in 2019

75% how often the services run
▲▼ 72% in 2021 / 84% in 2019

98 % value for money of fare
▲ 89% in 2021 / 95% in 2019

98% having enough seats available
▼▶ 100% in 2021 / 98% in 2019

98 % ease of getting on and off the bus
▲▶ 96% in 2021 / 98% in 2019

98 % comfort of inside temperature
▲ 96% in 2021 / 92% in 2019

93 % helpfulness and attitude of driver
▼ 94% in 2021 / 94% in 2019

96 % personal security during trip
▼ 99% in 2021 / 99% in 2019

98 % satisfaction with current trip
▲▼ 96% in 2021 / 99% in 2019

88 % information about services and delays
▲ 70% in 2021 / 75% in 2019

93 % travel time
▼ 94% in 2021 / 96% in 2019

97 % convenience of paying
▲ 86% in 2021 / 89% in 2019

96 % ease of getting route information
▲ 88% in 2021 / 93% in 2019

Financial Statements



Funding Impact Statements for Otago Regional Council Activities

The council is required to include Funding Impact statements in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions or some of the terms used in this statement.

Council Funding Impact Statement for the year ended 30 June 2022

\$000s	Annual Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge and rate penalties	11,180	11,768	19,577	20,386
Targeted rates (other than a targeted rate for water supply)	15,777	15,814	20,462	20,555
Subsidies and grants for operating purpose	11,474	19,007	18,856	21,691
Fees, charges and targeted rates for water supply	5,050	2,748	11,231	4,150
Interest and dividends from investments	11,100	10,576	6,158	13,813
Local authorities fuel tax, fines, infringement fees and other receipts	11,702	12,060	13,750	6,234
TOTAL OPERATING FUNDING (A)	66,282	71,973	90,034	86,829
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	68,732	81,443	88,217	85,886
Finance costs	104	-	350	224
Other operating funding applications	651	-	465	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	69,487	81,443	89,032	86,110
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	(3,204)	(9,470)	1,002	719
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	15,000
Gross proceeds from sale of assets	410	1,610	410	255
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	410	1,610	410	15,255
APPLICATIONS OF CAPITAL FUNDING				
<i>Capital expenditure:</i>				
– to meet additional demand	-	-	-	-
– to improve the level of service	1,965	2,660	1,995	3,543
– to replace existing assets	4,936	2,886	6,050	1,011
Increase (decrease) in reserves	(9,695)	(16,626)	(6,633)	11,420
Increase (decrease) of investments	-	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	(2,794)	(11,080)	1,412	15,974
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	3,204	9,470	(1,002)	(719)
FUNDING BALANCE ((A-B) + (C-D))	-	-	-	-

Funding Impact Statements

Reconciliation of Council Funding Impact Statement to Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

\$000s	Annual Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
SURPLUS/(DEFICIT) OF OPERATING FUNDING IN FUNDING IMPACT STATEMENT	(3,204)	(9,470)	1,002	719
ADD/(DEDUCT):				
Increase /(Decrease) in the fair value of investment property	-	1,542	-	305
Increase /(Decrease) in the fair value of investment portfolio	-	2,458	-	(2,412)
Gain/(Loss) on disposal of assets	417	834	740	196
Depreciation and amortisation	(2,967)	(3,360)	(3,574)	(3,949)
Impairment (loss)/reversal on property plant and equipment	-	121	-	(42)
Write-off of property plant and equipment work in progress	-	-	-	-
Other	586	(579)	400	(106)
SURPLUS/(DEFICIT) BEFORE TAXATION IN STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	(5,168)	(8,454)	(1,433)	(5,289)

Schedule of Capital Expenditure

\$000s	Annual Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
REGIONAL LEADERSHIP				
Compliance	-	-	30	1
Harbour Management	30	45	20	2
ENVIRONMENTAL				
Water monitoring sites	525	480	1,295	629
Pest management	5	20	-	-
Biodiversity	-	-	90	48
Air monitoring	60	110	45	150
SAFETY AND RESILIENCE				
Climate Change	-	-	-	163
Emergency Management	-	-	-	20
Hazards	-	-	470	-
Alexandra flood protection	-	-	-	-
East Taieri drainage	218	94	380	-
Leith flood protection	680	-	-	-
Lower Clutha flood and drainage	740	1,306	1,000	607
Lower Taieri flood protection	1,600	264	1,865	996
Tokomairo drainage	80	-	30	-
West Taieri drainage	563	106	350	34
Wakatipu river management	-	-	-	2
Wānaka river management	-	797	-	-
Sundry	-	21	-	-
TRANSPORT				
Transport	600	849	-	3
CORPORATE				
Property	100	346	100	261
Motor vehicles	675	332	675	972
Computers and software	955	715	1,625	625
Plant	20	23	20	41
Sundry	50	37	50	-
TOTAL	6,901	5,545	8,045	4,554

Funding Impact Statement: Regional Leadership

Funding Impact Statement for the year ended 30 June 2022

\$000s	Long Term Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge and rate penalties	5,388	5,037	15,706	16,125
Targeted rates (other than a targeted rate for water supply)	-	188	188	191
Subsidies and grants for operating purpose	202	129	75	43
Fees, charges and targeted rates for water supply	2,679	2,751	5,300	4,156
Internal charges and overheads recovered	-	43	-	40
Local authorities fuel tax, fines, infringement fees and other receipts	4,372	5,333	260	167
TOTAL OPERATING FUNDING (A)	12,641	13,481	21,529	20,722
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	3,138	13,893	15,230	14,428
Finance costs	-	-	-	-
Internal charges and overheads applied	9,412	6,261	6,352	7,874
Other operating funding applications	6	-	8	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	12,556	20,154	21,590	22,302
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	85	(6,673)	(61)	(1,580)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	-	-	-
APPLICATION OF CAPITAL FUNDING				
<i>Capital expenditure:</i>				
— to meet additional demand	-	-	-	-
— to improve the level of service	21	51	30	3
— to replace existing assets	21	-	20	-
Increase (decrease) in reserves	43	(6,724)	(111)	(1,583)
Increase (decrease) of investments	-	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	85	(6,673)	(61)	(1,580)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(85)	6,673	61	1,580
FUNDING BALANCE ((A-B) + (C-D))	-	-	-	-

Funding Impact Statements

Funding Impact Statement: Environment

Funding Impact Statement for the year ended 30 June 2022

\$000s	Long Term Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge and rate penalties	4,902	5,125	13,938	14,309
Targeted rates (other than a targeted rate for water supply)	1,840	891	3,373	3,386
Subsidies and grants for operating purpose	55	6,204	3,877	6,160
Fees, charges and targeted rates for water supply	381	-	200	(29)
Internal charges and overheads recovered	-	288	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	4,948	5,297	964	134
TOTAL OPERATING FUNDING (A)	12,126	17,805	22,352	23,960
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	4,674	18,081	19,472	19,052
Finance costs	-	-	-	-
Internal charges and overheads applied	8,227	4,336	4,412	5,242
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	12,901	22,417	23,884	24,294
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	(775)	4,612	(1,532)	(334)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	-	-	-
APPLICATION OF CAPITAL FUNDING				
<i>Capital expenditure:</i>				
— to meet additional demand	-	-	-	-
— to improve the level of service	176	462	1,090	521
— to replace existing assets	311	148	340	306
Increase (decrease) in reserves	(1,262)	4,002	(2,962)	(1,160)
Increase (decrease) of investments	-	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	(775)	4,612	(1,532)	(334)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	775	(4,612)	1,532	334
FUNDING BALANCE ((A-B) + (C-D))	-	-	-	-

Funding Impact Statement: Safety and Resilience

Funding Impact Statement for the year ended 30 June 2022

\$000s	Long Term Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge and rate penalties	981	1,283	3,116	3,199
Targeted rates (other than a targeted rate for water supply)	8,673	8,867	9,611	9,668
Subsidies and grants for operating purpose	-	732	1,700	1,230
Fees, charges and targeted rates for water supply	208	(4)	408	30
Internal charges and overheads recovered	-	-	-	524
Local authorities fuel tax, fines, infringement fees and other receipts	1,051	2,065	245	349
TOTAL OPERATING FUNDING (A)	10,913	12,943	15,081	15,000
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	4,363	8,157	9,338	8,558
Finance costs	-	-	-	-
Internal charges and overheads applied	4,909	2,650	2,565	3,633
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	9,272	10,807	11,903	12,191
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	1,641	2,136	3,177	2,809
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	1,522	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	1,522	-	-
APPLICATION OF CAPITAL FUNDING				
<i>Capital expenditure:</i>				
— to meet additional demand	-	-	-	-
— to improve the level of service	583	351	100	1,345
— to replace existing assets	2,381	2,256	3,995	478
Increase (decrease) in reserves	(1,323)	1,051	(918)	986
Increase (decrease) of investments	-	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	1,641	3,658	3,177	2,809
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	(1,641)	(2,136)	(3,177)	(2,809)
FUNDING BALANCE ((A-B) + (C-D))	-	-	-	-

Funding Impact Statements

Funding Impact Statement: Transport

Funding Impact Statement for the year ended 30 June 2022

\$000s	Long Term Plan 2020/21	Actual 2020/21	Long Term Plan 2021/22	Actual 2021/22
SOURCES OF OPERATING FUNDING				
General rates, uniform annual general charge and rate penalties	275	323	745	765
Targeted rates (other than a targeted rate for water supply)	5,722	5,869	7,290	7,309
Subsidies and grants for operating purpose	8,888	11,093	13,203	14,239
Fees, charges and targeted rates for water supply	139	-	250	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	8,853	9,673	8,517	4,522
TOTAL OPERATING FUNDING (A)	23,877	26,958	30,005	26,835
APPLICATIONS OF OPERATING FUNDING				
Payments to staff and suppliers	23,965	28,513	31,573	27,988
Finance costs	-	-	-	-
Internal charges and overheads applied	1,039	712	727	710
Other operating funding applications	-	-	-	-
TOTAL APPLICATIONS OF OPERATING FUNDING (B)	25,006	29,225	32,300	28,698
SURPLUS (DEFICIT) OF OPERATING FUNDING (A-B)	(1,129)	(2,267)	(2,294)	(1,863)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	849	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
TOTAL SOURCES OF CAPITAL FUNDING (C)	-	849	-	-
APPLICATION OF CAPITAL FUNDING				
<i>Capital expenditure:</i>				
– to meet additional demand	-	-	-	-
– to improve the level of service	-	846	-	-
– to replace existing assets	-	3	-	3
Increase (decrease) in reserves	(1,129)	(2,267)	(2,294)	(1,866)
Increase (decrease) of investments	-	-	-	-
TOTAL APPLICATIONS OF CAPITAL FUNDING (D)	(1,129)	(1,418)	(2,294)	(1,863)
SURPLUS (DEFICIT) OF CAPITAL FUNDING (C-D)	1,129	2,267	2,294	1,863
FUNDING BALANCE ((A-B) + (C-D))	-	-	-	-

Financial Statements



This section reports the results of the Otago Regional Council as a separate entity and the consolidated results of the Group comprising the Council and Port Otago Limited.

Port Otago Limited

The Council is the 100% shareholder of Port Otago Limited. The Council views its shareholding role as one of trustee for the people of Otago, a position widely supported throughout the region.

Each year Port Otago Limited produces a Statement of Corporate Intent, which is then formally approved by Council. As its owner, the Council does not participate in the management and operation of the company; this is left in the care of the Directors of Port Otago Limited and its management. Port Otago Limited reports to Council on a six-monthly basis its performance results for the period.

The results of Port Otago Limited for the year ended 30 June 2022 have been incorporated into the Group results included within these financial statements.

Overview of Financial Performance

Statement of Comprehensive Revenue and Expenses

The total comprehensive revenue and expense gain of \$82.771 million comprises an operating deficit for the year of \$5.189 million and a revaluation gain of \$87.960 million. The deficit of \$5.189 million is \$3.756 million greater than the budgeted deficit of \$1.433 million.

Financial Statements

The following major items contributed to this variance:

- Grants revenue and subsidies is \$2.835 million greater than budgeted revenue of \$18.856 million due to the following two main factors.
 - Additional grant funding from the Ministry of Primary Industries (MPI) for the wilding conifer and wallaby pest control programs from budget of \$1.896 million.
 - Additional grant funding from Waka Kotahi NZTA of \$0.557 million for Dunedin and \$0.757 million for Wakatipu transport to fund the 50% fare revenue discount scheme that was introduced in April 2022.
- Other revenue is \$5.976 million below budgeted revenue of \$12.649 million due to the following major factors
 - The first being public transport fare revenue which was \$2.171 million and \$1.591 million below budget for Dunedin and Wakatipu. This decrease in fare revenue was caused by the continuation of \$2 fares, the funding of 50% of the fare revenue in grant funding from Waka Kotahi NZTA and reduced patronage numbers compared to budget.
 - Public transport revenue for totally mobility and RTPT planning was \$597,000 below budgeted revenue.
 - Budgeted funds of \$0.600 million for the Lakes Hayes remediation work were not received.
 - Consent processing revenue was \$0.414 million below budgeted revenue of \$3.599 million.
 - Compliance monitoring revenue was \$0.585 million below budgeted revenue of \$1.535 million.
- Employee benefits expense is \$1.725 million below budget due to vacancies in budgeted positions.
- Other gains and losses is \$2.693 million above budget due to poor share market conditions and low interest rates affecting the performance of the managed fund with a loss of \$2.412 million made in the current year.

Revaluation Gain

The revaluation gain of \$87.960 million reflects the gain on the revaluation of the Council's shareholding in the Port Otago Limited Group at 30 June 2022 and is greater than the gain of \$20.935 million provided for in the budget by \$67.025 million. The budgeted increase is a nominal estimate only, as the major factors contributing to the valuation are not able to be forecast with any significant degree of accuracy. The quantum of the gain does not impact directly on the operations of the Council during the year.

Statement of Financial Position

TOTAL ASSETS

Total assets at \$964.325 million exceeds the budgeted amount of \$738.648 million by \$225.677 million.

The following major items contributed to this variance:

- Cash and cash equivalents and other financial assets (our managed investment fund) have a combined amount of \$36.677 million and are \$5,811 million below the budget amount of \$42.488 million.
- Shares in subsidiary: The valuation of the Council shareholding in Port Otago Limited at 30 June 2022 of \$700.290 million, exceeded the budgeted amount of \$564.299 million by \$135.991 million.
- Intangible assets is \$1.450 million and is \$5.237 million below the budgeted amount of \$6.687 million. This variance from budget is caused by the re classification as expenditure of some software projects.
- Investment property of \$16.795 million is \$1.276 million great than budget of \$15.519 million due to the increased valuation of Council's investment property.
- In the current year Council borrowed funds from the New Zealand Local Government Funding Agency (NZLGFA) of \$15.196 million to fund deficit reserves for Council and \$99.960 million to provide loan facilities for Port Otago Limited. Borrowings are held as current borrowing of \$67.956 million and non current borrowing of \$47.200 million in the Statement of Financial Position. Borrowing with the NZLGFA was budgeted to be \$25 million for Council only.

The loan facilities lent to Port Otago Limited of \$99.960 million are classified as a non current related party receivable due to the Council and Port Otago Limited loan agreement allowing settlement after giving 24 months notice. It is intended that the borrowing with Port Otago Limited will continue as roll over financing.

All other assets and liabilities are in line with budget.

EQUITY

Public equity and reserves at \$828.565 million exceed the budgeted amount of \$699.515 million by \$212.05 million. The major factor in the variance is the Available for Sale revaluation reserve, which records the accumulated revaluation gains on the annual revaluations of the Council's shareholding in Port Otago Limited.

The budgeted balance of the reserve at 30 June 2022 was \$592.330 million, whereas the actual balance is \$544.299 million, a variance of \$48.03 million.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

\$000s	NOTES	Council 2022	Council Budget	Council 2021	Group 2022	Group 2021
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Rates revenue	1	40,211	40,039	27,015	40,106	26,957
Grant revenue and subsidies		21,691	18,856	19,007	21,691	19,007
Other revenue	1	6,673	12,649	12,014	6,673	12,014
REVENUE FROM EXCHANGE TRANSACTIONS						
Dividends	16	13,469	13,000	10,439	469	339
Interest and investment revenue		344	750	138	209	138
Other revenue	1	4,441	4,740	3,361	92,397	93,182
TOTAL REVENUE		86,829	90,034	71,974	161,545	151,637
EXPENDITURE						
Employee benefits expense	2	(25,692)	(27,417)	(21,956)	(56,845)	(54,109)
Depreciation and amortisation expense	3	(3,949)	(3,574)	(3,360)	(15,924)	(15,395)
Finance costs	22	(224)	(250)	-	(3,012)	(2,608)
Other expenses	4	(60,300)	(60,964)	(60,067)	(82,055)	(83,533)
TOTAL OPERATING EXPENDITURE		(90,165)	(92,206)	(85,383)	(157,836)	(155,645)
Share of surplus from equity accounted joint ventures		-	-	-	-	-
Other gains/(losses)	5	(1,953)	740	4,955	58,267	86,980
SURPLUS/(DEFICIT) BEFORE TAX		(5,289)	(1,433)	(8,454)	61,976	82,972
Income tax benefit/(expense)	6	100	-	100	(9,757)	(6,942)
SURPLUS/(DEFICIT) FOR THE YEAR		(5,189)	(1,433)	(8,354)	52,219	76,030
OTHER COMPREHENSIVE REVENUE AND EXPENSES						
Items that may be reclassified to surplus/(deficit):						
Available-for-sale financial assets:						
Revaluation gain/(loss) - shares in subsidiary	16	87,960	20,935	75,966	-	-
Available for sale financial asset gains reclassified to surplus/(deficit) during the year		-	-	-	-	-
Cashflow hedges:						
Unrealised movement in hedging interest rate swaps		-	-	-	2,385	1,598
Income tax relating to components of other comprehensive revenue and expenses		-	-	-	-	-
TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		87,960	20,935	75,966	2,385	1,598
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		82,771	19,502	67,612	54,604	77,628

The accompanying notes form part of these financial statements.

Financial Statements

Statement of Financial Position as at 30 June 2022

\$000s	NOTES	Council 2022	Council Budget	Council 2021	Group 2022	Group 2021
CURRENT ASSETS						
Cash and cash equivalents	7	13,243	8,466	4,380	13,323	4,621
Trade and other receivables	8	11,140	11,398	8,318	22,690	19,131
Investment property inventories	13	-	-	-	16,428	21,495
Other financial assets	15	23,434	34,022	25,313	23,434	25,313
Property held for sale	17	-	-	-	2,060	-
Other financial instruments		-	-	-	1,128	1,021
Other current assets		883	514	698	3,593	4,955
TOTAL CURRENT ASSETS		48,700	54,400	38,709	82,656	76,536
NON-CURRENT ASSETS						
Shares in subsidiary	16	700,290	564,299	612,330	-	-
Property, plant and equipment	11	97,032	97,646	96,236	321,706	316,317
Intangible assets	14	1,450	6,687	1,888	5,698	7,267
Non Current related party receivable	16	99,960	-	-	-	-
Investment property	12	16,795	15,519	16,490	588,980	495,780
Other financial instruments		-	-	-	3,153	-
Borrower notes	21	-	-	-	1,210	-
Income tax receivable		-	-	-	-	1,004
Deferred tax asset	33	98	98	98	-	-
TOTAL NON-CURRENT ASSETS		915,625	684,248	727,042	920,747	820,368
TOTAL ASSETS		964,325	738,648	765,751	1,003,403	896,904
CURRENT LIABILITIES						
Trade and other payables	9	18,196	11,918	17,031	27,017	23,980
Provisions		-	-	783	-	783
Borrowings	21	67,956	-	-	76,206	5,240
Employee entitlements	10	2,408	2,215	2,143	7,145	6,315
Other financial instruments	23	-	-	-	-	636
Tax payable		-	-	-	848	-
TOTAL CURRENT LIABILITIES		88,560	14,133	19,957	111,216	36,954
NON-CURRENT LIABILITIES						
Employee entitlements	10	-	-	-	903	956
Borrowings	21	47,200	-	-	47,200	73,850
Deferred tax liabilities	33	-	-	-	21,357	16,404
Other financial instruments	23	-	25,000	-	-	619
TOTAL NON-CURRENT LIABILITIES		47,200	25,000	-	69,460	91,829
TOTAL LIABILITIES		135,760	39,133	19,957	180,676	128,783
NET ASSETS		828,565	699,515	745,794	822,727	768,121
EQUITY						
Reserves	18	723,546	577,330	635,622	449,811	387,695
Public equity	19	105,019	122,185	110,172	372,916	380,426
TOTAL EQUITY		828,565	699,515	745,794	822,727	768,121

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity for the year ended 30 June 2022

\$000s	NOTES	TOTAL COUNCIL 2022					Closing Balance 30 June 2022	Council Budget
		Opening Balance 1 July 2021	Other Comprehensive Revenue and Expense	Transfers In	Transfers Out			
EQUITY								
		63,761	(5,189)	56,963	(54,314)	61,221	77,676	
		46,411	-	50,704	(53,317)	43,798	44,509	
		110,172	(5,189)	107,667	(107,631)	105,019	122,185	
RESERVES:								
		2,937	-	2,514	(2,911)	2,540	2,316	
		14,429	-	305	-	14,734	13,458	
		592,330	87,960	-	-	680,290	544,299	
		13,573	-	267	-	13,840	7,235	
		4,476	-	87	-	4,563	4,059	
		-	-	-	-	-	-	
		905	-	18	(239)	684	-	
		6,962	-	197	(303)	6,856	6,003	
		9	-	472	(443)	38	(40)	
		635,622	87,960	3,860	(3,896)	723,546	577,330	
		745,794	82,771	111,527	(111,527)	828,565	699,515	

\$000s	NOTES	TOTAL GROUP 2022					Closing Balance 30 June 2022
		Opening Balance 1 July 2021	Other Comprehensive Revenue and Expense	Transfers In	Transfers Out		
EQUITY							
		334,091	52,219	56,963	(114,079)	329,194	
		46,335	-	50,704	(53,317)	43,722	
		380,426	52,219	107,667	(167,396)	372,916	
RESERVES:							
		2,937	-	2,514	(2,911)	2,540	
		359,270	-	60,070	-	419,340	
		-	-	-	-	-	
		13,573	-	267	-	13,840	
		4,476	-	87	-	4,563	
		(438)	2,387	-	-	1,949	
		906	-	18	(239)	684	
		6,962	-	197	(303)	6,856	
		9	-	472	(443)	38	
		387,695	2,387	63,625	(3,896)	449,811	
		768,121	54,604	171,292	(171,292)	822,727	

The accompanying notes form part of these financial statements.

Financial Statements

Statement of Changes in Net Assets/Equity for the year ended 30 June 2021

\$000s	NOTES	Opening Balance 1 July 2020	Other Comprehensive Revenue and Expense	COUNCIL 2021		Closing Balance 30 June 2021	Council Budget
				Transfers In	Transfers Out		
EQUITY							
		72,647	(8,354)	52,919	(53,451)	63,761	71,770
		47,884	-	48,510	(49,983)	46,411	45,600
		120,531	(8,354)	101,429	(103,434)	110,172	117,370
RESERVES:							
		3,756	-	1,736	(2,555)	2,937	3,811
		12,887	-	1,542	-	14,429	12,262
		516,364	75,966	-	-	592,330	528,235
		13,440	-	133	-	13,573	13,768
		3,901	-	575	-	4,476	4,544
		(2,036)	1,598	-	-	(438)	-
		897	-	8	-	905	354
		6,397	-	946	(381)	6,962	6,266
		8	-	251	(250)	9	4
		557,650	75,966	5,191	(3,186)	635,622	569,244
		678,181	67,612	106,620	(106,620)	745,794	686,614

\$000s	NOTES	Opening Balance 1 July 2020	Other Comprehensive Revenue and Expense	GROUP 2021		Closing Balance 30 June 2021
				Transfers In	Transfers Out	
EQUITY						
		340,758	76,030	53,169	(135,866)	334,091
		47,884	-	48,434	(49,983)	46,335
		388,642	76,030	101,603	(185,849)	380,426
RESERVES:						
		3,756	-	1,736	(2,555)	2,937
		275,488	-	83,782	-	359,270
		-	-	-	-	-
		13,440	-	133	-	13,573
		3,901	-	575	-	4,476
		897	-	9	-	906
		(2,036)	1,598	-	-	(438)
		6,397	-	946	(381)	6,962
		8	-	251	(250)	9
		301,851	1,598	87,432	(3,186)	387,695
		690,493	77,628	189,035	(189,035)	768,121

The accompanying notes form part of these financial statements.

Cash Flow Statement for the year ended 30 June 2022

\$000s	NOTES	Council 2022	Council Budget	Council 2021	Group 2022	Group 2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from non-exchange transactions						
Receipts from customers		38,086	40,039	25,147	91,242	113,737
Grant income and subsidies		21,691	18,856	19,007	21,691	19,007
Other receipts		6,673	17,396	12,014	6,673	12,014
Receipts from exchange transactions						
Interest and investment income		153	750	138	153	138
Rental income		1,145	-	1,022	32,519	1,022
Subvention payment		100	-	100	-	-
Dividends		13,000	13,000	10,439	-	339
Other receipts		2,613	-	5,290	2,613	5,290
Payments to suppliers and employees		(85,085)	(88,382)	(72,761)	(132,766)	(129,430)
Interest and other costs of finance paid		(224)	(250)	-	(3,135)	(2,562)
Income tax received/(paid)		-	-	-	(3,878)	(6,596)
Donations		(350)	-	(350)	(350)	(350)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(2,198)	1,409	46	14,762	12,609
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest capitalised		-	-	-	(159)	(190)
Proceeds from sale of property, plant and equipment		255	410	1,399	569	1,435
Sale of held for sale assets		-	-	-	-	-
Sale of investment property		-	-	-	214	2,433
Advances (to)/from joint operations		-	-	-	-	27
Proceeds from other financial assets		-	(10,000)	581	-	581
Purchase of/improvements to investment property		-	-	-	(29,912)	(14,144)
Purchase of property in development		-	-	-	-	-
Purchase of property, plant and equipment		(4,315)	(6,224)	(5,376)	(19,792)	(12,048)
Purchase of intangible assets		(75)	(1,525)	(168)	(86)	(1,087)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(4,135)	(17,339)	(3,564)	(49,166)	(22,993)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from borrowings		115,156	25,000	-	223,411	59,600
Lending to Port Otago Ltd		(99,960)	-	-	-	-
Repayment of borrowings		-	-	-	(180,305)	(52,800)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		15,196	25,000	-	43,106	6,800
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,863	9,070	(3,518)	8,702	(3,584)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		4,380	(604)	7,898	4,621	8,205
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		13,243	8,466	4,380	13,323	4,621

The accompanying notes form part of these financial statements.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Financial Statements

The following terms are used in the Statement of Cash Flows:

- operating activities are the principal revenue producing activities of the Group and other activities that are not investing or financing activities;
- investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents; and
- financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Reconciliation of Surplus for the year to Net Cash Flows from Operating Activities

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
SURPLUS/(DEFICIT) FOR THE YEAR	(5,189)	(8,354)	52,219	76,030
ADD/(LESS) NON-CASH ITEMS:				
Depreciation and amortisation	3,949	3,360	15,924	15,396
(Gain)/loss on sale of property, plant and equipment	(196)	(834)	(296)	(865)
Write off of intangible assets	-	686	-	686
Provision for doubtful debts	(12)	10	(12)	9
(Gain)/loss on revaluation of investment property	(305)	(1,542)	(60,070)	(83,782)
Loss/(gain) on disposal of investment property	-	-	-	-
Net change in fair value of derivative financial instruments	-	-	(1,203)	(602)
Net change in fair value of financial assets	2,412	(2,458)	2,412	(2,458)
Share of surpluses retained by joint ventures	-	-	-	-
Movement in non-current employee entitlements	-	-	53	(101)
Deferred tax	-	-	4,026	2,035
Impairment of property plant and equipment	42	(121)	42	727
Write-off of property plant and equipment work in progress	-	564	-	564
	701	(8,689)	13,095	7,639
MOVEMENT IN WORKING CAPITAL:				
Trade and other receivables	(2,822)	1,094	3,559	5,392
Inventories	-	-	(5,067)	6,059
Other current assets	(185)	(184)	(1,362)	(3,005)
Trade and other payables	1,165	6,713	3,037	5,490
Provisions	(783)	784	(783)	555
Employee entitlements	265	328	830	(1,185)
Tax Payable	-	-	848	(1,594)
Movement in working capital items classified as investing activities	(539)	-	605	(6,742)
	(2,899)	8,735	1,667	4,970
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	(2,198)	46	14,762	12,609

Notes to the Financial Statements

for the year ended
30 June 2022



Basis of Reporting

This section contains the significant accounting policies of the Otago Regional Council that relate to the financial statements as a whole. Significant accounting policies relating to specific account balances are also included in the related note disclosures.

Reporting Entity

The Council is a regional local authority governed by the Local Government Act 2002.

The Council Group (Group) consists of the Council and its subsidiary Port Otago Limited (100% owned). The Port Otago Limited Group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. The principal activities of the Group entities are described in Note 16. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes.

The Financial Statements of Council are for the year ended 30 June 2022 and were authorised for issue by Council on 28 September 2022.

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with Public Benefit Entity Public Sector (PBE (PS)) standards. The financial statements have been prepared in accordance with Tier 1 PBE standards.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments (including derivative financial instruments). Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council's and Group's functional currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the surplus/(deficit) in the period in which they arise.

The financial statements are stated exclusive of GST, except for receivables and payables in the Statement of Financial Position which are recognised inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows in the Cash Flow Statement.

The budget amounts in these financial statements are for Council only and are those approved by the Council in the Long-Term Plan / Annual Plan and have been prepared using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Adoption of New and Revised Standard and Interpretations

All mandatory new or amended accounting standards and interpretations were adopted in the current year. None had a significant impact on these financial statements.

Standards and interpretations issued and not yet adopted

The following are new, revised, or amended standards that are applicable to the Group which are in issue but are not yet required to be adopted for the year end 30 June 2022.

- PBE IPSAS 41: Financial Instruments effective for periods commencing 1 January 2022
- PBE FRS 48: Service Performance Reporting effective for periods commencing 1 January 2022

Council expects to adopt the above standard in the period in which they become mandatory. Council anticipates that the above standard are not expected to have a material impact on the financial statements in the period of initial application; however, a detailed assessment has yet to be performed.

Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council entity and its controlled entities as defined in *PBE IPSAS 35 Consolidated Financial Statements*. A list of controlled entities appears in Note 16 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements incorporate the financial statements of the Council and entities controlled by the Council and its subsidiaries. Control is achieved when the Council:

- Has power over the other entity
- Has exposure, or rights, to variable benefits from its involvement with the other entity
- Has the ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with the other entity

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council and its subsidiaries as defined by *PBE IPSAS 35: Consolidated Financial Statements*. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a controlled entity are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Council obtains control and until such time as the Council ceases to control the entity.

In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the Group, are eliminated in full.

Accounting Policies

Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements, are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

Critical Estimates, Assumptions and Judgements

In preparing these financial statements the Council has made estimates, assumptions and judgements concerning

Notes to the Financial Statements

the future. These estimates, assumptions and judgements may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

- Estimate of Fair Value of Investment Property – refer to Note 12
- Estimate of Fair Value of Shares in Subsidiary – refer to Note 16
- Property, Plant and Equipment – refer to Note 11
- Classification of Property – refer to Note 11

The Group makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results and are continually being evaluated based on historical experience and other factors, including expectations of future events that are expected to be reasonable under the circumstances. Other than the COVID-19 impacts, referred to below, there are no estimates or assumptions in the view of Council that have a risk of causing a significant adjustment to the carrying amounts of assets or liabilities within the next financial year.

Further information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is disclosed in the relevant notes:

- Fair value measurements of property portfolio assets refer to Note 12
- Property, plant and equipment refer to Note 11

Notes to the Financial Statements:

Results for the Year



This section focuses on the financial performance of the Otago Regional Council and Group during the year. It outlines significant accounting policies adopted in the recognition of revenue and expenditure and provides detail about rates and other revenue, as well as significant expenditure such as employee benefits, goods and services purchased, depreciation, amortisation, and other costs.

The notes in this section are as follows:

1. Revenue
2. Employee Benefits Expense
3. Schedules of Depreciation and Amortisation
4. Other Expense
5. Other Gains/Losses
6. Income Taxes

Notes to the Financial Statements - Results for the Year

1. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made

Revenue from non-exchange Transactions	
TYPE	RECOGNITION AND MEASUREMENT
Rates revenue	Rates revenue is recognised as income when levied. Council levies general rates for those functions that are assessed as providing benefits to all ratepayers within each of the constituent districts and city, and levies targeted rates where functions benefit a defined group of ratepayers.
Grants and subsidies	Grants and subsidies are recognised upon entitlement, as conditions pertaining to expenditure have been fulfilled.
Other fee income	Other fee income from non-exchange transactions is recognised when the supplies and services have been rendered.

Revenue from exchange Transactions	
TYPE	RECOGNITION AND MEASUREMENT
Dividend income	Dividend income is recognised on the date of the dividend declaration.
Interest revenue	Interest revenue is recognised on a time proportionate basis using the effective interest method.
Revenue from port services	Revenue from port services is recognised in the accounting period in which the actual service is provided.
Revenue from the rendering of services	Revenue from the rendering of services, including relating to contracts and consent application that are in progress at balance date, is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
Rental income from operating leases	Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.
Fees and charges	Fees and charges are recognised as income when supplies and services have been rendered. Fees received from the following activities are recognised as revenue from exchange transactions: resource consent processing, pest animal and plant contract work, grazing leases and licenses and enforcement work.

Other Revenue

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
REVENUE FROM EXCHANGE TRANSACTIONS				
Port revenue	-	-	56,582	60,238
Consents and regulatory fees	3,296	2,338	3,296	2,338
Investment property rental income	810	673	32,184	27,822
Other property rental income	335	350	335	2,784
	4,441	3,361	92,397	93,182
REVENUE FROM NON-EXCHANGE TRANSACTIONS				
Consents and regulatory fees	962	904	962	904
Other activity fees and charges	5,711	11,110	5,711	11,110
	6,673	12,014	6,673	12,014

Rates Revenue

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
RATES REVENUE COMPRISES:				
General rates	19,656	11,201	19,627	11,143
Targeted rates	20,555	15,814	20,479	15,814
	40,211	27,015	40,106	26,957

2. Employee Benefits Expense

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Salaries and wages	24,187	20,886	55,340	51,487
Defined contribution plans	1,077	916	1,077	2,468
Termination benefits	428	154	428	154
	25,692	21,956	56,845	54,109

3. Schedule of Depreciation and Amortisation

Depreciation is provided on all property, plant and equipment except for land, endowment land, capital work in progress, floodbanks, protection works, drains and culverts. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight-line basis over their useful economic lives.

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over their useful economic lives.

\$000s	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
Depreciation of property, plant and equipment	11	3,450	3,025	14,118	14,138
Amortisation of intangible assets	14	499	335	1,641	1,136
Amortisation of leasing costs		-	-	165	121
		3,949	3,360	15,924	15,395

Depreciation and Amortisation by Activity (Council Only)

As required by the Local Government (Financial Reporting and Prudence) Regulations 2014, the Council's depreciation and amortisation by group of activities is as follows:

\$000s	NOTES	Actual 2021/2022	Long Term Plan 2021/2022	Actual 2020/2021	Annual Plan 2020/2021
Environment		277	350	235	271
Regional Leadership		166	121	175	206
Safety and Resilience		948	1,011	882	911
Transport		786	580	700	282
Corporate		1,772	1,512	1,368	1,297
		3,949	3,574	3,360	2,967

Notes to the Financial Statements - Results for the Year

4. Other Expenses

\$000s	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
Net bad and doubtful debts		(12)	16	(12)	16
Donations		350	350	612	544
Operating lease rental expenses: - Minimum lease payments		651	454	1,923	1,239
Company Directors' remuneration		-	-	500	387
Purchased materials and services		58,750	58,311	74,938	77,988
Fuel and electricity		443	372	4,082	2,795
Other		118	-	118	-
Write-off of property, plant and equipment		-	564	-	564
		60,300	60,067	82,055	83,533

2021: Included in the write-off of property, plant and equipment work in progress are assets which were vested to Dunedin City Council and the Otago community.

Remuneration of Auditors

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Audit fees for financial statement audit	125	125	125	125
Audit fees for audit of Annual Plan/Long-Term Plan	-	70	-	70
Other services	-	-	-	-
Fees for tax and advisory services - Council	-	-	-	-
	125	195	125	195
Audit fees to other auditors for audit of financial statements of group entities	-	-	223	127
Audit fees to the other auditors for other services to group activities	-	-	62	-
	-	-	285	127
	125	195	410	322

The auditor for and on behalf of the Controller and Auditor-General, of the Otago Regional Council, is Deloitte Limited, and of the Port Otago Limited Group is Ernest and Young.

5. Other Gains/(Losses)

Gains or losses on the sale of investment property and property, plant and equipment are recognised when an unconditional contract is in place, it is probable that the Group will receive the consideration due, and significant risks and rewards of ownership of assets have been transferred to the buyer.

\$000s	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
Unrealised net change in value of investment property and property in development	12	305	1,542	60,070	83,782
Gain/(loss) on disposal of investment property		-	-	-	-
Gain/(loss) on disposal of property, plant and equipment		154	834	254	865
Net change in fair value of financial assets carried at fair value through surplus or deficit		(2,412)	2,458	(2,412)	2,458
Impairment of Property, plant and equipment	11	-	121	(848)	(727)
Net change in fair value of derivative financial instruments classified at fair value through surplus or deficit (interest rate swaps)		-	-	1,203	602
TOTAL OTHER GAINS/(LOSSES)		(1,953)	4,955	58,267	86,980
GAINS		459	4,955	61,527	87,707
LOSSES		(2,412)	-	(3,260)	(727)

6. Income Taxes

Income Tax Recognised in Statement of Comprehensive Revenue and Expense

\$000s	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
INCOME TAX (EXPENSE)/BENEFIT COMPRISES:					
Current year - current tax		-	-	(5,816)	(4,914)
Current year - deferred tax		100	100	(4,026)	(2,035)
Prior period adjustment current tax		-	-	85	7
Prior period adjustment deferred tax		-	-	-	-
INCOME TAX (EXPENSE)/BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE		100	100	(9,757)	(6,942)
The prima facie income tax expense on pre-tax accounting surplus reconciles to the income tax expense in the financial statements as follows:					
Surplus/(deficit) before income tax		(5,289)	(8,454)	61,976	82,972
Imputation credits		-	-	-	-
		(5,289)	(8,454)	61,976	82,972
Income tax expense (credit) calculated at 28%		(1,481)	(2,367)	17,353	23,232
Non-deductible expenses		25,146	23,807	25,182	23,856
Non-assessable income		(20,125)	(18,712)	(20,154)	(40,348)
Unrealised change in investment property		-	-	(13,146)	(100)
Deferred tax expense relating to the origination and reversal of temporary differences		-	-	505	92
Prior period adjustment		-	-	15	210
Imputation credits utilised		(3,640)	(2,828)	-	-
INCOME TAX EXPENSE (CREDIT)		(100)	(100)	9,757	6,942

Council entered into an agreement for the Council to transfer 2021 tax year losses to its subsidiary Port Otago Limited. In conjunction with the tax loss transfer of \$257,364 (2021 tax year: \$257,857), by way of a tax loss offset, Port Otago Limited made a subvention payment of \$100,086 (2021 tax year: \$100,278) to the Council.

The tax expense represents the sum of the tax currently payable and deferred tax, except to the extent that it relates to items recognised directly in equity, in which case the tax expense is also recognised in equity.

Current tax payable is based on taxable profit for the period. Taxable profit differs from net surplus/(deficit) before tax, as reported in the Statement of Comprehensive Revenue and Expense, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Council's and Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Imputation Credit Account Balances

\$000s	Group 2022	Group 2021
BALANCE AT END OF YEAR	47,211	47,693

Imputation credit balances available directly and indirectly to the Council through subsidiaries are \$47,309,000 as at 30 June 2022 and \$47,791,000 as at 30 June 2021.

Notes to the Financial Statements:

Working Capital



This section provides information about the operating assets and liabilities available for the Otago Regional Council and Group's day-to-day activities.

The notes in this section are as follows:

7. Cash and Cash Equivalents
8. Trade and Other Receivables
9. Trade and Other Payables
10. Employee Entitlements

7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank and deposits in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statements are reconciled to the related items in the Statement of Financial Position as follows:

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
CASH AND CASH EQUIVALENTS:				
Cash at bank and on hand	13,243	4,380	13,323	4,621
Term deposits with maturities less than 3 months	-	-	-	-
	13,243	4,380	13,323	4,621

8. Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for doubtful debts is established when there is objective evidence that the Council or Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the surplus/(deficit).

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS				
Trade receivables (i)	2,277	2,270	14,207	13,329
Provision for doubtful debts	(75)	(103)	(455)	(348)
	2,202	2,167	13,752	12,981
Sundry accruals	-	-	-	-
Goods and Services Tax receivable	975	298	975	298
	3,177	2,465	14,727	13,279
TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				
Trade receivables (i)	4,774	4,754	4,774	4,753
Provision for doubtful debts	(28)	(12)	(28)	(12)
	4,746	4,742	4,746	4,741
Accrued Income	3,217	1,111	3,217	1,111
Goods and Services Tax receivable	-	-	-	-
	7,963	5,853	7,963	5,852
TOTAL	11,140	8,318	22,690	19,131

(i) Trade receivables are non-interest bearing and generally on monthly terms.

Notes to the Financial Statements - Working Capital

9. Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council and Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Trade payables for Exchange transactions (i)	10,867	11,519	19,688	14,042
Other accrued charges	7,329	5,512	7,329	9,938
Property deposits received	-	-	-	-
	18,196	17,031	27,017	23,980

(i) The average credit period on purchases is 30 days.

10. Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council and Group in respect of services provided by employees up to reporting date.

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Accrued salary and wages	395	266	1,342	933
Annual leave	2,002	1,855	5,659	5,230
Long service leave	-	-	866	919
Retiring allowances	11	22	48	59
Sick leave	-	-	133	130
	2,408	2,143	8,048	7,271
Disclosed in the financial statements as:				
Current	2,408	2,143	7,145	6,315
Non-current	-	-	903	956
	2,408	2,143	8,048	7,271

Notes to the Financial Statements:

Investments and Long-term Assets

This section provides information about the investments the Otago Regional Council and Group have made in investments and long-term assets.

The notes in this section are as follows:

11. Property Plant and Equipment
12. Investment Property
13. Investment Property Inventories
14. Intangible Assets
15. Other Financial Assets
16. Shares in Subsidiary and Dividend Income
17. Property Held for Sale

Notes to the Financial Statements - Investments and Long-term Assets

11. Property, Plant and Equipment

Council 2022

\$000s	Cost 1 July 2021	Additions	Disposals	Transfers	Reclass	Cost 30 June 2022
COUNCIL OPERATIONAL ASSETS						
Land	12,550	-	-	-	-	12,550
Endowment land	780	-	-	-	-	780
Buildings	7,287	188	-	66	-	7,542
Plant and vehicles	10,890	2,482	(1,968)	107	-	11,511
Capital work in progress	515	101	-	(173)	(82)	361
TOTAL OPERATIONAL ASSETS	32,022	2,772	(1,968)	-	(82)	32,744
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,432	32	-	6	-	28,470
Protection works	9,741	-	-	-	-	9,741
Structures	43,265	140	-	38	-	43,443
Drains	3,760	-	-	-	-	3,760
Bridges	1,455	-	-	-	-	1,455
Culverts	1,320	456	-	189	-	1,965
Transport Infrastructure & hardware	5,299	-	(64)	-	-	5,235
Capital work in progress	822	1,023	-	(233)	-	1,612
TOTAL INFRASTRUCTURAL ASSETS	94,094	1,651	(64)	-	-	95,681
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	126,116	4,423	(2,033)	-	(82)	128,425

Council 2021

\$000s	Cost 1 July 2020	Additions	Disposals	Transfers	Reclass	Cost 30 June 2021
COUNCIL OPERATIONAL ASSETS						
Land	12,550	-	-	-	-	12,550
Endowment land	1,495	-	(715)	-	-	780
Buildings	7,172	111	(3)	7	-	7,287
Plant and vehicles	9,540	1,483	(272)	116	23	10,890
Capital work in progress	337	365	(64)	(123)	-	515
TOTAL OPERATIONAL ASSETS	31,094	1,959	(1,054)	-	23	32,022
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	27,548	884	-	-	-	28,432
Protection works	9,741	-	-	-	-	9,741
Structures	41,796	615	-	854	-	43,265
Drains	3,760	-	-	-	-	3,760
Bridges	1,509	-	(54)	-	-	1,455
Culverts	1,278	48	(6)	-	-	1,320
Transport Infrastructure & hardware	2,723	640	(2)	-	1,938	5,299
Capital work in progress	746	1,230	(300)	(854)	-	822
TOTAL INFRASTRUCTURAL ASSETS	89,101	3,417	(362)	-	1,938	94,094
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	120,195	5,376	(1,416)	-	1,961	126,116

Council infrastructural assets represent Flood Protection and Control Works as defined in the Local Government (Financial Reporting and Prudence) Regulations 2014. All infrastructure assets acquired during the year were constructed by Council. There were no infrastructural assets transferred to the Council from external entities. Capital work in progress reclassified (to prepayments) relates to a deposit paid in the 2021 financial year for the purchase of lake buoys, which will now be leased.

Notes to the Financial Statements - Investments and Long-term Assets

Accumulated Depreciation and Impairment Charges 1 July 2021	Impairment recovery/ (losses) Charged in Profit or Loss	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation and Impairment Charges 30 June 2022	Book Value 30 June 2022
-	-	-	-	-	12,550
-	-	-	-	-	780
(2,135)	-	(384)	-	(2,519)	5,023
(6,338)	-	(1,335)	1,925	(5,748)	5,763
-	-	-	-	-	361
(8,473)	-	(1,719)	1,925	(8,267)	24,477
(44)	-	-	-	(44)	28,426
-	-	-	-	-	9,741
(19,190)	-	(916)	-	(20,106)	23,337
-	-	-	-	-	3,760
(1,085)	-	(43)	-	(1,128)	327
-	-	-	-	-	1,965
(1,088)	-	(772)	13	(1,847)	3,387
-	-	-	-	-	1,612
(21,407)	-	(1,731)	13	(23,126)	72,555
(29,880)	-	(3,450)	1,938	(31,392)	97,032
Accumulated Depreciation and Impairment Charges 1 July 2020	Impairment recovery/ (losses) Charged in Profit or Loss	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Accumulated Depreciation and Impairment Charges 30 June 2021	Book Value 30 June 2021
-	-	-	-	-	12,550
-	-	-	-	-	780
(1,816)	-	(320)	1	(2,135)	5,152
(5,440)	-	(1,124)	226	(6,338)	4,552
-	-	-	-	-	515
(7,256)	-	(1,444)	227	(8,473)	23,549
(165)	121	-	-	(44)	28,388
-	-	-	-	-	9,741
(18,340)	-	(850)	-	(19,190)	24,075
-	-	-	-	-	3,760
(1,087)	-	(45)	47	(1,085)	370
-	-	-	-	-	1,320
(402)	-	(686)	-	(1,088)	4,211
-	-	-	-	-	822
(19,994)	121	(1,581)	47	(21,407)	72,687
(27,250)	121	(3,025)	274	(29,880)	96,236

IPSAS 21 Impairment of a non-cash generating assets requires an impairment assessment if there is any indication that an asset may be impaired. During the February 2020 flood, flood protection assets in the Clutha and Queenstown regions were damaged. In 2020 the book value of the damaged flood assets was impaired using the restoration cost approach. During the 2021 financial year the assets were repaired, and the impairment was reversed.

Notes to the Financial Statements - Investments and Long-term Assets

Group 2022	Cost					Cost
\$000s	1 July 2021	Additions	Disposals	Transfers	Reclass	30 June 2022
OPERATIONAL ASSETS						
Land – Council	12,550	-	-	-	-	12,550
Endowment land – Council	780	-	-	-	-	780
Buildings – Council	7,287	188	-	66	-	7,541
Plant and vehicles – Council	10,890	2,482	(1,968)	107	-	11,511
Capital work in progress – Council	515	101	-	(173)	(82)	361
Land – Port	36,300	-	(95)	-	-	36,205
Buildings and improvements – Port	88,855	-	(675)	2,707	-	90,887
Wharves and berths dredging – Port	91,335	-	-	-	-	91,335
Plant, equipment and vehicles – Port	120,706	-	(1,289)	3,170	-	122,587
Capital work in progress – Port	3,752	15,485	-	(5,888)	-	13,349
TOTAL OPERATIONAL ASSETS	372,970	18,256	(4,027)	(11)	(82)	387,106
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,432	32	-	6	-	28,470
Protection works	9,741	-	-	-	-	9,741
Structures	43,265	140	-	38	-	43,443
Drains	3,760	-	-	-	-	3,760
Bridges	1,455	-	-	-	-	1,455
Culverts	1,320	456	-	189	-	1,965
Transport Infrastructure & hardware	5,299	-	(64)	-	-	5,235
Capital work in progress	822	1,023	-	(233)	-	1,612
TOTAL INFRASTRUCTURAL ASSETS	94,094	1,651	(64)	-	-	95,681
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	467,064	19,907	(4,091)	(11)	(82)	482,787

Group 2021	Cost					Cost
\$000s	1 July 2020	Additions	Disposals	Transfers	Reclass	30 June 2021
OPERATIONAL ASSETS						
Land – Council	12,550	-	-	-	-	12,550
Endowment land – Council	1,495	-	(715)	-	-	780
Buildings – Council	7,172	111	(3)	7	-	7,287
Plant and vehicles – Council	9,540	1,483	(272)	116	23	10,890
Capital work in progress – Council	337	365	(64)	(123)	-	515
Land – Port	36,300	-	-	-	-	36,300
Buildings and improvements – Port	86,256	3,359	(760)	-	-	88,855
Wharves and berths dredging – Port	91,030	305	-	-	-	91,335
Plant, equipment and vehicles – Port	116,884	4,101	(279)	-	-	120,706
Capital work in progress – Port	4,845	-	(1,093)	-	-	3,752
TOTAL OPERATIONAL ASSETS	366,409	9,724	(3,186)	-	23	372,970
COUNCIL INFRA-STRUCTURAL ASSETS						
Floodbanks	27,548	884	-	-	-	28,432
Protection works	9,741	-	-	-	-	9,741
Structures	41,796	615	-	854	-	43,265
Drains	3,760	-	-	-	-	3,760
Bridges	1,509	-	(54)	-	-	1,455
Culverts	1,278	48	(6)	-	-	1,320
Transport Infrastructure & hardware	2,723	640	(2)	-	1,938	5,299
Capital work in progress – Council	746	1,230	(300)	(854)	-	822
TOTAL INFRASTRUCTURAL ASSETS	89,101	3,417	(362)	-	1,938	94,094
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	455,510	13,141	(3,548)	-	1,961	467,064

Notes to the Financial Statements - Investments and Long-term Assets

Accumulated Depreciation and Impairment Charges 1 July 2021	Impairment recovery/ (losses) Charged in Profit or Loss	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Transfers	Accumulated Depreciation and Impairment Charges 30 June 2022	Book Value 30 June 2022
-	-	-	-	-	-	12,550
-	-	-	-	-	-	780
(2,135)	-	(384)	-	-	(2,519)	5,023
(6,338)	-	(1,335)	1,925	-	(5,748)	5,763
-	-	-	-	-	-	361
-	-	-	-	-	-	36,205
(29,032)	-	(3,001)	530	-	(31,503)	59,384
(27,174)	-	(1,839)	-	-	(29,013)	62,332
(64,661)	-	(5,828)	1,315	-	(69,174)	53,413
-	-	-	-	-	-	13,349
(129,340)	-	(12,387)	3,770	-	(137,957)	249,149
(44)	-	-	-	-	(44)	28,426
-	-	-	-	-	-	9,741
(19,190)	-	(916)	-	-	(20,106)	23,337
-	-	-	-	-	-	3,760
(1,085)	-	(43)	-	-	(1,128)	327
-	-	-	-	-	-	1,965
(1,088)	-	(772)	14	-	(1,847)	3,389
-	-	-	-	-	-	1,612
(21,407)	-	(1,731)	14	-	(23,126)	72,557
(150,747)	-	(14,118)	3,784	-	(161,081)	321,706

Accumulated Depreciation and Impairment Charges 1 July 2020	Impairment Losses Charged in Profit or Loss	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Transfers	Accumulated Depreciation and Impairment Charges 30 June 2021	Book Value 30 June 2021
-	-	-	-	-	-	12,550
-	-	-	-	-	-	780
(1,816)	-	(320)	1	-	(2,135)	5,152
(5,440)	-	(1,124)	226	-	(6,338)	4,552
-	-	-	-	-	-	515
-	-	-	-	-	-	36,300
(26,590)	-	(3,197)	755	-	(29,032)	59,823
(24,327)	(848)	(1,999)	-	-	(27,174)	64,161
(59,022)	-	(5,917)	278	-	(64,661)	56,045
-	-	-	-	-	-	3,752
(117,195)	(848)	(12,557)	1,260	-	(129,340)	243,630
(165)	121	-	-	-	(44)	28,338
-	-	-	-	-	-	9,741
(18,340)	-	(850)	-	-	(19,190)	24,075
-	-	-	-	-	-	3,760
(1,087)	-	(45)	47	-	(1,085)	370
-	-	-	-	-	-	1,320
(402)	-	(686)	-	-	(1,088)	4,211
-	-	-	-	-	-	822
(19,994)	121	(1,581)	47	-	(21,407)	72,687
(137,189)	(727)	(14,138)	1,307	-	(150,747)	316,317

Notes to the Financial Statements - Investments and Long-term Assets

Property, Plant and Equipment

Property, plant and equipment consist of:

Operational Assets

Operational assets include:

- Council-owned land, endowment land, buildings, and plant and vehicles; and
- Port owned land, buildings and improvements, wharves and berths dredging, and plant, equipment and vehicles.

Infrastructural Assets

Infrastructural assets deliver benefits direct to the community and are associated with major flood protection and land drainage schemes. Infrastructural assets include floodbanks, protection works, structures, drains, bridges, culverts, bus hubs and shelters.

Transport infrastructure assets and hardware deliver benefits to the transport bus network in Wakatipu and Dunedin.

Restricted Assets

Endowment land is vested in the Council by the Otago Regional Council (Kuriwao Endowment Lands) Act. The Act restricts disposition of this land to freeholding initiated by lessees.

(A) COST

Land and Buildings are recorded at cost or deemed cost less accumulated depreciation and any accumulated impairment losses.

Other property, plant and equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

(B) DEPRECIATION

Operational assets with the exception of land, are depreciated on a straight-line basis to write-off the cost of the asset to its estimated residual value over its estimated useful life.

Infrastructural assets including floodbanks, protection works and drains and culverts are constructions or excavations of natural materials on the land and have substantially the same characteristics as land, in that they are considered to have unlimited useful lives, and in the absence of natural events, these assets are not subject to ongoing obsolescence or deterioration of service performance, and are not subject to depreciation. Other infrastructural assets are depreciated on a straight-line basis to write off the cost of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the surplus/(deficit) in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

Operational Assets	Life	Infrastructural Assets	Life
Buildings – Council	10-50 years	Floodbanks	Unlimited
Plant and vehicles – Council	3-20 years	Protection works	Unlimited
Buildings and improvements – Port	10-50 years	Drains	Unlimited
Wharves – Port	15-70 years	Culverts	Unlimited
Vessels and Floating Plant – Port	5-30 years	Structures	8-100 years
Plant, equipment and vehicles – Port	3-30 years	Bridges	33-100 years
		Transport infrastructure and hardware	5-15 years

Notes to the Financial Statements - Investments and Long-term Assets

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(C) DISPOSAL

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus/(deficit) in the period the asset is derecognised.

Critical Judgements and Assumptions

(A) COUNCIL AND GROUP

The Council owns a number of properties that are held for service delivery objectives as part of the Council's various flood protection schemes. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

(B) GROUP ONLY

Port Otago Limited owns a number of properties that are classified and accounted for as property, plant and equipment rather than investment property if the property is held to meet the strategic purposes of the port, or to form part of buffer zones to port activity, or to assist the provision of port services, or to promote or encourage the import or export of goods through the port.

Impairment

At each reporting date, the Council and Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council and Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised in the surplus or deficit whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount.

Useful Lives and Residual Values

At each balance date, the Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful lives and residual value estimates of property, plant and equipment requires the Group to consider a number of factors, such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus/(deficit), and carrying amount of the asset in the Statement of Financial Position. The Group minimises the risk of this estimation uncertainty by physical inspection of assets, asset replacement programmes and analysis of prior asset sales. The Group has not made significant changes to past assumptions concerning useful lives and residual values.

Notes to the Financial Statements - Investments and Long-term Assets

12. Investment Property

\$000s	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
BALANCE AT BEGINNING OF YEAR		16,490	14,948	495,780	393,437
Acquisitions		-	-	-	-
Subsequent capital expenditure		-	-	28,661	10,328
Interest capitalised		-	-	110	190
Disposals		-	-	-	-
Net movement in incentives		-	-	376	121
Net movement in prepaid leasing costs		-	-	512	171
Transfer to investment property inventories	13	-	-	5,531	7,751
Transfer to non-current assets held for sale	17	-	-	(2,060)	-
Transfer from investment property inventories	13	-	-	-	-
Net gain/(loss) from fair value adjustments	5	305	1,542	60,070	83,782
BALANCE AT END OF YEAR		16,795	16,490	588,980	495,780

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Valuation Analysis				
VALUED AT 30 JUNE BALANCE DATE AS DETERMINED BY:				
Jones Lang LaSalle	-	-	65,936	55,371
Bayleys Valuations Limited	-	-	248,755	-
CVAS (NZ) Limited (Colliers)	-	-	209,350	182,075
Savills (NZ) Limited (Savills)	-	-	-	208,725
CBRE Limited (CBRE)	-	-	31,900	31,900
Tay and Tay Limited	16,795	16,490	16,795	16,490
	16,795	16,490	572,736	494,561
Plus: investment property under construction and carried at cost	-	-	16,244	1,219
	16,795	16,490	588,980	495,780

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is measured initially at cost and subsequently at fair value. Gains or losses arising from changes in the fair value of investment property are reported in the surplus/(deficit) in the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The fair value of investment property reflects the Director's assessment of the highest and best use of each property and, amongst other things, rental income, from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects the cash outflows that could be expected in respect of the property.

No depreciation or amortisation is provided for on investment properties. However, for tax purposes, depreciation is claimed on building fit-out and a deferred tax liability is recognised where the building component of the registered building exceeds the tax book value of the building. The deferred tax liability is capped at the amount of depreciation that has been claimed on each building. Gains or losses on the disposal of investment properties are recognised in the surplus/(deficit) in the period in which the risks and rewards of the investment property have been fully transferred to the purchaser.

Borrowing costs are capitalised if they are directly attributable to the acquisition or construction of a qualifying property. Capitalisation of borrowing costs will continue until the asset is substantially ready for its intended use. The rate at which borrowing costs are capitalised is determined by reference to the weighted average borrowing costs and the average level of borrowings.

Critical Judgements

Fair Value of Property Portfolio Assets (includes investment property, property held for sale and property in development)

The fair value of the Council's and Group's investment property at 30 June 2022 requires estimation and judgement and has been arrived at on the basis of valuations carried out at that date by independent registered valuers who conform with the New Zealand Property Institute Practice Standards. The valuers have extensive market knowledge in the types of investment properties owned by the Council and Group.

The fair value was determined using valuation techniques via a combination of the following approaches:

- **Direct Capitalisation:** The subject property rental is divided by a market derived capitalisation rate to assess the market value of the asset. Further adjustments are then made to the market value to reflect under or over renting, additional revenue and required capital expenditure.
- **Discounted Cash Flow:** Discounted cash flow projections for the subject property are based on estimates of future cash flows, supported by the terms of any existing lease and by external evidence such as market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.
- **Sales Comparison:** The subject property is related at a rate per square metre as a means of comparing evidence. In applying this approach a number of factors are taken into account, such as but not limited to, size, location, zoning, contour, access, development potential / end use, availability of services, profile and exposure, current use of surrounding properties, geotechnical and topographical constraints.

Significant inputs used together with the impact on fair value of a change in inputs:

	COUNCIL		GROUP	
	Range of Significant Unobservable Inputs		Range of Significant Unobservable Inputs	
Market capitalisation rate (%) (i)	4.5%	6.0%	4.0%	9.0%
Market rental (\$ per Sqm) (ii)	\$48	\$245	\$12	\$396
Discount rate (%) (iii)	6.5%	8.0%	6.1%	9.5%
Rental growth rate (%) (iv)	2%	25%	1.0%	25%
Terminal capitalisation rate (%) (v)	5.0%	6.5%	4.1%	9.3%
Profit and risk rate (vi)	N/A	N/A	5.0%	5.0%
Development sell down period (years) (vii)	N/A	N/A	0.25-0.5 years	0.75 years

- The capitalisation rate applied to the market rental to assess a property's value, determined through similar transactions taking into account location, weighted average lease term, size and quality of the property.
- The valuer assessment of the net market income that a property is expected to achieve under a new arm's length leasing transaction.
- The rate applied to future cash flows relating transactional evidence from similar properties.
- The rate applied to the market rental over the future cash flow projection.
- The rate used to assess the terminal value of the property.
- The rate providing an allowance for the risks and uncertainties associated with similar activities in conjunction with current market conditions.
- The length of time in years anticipated to complete the sell down of developed land.

Notes to the Financial Statements - Investments and Long-term Assets

13. Investment Property Inventories

\$000s	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
BALANCE AT BEGINNING OF YEAR		-	-	21,495	27,554
Transfer (to) from investment property	12	-	-	-	-
Transfer to investment property	12	-	-	(5,531)	(7,751)
Land acquired from joint venture partner		-	-	-	2,499
Disposals		-	-	-	(1,640)
Subsequent capital expenditure		-	-	464	833
Interest capitalised		-	-	-	-
BALANCE AT END OF YEAR		-	-	16,428	21,495

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
COMPRISING:				
Developed land for sale	-	-	16,428	21,371
Units and warehouse developments	-	-	-	124
	-	-	16,428	21,495

Transfers to investment property from investment property inventories occur when there is a change in use evidenced by the commencement of a development with a view to sale. Future development stages that have not yet commenced and are being held for capital appreciation are accounted for in investment property.

Investment property inventories are accounted for as inventory and initially recognised at deemed cost represented by the fair value at the time of commencement of the development. Further costs directly incurred through development activities are capitalised to the cost of the investment property inventories.

Investment property inventories are valued annually and are measured at the lower of cost and fair value. Where costs exceed the fair value of the investment property inventories the resulting impairments are included in the Income Statement in the period in which they arise.

Developed Land for Sale

The \$16.4 million carrying value at balance date reflects the cost of 7.3 hectares of developed land for sale. In their June 2022 valuation, Jones Lang LaSalle stated a net realisable value of \$42.1 million for this land on hand. At June 2021, the \$21.5 million carrying value of developed land reflected the Groups 10.4 hectare share of the developed land. Jones Lang LaSalle stated a net realised value for the Groups share of developed land on hand at June 2021 of \$33.2 million.

Notes to the Financial Statements - Investments and Long-term Assets

14. Intangible Assets

\$000s	Council Computer Software	Council Total	Group Computer Software	Group Resource Consents	Group Total
GROSS CARRYING AMOUNT					
Balance at 30 June 2020	8,358	8,358	16,090	5,645	21,735
Additions	1,070	1,070	1,984	5	1,988
Capital WIP additions	40	40	40	-	40
Capital WIP write off	-	-	-	-	-
Transfer to complete asset	(941)	(941)	(941)	-	(941)
Transfer to Property plant and equipment	(1,961)	(1,961)	(1,961)	-	(1,961)
Write off to statement of comprehensive income	(686)	(686)	(686)	-	(686)
BALANCE AT 30 JUNE 2021	5,880	5,880	14,526	5,650	20,175
Additions	75	75	-	-	75
Capital WIP additions	-	-	-	-	-
Capital WIP write off	-	-	-	-	-
Transfer to Property plant and equipment	(14)	(14)	11	-	11
Disposals	-	-	-	-	-
BALANCE AT 30 JUNE 2022	5,941	5,941	8,657	5,650	20,248
ACCUMULATED AMORTISATION AND IMPAIRMENT					
Balance 30 June 2020	(3,659)	(3,659)	(10,087)	(1,687)	(11,774)
Amortisation expense	(335)	(335)	(881)	(255)	(1,136)
Disposals	2	2	-	-	2
BALANCE AT 30 JUNE 2021	(3,992)	(3,992)	(10,966)	(1,942)	(12,908)
Amortisation expense	(499)	(499)	(1,386)	(255)	(1,641)
Disposals	-	-	-	-	-
BALANCE AT 30 JUNE 2022	(4,491)	(4,491)	(12,352)	(2,198)	(14,549)
NET BOOK VALUE					
AS AT 30 JUNE 2022	1,450	1,450	2,246	3,452	5,698
AS AT 30 JUNE 2021	1,888	1,888	3,560	3,707	7,267

The cost of acquiring an intangible asset is amortised from the date the asset is ready for use on a straight-line basis over the periods of expected benefit.

Computer Software

Computer software assets are stated at cost, less accumulated amortisation and impairment. The amortisation periods range from 1 to 5 years.

Resource Consents

For resource consents the amortisation periods range from 3 to 25 years. Where the periods of expected benefit or recoverable values have diminished, due to technological change or market conditions, amortisation is accelerated or the carrying value is written down.

Resource consents relate to the granting of the consents which will allow Port Otago Limited to deepen to 15 metres and widen the channel in Otago Harbour so larger ships will be able to call at Port Chalmers. Consents were granted in January 2013 and were activated in March 2015. Amortisation of the carrying amounts commenced on the activation of the consents and will be amortised over the life of the consents which is either 3 years or 20 years. An additional 25 year consent was granted in June 2017 to undertake maintenance dredging and disposal of dredge spoil.

Notes to the Financial Statements - Investments and Long-term Assets

Impairment

At each reporting date, the Council and Group reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council and Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

15. Other Financial Assets

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
HELD FOR TRADING - CARRIED AT FAIR VALUE				
Current:				
Managed funds – cash (i)	1,713	2,113	1,713	2,113
Managed funds – bonds (i)(ii)	10,340	10,108	10,340	10,108
Managed funds – equities (i)	11,381	13,092	11,381	13,092
	23,434	25,313	23,434	25,313

Other financial assets are classified on initial recognition at fair value through surplus of deficit or loans and receivables.

Loans and Receivables at Amortised Cost

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Financial Assets at Fair Value through Surplus of Deficit

Financial assets are classified as financial assets at fair value through surplus or deficit where the financial asset:

- Has been acquired principally for the purpose of selling in the near future;
- Is a part of an identified portfolio of financial instruments that the Council and Group manages together and has a recent actual pattern of short-term profit-taking; or
- Is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through surplus or deficit are stated at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Revenue and Expense. The net gain or loss is recognised in the Statement of Comprehensive Revenue and Expense and incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described later in this note.

- The Council and Group have classified their managed funds held for trading. The Group holds a portfolio of floating and fixed interest deposits, bonds and equity securities that is managed externally. This classification has been determined as all assets within this category are available for trading at any point. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the surplus/(deficit).
- The Group holds fixed interest bonds via its managed fund portfolio, the maturity dates range between 2022-2038.

Fair Value

The fair values of financial assets and financial liabilities are determined as follows:

Level 1 – the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices. Financial assets in this category include managed fund equities and shares in listed companies.

Level 2 – the fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Notes to the Financial Statements - Investments and Long-term Assets

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	COUNCIL				GROUP			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2022								
Financial assets at FVTSD¹:								
Other financial assets	23,434	-	-	23,435	23,434	-	-	23,435
2021								
Financial assets at FVTSD¹:								
Other financial assets	25,313	-	-	25,313	25,313	-	-	25,313

¹ FVTSD: Fair Value through the surplus or deficit

16. Shares in Subsidiary and Dividend Income

Port Otago Limited is a 100% subsidiary of the Council.

Recognition and Measurement

The Council's investment in Port Otago Limited is carried at fair value in the Council entity's financial statements. At each balance date the Council obtains an annual valuation of the Council's shareholding in its subsidiary Port Otago Limited. The Port Otago group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The annual valuation is determined by an independent firm of chartered accountants and business advisors.

In assessing the valuation, the valuers adopt methodologies appropriate for the components of the Port Otago Limited group, employing the discounted cashflow methodology for Port Otago port operations and net tangible assets approach for Chalmers Properties Limited. Changes in forecast cashflows and property values and other factors that the fair value assessment is based on may result in the fair value of the shares in the subsidiary being different from previous estimates. The fair value is a level 3 fair value measurement, as the valuation technique includes inputs that are not based on observable market data (unobservable inputs).

Significant Assumptions Used in Determining Fair Value of Financial Assets and Financial Liabilities

The valuation for the shares in Port Otago Limited is a combination of a discounted cashflow and net tangible assets approach based on information provided by the entity and investment property valuations. The fair value of the shares in subsidiaries at 30 June 2022 was based on cashflows discounted using a weighted average cost of capital of 8.6% (2021: 7.6%), terminal growth rate 3% (2021: 3%) and discount for lack of marketability 3% (2021: 5%). Refer to Note 12 for revaluation inputs associated with the investment properties.

Sensitivity to WACC

- A decrease of 0.5% in WACC to 8.1% would result in a \$27.53 million increase in fair value
- An increase of 0.5% in WACC to 9.1% would result in a \$22.972 million decrease in fair value

Sensitivity to terminal growth rate

- A decrease of 0.5% in the terminal growth rate to 2.5% would result in a \$14.85 million decrease in fair value
- An increase of 0.5% in the terminal growth rate to 3.5% would result in a \$17.76 million increase in fair value

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Balance at beginning of year	612,330	536,364	-	-
Gain/(loss) recognised in other Comprehensive Revenue and Expense	87,960	75,966	-	-
BALANCE AT END OF YEAR	700,290	612,330	-	-

Notes to the Financial Statements - Investments and Long-term Assets

Related party transactions

During the year the following receipts/(payments) were made from/(to) Port Otago Limited:

\$000s	Council 2022	Council 2021
REVENUE TRANSACTIONS		
Dividend payment made to Council	13,000	10,100
Rates	104	59
Other	46	116
Interest on borrowings	134	-
EXPENDITURE TRANSACTIONS		
Harbour Control Centre and other costs	60	60
Finance costs	45	-

During the year Council and Port Otago Limited, entered into an agreement whereby Council will provide an unsecured related party loans facility of up to a maximum of \$100 million. The related party loan amounts, interest rates and repayment dates match loans provided by the New Zealand Local Government Funding Agency (LGFA) to Council. Port Otago Limited pays all reasonable costs and expenses incurred by Council in connection with the establishment of its LGFA facility and ongoing fees associated with related party borrowing. Council or Port Otago Limited may terminate the related party loan agreement by giving 24 months notice to the other party. All related party loans under the agreement are unsecured.

As at 30 June 2022 Otago Regional Council had advanced loans of \$99,960,000 to Port Otago Limited (2021: \$Nil). Related party loans are classified as non current due to the Council and Port Otago loan agreement requiring 24 months notice for termination of the facility. Related party loan repayment will match the LGFA loan outlines at Note 21.

Group Subsidiaries

Otago Regional Council is the head entity within the consolidated group. Port Otago Limited (100% owned) holds the Group's interest in the other subsidiaries, associates and joint ventures detailed below.

The principal activities of the entities are:

	Principal activities	OWNERSHIP INTEREST	
		2022 %	2021 %
SUBSIDIARIES			
Chalmers Properties Limited	Property investment	100	100
Te Rapa Gateway Limited	Property investment	100	100
Fiordland Pilot Services Limited	Shipping services	100	100

Subsidiaries are entities that are controlled, either directly or indirectly, by the Council. The results of subsidiaries acquired or disposed of during the period are included in the consolidated surplus/(deficit) from the effective date of acquisition or up to the effective date of disposal, as appropriate.

17. Property Held for Sale

	NOTES	Council 2022	Council 2021	Group 2022	Group 2021
BALANCE AT BEGINNING OF YEAR		-	-	-	-
Transfer from (to) investment property	12	-	-	2,060	-
Disposals		-	-	-	-
BALANCE AT END OF YEAR		-	-	2,060	-

Property classified as held for sale is measured at:

- Fair value for items transferred from investment property, and
- Fair value less estimated costs of disposal, measured at time of transfer, for items transferred from property, plant and equipment.

Property is classified as held for sale if the carrying amount will be recovered through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the property is available for immediate sale in its present state. There must also be an expectation of completing the sale within one year from the date of classification. Property is not depreciated nor amortised while it is classified as held for sale.



This section contains analysis of the net assets of the group and the council, accumulated funds and restricted reserves.

The notes in this section are as follows:

- 18. Reserves
- 19. Public Equity
- 20. Public Equity Targeted Rates – Reserve Movements
- 21. Borrowing
- 22. Finance Costs

Notes to the Financial Statements - Council Funding

18. Reserves

Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

AVAILABLE-FOR-SALE REVALUATION RESERVE

The available-for-sale revaluation reserve arises on the revaluation of the shares in subsidiary (Council only) and shares in listed companies (Group).

ASSET REPLACEMENT RESERVE

This reserve represents funds held for the replacement of Council operational assets.

EMERGENCY RESPONSE RESERVE

This reserve is separately funded to enable Council to respond appropriately to emergency situations.

Council

\$000s	Available for Sale Revaluation Reserve	Asset Replacement Reserve	Emergency Response Reserve	Kuriwao Endowment Reserve
OPENING BALANCES 30 JUNE 2020	516,364	3,756	3,901	6,397
TRANSFERS IN:				
Transfers from general rate equity	-	1,702	-	878
Transfers from targeted equity	-	-	535	-
Interest received	-	34	40	68
Revaluation gain	75,966	-	-	-
	75,966	1,736	575	946
TRANSFERS OUT:				
Transfers to general rate equity	-	(2,555)	-	(131)
Transfers to targeted rate equity	-	-	-	(250)
	-	(2,555)	-	(381)
CLOSING BALANCES 30 JUNE 2021	592,330	2,937	4,476	6,962
TRANSFERS IN:				
Transfers from general rate equity	-	2,465	-	63
Interest received	-	49	87	134
Revaluation gain	87,960	-	-	-
	87,960	2,514	87	197
TRANSFERS OUT:				
Transfers to general rate equity	-	(2,911)	-	(53)
Transfers to targeted rate equity	-	-	-	(250)
	-	(2,911)	-	(303)
CLOSING BALANCES 30 JUNE 2022	680,290	2,540	4,563	6,856
CLOSING BALANCES 30 JUNE 2021	592,330	2,937	4,476	6,962

KURIWAO ENDOWMENT RESERVE - RESTRICTED

This reserve represents the accumulation of net income from Kuriwao Endowment land less any distribution of that income. The reserve is available to fund works for the benefit of the Lower Clutha District.

ASSET REVALUATION RESERVE

This reserve arises on the revaluation of investment property.

WATER MANAGEMENT RESERVE

The purpose of this reserve is to provide funding for water management initiatives in Otago.

HEDGING RESERVE

This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to interest payments that have not yet occurred.

BUILDING RESERVE

The purpose of this reserve is to set aside funding for a new head office for the Council.

ENVIRONMENTAL ENHANCEMENT RESERVE

The purpose of this reserve is to provide funding for the maintenance or enhancement of areas of the natural environment within the Otago region.

Asset Revaluation Reserve	Water Management Reserve	Building Reserve	Environmental Enhancement Reserve	Total Reserves
12,887	897	13,440	8	557,650
-	-	-	250	2,830
-	-	-	-	535
-	8	133	1	285
1,542	-	-	-	77,508
1,542	8	133	251	81,158
-	-	-	(250)	(2,936)
-	-	-	-	(250)
-	-	-	(250)	(3,186)
14,429	905	13,573	9	635,622
-	-	-	470	2,998
-	18	267	2	557
305	-	-	-	88,265
305	18	267	472	91,820
-	(239)	-	(443)	(3,646)
-	-	-	-	(250)
-	(239)	-	(443)	(3,896)
14,734	684	13,840	38	723,545
14,429	905	13,573	9	635,622

Notes to the Financial Statements - Council Funding

Group \$000s	Available for Sale Revaluation Reserve	Asset Replacement Reserve	Emergency Response Reserve	Kuriwao Endowment Reserve
OPENING BALANCES AT 1 JULY 2020	-	3,756	3,901	6,397
TRANSFERS IN:				
Transfers from general rate equity	-	1,702	-	878
Transfers from targeted rate equity	-	-	535	-
Interest received	-	34	40	68
Revaluation gain	-	-	-	-
Change in fair value of interest rate swaps	-	-	-	-
		1,736	575	946
TRANSFERS OUT:				
Transfers to general rate equity	-	(2,555)	-	(131)
Transfers to targeted rate equity	-	-	-	(250)
Deferred tax arising on fair value movement	-	-	-	-
	-	(2,555)	-	(381)
CLOSING BALANCES 30 JUNE 2021	-	2,937	4,476	6,962
TRANSFERS IN:				
Transfers from general rate equity	-	2,465	-	63
Interest received	-	49	87	135
Revaluation gain	-	-	-	-
Change in fair value of interest rate swaps	-	-	-	-
	-	2,514	87	198
TRANSFERS OUT:				
Transfers to general rate equity	-	(2,911)	-	(53)
Transfers to targeted rate equity	-	-	-	(250)
Deferred tax arising on fair value movement	-	-	-	-
Realised on sale of assets	-	-	-	-
	-	(2,911)	-	(303)
CLOSING BALANCES 30 JUNE 2022	-	2,450	4,563	6,856
CLOSING BALANCES 30 JUNE 2021	-	2,937	4,476	6,962

Notes to the Financial Statements - Council Funding

Asset Revaluation Reserve	Water Management Reserve	Building Reserve	Environmental Enhancement Reserve	Hedging Reserve	Total Reserves
275,488	897	13,440	8	(2,036)	301,851
-	-	-	250	-	2,830
-	-	-	-	-	535
-	8	133	1	-	285
83,782	-	-	-	-	83,782
-	-	-	-	2,200	2,200
83,782	8	133	251	2,220	89,652
-	-	-	(250)	-	(2,936)
-	-	-	-	-	(250)
-	-	-	-	(622)	(622)
-	-	-	(250)	(622)	(3,808)
359,270	905	13,573	9	(438)	387,695
-	-	-	470	-	2,998
-	18	267	2	-	557
60,070	-	-	-	-	60,070
-	-	-	-	2,388	2,388
60,070	18	267	472	2,388	66,013
-	(239)	-	(443)	-	(3,646)
-	-	-	-	-	(250)
-	-	-	-	-	-
-	-	-	-	-	-
-	(239)	-	(443)	-	(3,896)
419,340	684	13,840	38	1,950	449,811
359,270	905	13,573	9	(438)	387,695

Notes to the Financial Statements - Council Funding

19. Public Equity**Public Equity – General Rates**

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
BALANCE AT BEGINNING OF YEAR	63,761	72,647	334,015	340,758
NET SURPLUS	(5,189)	(8,354)	52,219	76,030
TRANSFERS IN				
Transfer from Public Equity Targeted Rates	53,317	49,983	53,317	49,983
Kuriwao endowment reserve	53	131	53	131
Asset replacement reserve	2,911	2,555	2,911	2,555
Asset revaluation reserve	-	-	-	-
Water Management Reserve	239	-	239	-
Environmental Enhancement Reserve	443	250	443	250
Building Reserve	-	-	-	-
	56,963	52,919	56,963	52,919
TRANSFER OUT				
Transfer to Public Equity Targeted Rates	(50,454)	(48,260)	(50,454)	(48,260)
Kuriwao endowment reserve	(197)	(946)	(197)	(946)
Asset replacement reserve	(2,514)	(1,736)	(2,514)	(1,736)
Emergency response reserve	(87)	(575)	(87)	(575)
Asset revaluation reserve	(305)	(1,542)	(60,070)	(83,783)
Water management reserve	(18)	(9)	(18)	(9)
Building Reserve	(267)	(133)	(267)	(133)
Environmental Enhancement Reserve	(472)	(250)	(472)	(250)
	(54,314)	(53,451)	(114,079)	(135,692)
BALANCE AT END OF YEAR	61,221	63,761	329,118	334,015

Public Equity – Targeted Rates

BALANCE AT BEGINNING OF YEAR	46,411	47,884	46,411	47,884
TRANSFERS IN				
Transfer from Public Equity General Rates	50,454	48,260	50,454	48,260
Kuriwao endowment reserve	250	250	250	250
Emergency response reserve	-	-	-	-
	50,704	48,510	50,704	48,510
TRANSFERS OUT				
Transfer to Public Equity General Rates	(53,317)	(49,983)	(53,317)	(49,983)
	(53,317)	(49,983)	(53,317)	(49,983)
BALANCE AT END OF YEAR - REFER NOTE 17 (B)	43,798	46,411	43,798	46,411

Total Public Equity

BALANCE AT BEGINNING OF YEAR	110,172	120,531	380,426	388,642
NET SURPLUS	(5,189)	(8,354)	52,219	79,064
Transfers	35	(2,005)	(59,729)	(84,246)
BALANCE AT END OF YEAR	105,019	110,172	372,916	380,426

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

20. Public Equity Targeted Rates – Reserve Movements

Targeted Rating District Equity \$000s	COUNCIL AND GROUP - 2022				COUNCIL AND GROUP - 2021			
	Opening balance	Transfers in	Transfers out	Closing balance	Opening balance	Transfers in	Transfers out	Closing balance
	1 July 2021			30 June 2022	1 July 2020			30 June 2021
RIVER MANAGEMENT RESERVES								
Central Otago River Management	434	335	(335)	434	460	313	(339)	434
Clutha River Management	183	363	(593)	(46)	183	332	(332)	183
Dunedin River Management	1,380	320	(440)	1,259	1,462	268	(350)	1,380
Queenstown River Management	707	229	(142)	794	745	176	(214)	707
Waitaki River Management	529	422	(150)	802	512	407	(390)	529
Wānaka River Management	(274)	224	(153)	(203)	571	209	(1,054)	(274)
Shotover Delta Flood Mitigation	249	7	-	256	204	84	(39)	249
Stoney Creek	154	5	-	159	152	2	-	154
FLOOD AND DRAINAGE SCHEME RESERVES								
Alexandra Flood Protection	56	122	(266)	(87)	146	96	(186)	56
East Taieri Drainage	454	820	(971)	303	346	658	(550)	454
Leith Flood Protection	(14,976)	1,699	(1,091)	(14,368)	(15,734)	1,614	(856)	(14,976)
Lower Clutha Flood and Drainage	(687)	2,557	(2,501)	(631)	(101)	3,256	(3,842)	(687)
Lower Taieri Flood Protection	1,337	3,065	(2,106)	2,296	955	1,577	(1,195)	1,337
Lower Waitaki Flood Protection	(6)	190	(214)	(30)	4	203	(213)	(6)
Tokomairiro Drainage	243	184	(277)	150	244	144	(145)	243
West Taieri Drainage	(1,909)	1,058	(1,261)	(2,112)	(1,926)	889	(872)	(1,909)
OTHER RESERVES								
Clean Heat Clean Air	-	-	-	-	47	-	(47)	-
Dunedin Transport Services	(6,489)	17,348	(19,645)	(8,788)	(4,504)	18,792	(20,777)	(6,489)
Queenstown Transport Services	(843)	7,704	(8,535)	(1,674)	(359)	8,029	(8,513)	(843)
Rural Water Quality	1,614	734	(1,445)	903	1,189	696	(271)	1,614
Dairy Monitoring	74	193	(253)	14	80	192	(198)	74
Wilding Pines	(289)	4,135	(4,264)	(419)	(205)	6,030	(6,114)	(289)
Emergency Management	(434)	2,997	(2,664)	(101)	(669)	2,852	(2,617)	(434)
Lake Hayes Restoration	(369)	219	(301)	(450)	(365)	-	(4)	(369)
Biosecurity	-	4,135	(4,783)	(648)	-	-	-	-
Infrastructural Assets	65,273	1,639	(928)	65,984	64,447	1,691	(865)	65,273
	46,411	50,704	(53,317)	43,798	47,884	48,510	(49,983)	46,411

RIVER MANAGEMENT RESERVES

Targeted rating is used to fund river management works across the city and districts within Otago.

FLOOD AND DRAINAGE SCHEME RESERVES

Targeted rating is used to fund the costs associated with maintaining the level of flood and drainage protection provided by these schemes.

TRANSPORT RESERVES

Targeted rating is used in Dunedin and Queenstown to fund the Council's costs associated with the provision of bus services.

Notes to the Financial Statements - Council Funding

CLEAN HEAT CLEAR AIR RESERVE

The purpose of this reserve is to fund costs associated with the provision of funding associated with the improvement of insulation and heating in homes located within the targeted rating district.

Schedule of Internal Borrowing for Public Equity Targeted Rates – Reserve

Council 2022 \$000s	Amount borrowed as at 30 June 2021	Funds borrowed during the year	Funds repaid during the year	Interest charged	Amount borrowed as at 30 June 2022
Flood Protection and Control Works	17,583	4,606	(5,437)	513	17,265
Environment	658	9,440	(8,614)	32	1,516
Safety and Hazards	431	2,656	(2,997)	7	97
Transport	7,332	27,916	(25,050)	263	10,461
	26,004	44,618	(37,329)	815	29,339

Council 2021 \$000s	Amount borrowed as at 30 June 2020	Funds borrowed during the year	Funds repaid during the year	Interest charged	Amount borrowed as at 30 June 2021
Flood Protection and Control Works	17,761	5,590	(5,962)	194	17,583
Environment	570	6,111	(6,030)	7	658
Safety and Hazards	669	2,608	(2,852)	6	431
Transport	4,863	29,224	(26,822)	67	7,332
	23,863	43,533	(41,666)	274	26,004

21. Borrowings**New Zealand Local Government Funding Agency**

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
CURRENT				
Secured borrowings	67,956	-	67,956	-
Unsecured borrowings	-	-	-	-
TOTAL CURRENT BORROWINGS	67,956	-	67,956	-
NON-CURRENT				
Secured borrowings	47,200	-	47,200	-
Unsecured borrowings	-	-	-	-
TOTAL NON-CURRENT BORROWINGS	47,200	-	47,200	-
FIXED RATE BORROWINGS	100,095	-	100,095	-
FLOATING RATE BORROWINGS	15,061	-	15,061	-
TOTAL BORROWINGS	115,159	-	115,159	-

Borrowings are recognised initially at fair value. Subsequent to initial recognition, borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings, using the effective interest method. The carrying amount of borrowings reflects fair value as the borrowing finance rates approximate market rates.

On 21 September 2021 Council entered into the New Zealand Local Government Funding Agency (NZLGFA) as a guarantor. The NZLGFA was incorporated in December 2021 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA and a foreign currency rating of AA+. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2022, Otago Regional Council is one of 30 local authority shareholders and 38 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Otago Regional Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2022, NZLGFA had borrowings totaling \$15,795million (2021: \$13,605million).

Financial reporting standards require Otago Regional Council to recognise the guarantee liability at fair value. However, Otago Regional Council has been unable to determine a sufficiently reliable fair value for the guarantee,

Notes to the Financial Statements - Council Funding

and therefore has not recognised a liability. Otago Regional Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

When borrowing long-term from LGFA, borrower notes must be subscribed for in an amount of 2.5% of long-term borrowings. Borrower notes are used by LGFA as a source of capital to ensure there is sufficient capital to match the growth in the LGFA's balance sheet. LGFA redeems the borrower notes plus interest when the related borrowings are repaid or no longer owed to LGFA. At 30 June 2022, the Group had subscribed to borrower notes totaling \$1,210,255 (2021: nil). The bond on issue are as follows:

Maturity Date	Amount	Interest Rate
30/11/2023	\$179,000	3.02%
10/06/2029	\$231,000	3.33%
28/01/2024	\$131,000	2.72%
23/03/2025	\$205,000	3.26%
28/01/2026	\$205,000	2.86%
18/03/2026	\$131,000	3.34%
10/06/2029	\$128,000	3.47%

Borrowing - Bank

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
CURRENT				
Secured borrowings	-	-	8,250	5,240
Unsecured borrowings	-	-	-	-
TOTAL CURRENT BORROWINGS	-	-	8,250	5,240
NON-CURRENT				
Secured borrowings	-	-	-	73,850
Unsecured borrowings	-	-	-	-
TOTAL NON-CURRENT BORROWINGS	-	-	-	73,850
FIXED RATE BORROWINGS	-	-	8,250	79,090
FLOATING RATE BORROWINGS	-	-	-	-
TOTAL BORROWINGS	-	-	8,250	79,090

The Group has a \$31 million (2021: \$81 million) Short Term Advances Facility with ANZ Bank New Zealand Limited (ANZ) which the Group may draw from for terms ranging from call to the termination of the agreement, which is 1 July 2024. In addition the Group has a revolving \$29 million (2021: \$29 million) Commercial Flexi Facility with ANZ which is subject to an annual review. The next review is due on 30 November 2022 (2021: 30 June 2021).

The security for advances is a cross guarantee and indemnity between Port Otago Limited, Chalmers Properties Limited and Te Rapa Gateway Limited in favour of the lender, general security agreement over the assets of Port Otago Limited and Chalmers Properties Limited and registered first-ranking mortgages over land.

22. Finance Costs

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Interest on loans	223	-	3,171	2,798
Capitalised borrowing costs	-	-	(159)	(190)
Other	1	-	-	-
	224	-	3,012	2,608

Borrowing costs directly attributable to the acquisition and/or construction of property, plant and equipment and long-term investment property development projects are capitalised as part of the cost of those assets. Other borrowing costs are expensed in the period in which they are incurred.



This section provides details Council and Group's borrowings - a major source of financing used to deliver services to the people of Otago. It also includes information about the group's financial instruments that are used to manage the risks associated with borrowings and details Council and Group's exposure to a variety of financial risks and how these risks are managed.

The notes in this section are as follows:

- 23. Financial Instruments
- 24. Market Risk
- 25. Equity Price Risk
- 26. Credit Risks
- 27. Liquidity Risk

23. Financial Instruments

Financial Risk Management Objectives

The Council has established a Treasury Management Policy, which combines the Local Government Act 2002 requirement for local authorities to adopt a Liability Management Policy and an Investment Policy. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way.

The Council and Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Significant Accounting Policies for Financial Instruments

Financial assets and financial liabilities are recognised in the Council's or Group's Statement of Financial Position when the Council and/or Group becomes a party to contractual provisions of the instrument.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through surplus or deficit which are initially valued at fair value.

Financial Assets are classified into the following specified categories: financial assets 'at fair value through surplus or deficit', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment of Financial Assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Derivative Financial Instruments

The Council and Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates hedges of highly probable forecast transactions as cash flow hedges. Changes in the fair value of derivatives qualifying as cash flow hedges are recognised in other comprehensive revenue and expense and transferred to the cash flow hedge reserve in equity. The ineffective component of the fair value changes on the hedging instrument is recorded directly in the surplus/(deficit).

When a hedging instrument expires or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the surplus/(deficit). When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the surplus or deficit. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the surplus/(deficit).

For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Notes to the Financial Statements - Financial Risk Management

The net differential paid or received on interest rate swaps is recognised as a component of interest expense over the period of the swap agreement.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair Value of Financial Instruments

The group carries interest rate derivatives (derivative financial instruments) at fair value. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates. These instruments are included in Level 2 of the fair value measurement hierarchy. Interest rate derivative fair values are valued and are calculated using a discounted cash flow model using FRA rates provided by ANZ Bank New Zealand Limited based on the reporting date of 30 June 2022.

	COUNCIL				GROUP			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
2022								
Financial assets at FVTSD:								
Other financial instruments	-	-	-	-	-	4,281	-	4,281
Financial liabilities at FVTSD:								
Other financial instruments	-	-	-	-	-	-	-	-
2021								
Financial assets at FVTSD:								
Other financial instruments	-	-	-	-	-	1,021	-	1,021
Financial liabilities at FVTSD:								
Other financial instruments	-	-	-	-	-	(1,255)	-	(1,255)

**Council 2022
\$000s**

	Loans and Receivables	Fair Value Through Surplus or Deficit - Held for Trading	Fair Value Through Other Comprehensive Revenue and Expense	Financial Liabilities at Amortised Cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents (note 7)	13,243	-	-	-	13,243
Trade and other receivables (note 8)	11,140	-	-	-	11,140
Related party receivable	99,960	-	-	-	99,960
Borrower notes	1,210	-	-	-	1,210
Other financial assets (note 15)	-	23,434	-	-	23,434
Other current assets	883	-	-	-	883
Shares in subsidiary (note 16)	-	-	700,290	-	700,290
TOTAL FINANCIAL ASSETS	126,436	23,434	700,290	-	850,160
FINANCIAL LIABILITIES					
Trade and other payables (note 13)	-	-	-	18,196	18,196
Borrowing	-	-	-	115,156	115,156
Provisions	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	-	-	-	133,352	133,352

Notes to the Financial Statements - Financial Risk Management

Council 2021 \$000s	Loans and Receivables	Fair Value Through Surplus or Deficit - Held for Trading	Fair Value Through Other Comprehensive Revenue and Expense	Financial Liabilities at Amortised Cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents (note 7)	4,380	-	-	-	4,380
Trade and other receivables (note 8)	8,318	-	-	-	8,318
Other financial assets (note 15)	-	25,313	-	-	25,313
Other current assets	698	-	-	-	698
Shares in subsidiary (note 16)	-	-	612,330	-	612,330
TOTAL FINANCIAL ASSETS	13,396	25,313	612,330	-	651,039
FINANCIAL LIABILITIES					
Trade and other payables (note 9)	-	-	-	17,031	17,031
Provision	-	-	-	783	783
TOTAL FINANCIAL LIABILITIES	-	-	-	17,814	17,814

Group 2022 \$000s	Loans and Receivables	Fair Value Through Surplus or Deficit - Held for Trading	Fair Value Through Other Comprehensive Revenue and Expense	Financial Liabilities at Amortised Cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents (note 7)	13,323	-	-	-	13,323
Trade and other receivables (note 8)	22,690	-	-	-	22,690
Other current assets	3,593	-	-	-	3,593
Other financial instruments	-	4,281	-	-	4,281
Other financial assets (note 15)	-	23,434	-	-	23,434
Borrower notes	1,210	-	-	-	1,210
TOTAL FINANCIAL ASSETS	40,816	27,715	-	-	68,531
FINANCIAL LIABILITIES					
Other financial instruments	-	-	-	-	-
Trade and other payables (note 9)	-	-	-	27,017	27,017
Borrowings (secured) (note 20)	-	-	-	123,406	123,406
TOTAL FINANCIAL LIABILITIES	-	-	-	150,423	150,423

Group 2021 \$000s	Loans and Receivables	Fair Value Through Surplus or Deficit - Held for Trading	Fair Value Through Other Comprehensive Revenue and Expense	Financial Liabilities at Amortised Cost	Total
FINANCIAL ASSETS					
Cash and cash equivalents	4,621	-	-	-	4,621
Trade and other receivables (note 12)	19,131	-	-	-	19,131
Other financial instruments	-	1,021	-	-	1,021
Other financial assets (note 5)	-	25,313	-	-	25,313
TOTAL FINANCIAL ASSETS	23,752	26,334	-	-	50,086
FINANCIAL LIABILITIES					
Other financial instruments	-	1,255	-	-	1,255
Trade and other payables (note 9)	-	-	-	23,980	23,980
Borrowings (secured) (note 15)	-	-	-	79,090	79,090
TOTAL FINANCIAL LIABILITIES	-	1,255	-	103,005	104,260

Notes to the Financial Statements - Financial Risk Management

24. Market Risk

The Group's activities expose it primarily to the financial risks of changes in market prices of other financial assets (principally Managed Funds – Equities and Shares in Listed Companies), foreign currency exchange rates and interest rates.

There has been no change during the year to the group exposure to market risks or the manner in which it manages and measures the risk.

(A) Currency Risk

Currency risk is the risk that the fair value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk in relation to the purchase of certain capital items denominated in foreign currencies. Foreign currency forward purchase contracts are used to manage the Group's exposure to movements in exchange rates on foreign currency denominated liabilities and purchase commitments. The Council is exposed to currency risk in relation to the investments denominated in foreign currencies forming part of the managed fund portfolio. The policy governing Managed Funds places restrictions on the currencies in which the fund manager may invest, and the amount of exposure to any one currency.

Amount of Exposure to Currency Risk

The Group's exposure to foreign currency risk for each class of financial instruments is as follows:

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Managed funds	8,092	8,340	8,092	8,340
TOTAL MANAGED FUNDS	8,092	8,340	8,092	8,340

The only significant sensitivity the group has in relation to changes in foreign currency relates to the Council's managed funds. The carrying value of investments in equity securities held in AUD, USD, GBP and EUR denominated currency may fluctuate with changes in the exchange rate between the New Zealand dollar and the foreign currency.

A favourable movement of 10% in the exchange rates at 30 June 2022 would have the impact of increasing the carrying value of the managed funds, and the Council surplus, by \$898,876 (2021: \$926,579), and an unfavourable movement of 10% would impact unfavourably to the extent of \$735,929 (2021: \$758,532).

(B) Interest Rate Risk

The Council and Group is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the use of floating-to-fixed interest rate swaps contracts. These swaps have the economic effect of converting borrowings from floating rate to fixed rates.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on borrowings. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date.

The Council is also exposed to interest rate risk to the extent that it holds funds on demand, at call or in floating interest rate instruments as part of cash and cash equivalent balances and the managed funds portfolio.

The policy governing management of the managed funds places restrictions on how the funds may be invested, and the amount of exposure to interest rates from funds held at call and on a floating rate basis. Council invests surplus funds with Council-approved financial institutions, and holds sufficient funds on call as part of its cash management procedures.

The following table discloses the impact of a movement of plus and minus 100 basis points in interest rates applicable to those instruments.

Notes to the Financial Statements - Financial Risk Management

Sensitivity to Interest Rate Risk

Council \$000s	2022				2021			
	Profit	Other	Profit	Other	Profit	Other	Profit	Other
	-100bps	Equity -100bps	+100bps	Equity +100bps	-100bps	Equity -100bps	+100bps	Equity +100bps
FINANCIAL LIABILITIES								
Borrowings	388	-	(388)	-	-	-	-	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	388	-	(388)	-	-	-	-	-

Group \$000s	2022				2021			
	Profit	Other	Profit	Other	Profit	Other	Profit	Other
	-100bps	Equity -100bps	+100bps	Equity +100bps	-100bps	Equity -100bps	+100bps	Equity +100bps
FINANCIAL LIABILITIES								
Borrowings	1,470	-	(1,470)	-	790	-	(790)	-
Derivatives – hedge accounted	-	1,797	-	3,655	-	(2,271)	-	823
Derivatives – non-hedge accounted	1,142	-	1,993	-	(229)	-	923	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	2,612	1,797	523	3,655	561	(2,271)	133	823

25. Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to equity securities price risk on its investments held in publicly traded securities.

The following information discloses the Group's exposure and sensitivity to equity price risk.

Exposure to Equity Price Risk

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
FINANCIAL ASSETS				
Other financial assets	13,575	15,945	13,575	15,945
EXPOSURE TO EQUITY PRICE RISK	13,575	15,945	13,575	15,945

Sensitivity to Equity Price Risk

Council and Group \$000s	2022				2021			
	-10%	-10%	+10%	+10%	-10%	-10%	+10%	+10%
	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity	Profit	Other Equity
FINANCIAL ASSETS								
Other financial assets	(1,358)	-	1,358	-	(1,595)	-	1,595	-
TOTAL SENSITIVITY EQUITY PRICE RISK	(1,358)	-	1,358	-	(1,595)	-	1,595	-

The sensitivity analysis shows the impact a movement of plus or minus 10% in the price of equities would have on the fair value of the equities.

Notes to the Financial Statements - Financial Risk Management

26. Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Council

The Council has no significant concentrations of credit risk arising from trade receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council has credit risk exposure to related party for advance of \$99.96 million.

Council trade and other receivables mainly arise from the Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Council Treasury Management Policy details the objectives, policies and restrictions for management of the fund. The policy includes the key objective of capital preservation, placing restrictions on the exposure to credit risk.

The Council is exposed to credit risk as a guarantor of all of the NZLGFA's borrowings. Information about this exposure is explained in note 21.

Group

The Group is predominantly exposed to credit risk arising from a small number of shipping line and warehouse clients comprising the majority amount of subsidiary trade receivables. Regular monitoring of trade receivables is undertaken to ensure that the credit exposure remains within the Group's normal trading terms of trade.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are banks with credit-ratings assigned by international credit rating agencies.

Maximum Exposure to Credit Risk

The Group's maximum exposure for each class of financial instrument is as follows:

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Cash at bank and term deposits	13,243	4,380	13,323	4,380
Trade and other receivables	11,140	8,318	22,690	8,318
Related party receivable	99,960	-	-	-
Other financial assets (Note 5)	23,434	25,313	23,434	25,313
Other financial instrument- asset	-	-	4,281	1,004
Other financial instrument- liability	-	-	-	(1,255)
Shares in subsidiary	700,290	612,330	-	612,330
	848,067	650,341	63,728	650,090

27. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual Maturity Analysis of Financial Instruments

The following contractual maturity information analyses the Group's financial instruments into the relevant grouping based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

Council 2022	Weighted Average Effective Interest Rate	Carrying Amount \$000	Contractual Cash Flows \$000	AGEING OF CASH FLOWS		
				Less Than 1 Year \$000	1-5 Years \$000	Greater than 5 years \$000
FINANCIAL ASSETS						
Cash and cash equivalents	-	13,243	13,243	13,243	-	-
Trade and other receivables	-	11,140	11,140	11,140	-	-
Related party receivable	3.55	99,960	116,229	55,510	60,719	--
Managed fund:						
Cash and call deposits	-	1,714	1,714	1,714	-	-
Fixed interest securities	3.15	10,340	10,618	358	5,236	5,024
Equity securities	-	11,381	11,381	11,381	-	-
Shares in subsidiary	-	700,290	700,290	-	-	700,290
TOTAL FINANCIAL ASSETS		748,108	748,386	37,836	5,236	705,314
FINANCIAL LIABILITIES						
Trade and other payables	-	(18,196)	(18,196)	(18,196)	-	-
Borrowing	3.08	(115,156)	(122,100)	(69,052)	(37,736)	(15,312)
Provision	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES		(133,352)	(140,296)	(87,248)	(37,736)	(15,312)

Council 2021	Weighted Average Effective Interest Rate	Carrying Amount \$000	Contractual Cash Flows \$000	AGEING OF CASH FLOWS		
				Less Than 1 Year \$000	1-5 Years \$000	Greater than 5 years \$000
FINANCIAL ASSETS						
Cash and cash equivalents	-	4,380	4,380	4,380	-	-
Trade and other receivables	-	8,318	8,318	8,318	-	-
Managed fund:						
Cash and call deposits	-	2,113	2,113	2,113	-	-
Fixed interest securities	2.18	10,108	10,620	2,982	-	7,638
Equity securities	-	13,092	13,092	13,092	-	-
Shares in subsidiary	-	612,330	612,330	-	-	612,330
TOTAL FINANCIAL ASSETS		650,341	650,853	30,885	-	619,968
FINANCIAL LIABILITIES						
Trade and other payables	-	(17,031)	(17,031)	(17,031)	-	-
Provision	-	(784)	(784)	(784)	-	-
TOTAL FINANCIAL LIABILITIES		(17,815)	(17,815)	(17,815)	-	-

Notes to the Financial Statements - Financial Risk Management

Group 2022	Weighted Average Effective Interest Rate	Carrying Amount \$000	Contractual Cash Flows \$000	AGEING OF CASH FLOWS		
				Less Than 1 Year \$000	1-5 Years \$000	Greater than 5 years \$000
FINANCIAL ASSETS						
Cash and cash equivalents	-	13,323	13,323	13,323	-	-
Trade and other receivables	-	22,690	22,690	22,690	-	-
Managed fund:						
Cash and call deposits	-	1,714	1,714	1,714	-	-
Fixed interest securities	3.42	10,340	10,618	358	5,236	5,024
Equity securities	-	11,381	11,381	11,381	-	-
TOTAL FINANCIAL ASSETS		59,448	59,726	49,466	5,236	5,024
FINANCIAL LIABILITIES						
Trade and other payables	-	(27,017)	(27,017)	(27,017)	-	-
Borrowing (secured)	3.08	(123,406)	(130,351)	(69,052)	(37,736)	(15,312)
Provision	-	-	-	-	-	-
Other financial instruments	-	4,281	4,739	1,208	3,223	308
TOTAL FINANCIAL LIABILITIES		(146,142)	(152,629)	(94,861)	(34,513)	15,004

Group 2021	Weighted Average Effective Interest Rate	Carrying Amount \$000	Contractual Cash Flows \$000	AGEING OF CASH FLOWS		
				Less Than 1 Year \$000	1-5 Years \$000	Greater than 5 years \$000
FINANCIAL ASSETS						
Cash and cash equivalents	-	4,621	4,621	4,621	-	-
Trade and other receivables	-	19,131	19,131	19,131	-	-
Managed fund:						
Cash and call deposits	-	2,113	2,113	2,113	-	-
Fixed interest securities	2.18	10,108	10,620	2,982	7,638	-
Equity securities	-	13,092	13,092	13,092	-	-
TOTAL FINANCIAL ASSETS		49,065	49,577	41,939	7,638	-
FINANCIAL LIABILITIES						
Trade and other payables	-	(23,980)	(23,980)	(23,980)	-	-
Borrowings (secured)	2.70	(79,090)	(84,340)	(16,495)	(67,845)	-
Provision	-	(783)	(783)	(783)	-	-
Other financial instruments	-	(234)	(271)	(716)	445	-
TOTAL FINANCIAL LIABILITIES		(104,087)	(109,374)	(41,974)	(67,400)	-

The Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposures is explained in note 21.

Notes to the Financial Statements:

Other Disclosures



The notes in this section are as follows:

28. Key Management Personnel Compensation
29. Remuneration (Council Only)
30. Subsequent Events
31. Commitments for Expenditure
32. Contingent Liabilities and Contingent Assets
33. Deferred Tax Balances
34. Leases
35. Related Party Disclosures

Notes to the Financial Statements - Other Disclosures

28. Key Management Personnel Compensation

The compensation of the Councillors, Chief Executive and General Managers of the Council, and of the Directors and other senior management of the Port Otago Limited Group was as follows:

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
MANAGEMENT PERSONNEL				
Short-term employee benefits	1,843	1,584	5,544	4,915
Post-employment benefits		-	-	-
	1,843	1,584	5,544	4,915
Full-time equivalent number of key management personnel	6	6	24	24
GOVERNING PERSONNEL				
Councillors remuneration	862	860	862	860
Directors' fees		-	500	387
	862	860	1,362	1,247

29. Remuneration (Council Only)

Employee Staffing Levels

The number of all employees, employed by the Council on the last day of the financial year was as follows:

	Number of Employees 30 June 2022	Number of Employees 30 June 2021
Full-time employees	259	231
Full-time equivalent number of other employees	20.8	19.8

Council regards one full-time equivalent as an employee who works 37.5 hours weekly.

Employee Remuneration

The following table classifies the number of all employees employed on the last day of the financial year into remuneration bands, calculated as the total annual remuneration (including the value of non-financial benefits) being received as at the last day of the financial year.

TOTAL ANNUAL REMUNERATION	Number of Employees 30 June 2022	Number of Employees 30 June 2021
Less than \$60,000	35	44
\$60,000 to \$79,999	90	74
\$80,000 to \$99,999	79	76
\$100,000 to \$119,999	48	33
\$120,000 to \$139,999	20	14
\$140,000 to \$159,999	8	8
\$160,000 to \$259,999	8	6
\$260,000 to \$369,999	0	2
\$620,000 to \$639,999	1	0
	289	257

Chief Executive Remuneration

The Chief Executive of the Council is appointed under Section 42 of the Local Government Act 2002.

Sarah Gardner was employed as Chief Executive from 1 July 2021 until 18 May 2022. During the period to 30 June 2022 the Chief Executive Sarah Gardner received salary payments amounting to \$284,252 (2021: \$316,631), and

Notes to the Financial Statements - Other Disclosures

the total cost including fringe benefit tax of the remuneration package received during that period is calculated at \$316,598 (2021: \$360,026). Sarah Gardner received additional termination payments of \$313,785 including accrued annual leave of \$73,978 and \$25,000 as severance.

On 7 June 2022 Dr Pim Borren was appointing acting CEO and was paid \$43,200 for the period up to 30 June 2022.

Elected Representatives' Remuneration

The following tables disclose the total annual remuneration (including the value of non-financial benefits) received by or payable to the Chairperson and other Councillors of the Council.

Council Remuneration 2022

COUNCILLOR	Meetings attended /eligible meetings ¹	Remuneration \$	Meeting fees \$	Allowances and mileage \$	Other \$	Total \$
Andrew Noone (Chairperson)	50/52	142,260	-	550	5,937	148,747
Kevin Malcolm (Deputy Chairperson – from 26 May 2022)	52/52	68,118	-	7,614	410	76,142
Michael Laws (Deputy Chairperson – to 25 May 2022)	41/48	85,480	-	5,435	189	91,104
Hilary Calvert	51/52	65,959	-	550	-	66,509
Michael Deaker	41/48	65,959	-	550	-	66,509
Alexa Forbes	48/50	65,959	-	7,916	677	74,551
Marian Hobbs	13/13	20,985	-	275	-	21,260
Carmen Hope	44/48	65,959	-	7,077	-	73,035
Gary Kelliher	48/48	65,959	-	7,445	-	73,404
Gretchen Robertson	42/48	65,959	1,040	755	-	67,754
Bryan Scott	44/48	65,959	-	929	58	66,945
Kate Wilson	52/52	65,959	1,300	678	-	67,937
		844,512	2,340	39,775	7,270	893,896

¹ Eligible meetings include attendance at Council and Committee Meetings and Subcommittee Audit and Risk (for Crs Calvert, Noone, Malcolm and Wilson). Councillors may have been absent on council business.

Council Remuneration 2021

COUNCILLOR	Meetings attended /eligible meetings ¹	Remuneration \$	Meeting fees \$	Allowances and mileage \$	Other \$	Total \$
Andrew Noone (Chairperson)	45/47	140,522	-	550	12,729	153,801
Michael Laws (Deputy Chairperson)	39/43	83,920	-	10,102	324	94,346
Hilary Calvert	46/47	62,239	-	550	-	62,789
Michael Deaker	41/43	62,239	-	1,045	-	63,284
Alexa Forbes	41/43	62,239	2,690	11,849	281	77,059
Marian Hobbs	40/43	62,239	-	3,415	-	65,654
Carmen Hope	37/43	62,239	-	10,701	97	73,037
Gary Kelliher	39/43	62,239	240	11,442	-	73,921
Kevin Malcolm	41/47	62,239	-	13,344	-	75,583
Gretchen Robertson	40/43	62,239	2,050	1,967	19	66,275
Bryan Scott	41/43	62,239	-	2,642	251	65,132
Kate Wilson	44/47	62,239	-	550	-	62,789
		846,832	4,980	68,157	13,701	933,670

¹ Eligible meetings include attendance at Council and Committee Meetings and Subcommittee Audit and Risk (for Crs Calvert, Noone, Malcolm and Wilson). Councillors may have been absent on council business.

Severance Payments

For the year ended 30 June 2022, the Council had four (2021: one) severance payments of; \$10,000, \$10,000, \$21,000 and \$25,000 (2021: \$95,000). Included in these severance payments was \$25,000 made to the CEO.

30. Subsequent Events

On 6 September 2022 the Directors of Port Otago declared a final dividend of \$1.0 million for the year ended 30 June 2022. As the final dividend was approved after balance date, the financial effect of the dividend payable of \$1.0 million has not been recognised in the Balance Sheet.

31. Commitments for Expenditure

Capital Expenditure Commitment

At 30 June 2022 the Group had commitments for capital expenditure of \$47 million (2021: 20.4 million). Included in the above amounts are Council commitments of \$0.3 million (2021: \$0.2 million) relating to property, plant and equipment acquisitions and contracts for capital expenditure. Port Otago Limited had commitments for capital expenditure of \$46.8 million (2021: \$20.2 million) which relates to purchases and refurbishments of port assets and investment property.

Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in Note 34 to the financial statements.

32. Contingent Liabilities and Contingent Assets

Council Only Contingent Liabilities

The Council has been advised of potential claims in relation to the issue of resource consents. The Council does not expect any material uninsured liability to arise from these potential claims, (2021: \$Nil).

Consistent with the nature of the Council's activities, the Council is involved in Environment, High and District Court proceedings resulting from decisions made by the Council as a planning and consenting authority under the Resource Management Act.

Council Only Contingent Assets

The Council at 30 June has a contingent assets for bus trips which have been paid for but were not performed from the bus operators in June 2022. At 30 June the financial impact of this assets was not able to be quantified.

Group

There are no contingent liabilities or assets at 30 June 2022 (30 June 2021: \$Nil) other than those arising in the normal course of business.

33. Deferred Tax Balances

Deferred tax comprise taxable and deductible temporary differences arising from the following:

Council 2022 \$'000	Council Opening Balance	Council Charged to Surplus/(Deficit)	Council Charged to other Comprehensive Revenue and Expense	Council Closing Balance
GROSS DEFERRED TAX ASSET:				
Tax losses	98	-	-	98
	98	-	-	98

Council 2021 \$'000	Council Opening Balance	Council Charged to Surplus/(Deficit)	Council Charged to other Comprehensive Revenue and Expense	Council Closing Balance
GROSS DEFERRED TAX ASSET:				
Tax losses	101	(3)	-	98
	101	(3)	-	98

Group 2022 \$'000	Group Opening Balance	Group Charged to Surplus/(Deficit)	Group Charged to other Comprehensive Revenue and Expense	Group Closing Balance
GROSS DEFERRED TAX LIABILITIES:				
Other financial assets	(64)	337	927	1,200
Property, plant and equipment	10,759	(510)	-	10,249
Investment property	7,309	4,555	-	11,864
Other	(1,600)	(365)	-	(1,956)
	16,404	4,026	927	21,357

Group 2021 \$'000	Group Opening Balance	Group Charged to Surplus/(Deficit)	Group Charged to other Comprehensive Revenue and Expense	Group Closing Balance
GROSS DEFERRED TAX LIABILITIES:				
Other financial assets	(854)	169	622	(64)
Property, plant and equipment	11,365	(606)	-	10,759
Investment property	5,110	2,199	-	7,309
Other	(1,874)	273	-	(1,600)
	13,747	2,035	622	16,404

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the surplus/(deficit), except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

Notes to the Financial Statements - Other Disclosures

34. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Council and/or Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Council and/or Group as Lessee

Assets held under finance leases are recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Disclosures for Lessees

Leasing Arrangements

Operating leases relate to property, vehicles and equipment leases. All operating lease contracts contain market review clauses in the event that the Council/Group exercises its option to renew. The Council/Group does not have an option to purchase the leased asset at the expiry of the lease period.

Non-cancellable Operating Lease Payments

\$000s	Council 2022	Council 2021	Group 2022	Group 2021
Less than 1 year	653	491	1,153	1,029
1 – 2 years	653	412	1,098	938
2 – 3 years	390	218	835	679
3 – 4 years	246	60	691	505
4 – 5 years	161	60	603	505
Longer than 5 years	338	45	1,832	1,984
	2,438	1,351	6,212	5,640

Disclosures for Lessor

Operating Lease Commitments as Lessor

The Group has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of up to 21 years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

\$000s	Group 2022	Group 2021
RENTALS RECEIVABLE		
Within one year	28,766	24,329
After one year but not more than five years	94,126	83,197
More than five years	84,905	86,869
MINIMUM FUTURE LEASE RECEIVABLE	207,797	194,395

35. Related Party Disclosures

Council

Otago Regional Council is the ultimate parent of the Group and controls one entity, being Port Otago Limited, including its subsidiaries, associates and joint ventures.

During the 30 June 2022 year, Councillors as part of a normal customer relationship, were involved in minor arm's length transactions with the Council, such as the payment of rates.

RELATED PARTY ENTITY \$	Relationship to related party entity	Total paid by the entity to Council	Total paid to the entity to Council	Outstanding balance owed by Entity	Outstanding balance owed by Council
Councillor Andrew Noone					
Ravensdown Limited	Shareholder	6,122	50,515	-	9,959
Silver Fern Farms Limited	Shareholder	12,373	-	-	-
Councillor Gary Kelliher					
Springvale Downs Limited	Director/ Shareholder	647	-	97	-
Springvale Water Supply Company Limited	Director	225	-	-	-
Councillor Hilary Calvert					
Auripo Holdings Limited	Shareholder	570	-	-	-
Councillor Kate Wilson					
Strath Taieri Agriculture and Rural Tourism Trust	Trustee	325	-	-	-
Councillor Kevin Malcolm					
J & E Soper Family Trust	Trustee	225	-	-	-
Poltalloch South Trust	Trustee	225	-	-	-

During the 30 June 2021 year, Councillors as part of a normal customer relationship, were involved in minor arm's length transactions with the Council, such as the payment of rates.

RELATED PARTY ENTITY \$	Relationship to related party entity	Total paid by the entity to Council	Total paid to the entity to Council	Outstanding balance owed by Entity	Outstanding balance owed by Council
Councillor Hilary Calvert					
Auripo Holdings Limited	Shareholder	273	-	-	4,862
Councillor Marian Hobbs					
Otago Natural History Trust	Trustee	-	-	-	115,000
Orokonui Ecosanctuary Limited	Director	-	11,885	-	-
Councillor Gary Kelliher					
Springvale Downs Limited	Director/ Shareholder	76	-	-	-
Springvale Water Supply Company Limited	Director	94	-	-	-
Councillor Kevin Malcolm					
J & E Soper Family Trust	Trustee	121	-	-	-
Poltalloch South Trust	Trustee	121	-	-	-
Councillor Andrew Noone					
Ravensdown Limited	Shareholder	26,908	-	-	-
Silver Fern Farms Limited	Shareholder	11,610	-	-	-
Councillor Kate Wilson					
Predator Free Dunedin (Ceased Dec 2020)	Trustee	-	690,000	-	-
Strath Taieri Agriculture and Rural Tourism Trust	Trustee	232	-	-	-

Notes to the Financial Statements - Other Disclosures

Group

Refer to Note 16 for transactions between Council and Port Otago Limited.

Chalmers Properties Limited has provided an advance to Te Rapa Gateway Limited to fund its share of land acquisition and development expenditure. The current intention of Chalmers Properties Limited is to provide ongoing financial support to Te Rapa Gateway Limited.

Port Otago Limited and Chalmers Properties Limited have a \$300,000 overdraft offset facility arrangement which is included in the Group debt facility detailed in note 20. The purpose of this arrangement is to minimise any interest costs to the two entities.

Transactions Eliminated on Consolidation

Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the group.

Annual Report Disclosure Statement for the year ended 30 June 2022

Purpose of this Statement

The purpose of this statement is to disclose the Council’s financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability Benchmark

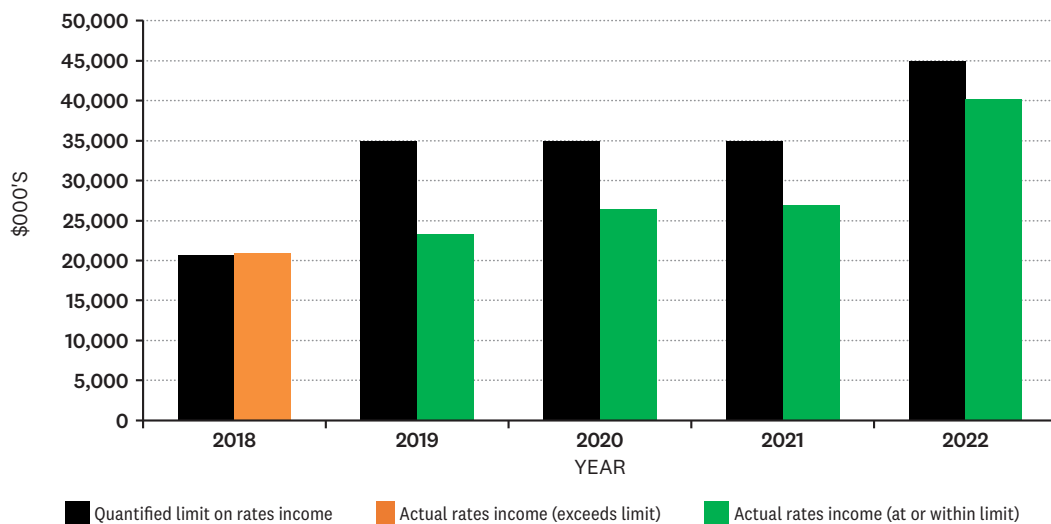
The Council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (Income) Affordability

The following graph compares the Council’s actual rate income with a quantified limit on rate contained in the financial strategy included in the Council’s Long-Term Plan.

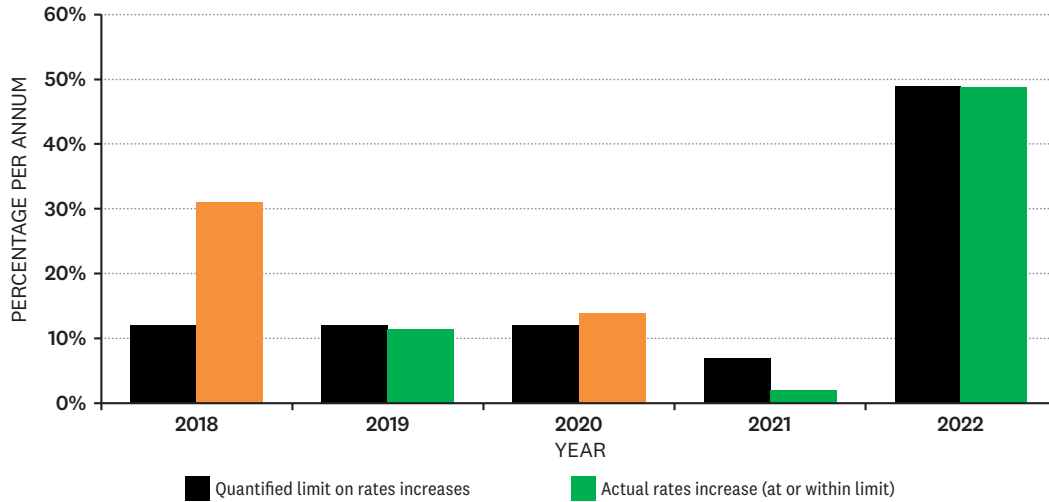
The quantified limit is set in the Council financial summary statement and measured in thousands of dollars. The quantified limits for rates are from the long-term plan 2018-2028. The quantified limit for 30 June 2022 is \$45 million or 50% of total revenue.



Annual Report Disclosure Statement

Rates (Increases) Affordability

The following graph compares the Council’s actual rate increases with a quantified limit on rate increases included in the financial strategy included in the Council’s Long-Term Plan. The quantified limit is an increase of 49% per annum, (2021: 7%, 2018 - 2020: 12%).



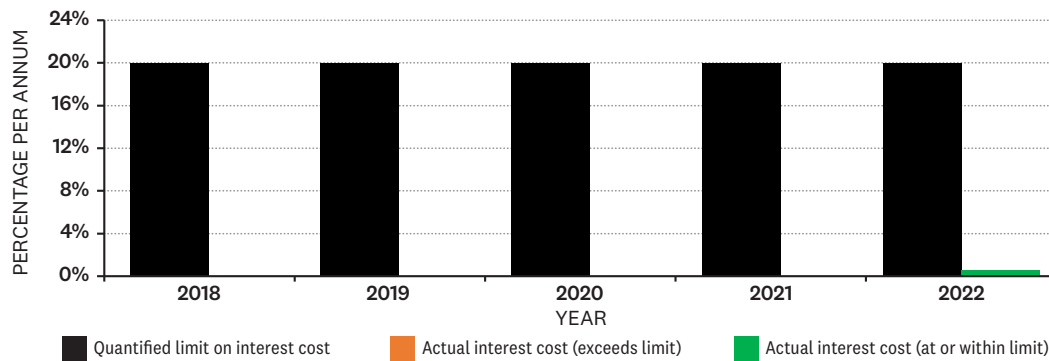
RATES AFFORDABILITY COMMENTARY

The Rates (increases) affordability graph shows the quantified limit was exceeded in 2018 and in the 2020. The quantified limit included in the Long-Term Plan was an increase of 12% in 2018 and 2020, and the actual amount of the increase was 31% and 14%. The Annual Plan 2019/20 provided for additional general rate funded expenditure, primarily in the Environmental activity area and specifically associated with the water programmes.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council specifies the quantified limit on borrowing as being the interest cost on borrowing as a percentage of revenue (percentage of rates income in PY).

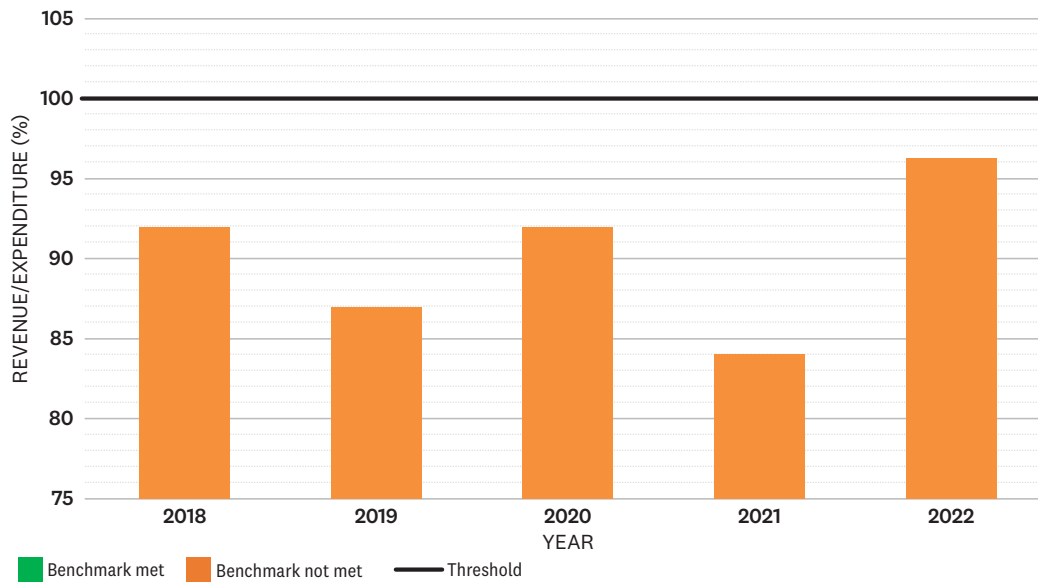
The following graph compares the Council’s actual interest costs as a percentage of borrowing with a quantified limit specified in the financial strategy included in the Council’s Long-Term Plan. The quantified limit is interest costs being a maximum of 20% of rates income, (2018-2021 20%).



Balanced Budget Benchmark

The following graph displays the Council’s revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



BALANCED BUDGET BENCHMARK COMMENTARY

The balanced budget benchmark graph shows that in 2022 - 2018, Council’s revenue was less than operating expenses. The Council is required to ensure that estimated revenue is sufficient to cover estimated operating costs unless Council resolves that in any particular year, it is financially prudent to fund a portion of operating costs from other sources, including reserve funds.

In the 2018-2022 years, Council resolved to fund costs associated with particular activities from reserves, with the activities most affected being the Environmental, Community and Transport activities.

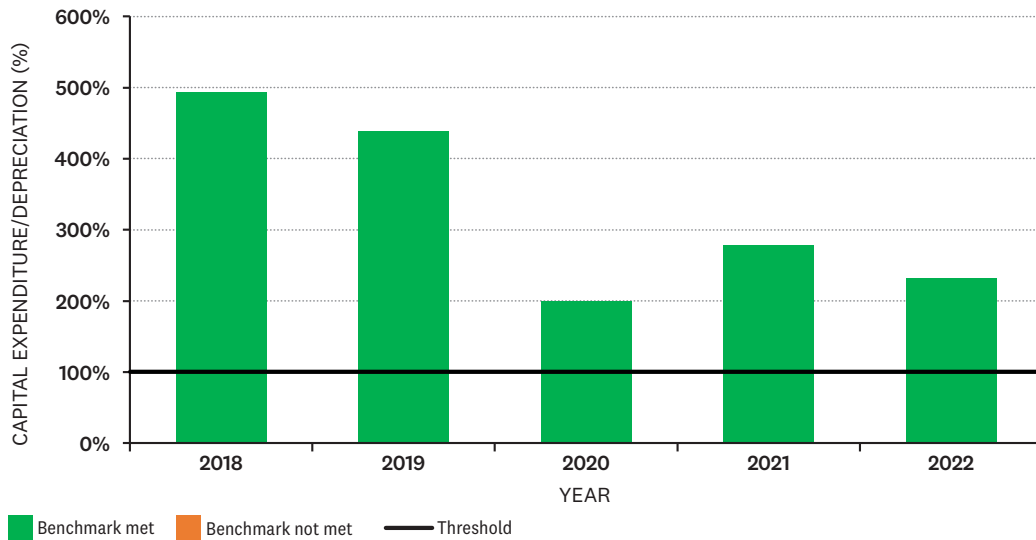
Annual Report Disclosure Statement

Essential Services Benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services.

The Council's network services comprise flood protection and river management.

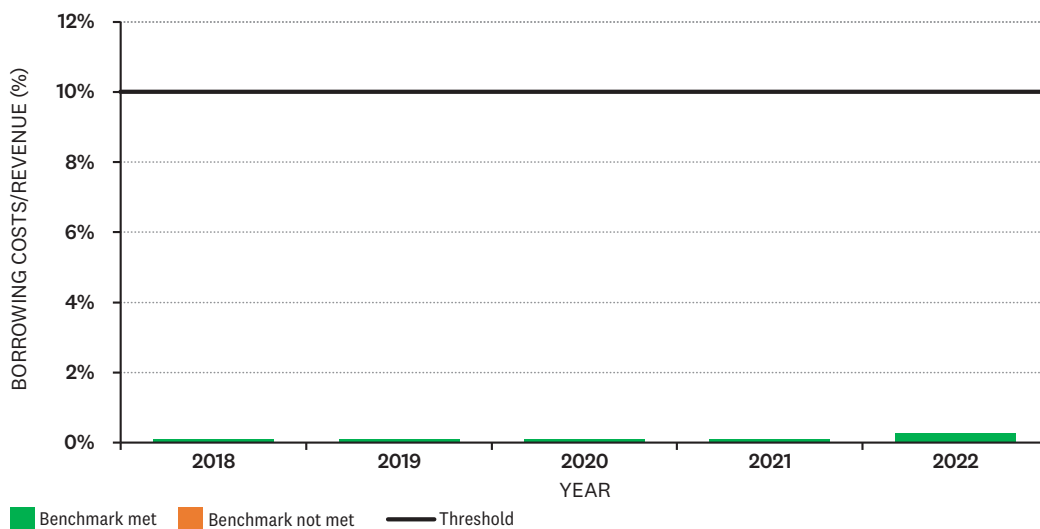
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

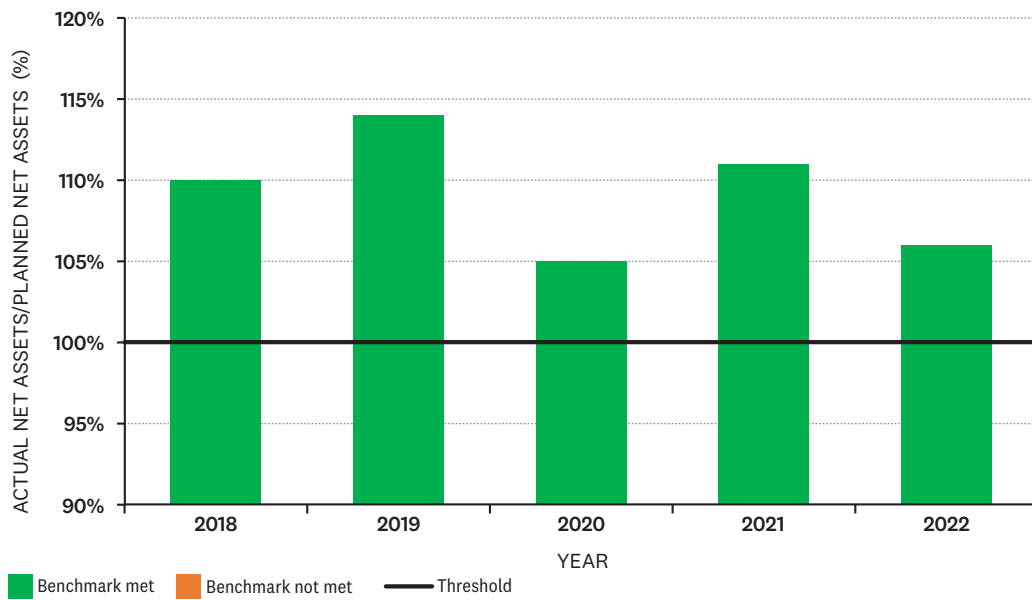


Debt Control Benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

During the period 2017/18 to 2020/21, Council had budgeted net assets rather than net debt. During the 2021/2022 Council borrowed \$15 million.

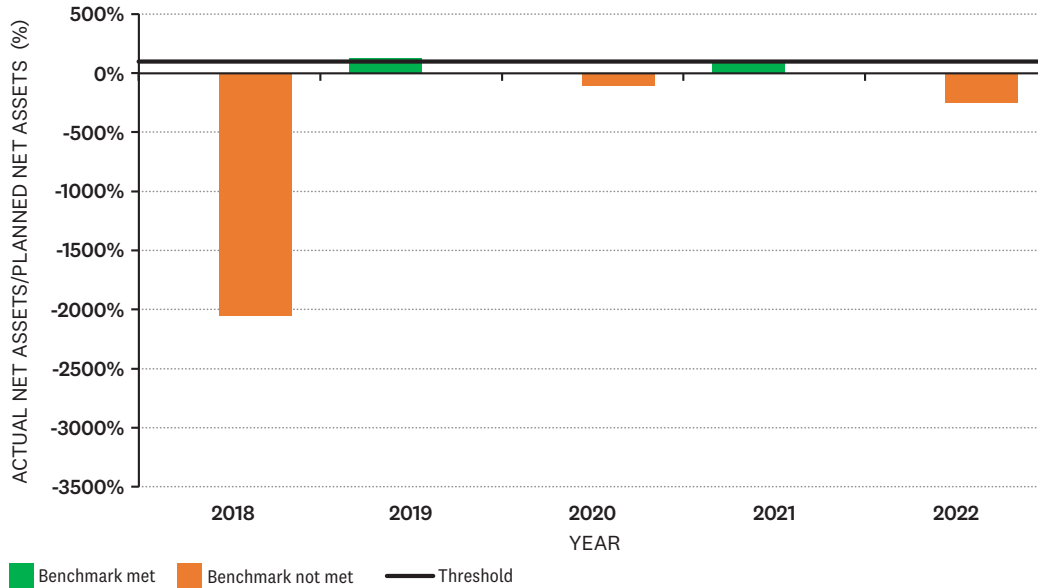


Annual Report Disclosure Statement

Operations Control Benchmark

This graph displays the Council’s actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



OPERATIONS CONTROL BENCHMARK COMMENTARY

The Operations Control benchmark graph shows the actual net cash flow from operations as a percentage of the planned net cash flow from operations.

In the 2022 year, the actual cash flow from operations was a new outflow of \$2,198,000 compared to the planned net inflow of \$1,409,000. The major cause of this variance was caused by less fees and charges revenue being received than budgeted.

In the 2021 year, the actual cash flow from operations was a net inflow of \$271,000 compared to the planned net outflow of \$2,661,000. The major cause of this variance was an increase in grant revenue.

In the 2020 year, the actual cash flow from operations was a net outflow of \$2,272,000 compared to the planned net outflow of \$82,000. The major cause of this variance was an increase in service on water policy, science, and our emergency response to the COVID-19 pandemic.

In the 2019 year, the actual cash flow from operations was a net inflow of \$129,000 compared to the planned net outflow of \$1,357,000. The major cause of this variance was an increase in spending on capital projects, investment activities, in the current year.

In the 2018 year, the actual net cash flow from operations was a net outflow of \$5,729,000 compared to the planned net inflow of \$293,000. The major cause of this variance is associated with a lower revenue level than budgeted and an increased level of receivables than budgeted, concentrated on receivables from a small number of major organisations associated with transport projects.

Additional Information

Rates Revenue

The rating base information in the table below is as at the preceding 30 June to the financial year shown in the table and comprises the rating base for the region as a whole.

Otago Region	Rating Base Information for the Year Ended 30 June 2022	Rating Base Information for the Year Ended 30 June 2021
Total number of rating units	120,313	119,591
Total capital value of rating units	\$105,375,181,640	\$92,993,220,030
Total land value of rating units	\$54,940,034,640	\$49,147,606,280

Insurance of Assets

The total carrying value of all assets of the Council as at 30 June 2022 that are covered by insurance contracts amounts to \$17.928 million (2021: 16.978 million) and the maximum amount to which they are insured is \$49.591 million (2021: \$52.751 million).

The total value of all assets of the Council as at 30 June 2022 that are self-insured amounts to \$97.349 million (2021: \$97.637 million).

Included in the value of self-insured assets are flood protection and drainage infrastructural assets of \$65.167 million (2021: \$64.477 million), land of \$29.344 million (2021: \$29.060 million), transport infrastructural assets and hardware of \$1.388 million (2021: \$2.212 million) and software of \$1.450 million (2021: \$1.888 million).

Flood protection and drainage infrastructural assets include floodbanks, protection works and drains and culverts. Assets of this nature are constructions or excavations of natural materials on the land, and have substantially the same characteristics of land, in that they are considered to have unlimited useful lives.

The Council does not maintain separate self-insurance funds and considers that the level of reserve funds held is sufficient for the purpose of self-insuring assets that are not covered by insurance contracts.

As at 30 June 2022 the Council had not entered into any financial risk sharing arrangement for any assets held (2021: \$Nil).

The Organisation

Directory

Otago Regional Council councillors

Chairperson	Andrew Noone	Dunedin constituency
Deputy Chairperson	Kevin Malcolm	Moeraki constituency
Regional Councillors	Hilary Calvert	Dunedin constituency
	Michael Deaker	Dunedin constituency
	Alexa Forbes	Dunstan constituency
	Marian Hobbs	(resigned November 2021)
	Carmen Hope	Molyneux constituency
	Gary Kelliher	Dunstan constituency
	Michael Laws	Dunstan constituency
	Gretchen Robertson	Dunedin constituency
	Bryan Scott	Dunedin constituency
	Kate Wilson	Molyneux constituency

Otago Regional Council executive staff

Chief Executive	P Borren
General Manager Corporate Services and Chief Financial Officer	N Donnelly
General Manager Strategy, Policy and Science	G Elsum July 2021 to March 2022 A Dawe March 2022 to current
General Manager Operations	G Palmer
General Manager Regulatory and Communications	R Saunders
General Manager Governance, Culture and Customer	A Vercoe

Otago Regional Council details

Bankers	Bank of New Zealand
Auditors	Deloitte Limited on behalf of the Auditor-General, Wellington
Solicitors	Ross Dowling Marquet and Griffin, PO Box 1144, Dunedin
Principal office	Philip Laing House, Level 2, 144 Rattray Street, Dunedin 9016
Website	www.orc.govt.nz
Phone	0800 474 082 0800 800 033 (Pollution hotline)
Email	customerservices@orc.govt.nz

Port Otago Limited

Chairperson	Paul Rea
Deputy Chairperson	Pat Heslin
Directors	Tom Campbell Tim Gibson Jane Taylor (resigned 31 March 2022) Bob Fulton Becky Lloyd Chris Hopkins (appointed 1 July 2022)
Chief Executive	Kevin Winders

Office and Depot Locations

Offices

Dunedin office - Philip Laing House

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm
Closed on public holidays.

Level 2
144 Rattray Street
Dunedin 9016

Queenstown office

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm
Closed on public holidays.

Terrace Junction
1092 Frankton Road
Queenstown 9300

Depots

We have staff located at depots throughout the region.

Please note that depots do not service general enquiries or accept payments.

Please contact us by email or phone for guidance or general enquiries.

Alexandra

13 Ngapara Street
Alexandra 9340

Cromwell

14 Rogers Street
Cromwell 9310

Oamaru

32 Ribble Street
Oamaru 9400

Taieri

173 Dukes Road North
North Taieri

Balclutha

Hasborough Place
Balclutha 9230

Dunedin

70 Stafford Street
Dunedin 9054

Palmerston

54 Tiverton Street
Palmerston 9430

Wānaka

185 Riverbank Road
Wānaka 9382

Statement of Compliance

In accordance with Part 3 of Schedule 10, Clause 34 of the Local Government Act 2002, the Council and management of Otago Regional Council confirm that all the statutory requirements in relation to the Annual Report have been complied with.



Dr Pim Borren
INTERIM CHIEF EXECUTIVE



Andrew Noone
CHAIRPERSON

Independent Auditors' Report



**REPORT
TO COME**



**REPORT
TO COME**

Independent Auditors' Report



**REPORT
TO COME**





8.2. Port Otago Statement of Corporate Intent

Prepared for:	Council
Report No.	CS2256
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Corporate Services
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	28 September 2022

PURPOSE

- [1] To receive Port Otago's Statement of Corporate Intent for the three years to 30 June 2025.

EXECUTIVE SUMMARY

- [2] Each year the Board of Port Otago Limited is required to provide Council as shareholder, a Statement of Corporate Intent (SCI). The SCI for the three years to 30 June 2025 has been received and is attached.
- [3] The SCI sets out the objectives of the Port Otago group, and the intended nature and scope of activities for the three-year period to 30 June 2025. The three-year scenario covered by the SCI is reviewed annually on a rolling three-year basis.
- [4] The SCI process is the formal opportunity for Council, as 100% shareholder of Port Otago, to have input into the intended activities of the company and its subsidiaries.
- [5] In 2020 the Port substantially revised the SCI format to focus on sustainability and introduced a materiality process. The SCI has continued to be refined and developed as part of Port Otago's integrated reporting and materiality focus.
- [6] The Port Board and management conducted a workshop with Council on the draft contents of the SCI on 23 August 2022. Feedback from that workshop has been incorporated in the attached SCI.

RECOMMENDATION

That the Council:

- 1) **Receives** this report and the attached Statement of Corporate Intent for Port Otago Limited to 30 June 2025.
- 2) **Endorses** the Statement of Corporate Intent for Port Otago to 30 June 2025.

PERFORMANCE TARGETS

- [7] Performance targets in relation to health, safety and wellbeing, financial, environmental, and compliance with the Port and Harbour Safety Code are set out on page 16 of the SCI.
-

- [8] The target level of shareholders' funds as at June 2023 is \$700 million rising to \$730 million at June 2025.
- [9] The dividend policy remains consistent with previous years. Dividends are:
"Based on the intention to pay dividends within the range of 50%-70% of the group's normalised operating surplus after tax".
- [10] Target dividend amounts are \$14m for the year ending 30 June 2023 rising \$1m per year to \$16m in 2025. These targets are consistent with Council's Annual Plan 2022-23 and Long-Term Plan 2021-31.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [11] The dividend targets included in the SCI align to those included in Council's Financial Strategy.

Financial Considerations

- [12] The dividend targets included in the SCI align to those included in Council's Long-Term Plan 2021-31 and Annual Plan 2022-23.

Significance and Engagement Considerations

- [13] There are no significance and engagement considerations.

Legislative and Risk Considerations

- [14] The Port Companies Act 1988 requires the Draft SCI to be delivered to Council within one month of the commencement of each financial year and for the completed document to be finalised within three months of the commencement of the financial year.
- [15] The primary risk is financial and relates to the Port's actual performance meeting the targets set out in the SCI and the Port's ability to pay dividends to Council. This includes underlying market risk which is inherent in the Port's commercial activities. Dividends levels outlined in the SCI are not guaranteed and are dependent upon the Port's underlying financial performance and Directors being satisfied the company will satisfy the Companies Act 1993 solvency test requirements when those dividends are approved.

Climate Change Considerations

- [16] Climate change is considered in the SCI (see page 8, number 5 in the top 12 material issues and page 12 our harbour taoka and beyond).

Communications Considerations

- [17] There are no communications considerations.

ATTACHMENTS

1. 2022 Port Otago Statement of Corporate Intent to June 2025 [8.2.1 - 19 pages]



Statement of Corporate Intent

For FY2023, FY2024 and FY2025

Approved by the Port Otago Board

Contents

Contacts	2
Introduction.....	3
About Port Otago	3
Company structure	4
Our Value Chain.....	6
Our material issues.....	8
Strategy for a better business	9
Our team	10
Our wider team.....	11
Our harbour taoka and beyond	12
Our know-how and skills	13
Our assets.....	14
Our financial value	15
Governance and leadership	17
Reporting to our shareholders.....	18

Contacts

Head office

15 Beach St
PO Box 8
Port Chalmers 9023
New Zealand
+64 3 472 7890
www.portotago.co.nz

Directors

Paul Rea – Chair
Pat Heslin
Tim Gibson
Tom Campbell
Bob Fulton
Becky Lloyd
Chris Hopkins

Chief Executive

Kevin Winders



Statement of Corporate Intent to June 2025

Page 2

Introduction

This Statement of Corporate Intent (SCI) outlines our plans for the next three years, FY2023, FY2024 and FY2025. We encourage you to read this SCI in conjunction with our 2022 Integrated Report, *Staying the course*, a title which sums up FY22 for the port.

We applaud those in our supply chain already embracing integrated thinking and reporting and encourage others to do the same. We continue to use the International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework, moving a little closer each year to the leading IRs to which we aspire.

We undertook our third materiality process in 2022. This is now integral to how we engage with our stakeholders on what matters most to them and how we are tracking (pages 7-9). With our shareholder, community, iwi, customers, partners, suppliers, regulators and government, we identified 12 material issues which – together with our strategy – form the basis of this SCI and our 2022 Integrated Report. As part of the materiality process, the ORC Port Liaison Committee shared this reminder of the importance of our stakeholder relationships: “If a relationship isn’t strong, when things go wrong, how do you broker a way forward? Every bright idea should be tested with those that own you, those that will be affected by it and the people around you, and the port needs strong relationships to be able to do this.”

Like everyone, we hoped that supply chain disruption would subside during the year. This has not been the case. Our team has worked harder than ever with our customers, partners, suppliers and community to continue delivering for our shareholder and the people of Otago. Disruption now seems the new norm, making planning for the future even more critical. And this, alongside getting our culture right, is critical to having the best team for the job.

There is some new content in this SCI compared to previous years, including progress against the goals in the port's *Strategy for a better business* (pages 9-14), and presentation of our *Integrated Sustainability Policy* (page 5). We also encourage reference to the more detailed climate change reporting in our 2022 Integrated Report (pages 72-75), as we gather more data and increase our understanding of the challenges ahead.

About Port Otago

It was from Port Chalmers that New Zealand's first cargo of frozen meat left for London aboard the refrigerated ship *Dunedin* in February 1882, signalling the start of our country's modern export trade. The Otago Harbour Board managed the port and harbour from 1874 until 1988, when the Port Companies Act 1988 saw the registration of Port Otago Limited and the company's shares vested in the Otago Regional Council.

Port Otago is located on the Otago Harbour of the South Island of New Zealand. Port Otago benefits from a deep natural harbour taoka, its strategic location for vessel rotation to and from deep-sea destinations and a large primary export cargo region.

Port Otago is a Lifeline Utility under the Civil Defence Emergency Management (Act) 2002, defined as entities that provide essential infrastructure services to the community. The company has a responsibility to ensure its ability to function at the fullest possible extent during and after a civil defence emergency.



Our region

Port Otago’s role facilitating trade for the region’s exporters and importers has a significant impact on the economic, as well as the social and environmental, well-being of the Otago-Southland region.



Our region has the infrastructure required for a successful port, including a fit-for-purpose road and rail network and a well-developed warehouse and cool storage sector.

Port Otago operates two wharf systems – Port Chalmers and Dunedin Bulk Port – within Otago Harbour. The lower harbour channel depth is 14.0m, while the upper harbour channel is 8.5m.

Port Chalmers is one of New Zealand’s two deepest container ports and can service the largest container ships in the New Zealand. It can store more than 7000 containers and has one of the highest number of reefer points of any New Zealand port, with 1650.

The company has more than 38,000m² of covered warehousing at Port Chalmers, built to the high standards required by the dairy industry. It also has two wharf-side cold storage facilities in Dunedin, able to hold up to 10,500 tonnes of chilled product. This is used primarily to service fishing customers.

Port Otago has a purpose-built forestry berth and adjacent 5.5 hectare log storage area at Port Chalmers along with 4.6 hectare log storage facilities in Dunedin Bulk Port.

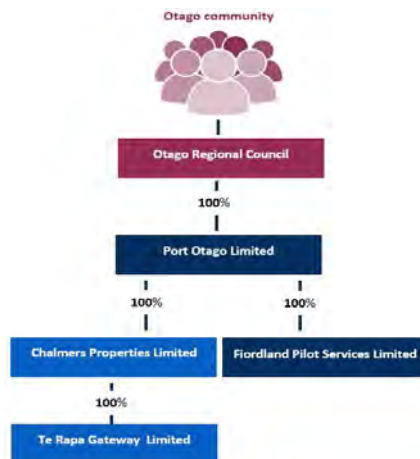
Port Chalmers is the primary South Island port for cruise ships and generally the port of call immediately before or after visiting Fiordland.

Company structure

This SCI sets out Port Otago’s overall intentions and objectives. It also covers our wholly owned subsidiary companies, Chalmers Properties Limited, Fiordland Pilot Services Limited and Te Rapa Gateway Limited.

Port Otago and its subsidiaries are “Port Companies”, pursuant to the Port Companies (Act) 1988. This SCI has been prepared in accordance with this Act. Pursuant to section 5 of the Act, our principal objective is to operate as a successful business.

The company reviews and updates its SCI annually, in consultation with its shareholder. This SCI covers FY23, FY24 and FY25.





Integrated Sustainability Policy

Port Otago is committed to working with stakeholders to understand our material issues. We try to be open and honest about what we need to work on. Our commitments in this policy span the six capitals* and aim to create value, working hard to improve wherever we can.



* Integrated Reporting is based on creating value across the six capitals:

1. Human capital: Our team.
2. Social and relationship capital: Our wider team.
3. Natural capital: Our harbour taoka and beyond.
4. Intellectual capital: Our know how and skills.
5. Manufactured capital: Our assets.
6. Financial capital: Our financial value.

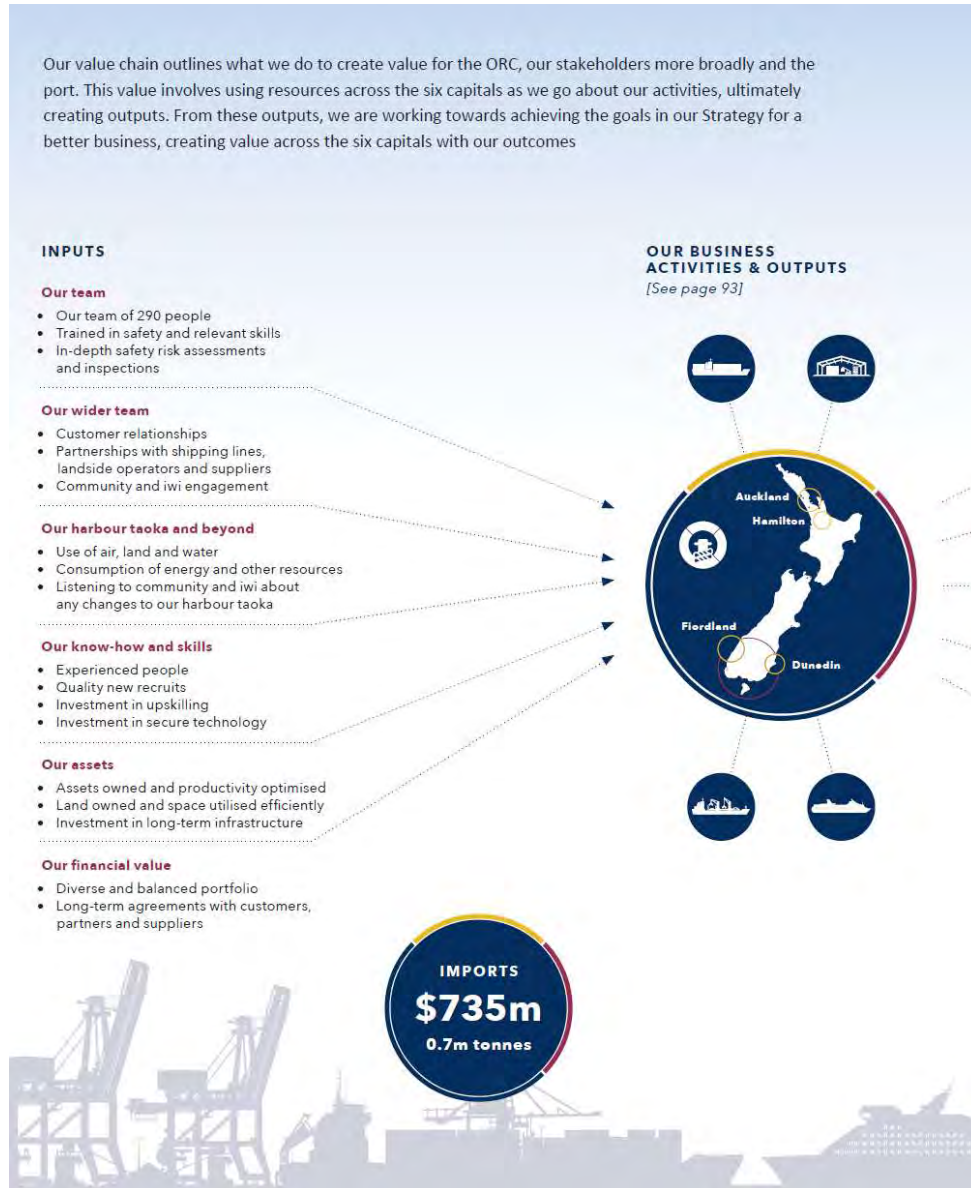


Statement of Corporate Intent to June 2025

Page 5

Our Value Chain

The port's business model to create value



ECONOMIC CONTRIBUTION

Port Otago operates across three sites: Port Chalmers, Dunedin Bulk Port and Dunedin Depot. It employs about **290** people and paid **\$31.2 million** in wages and salaries during 2021/22. Just over **\$60 million** was spent on materials and services, and capital projects.

OUTCOMES	WORK ONS	PROGRESS
<p>Our team</p> <ul style="list-style-type: none"> A safety culture where our people look out for each other so that everyone goes home safely Employees who are proud to work for the port 	<ul style="list-style-type: none"> Workplace culture Wellness strategy 	<ul style="list-style-type: none"> ✓ ✗
<p>Our wider team</p> <ul style="list-style-type: none"> A good neighbour who respects our social licence to operate A strong central link in the value chain, connecting our customers, partners and suppliers from the lower South Island to the world, for mutual growth 	<ul style="list-style-type: none"> Customer relationships 	<ul style="list-style-type: none"> ✓
<p>Our harbour taoka and beyond</p> <ul style="list-style-type: none"> A light touch that preserves and/or enhances our beautiful harbour Understanding we need to improve by listening to our community and iwi Reduced contribution to climate change and understanding and adapting to potential future climate change impacts 	<ul style="list-style-type: none"> Noise Climate change targets Climate change adaptation 	<ul style="list-style-type: none"> ✓ — —
<p>Our know-how and skills</p> <ul style="list-style-type: none"> A considered approach to the future A talented workforce with individuals who are willing to learn and have a wealth of knowledge Improved productivity and resilience by embracing new, agile and efficient ways Effective processes to protect the port from cyber attacks 	<ul style="list-style-type: none"> Digitisation Cyber security 	<ul style="list-style-type: none"> — —
<p>Our assets</p> <ul style="list-style-type: none"> Continued investment in infrastructure to the benefit of the local, regional and national economy Proactive development of dynamic solutions to counter shipping volatility 	<ul style="list-style-type: none"> Efficient supply chains Responding to shipping volatility 	<ul style="list-style-type: none"> — ✓
<p>Our financial value</p> <ul style="list-style-type: none"> Consistent sustainable dividends for our shareholder, to support regional economic development and benefit our community A sustainable future built on solid investment in infrastructure and long-term customer, partner and supplier relationships 	<ul style="list-style-type: none"> Balancing our business Efficiency Understanding our contribution to the regional economy 	<ul style="list-style-type: none"> ✗ — —

EXPORTS
\$4.4b
2m tonnes

Our material issues

Port Otago undertook its third materiality process in April/May 2022, engaging with key stakeholders after another tough year. With Covid-19 still affecting everyone's lives and supply chain disruption now a given, speaking to our stakeholders about what is most important to them remains high on our agenda. We worked hard this year to tackle disruption and did this in partnership with stakeholders, our customers in particular. The materiality process provided a valuable opportunity to hear how they think we are tracking, feedback on what more we can do, and their ideas for the future.

The materiality process

The materiality process was undertaken independently by Materiality Counts. It looked at the environmental, social and economic issues facing Port Otago now and into the future. Stakeholders and the business were asked to:

- Rate the importance of the issues to the value Port Otago creates,
- Rate our performance in managing the issues,
- Select their top three priorities and explain why, and
- Select the top five United Nations Sustainable Development Goals (SDGs) to which the port can contribute and explain why.

Top 12 material issues in order of priority

#1 Safety:

Continuing our culture where safety is the number one priority and our team looks out for each other so that everyone goes home safely. Keeping the focus on improving safety performance of which our team can be proud.

#2 Relationships:

Building strong collaborative relationships with our customers, shipping lines, road and rail transport, peers, shareholder and government. Taking the time to understand the challenges faced, such as global container shortages and staffing impacts on customers' operations. Communicating effectively on the day-to-day and working together for a future of sustainable growth for us all.

#3 Growth:

Investing in opportunities to grow our business with a healthy balance sheet and cost efficiency. Investing in infrastructure and driving the best supply chain logistics in partnership with our shipping lines, road and rail transport and customers.

#4 Leadership:

Leadership that is transparent, accountable, accessible and visible, with strong governance and ethics. Ensuring diversity and the right mix of skills to build sustainability into our strategy and continue to learn and adapt into the future.

#5 Climate change response:

Identifying how to reduce our carbon emissions, both directly and with customers, to play our part in achieving New Zealand's goal of net zero carbon emissions by 2050. Working with our customers, shipping lines, road and rail transport and peers to explore more efficient technology, fuel and practices.



#6 Recruiting and retaining the best team for the job:

Training our people for their roles and providing opportunities for them to grow with succession planning and recognition. Tackling skill shortages as best we can.

#7 Shipping volatility:

Shipping volatility continues with congestion at ports and disruption to shipping volumes and schedules “the new norm”. Collaborating with other ports, shipping lines and customers to reduce pressure on the supply chain. Working with our customers to boost container stocks and buffer storage space, drawing on our property business for warehouse capacity.

#8 Financial returns:

Generating financial returns and balance sheet strength with our diversified bulk, container, cruise and property business. Continuing our economic resilience in the face of Covid-19 impacts, including ongoing shipping volatility, container shortages and challenges for our team. Maximising returns for our shareholder and the people of Otago, alongside contributing to the local, regional and national economy with jobs, supply chain spend and more.

#9 Culture and wellbeing hauora:

Building a workplace culture where everyone feels they belong. Prioritising mental wellbeing by listening to our people and valuing their diversity. Providing great facilities to bring our team together. Encouraging teamwork, and open and honest communication, including with the unions. Working together for better work life balance through our rosters and equipping our people as best we can for these times of change.

#10 Innovation:

Improving efficiency in our supply chain by introducing new technology, such as automation and digitisation, and collating better data for tailored performance reporting. As with our climate change response, working with our customers, shipping lines, road and rail transport and peers to innovate and become more efficient.

#11 Cyber security:

Maintaining IT systems that protect cyber security and data privacy. Making cyber security part of every decision, like safety, and implementing well-rehearsed plans to respond to cyber-attacks.

#12 Wharf capacity and infrastructure:

Increasing storage capacity through buffering storage space, relocation and investment in wharf infrastructure. Working with customers on their plans for the future, including the need to service larger ships.

Strategy for a better business

Our *Strategy for a better business* tackles the material issues and creates value for the ORC, our stakeholders more broadly and the port. Board meetings are now structured around this strategy, using what we call “strategy blocks” based on the six capitals. This reminds us to regularly look at progress towards our goals.

Our team

Material issues

Safety

Recruitment and retention of the best team for the job
Culture and wellbeing hauora

Goals

Develop a culture where workforce safety is the number one priority and our team looks out for each other so that everyone goes home safely.

Build a workplace where the wellness of our team is supported through teamwork, accessible leadership, and open and honest communication.

Work ons

Delivering wellbeing initiatives
Improving work/life balance for our Kaimahi
Improving our diversity
Completing our new office/museum

Safety

This year, our fellow ports in New Zealand have experienced the tragic loss of team members. This serves as a stark reminder to us all not to become complacent about safety. It will always be our number one priority. In fact, when one of our peers experiences a significant safety incident, we devote our Leadership Team and Board meetings to reviewing our own risk management to make sure we are doing everything we can.

Recruitment and retention of the best team for the job

Through last year's materiality process, it was clear that recruiting and retaining the best team for the job was becoming increasingly important and challenging to achieve. This year, stakeholders ranked this issue as one of our top five material issues. Good people are the key to our future and attracting talent is increasingly competitive. A key example of this is our IT capability. We are building a team to work on systems innovation for our entire supply chain and enhance our cyber-security.

Culture and wellbeing hauora

Port Otago has been here in some form for nearly 150 years, which is a long time for a culture to become embedded. A concerted effort is required to change the culture to where it needs to be as a leader in today's society. We have opened the door to change through staff engagement workshops this year, hearing firsthand what is working and, more importantly, what needs to change. We are in the process of feeding back to our team on what we heard and how issues will be tackled.

Diversity in our workforce has emerged as something we need to tackle as a priority. This includes making it more appealing for women to work at the port by improving rosters and working conditions

Our wider team

Material issues

Relationships

Goals

Be a great neighbour by respecting what is important to our community and iwi and enhancing our social licence to operate.

Build stronger relationships with our customers, partners and suppliers to better understand them, measure progress and plan for the future.

Work ons

Increased customer engagement

Te Rauone Beach completion

Harbour plan engagement

Stakeholder relationships

Without effective relationships, very little can be achieved, let alone planning for a successful future together. The port has worked harder than ever this year to address the pain points for our container customers with ever changing shipping schedules, container shortages and general supply chain disruption. Last year, through our materiality process, Fonterra highlighted a number of things to work on. Working together, we have improved container supply and forecasting and removed container upgrade constraints to meet Fonterra's demand. With Maersk, we have achieved more reliable vessel schedules.

Security remains critical for our region and further afield and we are grateful for the hard work done by Customs. Over the past few years, the port's relationship with Customs has grown. We continue to build our understanding of their role as a regulator. From a more internal perspective, our relationships with the unions are fundamental to day-to-day operations. These relationships need work and we continue to focus on them and their impact on our culture.

We have managed things as best we can to protect our team, the community, customers, partners and suppliers from Covid at the port. There has also been a focus on wellbeing throughout the pandemic and we have seen increased usage of our Employee Assistance Programme (EAP).

The port takes pride in supporting projects that mean a lot to our community. At Te Rauone, the beach is finally taking shape and we have something exciting planned for the younger members of our community. Autumn planting took place at Flagstaff Hill, which is important to prevent landslides that could threaten public safety, and we helped with the Taieri CCTV. Building our new office as an integral part of the new maritime museum will bring us even closer to our community.

Planning for the future

While keeping things moving smoothly in the short term is a big task, we also need an eye on the future. In fact, our stakeholders continue to encourage us to take a lead on supply chain disruption and planning for the future, as the central link in the supply chain. Shipping line decisions have a significant impact on everyone's day-to-day operations, so we must continue to focus on those relationships. Stakeholders, also increasingly look to the port for the development of a Harbour Plan and we look forward to working with the ORC on this.

Keeping imports and exports moving across the port is our core business, but we must not forget other critical relationships. Moving goods on land is also important. We will continue to work closely with KiwiRail on the changes that lie ahead for them and how we can improve logistics on land together.



Statement of Corporate Intent to June 2025

Page 11

Our harbour taoka and beyond

Material issues

Climate change response

Goals

Identify how to reduce our carbon emissions, both directly and with our customers, such as harnessing renewable energy.

Play our part in achieving New Zealand's goal of net zero carbon emissions by 2050.

Understand and adapt to potential future climate change impacts on our assets.

Preserve our beautiful harbour and its biodiversity by listening to our community and iwi, taking care and monitoring these precious taoka closely.

Work ons

Setting our science-based climate change target

Getting started on a climate change adaptation plan

Stakeholder sentiment on climate change

Our stakeholders told us to act now on climate change and invest in decarbonisation and adaptation planning to avoid lagging behind. They called for a bigger team with the right capability and some serious strategic work. It is clear that the Board and Leadership Team need to take the lead on climate change and communicate to stakeholders on what the port is doing.

Climate change data and initiatives

"You can't manage what you can't measure", so we are improving the completeness of our climate change data. With this in mind, Toitu audited and verified our carbon emissions data this year. As protecting the harbour is not only about climate change, we are also getting better at tracking our performance with data collation through monitoring in other areas, such as biodiversity.

We had a number of small wins with our climate change initiatives, led by the Project Footprint Team at the port. These included LED lighting, rapid sliding freezer doors to minimise energy loss and solar panels at Sawyers Bay. We moved to electric vehicles, but are also looking at the potential to move our straddles and cranes from diesel to electric, developing a Straddle Plan.

Working with our shipping partners

Noise complaints have come down dramatically from 88 in 2019/20 to 18 in 2021/22. Noisy vessels, such as the Monte Rosa, no longer service the port, and silencers have been fitted on others. We thank Maersk for their excellent communication on expected noise levels, in particular Rio generator issues.

Our know-how and skills

Material issues

Innovation

Cyber-security

Goals

Improve our efficiency through automation and digitisation, such as systems for berth management, property management and supply chain connectivity.

Work with our supply chain partners to embrace new and agile ways of working landside.

Explore aligned business diversification to provide a sustainable future for the port.

Develop a strong platform to train and develop our team.

Establish effective processes to protect the port from cyber-attacks and respond rapidly.

Work ons

Getting our Learning Management System (LMS) platform up and running

Achieving full cyber security protection

Innovation

It is an ongoing effort to unravel the legacy of our old IT systems and databases at the port. Like many organisations, these have evolved over time, often without records of how issues were “fixed” along the way. That said, this is a long term project. We continue to invest in recruiting a strong team to tackle our IT challenge, which encompasses innovation for the supply chain and cyber-security.

While we may just be a port in the South Island of New Zealand, for the exceptional producers of the region, we are the gateway to the rest of the world. We take this seriously and strive to innovate. One example is our use of Yardi, an asset management platform used for all lease and facilities management workflows and record keeping. We are also collaborating with Napier Port on the Sharewater Harbour Management System, a cloud-based harbour management system that performs three key functions – berth planning, shipping movement planning and capturing data for the purposes of billing.

Cyber-security

Whilst New Zealand sits at the end of the supply chain and may therefore not be on the radar for geopolitical cyber-attack in the same way as other markets, Ransomware remains a real and present threat. Cyber-attack could impact critical IT, such as safety systems that prevent people from getting hurt. We have just completed a cyber-review resulting in 13 immediate actions, and 10 medium. These actions have all been implemented, demonstrating the seriousness with which the port takes its cyber-security.

Training is also fundamental to becoming an Employer of Choice. This year we implemented Safety Leadership Training and a new approach to Fire VR Training by engaging the community through the local fire brigade.



Statement of Corporate Intent to June 2025

Page 13

Our assets

Material issues

Shipping volatility

Wharf capacity and infrastructure

Goals

Grow the container business by investing in additional storage and depot capability.

Grow the bulk business by increasing storage capacity and enhancing shipping flexibility with Victoria Channel improvements. Relocate storage (where it makes sense), develop wharf replacement options and work with customers on fit-for-purpose infrastructure to meet future needs.

Respond dynamically to shipping volatility with storage and digital solutions.

Rebuild the cruise business by engaging with the cruise industry, investing in Pilot accommodation, maintaining capability and having safe landside practices ready to go.

Continue to build a sustainable property portfolio as a fundamental part of the port's financial sustainability.

Work ons

Ravensdown and Cross Wharf upgrades

Delivering a great cruise experience for our region

Completing our three new warehouses on time and on budget

Shipping volatility

Global shipping remains a tale of disruption and last minute schedule changes. The difference is that we have all learned to live with it, operating more smoothly with disciplined planning horizons. Earlier visibility of things that require solving, such as additional storage space and shortfalls in container supply, has helped. Port Otago hasn't experienced the congestion affecting some other ports in New Zealand, helping us to service our customers efficiently.

Achieving the right balance between bulk and container storage and accommodating cruise ships as they return will always be an operational priority. When we get this right, customers have the wharf space they need, unaware of the balancing act taking place in the background.

Wharf capacity and infrastructure

Infrastructure development has continued at the port this year with the Crane 3 upgrade finally progressing after Covid delays. We also developed our own car park, freeing up parking spaces on local roads. Building our new office has also been a focus. An exciting development with our partners in the community, this multi-stakeholder project integrates our new office building with a new Maritime Museum.

When something is built at the port, it could be here for 100 years. Hence the need for a Strategic Asset Plan that incorporates long term forecasts of likely exports from Otago in the next 10, 20 and 30 years. Implications for land transport, in particular rail, also play a part, as do changing storage needs, such as cold stores. Climate change impacts now also feature with respect to the produce it will be possible to grow in Otago in decades to come. With so many moving parts, future planning in this space definitely presents a challenge worth investing time in.



Property business

It has been a big year for innovation in our property business, working with IAG, Steel & Tube and NZ Windows to meet their needs. We are also proud to be using our property know-how to build an exciting new office for the ORC.

Return of cruise ships

Last but not least, we finally have the green light for cruise ships to return. After a long hard slog lobbying for this outcome with our partners, Cruise NZ, we look forward to seeing cruise ships berthed on our wharf again before too long.

Our financial value

Material issues

Growth

Financial returns

Goals

Provide consistent shareholder dividends with a portfolio that optimises returns, builds resilience and facilitates investment in the future.

Work ons

Meeting the dividend expectations of our owner

Bringing back cruise revenue as one of the four pillars of our business

Growth

Healthy growth is the only way to remain relevant. If any part of our business shrinks, we run the risk of losing our share of an increasingly competitive market. We need to be the port all the shipping lines want to visit, the preferred shipping point for exporters and the most desirable cruise destination. We also have the potential to be the port offering end-to-end supply chain solutions using our unique property business know-how. We want to invest in this growth and thank the ORC for facilitating access to funds from the New Zealand Local Government Funding Agency (LGFA).

Financial returns

Our financial returns need to remain strong to provide consistent dividends to the ORC, ultimately benefitting the people of Otago. Throughout the pandemic, we worked hard to maintain healthy financial performance for this reason.

With the loss of cruise, one of the four pillars of our business, our reliance on converting development opportunities in our property business grew. But as a port, we will always rely on cash flow from moving product across the wharf. Retaining and growing the container part of our business depends on many things, including customer relationships. These are based on good day-to-day communications and planning for the future, sufficient wharf capacity and up-to-date facilities. We make sure our container customers know how important they are to us, as we work together for improved mutual returns.

Capital reference	Objectives	Key performance measures	Targets		
			2023	2024	2025
Our Team	Health, safety and well-being	Critical Risk: Visible Leadership Conversations	1000	1000	1000
Our Team	Health, safety and well-being	Total recordable incident frequency rate (per 1 million hours)	<10	<10	<10
Our Financial Value	Financial	EBIT	\$30m	\$35m	\$40m
Our Financial Value	Financial	Shareholders' funds (Equity) or Net Assets *	\$700m	\$710m	\$730m
Our Assets	Financial	Stay in business capex (SIB)	\$50m	\$15m	\$15m
Our Harbour taoka and Beyond	Financial	Investment in growth	\$60m	\$50m	\$50m
Our Financial Value	Financial	Return on equity *	2.5%	3.0%	3.5%
Our Financial Value	Financial	Equity Ratio*	Between 70%-85%		
Our Financial Value	Financial	Interest cover ratio	6	6	6
Our Financial Value	Financial	Dividend **	\$14m	\$15m	\$16m

Capital reference	Objectives	Key performance measures	Targets		
			2023	2024	2025
Our Harbour taoka and Beyond	Environmental	Number of harbour spills caused by Port Otago	0	0	0
Our Know-How and Skills	Environmental	Percentage of resource consent compliance monitoring events achieving full compliance	100%	100%	100%
Our Harbour taoka and Beyond	Compliance with Port & Harbour Safety Code (PHSC)	The requirements of the PHSC continue to be met	Yes	Yes	Yes
Our Know-How and Skills	Compliance with Port & Harbour Safety Code (PHSC)	Risk assessments of new tasks or reviews post incident completed	Yes	Yes	Yes

*Excludes future unrealised fair value movements of investment properties and hedging interest rate swaps.

** Based on the intention to pay dividends within the range of 50-70% of the group's normalised operating surplus after tax.

Financial performance measure	Definition
EBIT	Earnings before interest, taxation, realised and unrealised investment property gains
Return on equity	Profit divided by average shareholder's equity
Equity ratio	The percentage that equity represents of total assets within the target range between 70% and 85%
Interest cover ratio	The number of times interest is covered by the profit before tax, interest, unrealised fair value movements and unrealised impairment charges.

Governance and leadership

The board

Port Otago's shareholder appoints the directors to govern and direct the company's activities. The board is the overall and final body responsible for the proper direction and control of the company's activities and decision making. The board's responsibilities include the overall objectives, strategy, stewardship, performance and reporting of the company.

Statement of corporate intent (SCI)

The SCI is prepared based on the requirements within the Port Companies Act 1988. The board submits a draft SCI to the company's shareholder after due consultation with the shareholder and, after considering its comments, the board approves the final SCI and delivers it to the shareholder.

Board operation

The Port Otago board's operation is subject to the company's constitution and board charter, which sets out how the board and directors shall undertake their responsibilities.

The board chair leads the board and its relationship with the shareholder and other major stakeholders. The chair maintains a close professional relationship with the company's CE and, through the CE, the leadership team (LT).

New directors undertake an induction process to familiarise them with matters related to the company.

Conflicts of interest policy

These documents require all directors and employees to:

- Act with integrity, honesty, transparency, openness and in good faith
- Comply with the law, apply good judgment and proactively identify, disclose and manage conflicts of interest
- Promptly disclose or report any significant potential or perceived conflict or wrongdoing.

The company maintains an Interests Register that is reviewed at the start of every scheduled board meeting.

Policies

The board reviews the company's key policies at regular intervals. Our Integrated Sustainability Policy is presented for the first time in this SCI on page 5

Board performance and review

The board regularly reviews its performance and the performance of the CE. The reviews aim to identify opportunities and set plans for performance development and improvement.

Board meetings and committees

The board meets approximately 11 times per year. Additional meetings are convened as and when required. The board's annual work programme is set by the board before the start of each financial year. The board receives formal agenda papers and regular reports, generally a week in advance of meetings. Senior managers are regularly involved in board discussions. Directors also have other opportunities to obtain information and may seek independent expert advice.



The board delegates some responsibilities and tasks to board committees, but the board retains the ultimate responsibility and accountability for any committee's actions or inactions. Subject to any conflict issues, all directors receive agenda papers for committee meetings and all directors may attend committee meetings.

The board's three standing committees are:

- Audit and Risk Committee – which liaises with the company's independent external auditor, and reviews the quality and reliability of internal controls and financial and regulatory information used by and issued by the board.
- Health and Safety Committee – which assists the board in discharging its responsibilities with respect to health, safety and well-being.
- Remuneration Committee – which reviews the company's remuneration policies and practices, and reviews and sets the remuneration of the company's CE and LT.

Liability insurance and indemnity

Port Otago arranges comprehensive liability insurance policies for the company, directors and officers within the limits and requirements set out in the Companies Act 1993 and the company's constitution. The company also indemnifies directors and employees within the limits and requirements set out in the Act.

Legislative compliance

The board receives regular updates and representations from management on legislative compliance. Areas of relevant law include industry-specific regulation, health and safety, corporate, taxation, financial reporting, commercial, environmental, human resources and privacy.

Auditor

Ernst & Young, on behalf of the Auditor-General, is auditor of the company.

Our compliance with relevant legislation

Port Otago will continue its legislative compliance programmes and aim to ensure we meet our obligations under relevant legislation and regulations.

Reporting to our shareholders

Port Otago submits its draft SCI to its shareholder for consultation annually, as required under the Port Companies Act 1988. Where appropriate, we will submit a revised SCI to our shareholder. (See appendices for performance targets.)

We will submit an annual report to our shareholder. This annual report will include:

- Audited financial statements
- Performance relative to the targets set in this SCI
- Key issues and progress with sustainability
- Other information to enable an informed assessment of the group's performance and financial position.

Port Otago values shareholder communication facilitated by the Port Liaison Committee which enables periodic interchange with our shareholder



We will also submit an interim report to our shareholder. This report will contain unaudited information similar in content to our annual report and will comply with financial reporting standard NZ IAS 34 – Interim Financial Reporting.

Port Otago’s accounting policies comply with applicable NZ IFRS standards and interpretations. We have applied the same accounting policies when preparing the SCI’s financial forecasts, as for our audited financial statements for the year ended 30 June 2022. Our actual accounting policies during the three-year period of this SCI may change as a result of changes to NZ IFRS standards and interpretations.

No surprises policy

The company will endeavour to inform our shareholder prior to any significant decision being made public and will engage via the Port Liaison Group as required.

The commercial value of our shareholder’s investment

Port Otago estimates the commercial value of its shareholder’s investment in the group is at least that which is stated as shareholder’s equity in our audited financial statements. This is reassessed annually, alongside our audited financial statements.

Activities subject to compensation

The company will provide the following services for the Otago Regional Council, for which Port Otago expects to be remunerated or reimbursed by the council:

- Assistance in matters of good navigation and safety on Otago Harbour.
- Provision of such services as may be requested by the Regional Council.
- Construction of a new office.



8.3. Consent Fees Support - Policy Review

Prepared for: Council
Report No. REG2206
Activity: Regulatory: Consents and Compliance
Author: Joanna Gilroy, Manager Consents
Endorsed by: Richard Saunders, General Manager Regulatory and Communications
Date: 28 September 2022

PURPOSE

- [1] The purpose of this paper is to seek approval for an updated Financial Support for Resource Consent Processing Fees – Environmental Enhancement Projects Policy.

EXECUTIVE SUMMARY

- [2] Changes were proposed to the Financial Support for Resource Consent Processing Fees – Environmental Enhancement Projects Policy (the Policy). These changes were adopted by the Regulatory Committee at the meeting on 15 September 2022.
- [3] The Policy is now being presented to full Council for approval in accordance with the appropriate delegation.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** the updates to the Financial Support for Resource Consent Processing Fees – Environmental Enhancement Projects Policy.

DISCUSSION

- [4] Council originally approved the Policy in June 2021. Following a review, changes were recommended to ensure the policy best met the outcomes sought by Council.
- [5] The Regulatory Committee adopted the updated Policy at a meeting on 15 September 2022.
- [6] Due to the delegations set out in the register it is necessary to bring this paper to full Council for approval.
- [7] The paper to the regulatory committee is included as Attachment 1. The updated policy for approval is included as Attachment 2.

OPTIONS

- [8] Option 1 (Recommended option): Approve the updated policy.
- [9] Option 2: Do not approve the updated policy.

- [10] The advantages and disadvantages are set out in the paper to the Regulatory Committee which is included as Attachment 1.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [11] The recommended changes to the policy are consistent with the strategic framework.

Financial Considerations

- [12] Budget for fees support is included in the annual plan budget

Significance and Engagement

- [13] This decision is not considered significant when reviewed against He Mahi Rau Rika.

Legislative and Risk Considerations

- [14] There are no legislative or risk considerations associated with this decision.

Climate Change Considerations

- [15] There are no climate change considerations associated with this decision.

Communications Considerations

- [16] The changes to this fund will be communicated through a media release, updates to key stakeholders and catchment groups and on the ORC website.

NEXT STEPS

- [17] Subject to approval by Council staff will implement the communications plan as set out in paragraph 15.

ATTACHMENTS

1. Review of Consent Fee Support Policy [**8.3.1** - 15 pages]
2. Financial Support for Resource Consent Fees Draft Policy for Approval [**8.3.2** - 5 pages]

7.1. Review of Consent Fee Support Policy

Prepared for: Regulatory Committee
Report No. REG2204
Activity: Regulatory: Consents and Compliance
Author: Joanna Gilroy, Manager Consents
Endorsed by: Richard Saunders, General Manager Regulatory and Communications
Date: 15 September 2022

PURPOSE

- [1] The purpose of this report is to provide an update to Council on the newly established Financial Support for Resource Consent Processing Fees – Environmental Enhancement Projects Policy (the Policy), and make recommendations to update the Policy.

EXECUTIVE SUMMARY

- [2] Council approved a new Policy and associated fund to provide financial support for projects which have an environmental benefit during Long Term Plan Considerations in 2021. Staff were requested to report back to Council at the end of the 2021/2022 year.
- [3] A total of three applications for fees support were received during the 21/22 year with three being approved. The total amount of financial support allocations from the fund has been \$13,342.
- [4] Staff have undertaken a review of the Policy and are recommending two changes. These changes would ensure that more projects can receive the benefits of this funding and that ongoing compliance costs can be covered subject to full compliance being maintained.

RECOMMENDATION

That the Committee:

- 1) **Notes** this report.
- 2) **Adopts** the recommended changes to the Resource Consent Fees Support Policy being:
 - a. An amendment that allows individuals to access the fund provided they meet all other criterial and there is no commercial advantage obtained from the project.
 - b. An amendment to enable projects to claim for ongoing compliance costs provided the consent maintains a fully compliant audit grade.
- 3) **Notes** that the adopted Policy changes will be referred to full Council for final approval.
- 4) **Requests** that staff undertake a further assessment of the fund and report back to Council at the end of the 2022/2023 year.

Regulatory Committee 2022.09.15

BACKGROUND

- [5] During LTP deliberations in 2021 staff were requested to develop a policy for assisting with resource consent costs for environmental enhancement projects. A budget of \$50,000 was included in the budget for this purpose.
- [6] At the Council meeting on 23 June 2021 staff presented a draft policy for the consideration of Council. It was resolved that the Council:
- 1) *Receives this report.*
 - 2) *Approves the ORC Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects Policy – 2021, referred to as Option 1 in the paper, and its implementation from 1 July 2021*
 - 3) *Approves an update to the Otago Regional Council Delegations Manual to reflect the new Policy and delegate under the policy to the General Manager Regulatory and Communications*
 - 4) *Notes that staff will report quarterly to the Regulatory Committee on the implementation of this Policy*
 - 5) *Requests that staff review the policy at the end of the 2021/2022 year and report back to Council on any recommended changes*
- [7] Staff have promoted the new fund and actively encouraged applicants to seek financial support if they meet the criteria set in the Policy.

DISCUSSION

Summary of applications 2021/2022

- [8] During the 2021/2022 year a total of three applications for funding support were received by the Consents team. No applications were declined.
- [9] Of those approved a total of \$13,342 was allocated to resource consent fees.
- [10] Attachment 1 lists all applications received for funding support along with the outcome and where applicable the amount of financial support received.

Review of Policy

- [11] Staff have carried out an assessment of the existing policy. While for the most part it is the opinion of staff that the policy responds to the original intent of Councillors there are opportunities to broaden the scope of the policy which could provide support to additional projects.
- [12] Staff are recommending two changes to the policy. A copy of the existing policy with track changes is included as Attachment 2. A copy of the proposed new policy without track changes is included as Attachment 3.
- [13] The first change will make it possible for an individual undertaking a project to access support from the fund. This change recognises that some projects consistent with the intent of the fund are undertaken by individual landowners rather than catchment or community groups. The key criteria relating to commercial gain will still apply to these applications from individuals.

- [14] The second change will provide for compliance and administration costs associated with the granted consent to be covered by the fund subject to the applicant maintaining an audit grade of full compliance. This change ensures that all funds can be directed to further environmental work rather than covering ongoing costs associated with the granted resource consent. The criteria included in the proposed changes require the consent holder to maintain an audit grade of full compliance in order to ensure there are no adverse effects from the project and that any reporting requirements are fulfilled.

OPTIONS

- [15] There are three options available to Council.

- [16] Option 1 – Recommended Option. The Committee endorses the two recommended changes to the policy.

Advantages

- *More non-commercial environmental enhancement projects will qualify for funding support.*
- *ORC will be seen actively supporting non-commercial projects which deliver environmental enhancement for the region*
- *The recommended changes to the policy will ensure that more funding can be diverted to on the ground actions as opposed to covering the costs of regulatory activity associated with projects.*

Disadvantages

- *The inclusion of compliance fees in the scope of the policy may create some pressure on the fund in future years.*

- [17] Option 2 – The Committee recommends further changes and endorses the Policy.

- *Depending on the nature of the additional changes this option is considered to have similar advantages and disadvantages to option 1.*

- [18] Option 3 – The Committee recommends no changes to the Policy

Advantages

- *There is unlikely to be pressure on the fund in future years.*

Disadvantages

- *Some non-commercial environmental enhancement projects will fail to meet the criteria for funding support.*
- *ORC may be seen to be missing an opportunity to support additional environmental enhancement projects in the region.*
- *No changes to the policy will mean that project funding will need to be diverted to meet ongoing regulatory costs rather than being invested into on the ground actions.*

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [19] The recommended changes to the policy are consistent with the ORC strategic framework.

Financial Considerations

[20] Funding for this policy is included in the 2022/2023 Annual Plan.

Significance and Engagement Considerations

[21] This decision is not considered significant when reviewed against He Mahi Rau Rika.

Legislative and Risk Considerations

[22] There are no legislative considerations associated with this decision.

[23] Without changes to the existing policy there is a potential risk to ORC's reputation. The organisation could be viewed as failing to provide adequate support to projects which aim to deliver environmental enhancements to the region.

Climate Change Considerations

[24] Projects which deliver climate change outcomes may qualify for financial support under the existing and proposed policy.

Communications Considerations

[25] This fund has previously been promoted. Should the changes be approved staff will work with the Communications and Marketing team to further promote this fund to the Otago community.

NEXT STEPS

- [26] Subject to endorsement from the Committee and final ratification at the next Council meeting staff will undertake the following actions:
- a. Update the policy information on the website.
 - b. Communicate the updates to the policy both through general channels and directly with key stakeholder groups.
 - c. Provide a report to Council at the end of the 2023/2024 year reviewing the policy and the funding provided to projects.

ATTACHMENTS

1. Applications received for Financial Support [7.1.1 - 1 page]
2. Financial Support for Resource Consent Fees Proposed Track Changes [7.1.2 - 5 pages]
3. Financial Support for Resource Consent Fees Draft Policy for Approval [7.1.3 - 5 pages]

Attachment 1: List of Consents that have Applied for Financial Support

Number	Applicant	Project Description	Approved / Declined	Amount
1	Wanaka Community Garden Trust	Community Green Waste and Worm Farm Operation	Approved	\$1,363
2	Mana Tahuna Charitable Trust	Environmental improvement projects at a range of sites in the Lake Hayes Catchment	Approved	\$10,000 (\$17,244 total)
3	Otago Peninsula Biodiversity Trust and Vauxhall Yacht Club	Billboard promoting biodiversity activities on the Otago Peninsula	Approved	\$1,979

Note: No applications were declined. Discussions at pre-lodgement stage identify suitable projects for financial support before an applicant commits time to completing an applications



Otago Regional Council

Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects

July 2021-October 2022

	Document Name: Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects
	Document Owner: General Manager Regulatory
	Authorised By: Council
	Implementation Date: 1 July-October 2022
	Review Period: Annual

Regulatory Committee 2022.09.15

Council Meeting 2022.09.28

	Last Reviewed: n/a
	Next Review: 1 July 2024 ²

1. INTRODUCTION	1
2. PURPOSE	1
3. SCOPE	1
4. DELEGATIONS	1
5. CRITERIA	1
6. PROCESS	2
7. RELATED DOCUMENTS	3

Regulatory Committee 2022.09.15

Council Meeting 2022.09.28

1. INTRODUCTION

The Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects Policy provides guidance to those groups or individuals wishing to apply for support for a project which requires a resource consent. The policy confirms the Council's support for qualifying groups or individuals who are delivering environmental enhancement projects which are consistent with the Council's Strategic Directions or priorities listed in other statutory documents.

2. PURPOSE

The purpose of the policy is to give clear direction to applicants seeking support for resource consent processing fees for environmental enhancement projects.

3. SCOPE

The scope of this policy is limited to resource consent processing fees associated with applications made by qualifying groups or individuals for eligible environmental enhancement projects and the ongoing compliance and monitoring fees associated with a granted resource consent. The following costs are not within scope of this policy and will not qualify for support:

- work required in response to any actual or potential enforcement action
- administrative charges and annual consent monitoring fees associated with a granted consent where an audit grade of full compliance has not been maintained
- costs associated with retrospective consents
- costs associated with physical work or reporting required to address non-compliance associated with a granted consent
- any costs incurred by the applicant in the preparation of the application
- costs associated with the Implementation of the activity for which consent is sought.

In addition fees support will not be provided for a publicly notified application or costs associated with a hearing for a limited notified application.

4. DELEGATIONS

Decisions on applications for fees support will be made by the General Manager Regulatory and Communications. The final decision is at Council's discretion and will be considered on a case-by-case basis. Approval of fees support is entirely at the discretion of Council and is subject to budget availability. There is no objection or appeal rights.

Budget availability and an indication of support for any application will be provided by staff at the required pre-commencement meeting.

5. CRITERIA

To qualify for fees support the application for consent must be lodged by an not-for-profit individual or not for profit organisation such as:

- Landowner
- Catchment Groups
- Community groups
- Iwi/hapu groups
- Incorporated societies
- Community trusts
- Resident and ratepayer groups
- Educational institutes

and they must be able to demonstrate that their activity will deliver an environmental enhancement or service. For example, it:

- Supports or delivers improved water quality in Otago
- Supports or delivers improved air quality in Otago
- Supports or delivers improved biodiversity outcomes in Otago
- Protects the Otago environment
- Enhances the Otago environment
- Promotes the Otago environment (e.g. does it inform or create an awareness in the community or educate people?)

The project must also be consistent with Council's priorities as set in the Strategic Directions, Long Term Plan or other ORC statutory documents.

Decisions on applications for fees support will be made by the General Manager Regulatory and Communications, who may approve or decline the application. No further consideration of the application will be undertaken following issue of the final decision. There are no objection or appeal rights.

The maximum amount of support offered for consent processing fees on an individual project will be \$10,000. Costs over and above this amount will be payable by the applicant in accordance with ORC's Fees and Charges Schedule. Applicants will have the right to object to these additional fees under the standard provisions of section 357B of the Resource Management Act. There is no cap on support for the ongoing compliance and monitoring charges provided the consent holder maintains an audit grade of full compliance.

Consent processing fees support is a first come first served process. If the allocation is exhausted no further applications will be considered until the following financial year.

6. PROCESS

In order to receive consent processing fees support the group or individual applying for the consent must lodge a written request to the General Manager for processing fees to be supported before the application for consent is submitted to Council for processing. The relevant application form can be found on the ORC website. Information required to enable consideration of the application includes:

- how it meets the criteria in the policy; and
- confirmation that the group is a not for profit group ([where applicable](#)) and there is no commercial gain [to be generated by the project](#); and
- confirmation that a pre-application meeting has been or will be held with ORC consent staff prior to lodgement of the consent application.

Written confirmation of acceptance for support will be provided to the applicant within 10 working days of the request being received. This confirmation letter should be included with the application material at the time the consent application is lodged.

7. RELATED DOCUMENTS

- Resource Consent Fees Support Application Form
- Ecofund Funding Checklist and Application form (Note: your project may qualify for additional support from ORC)
- Revenue and Financing Policy



Otago Regional Council
Financial Support for Resource Consent
Processing Fees - Environmental
Enhancement Projects

October 2022

	Document Name: Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects
	Document Owner: General Manager Regulatory
	Authorised By: Council
	Implementation Date: 1 October 2022
	Review Period: Annual

Regulatory Committee 2022.09.15

Council Meeting 2022.09.28

	Last Reviewed: n/a
	Next Review: 1 July 2024

1. INTRODUCTION	1
2. PURPOSE	1
3. SCOPE	1
4. DELEGATIONS	1
5. CRITERIA	1
6. PROCESS	2
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Regulatory Committee 2022.09.15

Council Meeting 2022.09.28

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Otago Regional Council

Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects

October 2022

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	Document Owner: General Manager Regulatory
	Authorised By: Council
	Implementation Date: 1 October 2022
	Review Period: Annual

	Last Reviewed: n/a
	Next Review: 1 July 2024

1. INTRODUCTION1

2. PURPOSE1

3. SCOPE.....1

4. DELEGATIONS1

5. CRITERIA.....1

6. PROCESS2

7. RELATED DOCUMENTS.....3

DRAFT

1. INTRODUCTION

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In order to receive consent processing fees support the group or individual applying for the consent must lodge a written request to the General Manager for processing fees to be supported before the application for consent is submitted to Council for processing. The relevant application form can be found on the ORC website. Information required to enable consideration of the application includes:

- how it meets the criteria in the policy; and
- confirmation that the group is a not for profit group (where applicable) and there is no commercial gain to be generated by the project; and
- confirmation that a pre-application meeting has been or will be held with ORC consent staff prior to lodgement of the consent application.

Written confirmation of acceptance for support will be provided to the applicant within 10 working days of the request being received. This confirmation letter should be included with the application material at the time the consent application is lodged.

7. RELATED DOCUMENTS

- Resource Consent Fees Support Application Form
- Ecofund Funding Checklist and Application form (Note: your project may qualify for additional support from ORC)
- Revenue and Financing Policy

8.4. RMA Compliance and Enforcement Policy

Prepared for: Council
Report No. REG2207
Activity: Regulatory: Consents and Compliance
Author: Tami Sargeant, Manager Compliance
Endorsed by: Richard Saunders, General Manager Regulatory and Communications
Date: 28 September 2022

PURPOSE

- [1] This report seeks the adoption of minor changes to the RMA Compliance and Enforcement Policy.

EXECUTIVE SUMMARY

- [2] The RMA Compliance and Enforcement Policy sets out the approach and principles by which the Otago Regional Council (ORC) promotes and enforces compliance with the RMA and provides an outline of how RMA compliance and enforcement is managed. The policy is intended to ensure a consistent and integrated approach to compliance and enforcement under the RMA by ORC.
- [3] Two minor changes to the Policy are recommended to align with national and sector best practice. These amendments have been endorsed by the Regulatory Committee and are now presented to Council for adoption in accordance with the relevant delegations.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Adopts** the recommended changes to the RMA Compliance and Enforcement Policy.

BACKGROUND

- [4] On 11 March 2021, the Regulatory Committee adopted the RMA Compliance and Enforcement Policy (the Policy). The Policy sets out the approach and principles by which the ORC promotes and enforces compliance with the RMA and provides an outline of how RMA compliance and enforcement is managed. The Policy also ensures a consistent and integrated approach to compliance and enforcement under the RMA by ORC.
- [5] At the Regulatory Committee on 15 September 2022, staff proposed two changes to the Policy for the Committee's endorsement. It was resolved that the Regulatory Committee:
- 1) **Notes** the Quarterly Update Report from the Regulatory Group.

- 2) **Recommends** adoption of the proposed changes to the RMA Compliance and Enforcement Policy included as Attachment 2.
- 3) **Notes** that the RMA Compliance and Enforcement Policy will be referred to full Council for formal adoption.

[6] Staff have updated the revised Policy based on feedback from the Regulatory Committee.

DISCUSSION

[7] Two minor changes to the Policy to align with the national and sector best practice are proposed for the Council's consideration (marked as track changes on Attachment 1).

Conflict of interest

[8] The updated Policy proposes a new section on 'conflict of interest' and how ORC will manage actual or perceived conflicts of interest (refer to Section 4, page 4 of the Policy). This is in line with sector practice for compliance and enforcement activities and policies.

[9] At the Regulatory Committee on 15 September 2022, Councillors sought clarification that independent support would always be sought in cases where the ORC might be involved in activities considered significantly non-compliant. The updated Policy includes a statement that "where ORC may be involved in potential significant non-compliance, independent support will be sought".

Warning

[10] The [Solicitor General's Guidelines for the Use of Warnings](#) for public prosecution and enforcement agencies were updated in December 2021. The Guidelines provide a framework to ensure agencies are using warnings in the appropriate circumstances and are meeting the requirements of natural justice when they administer warnings.

[11] To align with the Guidelines, the Policy includes a minor change to clarify the purpose of formal warnings where a minor breach has occurred and "is issued in lieu of an infringement" (refer to Section 8, page 10).

OPTIONS

[12] It is recommended that the RMA Compliance and Enforcement Policy as endorsed by the Regulatory Committee is adopted. The Policy is based on RMA requirements, the Regional Sector Strategic Compliance Framework, the MfE Best Practice Guidelines, case law and a review of best sector practice for compliance and enforcement activities and policies.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[13] This report considers the adoption of the RMA Compliance and Enforcement Policy.

Financial Considerations

[14] There are no financial considerations.

Significance and Engagement

[15] There are no implications for significance and engagement.

Legislative and Risk Considerations

- [16] Compliance, monitoring and enforcement activities are a mandatory function under the RMA, and case law has provided guidance and direction on factors to consider when considering enforcement action. The RMA Compliance and Enforcement Policy is based on case law guidance, RMA requirements and Solicitor General’s Guidelines.
- [17] There are environmental, legal, social and reputational considerations associated with compliance, monitoring and enforcement activities and these have been considered in the RMA Compliance and Enforcement Policy.

Climate Change Considerations

- [18] There are no implications for climate change.

Communications Considerations

- [19] If adopted, the updated RMA Compliance and Enforcement Policy will be published on the ORC website.

NEXT STEPS

- [20] If adopted, the RMA Compliance and Enforcement Policy will be published on the ORC website.
- [21] Standard operating procedures will be updated to reflect the Council direction on non-compliance and enforcement activities.

ATTACHMENTS

1. ORC RMA Enforcement Policy September 2022 Update [8.4.1 - 11 pages]



Otago Regional Council

RMA Compliance and Enforcement Policy



March 2021

Date approved	11 March 2021
Review date	March 2026
Policy owner	Manager Compliance
Version	24.0

1 Introduction

The Otago Regional Council (ORC) is responsible for regulating activities affecting water, air, land and coastal environments to promote the sustainable management of our environment. Compliance monitoring and enforcement is a significant tool in achieving the overarching sustainable management purpose of the Resource Management Act 1991 (RMA)¹.

This policy sets out the approach and principles by which the ORC promotes and enforces compliance with the RMA and provides an outline of how RMA compliance and enforcement is managed. This policy is intended to ensure a consistent and integrated approach to compliance and enforcement by ORC.

2 Approach to non-compliance

The ORC has a 'spectrum' approach to encouraging positive behaviour change and ensuring the highest levels of compliance possible.

The ORC's approach to ensuring compliance with the RMA is based on '4Es model'² of Engage, Educate, Enable and Enforce:

- **Engage** – consult with regulated parties, stakeholders and community on matters that may affect them. This will require maintaining relationships and communication until final outcomes have been reached. This will facilitate greater understanding of challenges and constraints, engender support and identify opportunities to work with others.
- **Educate** – alert regulated parties to what is required to be compliant and where the onus lies to be compliant. Education should also be utilised to inform community and stakeholders about what regulations are in place around them, so that they will better understand what is compliant and what is not.
- **Enable** – provide opportunities for regulated parties to be exposed to industry best practice and regulatory requirements. Link regulated parties with appropriate industry advisors. Promote examples of best practice.

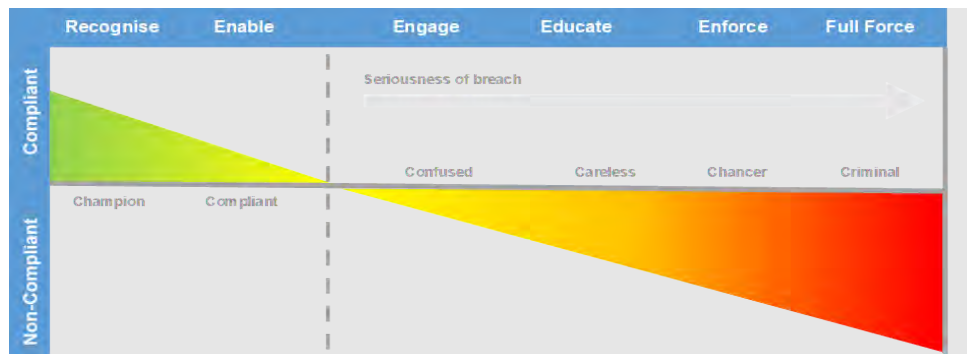
¹ Section 5 of the Resource Management Act 1991

² The 4Es model is drawn from the CESIG Regional Sector Strategic Compliance Framework 2019-2024

- **Enforce** – when breaches of regulation, or non-compliance, are identified then an array of enforcement tools and actions are available to bring about positive behaviour change. Enforcement outcomes should be proportional to individual circumstances of the breach and culpability of the party.

Non-compliance with the RMA is taken seriously by the ORC. Except in exceptional circumstances some form of action will be taken in response to non-compliance.

ORC’s approach and use of enforcement tools and actions depends on the issue, context and seriousness of the breach as illustrated below³:



3 Principles of enforcement

Underlying the ORC’s approach to compliance and enforcement action are the following principles⁴.

Transparency - We will provide clear information and explanations to the community, and those being regulated, about the standards and requirements for compliance. We will ensure that the community has access to information about the change to environmental impacts of industry as well as actions taken by us to address environmental issues and non-compliance.

Consistency of process– Our actions will be consistent with the legislation and within our powers. Compliance and enforcement outcomes will be consistent and predictable for similar circumstances. We will ensure that our staff have the necessary skills and are appropriately trained, and that there are effective systems and policies in place to support them.

Fair, reasonable and proportional approach – We will apply regulatory interventions and actions appropriate for the situation. We will use our discretion justifiably and ensure our decisions are appropriate to the circumstances, and that our interventions

³ Influencing behaviour change is based on the CESIG Regional Sector Strategic Compliance Framework

⁴ These principles are drawn from the CESIG Regional Sector Strategic Compliance Framework 2019-2024

and actions will be proportionate to the seriousness of the non-compliance and the risks posed to people and the environment.

Evidence-based and informed – We will use an evidence-based approach to our decision making. Our decisions will be informed by a range of sources, including sound science, the regulated parties, information received from other regulators, members of the community, industry and interest groups.

Collaborative – We will work with and, where possible, share information with other regulators and stakeholders to ensure the best compliance outcomes for our region. We will engage with the community, those we regulate and government to explain and promote environmental requirements and achieve better community and environmental outcomes.

Lawful, ethical and accountable – We will conduct ourselves lawfully and impartially and in accordance with these principles and relevant policies and guidance. We will document and take responsibility for our regulatory decisions and actions. We will measure and report on our regulatory performance.

Targeted – We will focus on the most important issues and problems to achieve the best environmental outcomes. We will target our regulatory intervention at poor performers and illegal activities that pose the greatest risk to the environment. We will apply the right tool for the right problem at the right time.

Responsive and effective – We will consider all alleged non-compliances to determine the necessary interventions and action to minimise impacts on the environment and the community and maximise deterrence. We will respond in an effective and timely manner in accordance with legislative and organisational obligations.

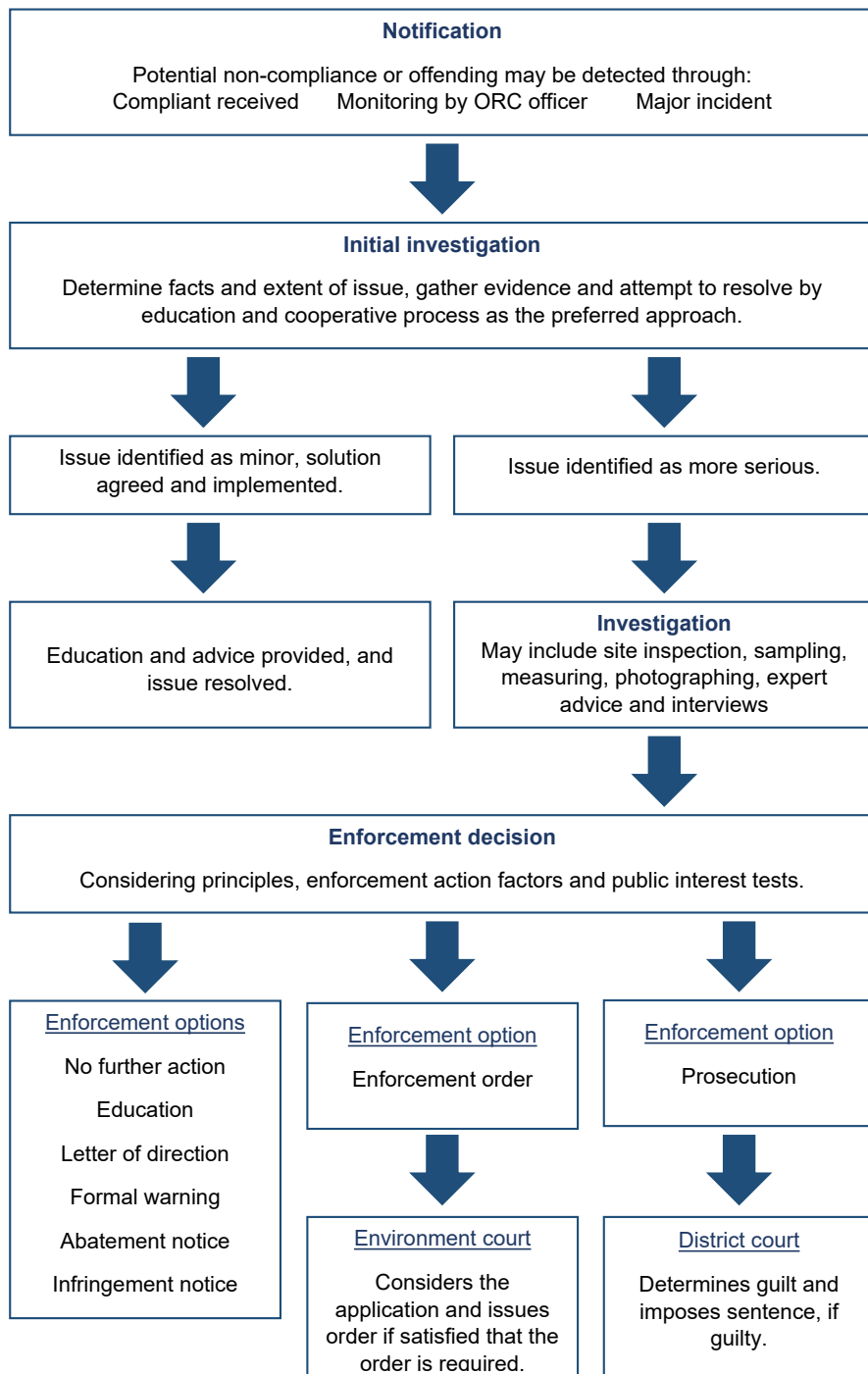
4 Conflict of interest

From time to time, ORC may be in a position where an actual or perceived conflict of interest associated with compliance activity exists. In these situations, it may be appropriate to request the support of an independent party which may include providing advice; undertaking any investigation; making recommendations on potential enforcement action; or reviewing an investigation. This ensures any action is consistent with the principles of enforcement set out in section 3 of the Policy. In particular, that compliance and enforcement action is lawful, ethical and accountable.

The decision to request independent support for an investigation is made by the General Manager Regulatory and Communications following a recommendation from the Manager Compliance.

Where ORC may be involved in potential significant non-compliance, independent support will be sought.

54 The investigation and enforcement process at a glance



65 Gathering information

If a breach, or potential breach, of the RMA occurs then information must be gathered about how and why the breach occurred. The purpose of an investigation is to establish the truth of what has occurred and enable informed decisions to be made. The depth and scope of the investigation will be dependent on the seriousness of the incident.

Investigation activities may include:

- Visiting private property to collect information or potential evidence such as samples, photographs, measurements, or ecological assessments.
- Talking to people about what they know about the incident. People interviewed may be witnesses to an incident or potentially liable parties. These conversations will be recorded in writing or by electronic means.
- For serious matters interviews of potentially liable parties are conducted under caution to ensure their rights are understood.

When visiting private property it is vital to respect the rights of the lawful owner or occupier. ORC staff must ensure that all entry to private property is done so lawfully.

The Chief Executive Officer of the ORC has the authority to issue staff with warrants of authority. A warranted enforcement officer has the ability to enter private property (excluding dwelling houses) for the purpose of assessing compliance with environmental regulation. This can be completed without providing prior notice to the occupier or landowner.

However, there are times when access to property has to be conducted with informed consent or search warrant. Staff must attend specific training⁵ and be familiar with all of their statutory obligations before carrying out any enforcement functions.

76 Enforcement decision

The ORC takes a rational and principled approach to regulation. In general, the ORC advocates a policy of education-first and co-operation towards compliance. However, the Council recognises that there are times when the use of punitive measures is necessary.

Enforcement of the RMA can be complex. The Sentencing Act 2002 and the courts have provided helpful guidelines⁶ as to what factors are appropriate to consider in RMA cases to determine the seriousness of a breach. It is widely accepted across the regional sector that these are the appropriate factors to consider in enforcement decision making.

⁵ Warranted ORC staff gather information in keeping with best practice detailed in *Basic Investigative Skills for Local Government*

⁶ *Machinery Movers Limited v Auckland* [1994] 1 NZLR 492 & *Selwyn Mews Ltd v Auckland City Council* HC Auckland CRI-2003-404-159

Factors to consider when considering enforcement action:

- What were, or are, the actual adverse effects on the environment?
- What were, or are, the potential adverse effects on the environment?
- What is the value or sensitivity of the receiving environment or area affected?
- What is the toxicity of discharge?
- Was the breach as a result of deliberate, negligent or careless action?
- What degree of due care was taken and how foreseeable was the incident?
- What efforts have been made to remedy or mitigate the adverse effects?
- What has been the effectiveness of those efforts?
- Was there any profit or benefit gained by alleged offender(s)?
- Is this a repeat non-compliance or has there been previous enforcement action taken against the alleged offender(s)?
- Was there a failure to act on prior instructions, advice or notice?
- Is there a degree of specific deterrence required in relation to the alleged offender(s)?
- Is there a need for a wider general deterrence required in respect of this activity or industry?

Not every factor will be relevant every time. On occasion one single factor may be sufficiently aggravating, or mitigating, that it may influence the ultimate decision. It is inappropriate to take a matrix or numerical approach to weighing and balancing these factors. Each case is unique and the individual circumstances need to be considered on each occasion to achieve a fair and reasonable outcome.

The discretion to take enforcement action, or not, sits solely with those delegated to make decisions in the regulatory agency⁷, including:

- The appropriate defendant to pursue;
- The appropriate enforcement tools to use in the circumstances; and
- Withdrawal of an enforcement action that has been commenced.

⁷ New Zealand Law Commission 'Prosecution decisions and the discretion to prosecute'
<http://www.nzlii.org/nz/other/nzlc/report/R66/R66-5.html>

The prosecution test:

The Solicitor-General's Prosecution Guidelines provides direction on what factors should be considered before a decision to prosecute is made. There are two parts of the test to be met. The first part of the test is the **evidential test** and requires a legal assessment of whether:

- A specific person being responsible for the offending (whether natural or legal).
- The evidence is credible.
- The ORC can produce the evidence before the court and it is likely it will be admitted by the court.
- The evidence can reasonably be expected to satisfy a court beyond a reasonable doubt, that the person has committed a criminal offence.
- Whether the defendant can successfully make out a statutory defence based on the information available to the ORC; which will include any information supplied by the likely defendant as well as other persons.
- There is any other evidence the ORC should seek out which may support or detract from the case.

Once it has been established that there is sufficient evidence to provide a reasonable prospect of conviction, the test for prosecution requires a consideration of whether the **public interest**. The Solicitor-General's Prosecution Guidelines states that broadly the presumption is that the public interest requires prosecution where there has been a contravention of the criminal law. A case-by-case assessment is necessary to displace that presumption.

87 Enforcement options

Part XII of the RMA includes "formal" enforcement tools that are available to deal with breaches of the RMA. Informal enforcement tools are also used by the ORC as part of its enforcement options. It is important to ensure these tools (both formal and informal) are applied consistently across the myriad of activities and resource use across the region.

Enforcement tools can be categorised into three general areas.

- **Informal actions** are focused on providing education and incentive-based responses to allow the person to become better informed and develop their own means to improved compliance.
- **Directive actions** are about looking forward and giving direction and righting the wrong.
- **Punitive actions** are about looking back and holding people accountable for what they have done.

	Description of action	Potential impacts for the liable party	When this action may be appropriate
Informal actions	<p>Education and engagement</p> <p>To prevent further breaches, or to remedy or mitigate the effects of non-compliance, ORC can provide information or guidance around rules and regulations to enable parties to achieve compliance.</p>	<p>This is a non-formal process and as such has no legal implication.</p>	<p>Education and other incentive-based interactions are reserved for low level offending and when dealing with cooperative parties, who are motivated to do the right thing but lack the knowledge or skills necessary to achieve and maintain compliance.</p>
	<p>Letter of direction</p> <p>To prevent further breaches, or to remedy or mitigate the effects of non-compliance, ORC can give a written direction for a party to take or cease a particular action.</p>	<p>Such a direction is not legally enforceable.</p>	<p>Letters of direction should be reserved for dealing with cooperative parties, who are motivated to follow the direction, and where the breach is of a minor nature, consistent with a breach that would perhaps also receive a formal warning.</p>
Directive actions	<p>Abatement notice</p> <p>An abatement notice is a formal, written directive. It is drafted and served by ORC instructing an individual or company to cease an activity, prohibit them from commencing an activity or requiring them to do something. The form, content and scope of an abatement notice are prescribed in statute.</p>	<p>A direction given through an abatement notice is legally enforceable. To breach an abatement notice is to commit an offence against the RMA and make liable parties open to punitive actions.</p>	<p>An abatement notice may be appropriate any time that there is a risk of further breaches of environmental regulation or when remediation of mitigation is required as a result of non-compliance.</p> <p>Other considerations are where no action has been taken to rectify a situation when less formal processes have been used, and/or where non-compliance is ongoing.</p>

	Description of action	Potential impacts for the liable party	When this action may be appropriate
Directive actions	<p>Enforcement order</p> <p>Like an abatement notice, an enforcement order can direct a party to take particular action. However, an application for an enforcement order must be made to the Environment Court but can also be made during the course of an RMA prosecution, or sentencing.</p>	<p>A direction given through an enforcement order is legally enforceable.</p> <p>To breach an enforcement order is to commit an offence against the RMA and make liable parties open to punitive actions.</p>	<p>An application for an enforcement order may be appropriate any time there is a risk of continuing breaches of environmental regulation, or remediation or mitigation is required as a result of non-compliance.</p> <p>Other considerations are for a repeat offence where effects are significant and where no progress has been made when using other enforcement tools.</p>
Punitive actions	<p>Formal warning</p> <p>A formal warning is documented by way of a letter to a culpable party informing them that an offence against the RMA has been committed, and that they are liable.</p>	<p>No further action will be taken in respect of that breach.</p> <p>However, the warning forms part of a history of non-compliance and will be considered if there are future incidents of non-compliance.</p>	<p>A formal warning may be given when an administrative, minor or technical breach has occurred <u>and is issued in lieu of an infringement</u>; and the environmental effect or potential effect, is minor or trivial in nature; and the subject does not have a history of non-compliance; and the matter is one which can be quickly and simply put right; and a written warning would be appropriate in the circumstances.</p>

	Description of action	Potential impacts for the liable party	When this action may be appropriate
	<p>Infringement notice</p> <p>An infringement notice is a written notice which requires the payment of a fee. The amount of the fee is set in law. Depending on the breach the fine will be between \$300 and \$1000.</p>	<p>No further action will be taken in respect of that breach. However, the infringement notice forms part of the history of non-compliance and will be considered if there are future incidents of non-compliance.</p>	<p>An infringement notice may be issued when:</p> <p>There is prima facie (on the face of it) evidence of a legislative breach; and a one-off or isolated legislative breach has occurred which is of minor impact and which can be remedied easily; and where an infringement notice is considered to be a sufficient deterrent.</p>
Punitive actions	<p>Prosecution</p> <p>A prosecution is a process taken through the criminal courts to establish guilt or innocence and, if appropriate, the court will impose sanctions.</p> <p>RMA matters are heard by a District Court Judge with an Environment Court warrant.</p> <p>All criminal evidential rules and standards must be met in a RMA prosecution.</p>	<p>A successful prosecution will generally result in a conviction, a penalty imposed and consideration to costs of the investigation.</p> <p>A prosecution forms part of the history of non-compliance and will be considered if there are future incidents of non-compliance.</p>	<p>A prosecution may be considered appropriate when the factors listed in section 6 indicate that the matter is sufficiently serious to warrant the intervention of the criminal law.</p>

8.5. Approve Minor Amendment to Flood Protection Management Bylaw 2022

Prepared for: Council
Report No. OPS2231
Activity: Governance Report
Author: Michelle Mifflin (Manager Engineering)
Alison Weaver (Team Leader Commercial and Regulatory)
Endorsed by: Gavin Palmer, General Manager Operations
Date: 28 September 2022

PURPOSE

- [1] Minor changes are required to the legend on some of the maps contained in the schedules to the Flood Protection Management Bylaw 2022 (“Bylaw”). In accordance with the Local Government Act 2002 (“LGA”), approval is sought from Otago Regional Council (“Council”) for these minor changes or correction of errors.

EXECUTIVE SUMMARY

- [2] The Flood Protection Management Bylaw 2022 was adopted by Council on 29 June 2022¹ following the review of Flood Protection Management Bylaw 2012 (“2012 Bylaw”). Following this adoption, it was established that some of the references in the legends to the maps were not clearly referenced to the flood protection works provided for in the Bylaw.
- [3] In accordance with section 156 of the LGA, minor changes may be made to the Bylaw or the correction of errors in the Bylaw may occur by resolution of Council provided the changes do not affect an existing right, interest, title, immunity or duty of any person to whom the Bylaw applies or an existing status or capacity of any person to whom the Bylaw applies. The changes proposed are minor and create certainty for interpretation of the effects of the Bylaw.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** the minor changes to the Flood Protection Management Bylaw 2022 by adopting the maps in Attachments 3 and 4 to replace the current maps shown in Attachments 1 and 2.
- 3) **Approves** the public notification of the minor changes to the Flood Protection Management Bylaw 2022.

¹ Bylaw Review Adoption, Report ENG2202, Report to 29 June 2022 meeting of Otago Regional Council.

BACKGROUND

- [4] The Flood Protection Management Bylaw 2022 was adopted by Council on 29 June 2022² and it came into effect on 1 September 2022.
- [5] It has since become apparent that some of the descriptions in the legend to some of the maps did not precisely reflect the title within those maps or the descriptions provided for in the Bylaw. There are also two cases where the title of the map records the wider location of the area rather than the specific flood protections works.
- [6] Under section 156(2) of the LGA, Council may make minor changes to, or correct errors in, a bylaw provided the changes do not affect the existing position of a person to whom the Bylaw applies³.

DISCUSSION

- [7] Attachments 1 and 2 to this paper contains the maps currently contained in the Bylaw as the Second and Third Schedule. Attachments 3 and 4 to this paper contains the proposed amended Second and Third Schedule. The changes are described below.

Location in Bylaw	Current Legend	Proposed change to Legend	Colour change
Second Schedule			
First sheet	Floodbanks	Defence Against Water	
Second sheet	Riverside Access Track Henley Floodbank Floodbanks	Defence Against Water	Brown Line and purple line changed to red
Third Sheet	Riverside Access Track Floodbanks	Defence Against Water	Brown line changed to red
Fourth sheet	Floodbanks	Defence Against	

² Ibid

³ **156 Consultation requirements when making, amending, or revoking bylaws made under this Act**

- (1) When making a bylaw under this Act or amending or revoking a bylaw made under this Act, a local authority must—
 - (a) use the special consultative procedure (as modified by [section 86](#)) if—
 - (i) the bylaw concerns a matter identified in the local authority’s policy under [section 76AA](#) as being of significant interest to the public; or
 - (ii) the local authority considers that there is, or is likely to be, a significant impact on the public due to the proposed bylaw or changes to, or revocation of, the bylaw; and
 - (b) in any case in which paragraph (a) does not apply, consult in a manner that gives effect to the requirements of [section 82](#).
- (2) Despite subsection (1), *a local authority may, by resolution publicly notified,—*
 - (a) *make minor changes to, or correct errors in, a bylaw, but only if the changes or corrections do not affect—*
 - (i) *an existing right, interest, title, immunity, or duty of any person to whom the bylaw applies; or*
 - (ii) *an existing status or capacity of any person to whom the bylaw applies;*
 - (b) convert an imperial weight or measure specified in a bylaw into its metric equivalent or near metric equivalent.

(Italics added)

		Water	
Fifth Sheet	Floodbanks	Defence Against Water	
Sixth Sheet	Floodbanks	Defence Against Water	
Seventh Sheet	Floodbanks	Defence Against Water	
Eighth Sheet	Flood Banks	Defence Against Water	
Ninth Sheet	Henley Floodbank Floodbanks	Defence Against Water	Purple line changed to red
Tenth Sheet	Leith Lindsay Defence Against Water	Defence Against Water	
Eleventh Sheet	Floodbanks	Defence Against Water	
Twelfth Sheet	Albert Town Buttress	Defence Against Water	
Third Schedule			
First Sheet	Lower Clutha Floodway	Floodway	
Second Sheet	Riverside Road Floodway	Floodway	
Third Sheet	Gordon Road Floodway	Floodway	
Fourth Sheet	Taieri River Floodway Otokia Floodway Miller Road Floodway	Floodway	
Fifth Sheet and Sixth Sheet	Taieri River Floodway	Floodway	
Seventh Sheet	Miller Road Floodway	Floodway	
Eighth Sheet	Otokia Floodway	Floodway	
Ninth Sheet	Hendersons and Waikoura Creek Floodway	Floodway	
Tenth Sheet	Hilderthorpe Floodway	Floodway	
Location in Bylaw	Current title	Proposed change to title	
Third Schedule			
Second Sheet	Lower Taieri (Upper Pond)	Riverside Road Floodway	
Third Sheet	East Taieri Silver Stream	Gordon Road Floodway	

[8] As required by s156 of the LGA to enable the minor changes⁴, the proposed changes and corrections do not affect the existing rights or interests or status or capacity of any person as the changes only alter the description of the flood protection works in the Bylaw maps.

[9] The proposed changes assist by reducing the possibility of disputes regarding the definition of flood protection works as, with this change, the legend on the maps will

⁴ ibid

reflect the description of flood protection works in the Bylaw. In two cases, the titles will reflect the usual description of the flood protection works in those maps.

OPTIONS

- [10] One option is to not make the proposed changes and corrections to the Bylaw. The possible consequence is potential disputes over interpretation of the Bylaw in the future. The flood protection works could be at risk if ORC is unable to enforce Bylaw provisions.
- [11] The recommended option is to approve the proposed changes and corrections to the Bylaw. This will mean that the words in the legend on the maps matches the words used for flood protection works in the body of the Bylaw.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [12] There are no strategic framework and policy considerations associated with receiving this report.
- [13] With the minor changes and corrections to the Bylaw in place, Council can be confident that strategies such as the approach to asset renewal or improved environmental performance can continue to occur with certainty.

Financial Considerations

- [14] There are no financial considerations for ORC associated with receiving this report.
- [15] If the changes and corrections are not approved, additional expense could arise if a dispute arose regarding the interpretation of the Bylaw.

Significance and Engagement

- [16] Consultative procedures under the LGA occurred during the review of the Bylaw. Pursuant to s156 of the LGA, minor amendments may be made if it does not affect the existing position of people. No consultation is required under the LGA.
- [17] These changes and corrections do not trigger the need for consultation under the Significance and Engagement Policy or the LGA.

Legislative and Risk Considerations

- [18] This proposed minor change and correction to the Bylaw is in accordance with the LGA. Public notice of the changes will occur if the amendment is approved by Council.
- [19] If the minor changes and corrections are not approved by Council, the Bylaw will continue to operate but ORC may be at risk of potential disputes arising regarding interpretation of the Bylaw and this may lead to difficulties in enforcement which could place flood protection works at risk.

Climate Change Considerations

- [20] The assets subject to the Bylaw and proposed minor changes and corrections assist in adaptation to the effects of future climate change.

Communications Considerations

- [21] If the proposed changes and corrections are approved, the public will be notified of the amendment by newspaper notice and notice on the ORC website.
- [22] Stakeholders and submitters on the Bylaw review will be notified of the changes by email.

NEXT STEPS

- [23] If Council resolves to approve the minor changes and corrections to the Bylaw:
 - a. The electronic version of the Bylaw will be updated and published.
 - b. An updated paper version of the Bylaw will be published.
 - c. Notice of the amendment will be published in the regional newspaper.
 - d. Notice of the amendment will be emailed to stakeholders and submitters.

ATTACHMENTS

- 1. Second Schedule original 29 June 2022 [8.5.1 - 12 pages]
- 2. Third Schedule original 29 June 2022 [8.5.2 - 11 pages]
- 3. Second Schedule revised for approval [8.5.3 - 12 pages]
- 4. Third Schedule revised for approval [8.5.4 - 11 pages]

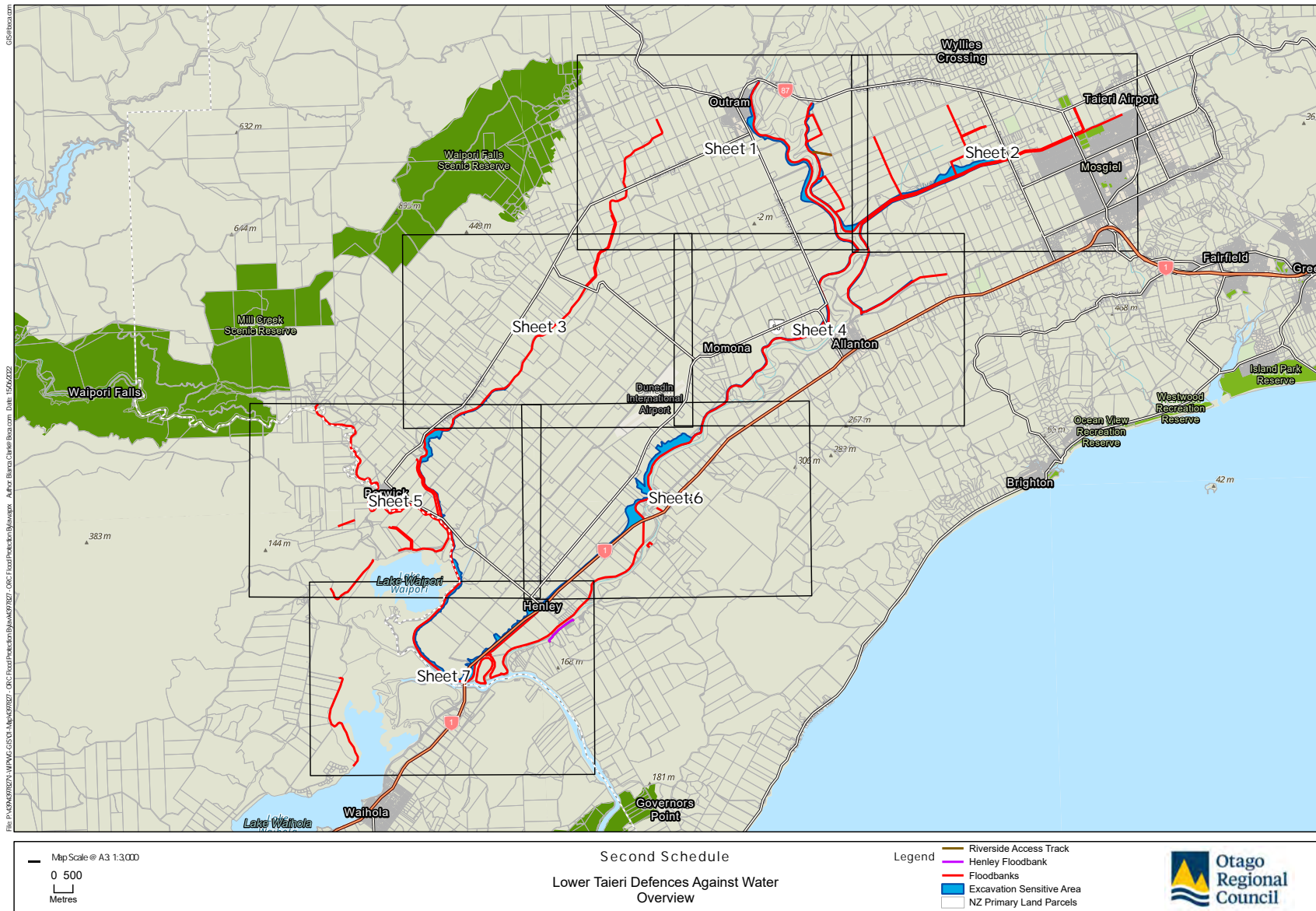


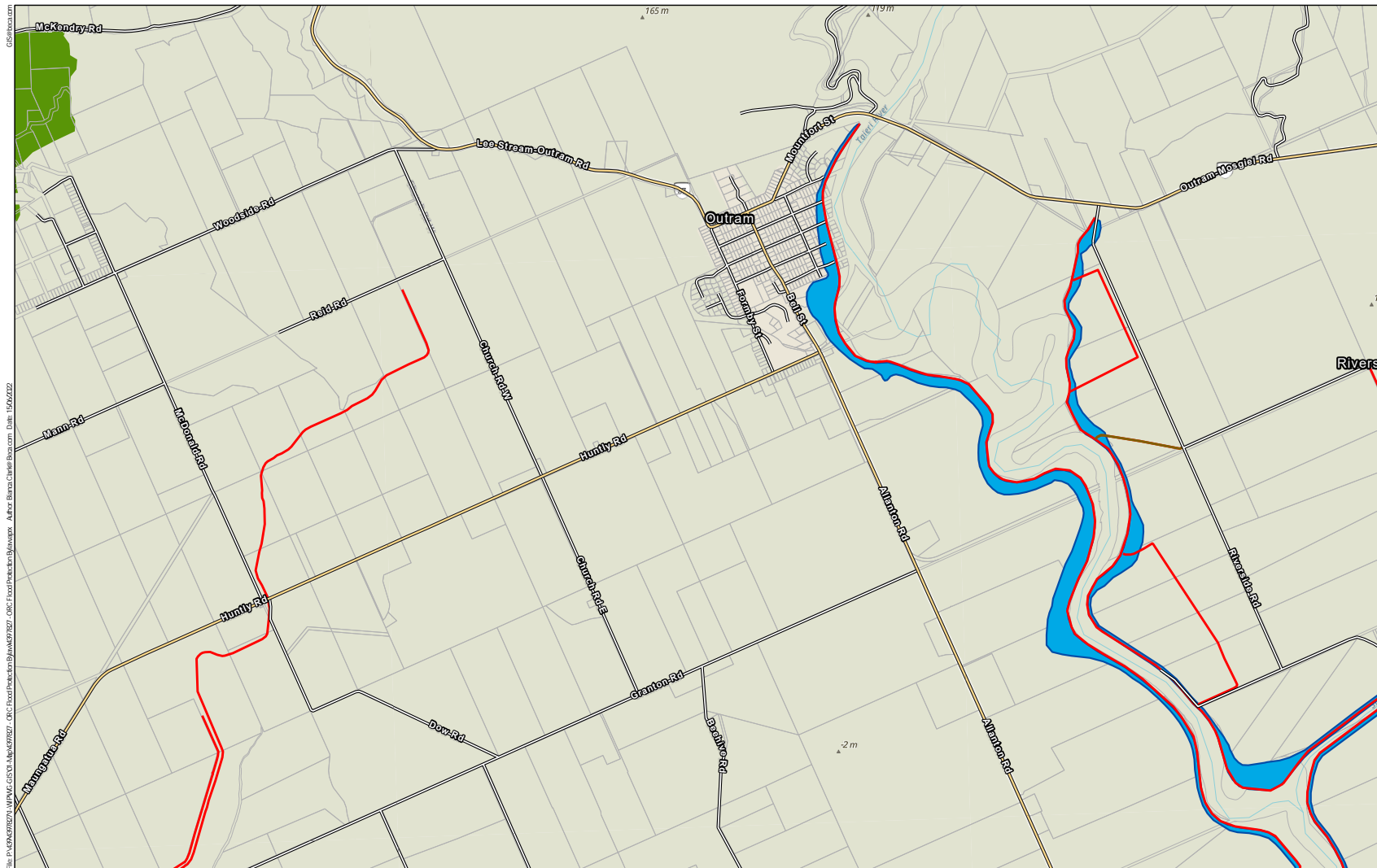
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Second Schedule
 Lower Clutha Defences Against Water

Legend
 — Floodbanks
 □ NZ Primary Land Parcels

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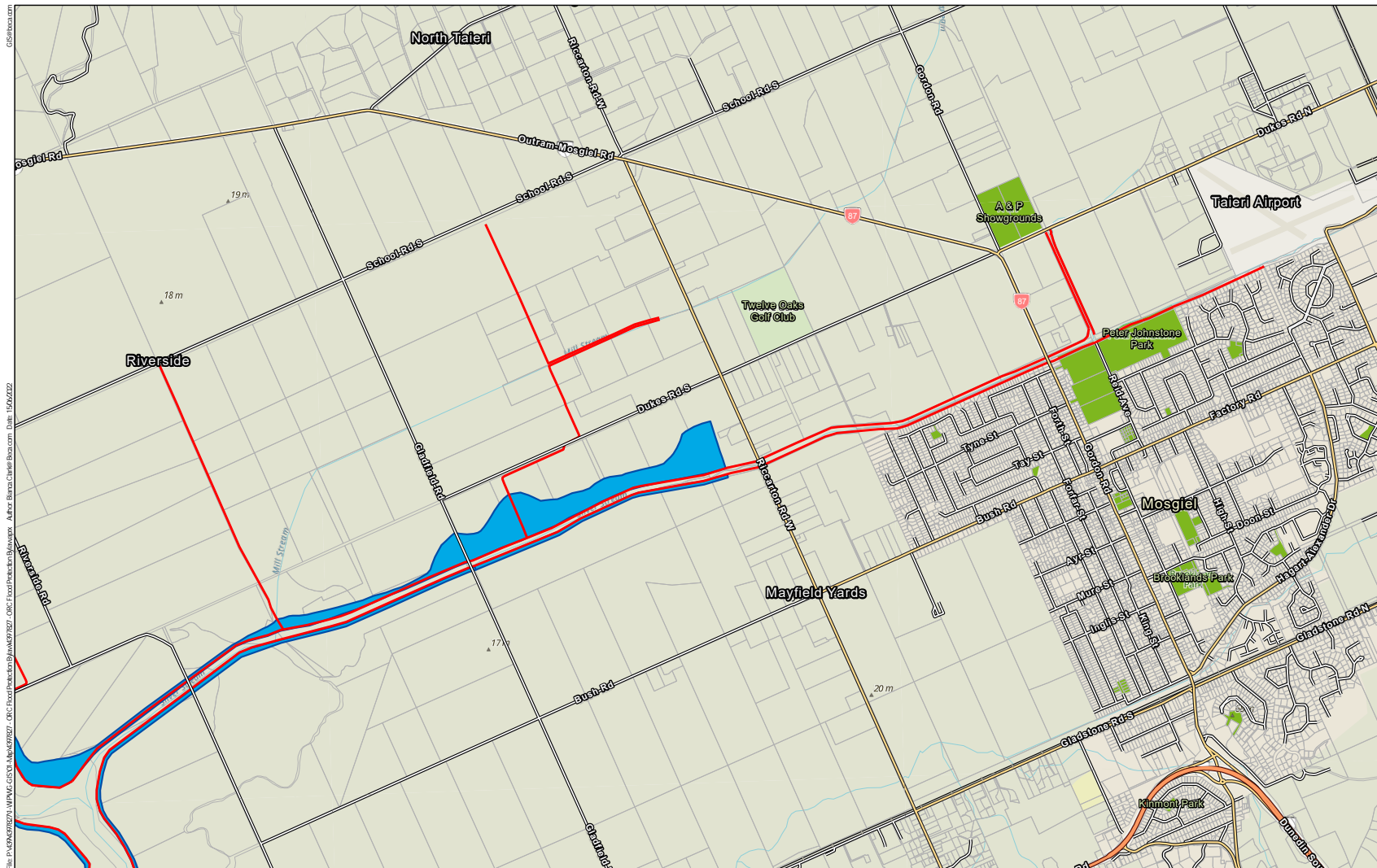
Second Schedule
Lower Taieri Defences Against Water
Sheet 1

Legend

- Riverside Access Track
- Floodbanks
- Excavation Sensitive Area
- NZ Primary Land Parcels



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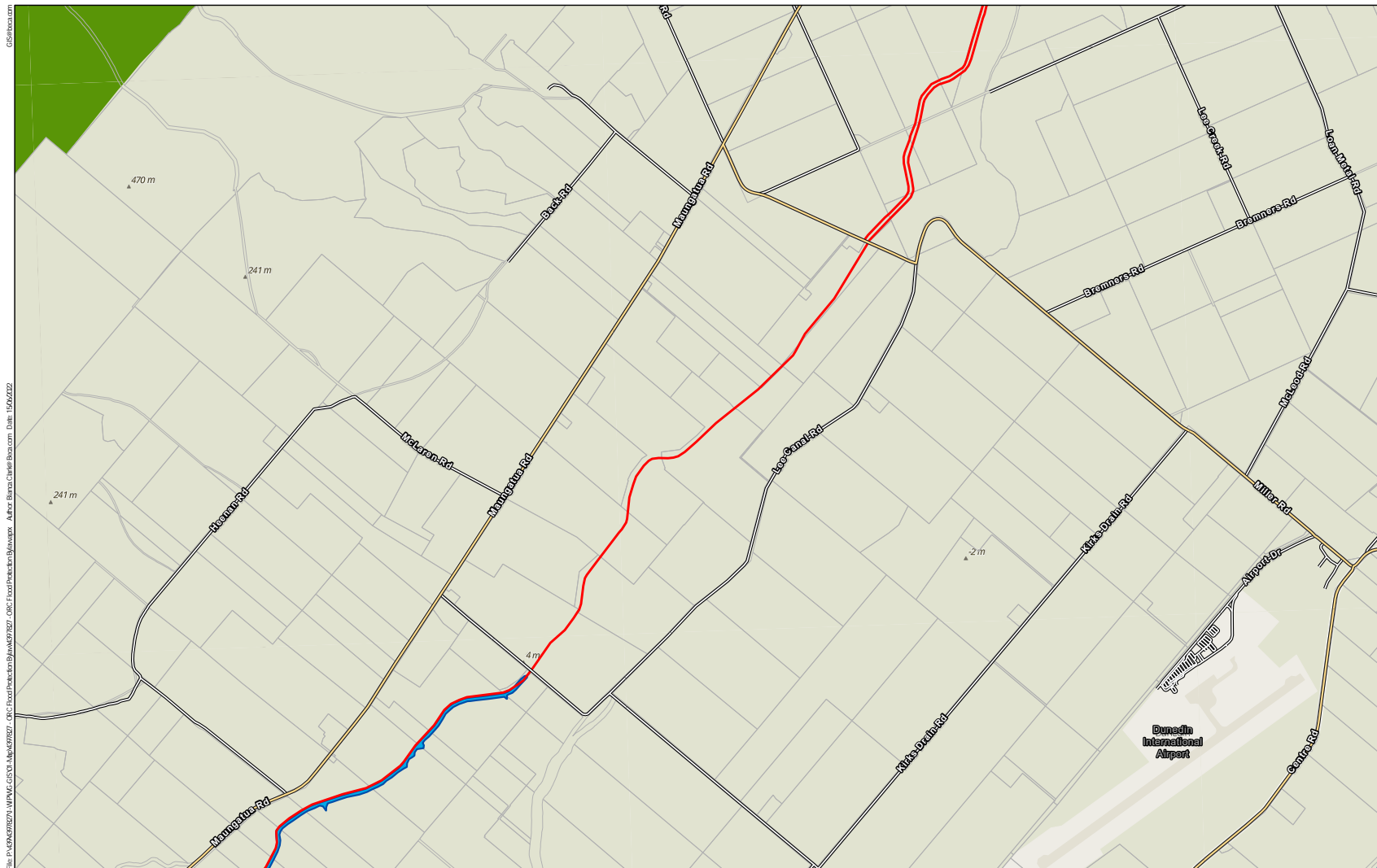


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Second Schedule
 Lower Taieri Defences Against Water
 Sheet 2

Legend
 Floodbanks
 Excavation Sensitive Area
 NZ Primary Land Parcels

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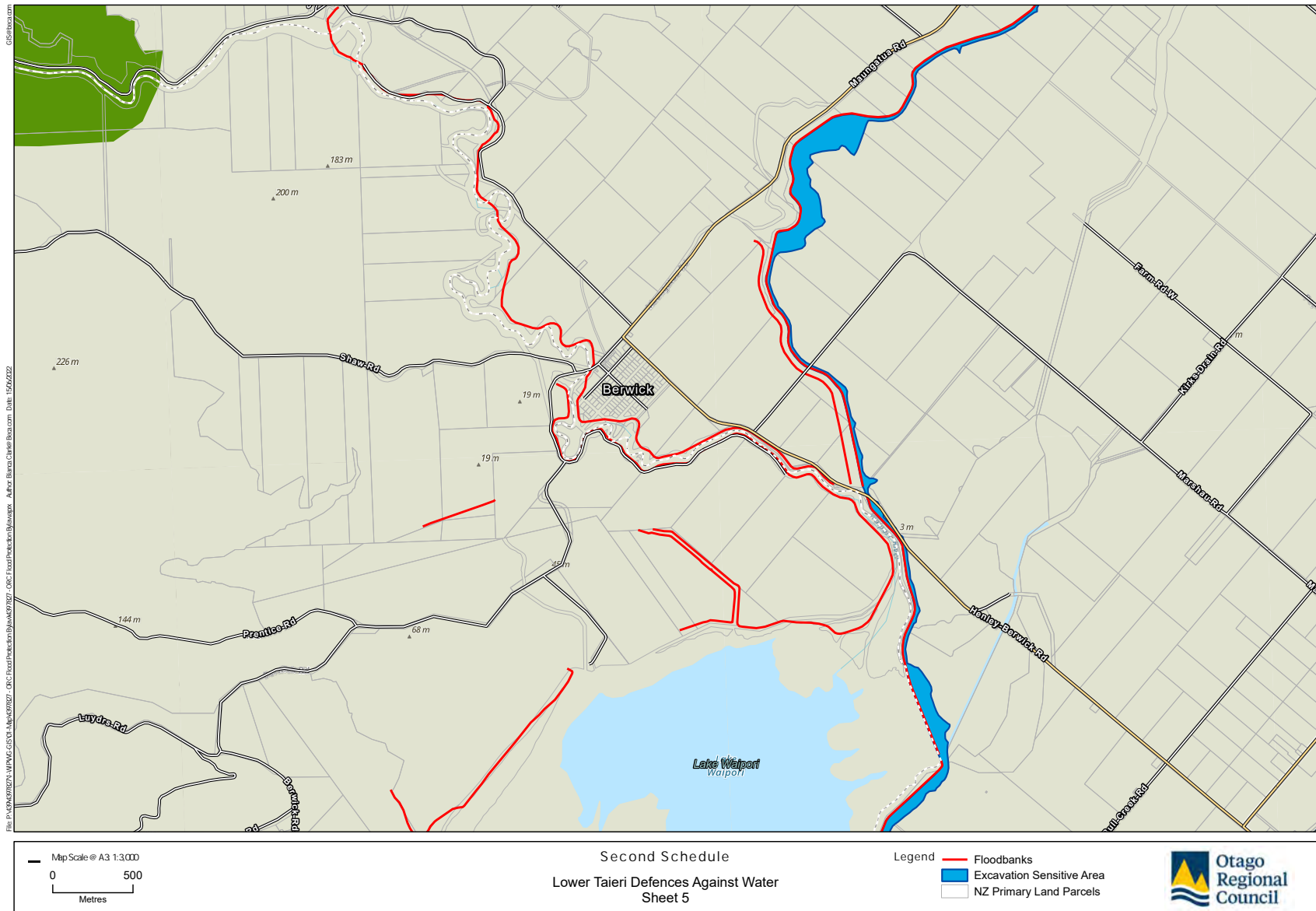
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Sheet 3

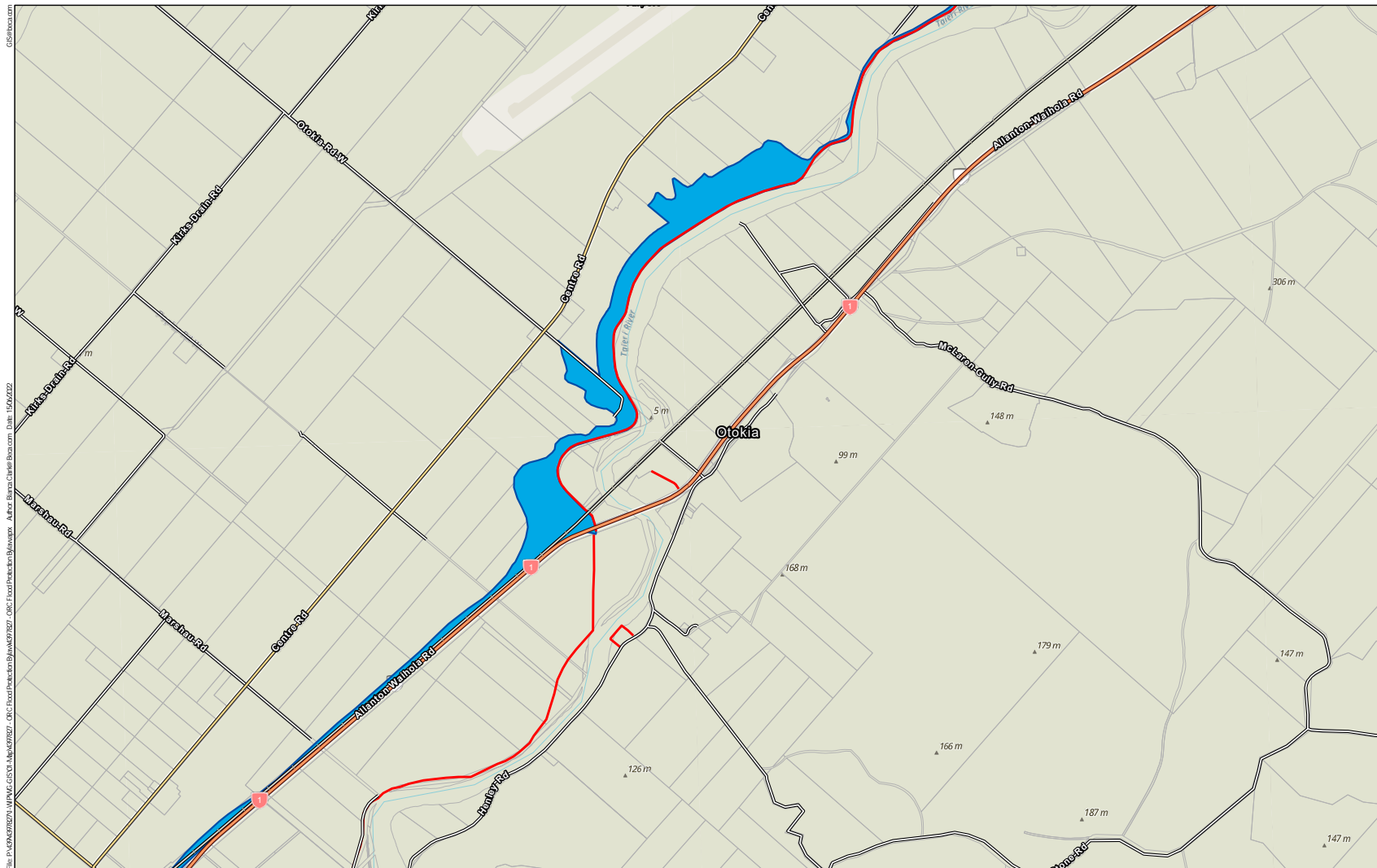
Legend

- Floodbanks
- Excavation Sensitive Area
- NZ Primary Land Parcels



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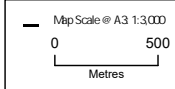
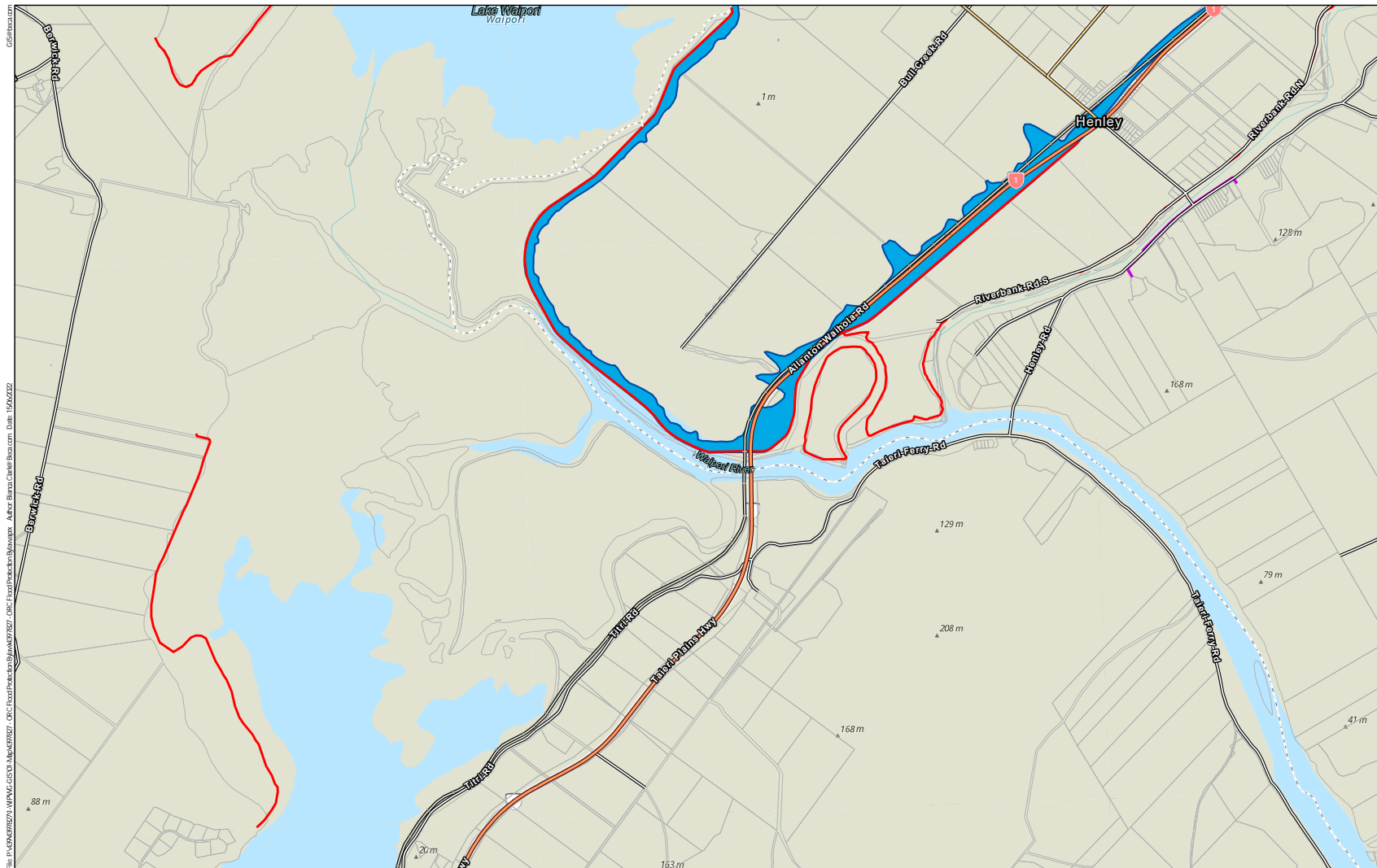


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Second Schedule
 Lower Taieri Defences Against Water
 Sheet 6

Legend
 Floodbanks
 Excavation Sensitive Area
 NZ Primary Land Parcels

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Second Schedule
Lower Taieri Defences Against Water
Sheet 7

- Legend
- Henley Floodbank
 - Floodbanks
 - Excavation Sensitive Area
 - NZ Primary Land Parcels



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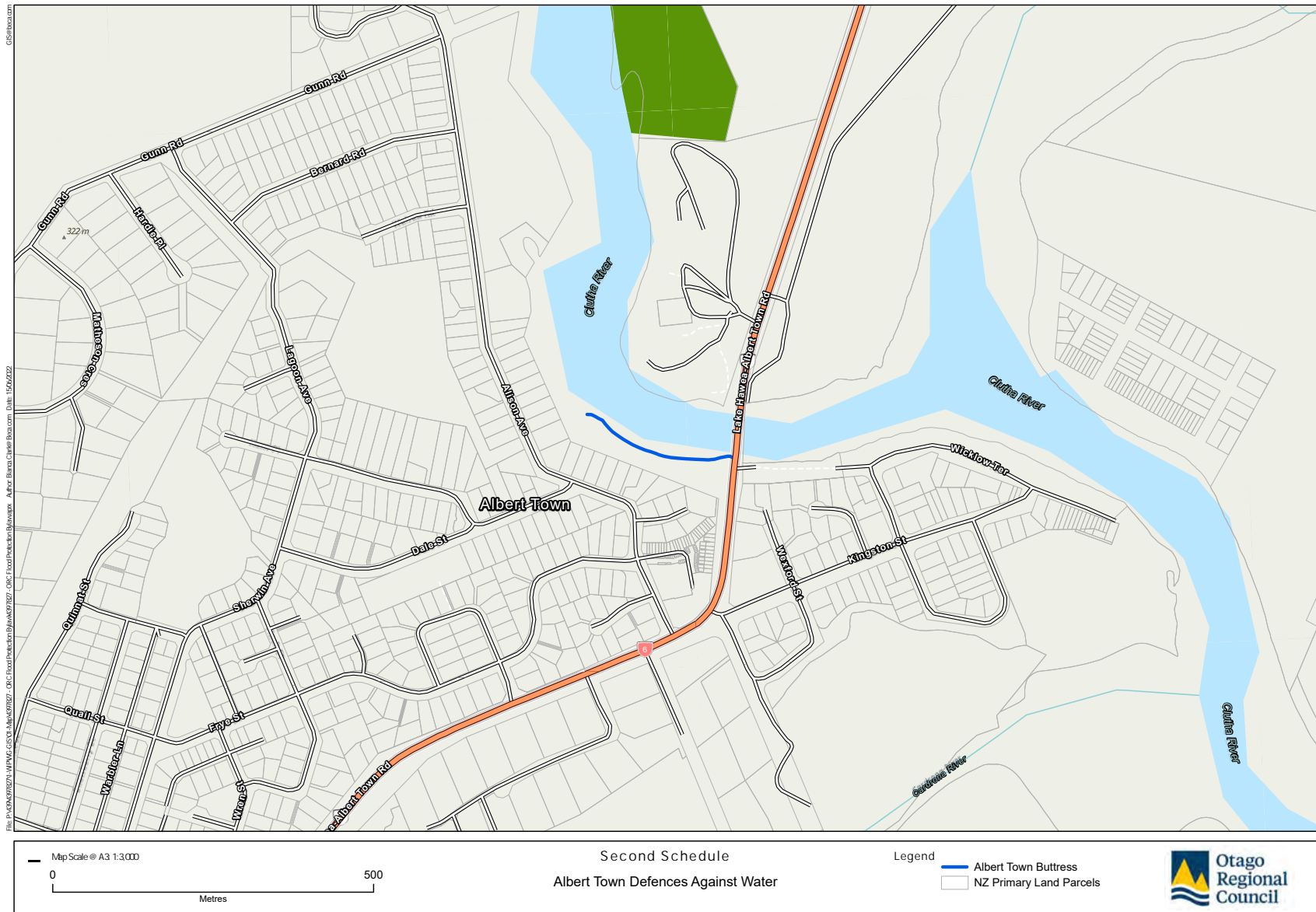
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Second Schedule
 Leith Lindsay Defences Against Water

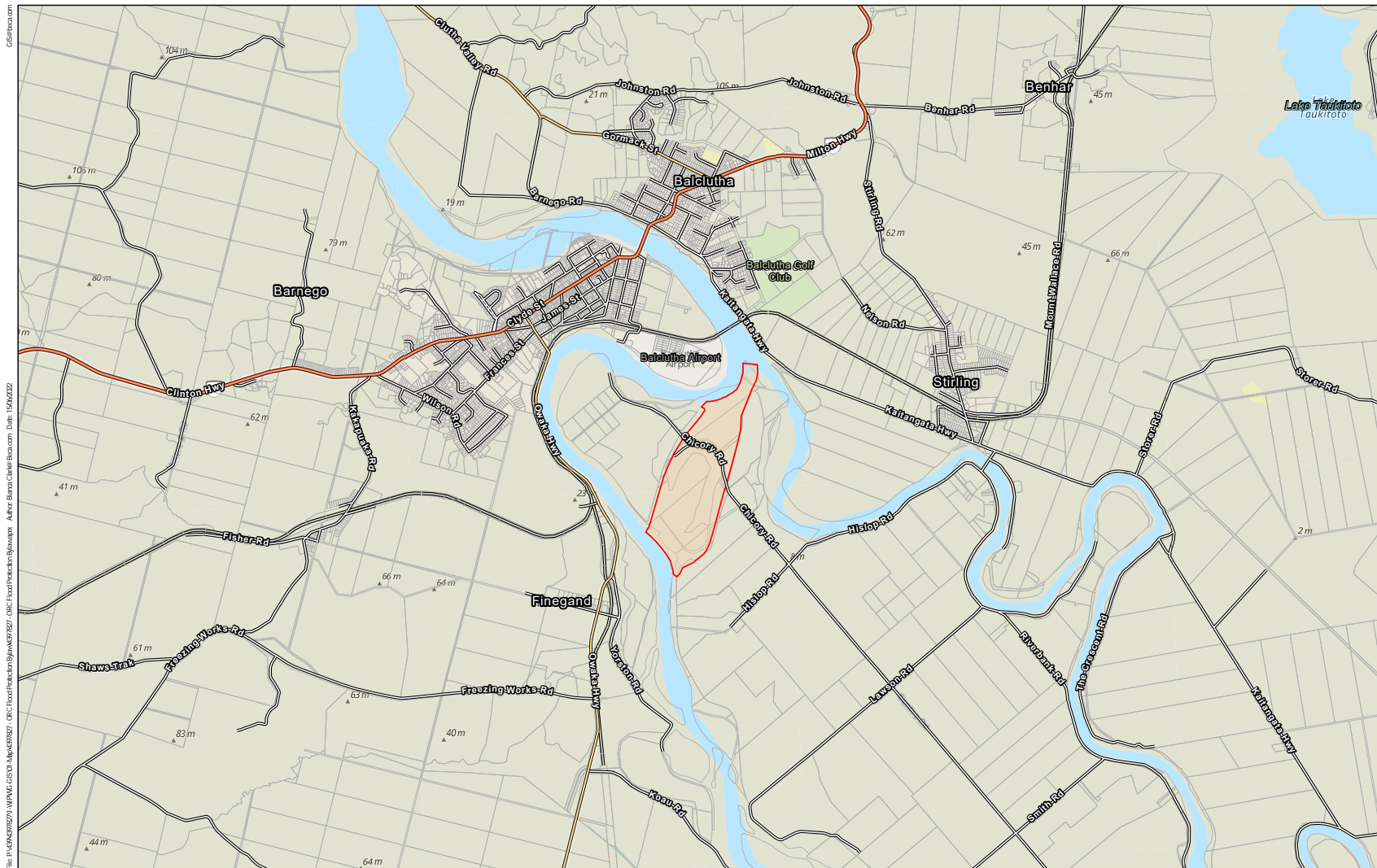
Legend
 — Leith Lindsay Defence Against Water
 □ NZ Primary Land Parcels

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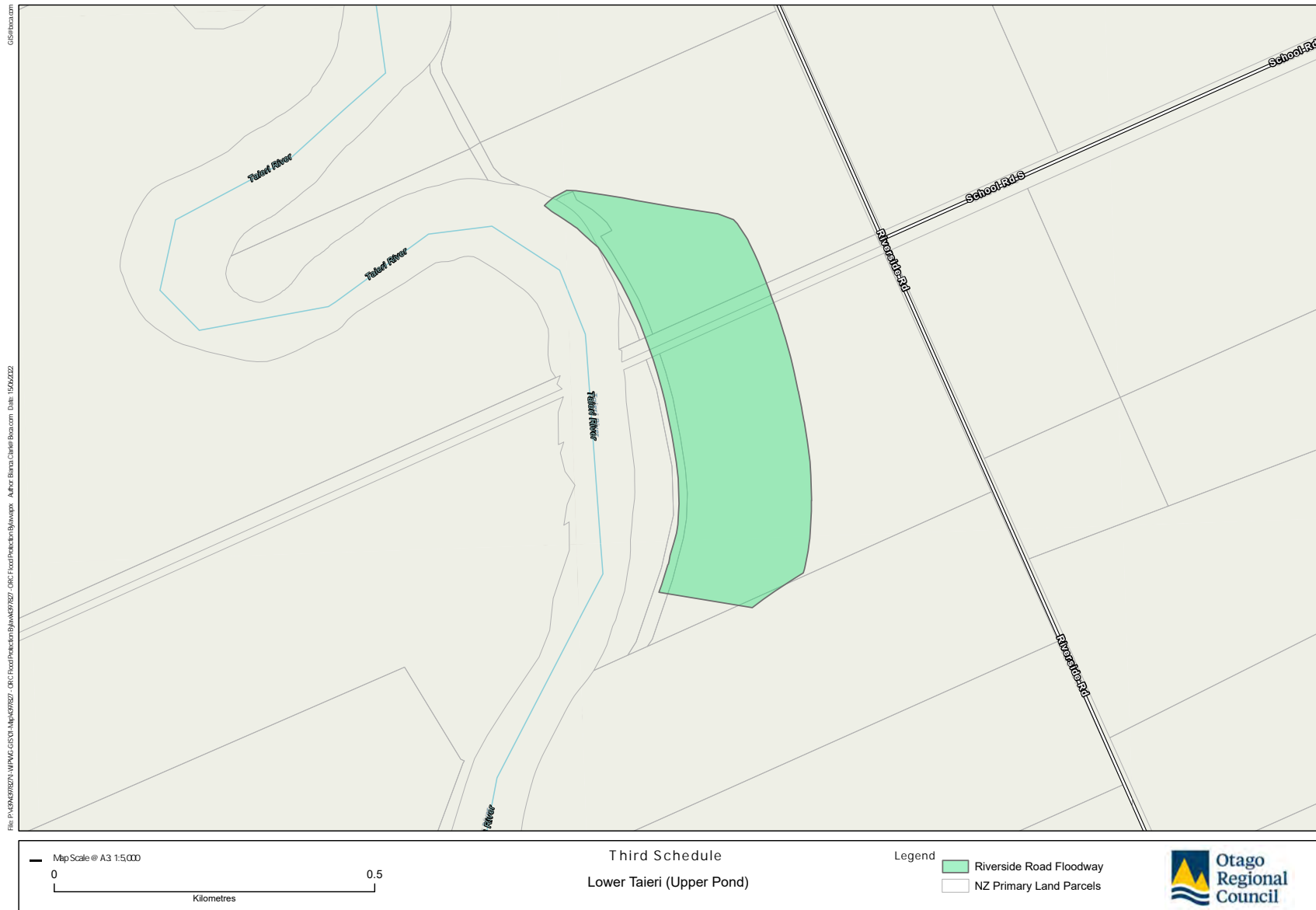
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Third Schedule
 Lower Clutha Floodway

Legend
 Lower Clutha Floodway
 NZ Primary Land Parcels



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Map Scale @ A3 1:115,000
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**Third Schedule
 East Taieri Silver Stream**

Legend
 [Purple Box] Gordon Road Floodway
 [White Box] NZ Primary Land Parcels

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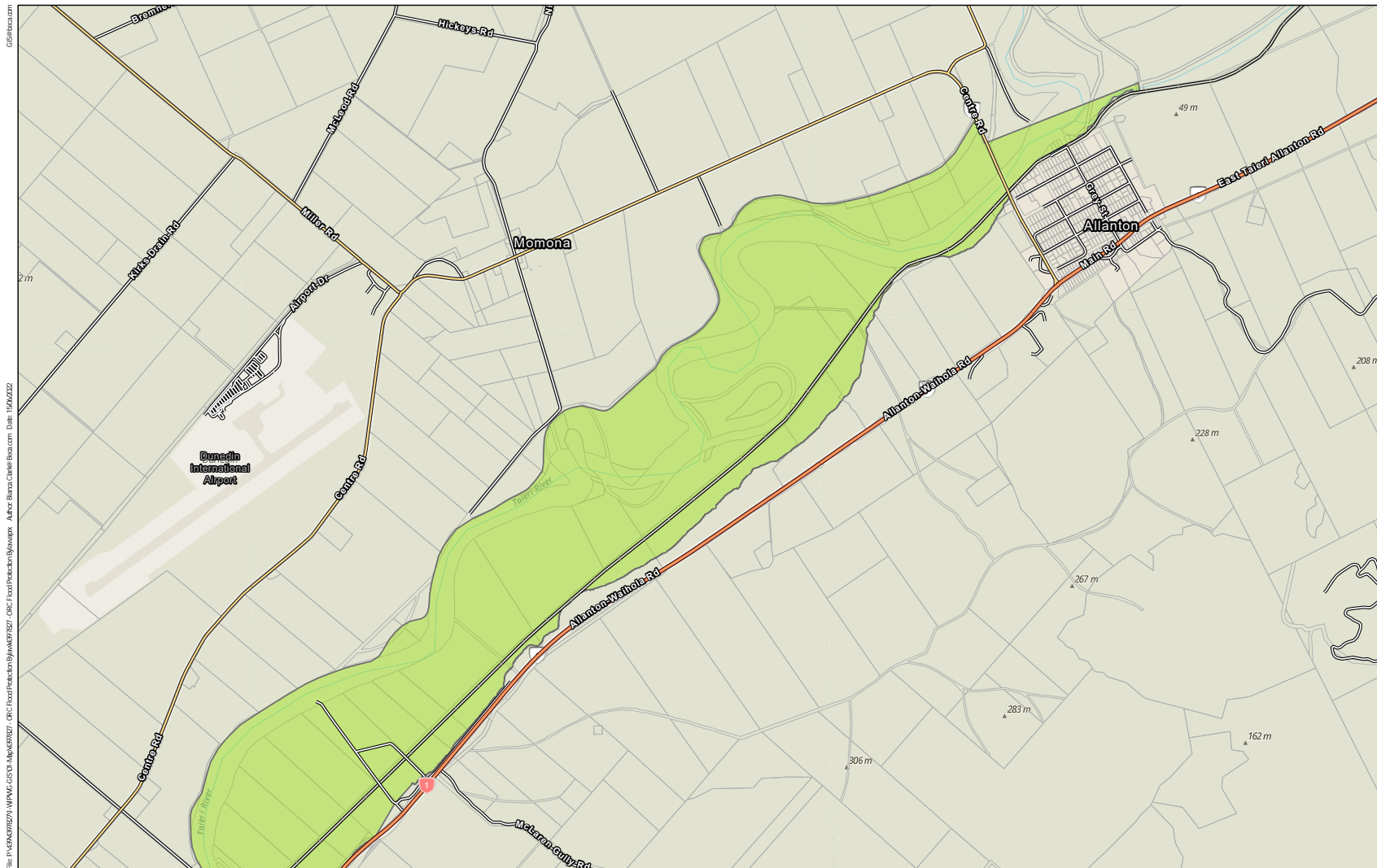
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Third Schedule
 Lower Taieri River Floodway
 Overview

- Legend
- Taieri River Floodway
 - Otokia Floodway
 - Miller Road Floodway
 - NZ Primary Land Parcels



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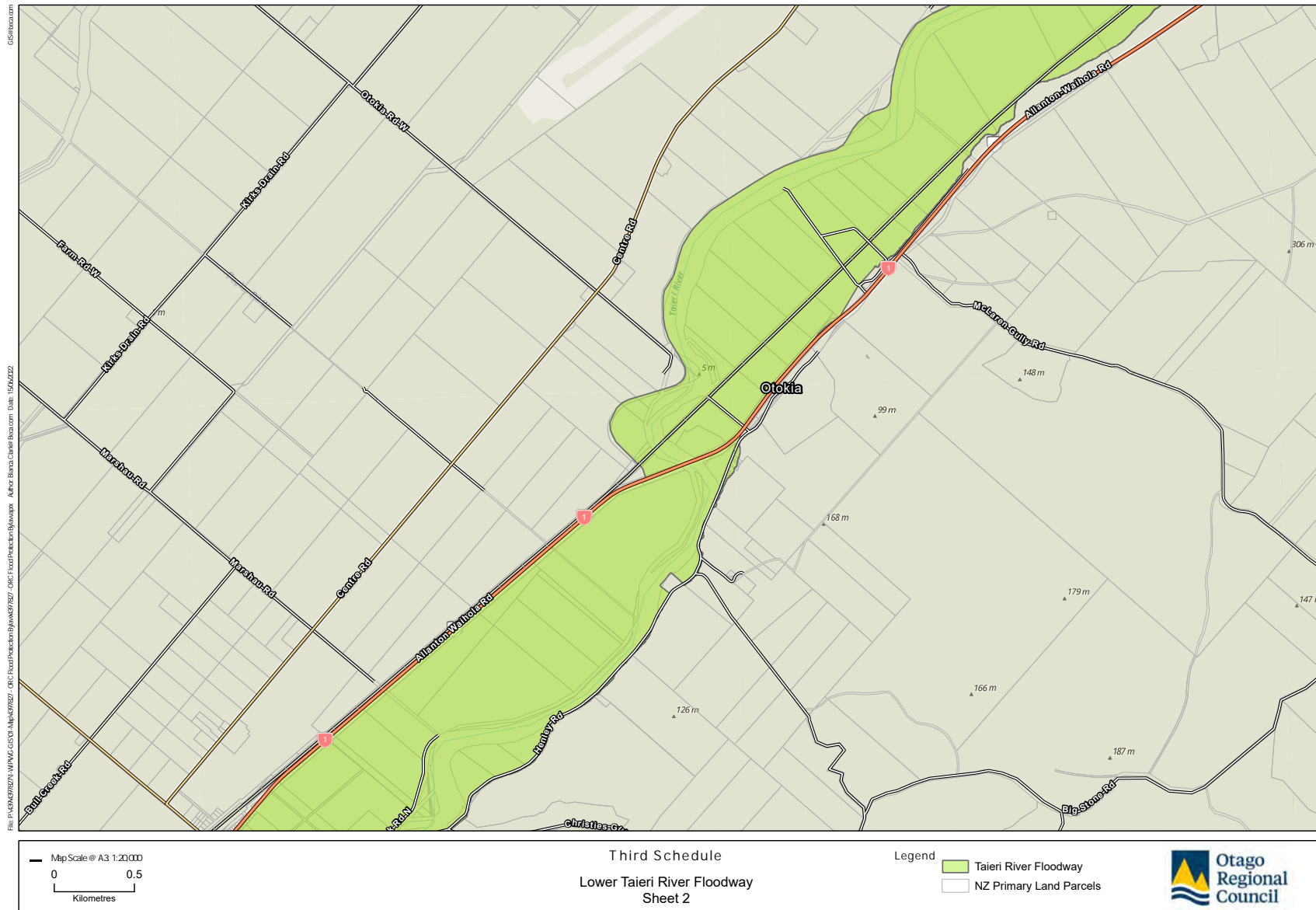


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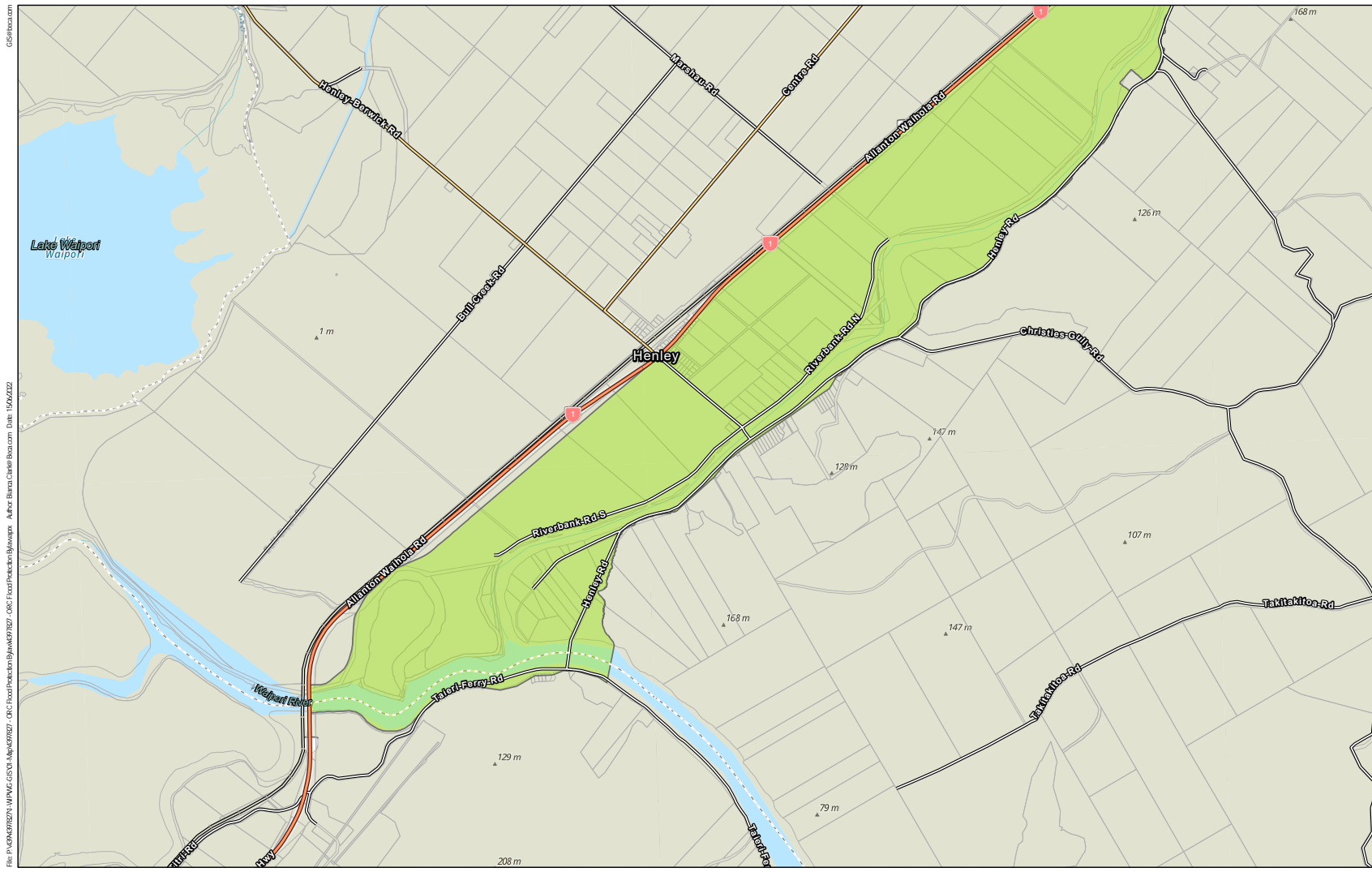
Third Schedule
 Lower Taieri River Floodway
 Sheet 1

Legend
 Taieri River Floodway
 NZ Primary Land Parcels

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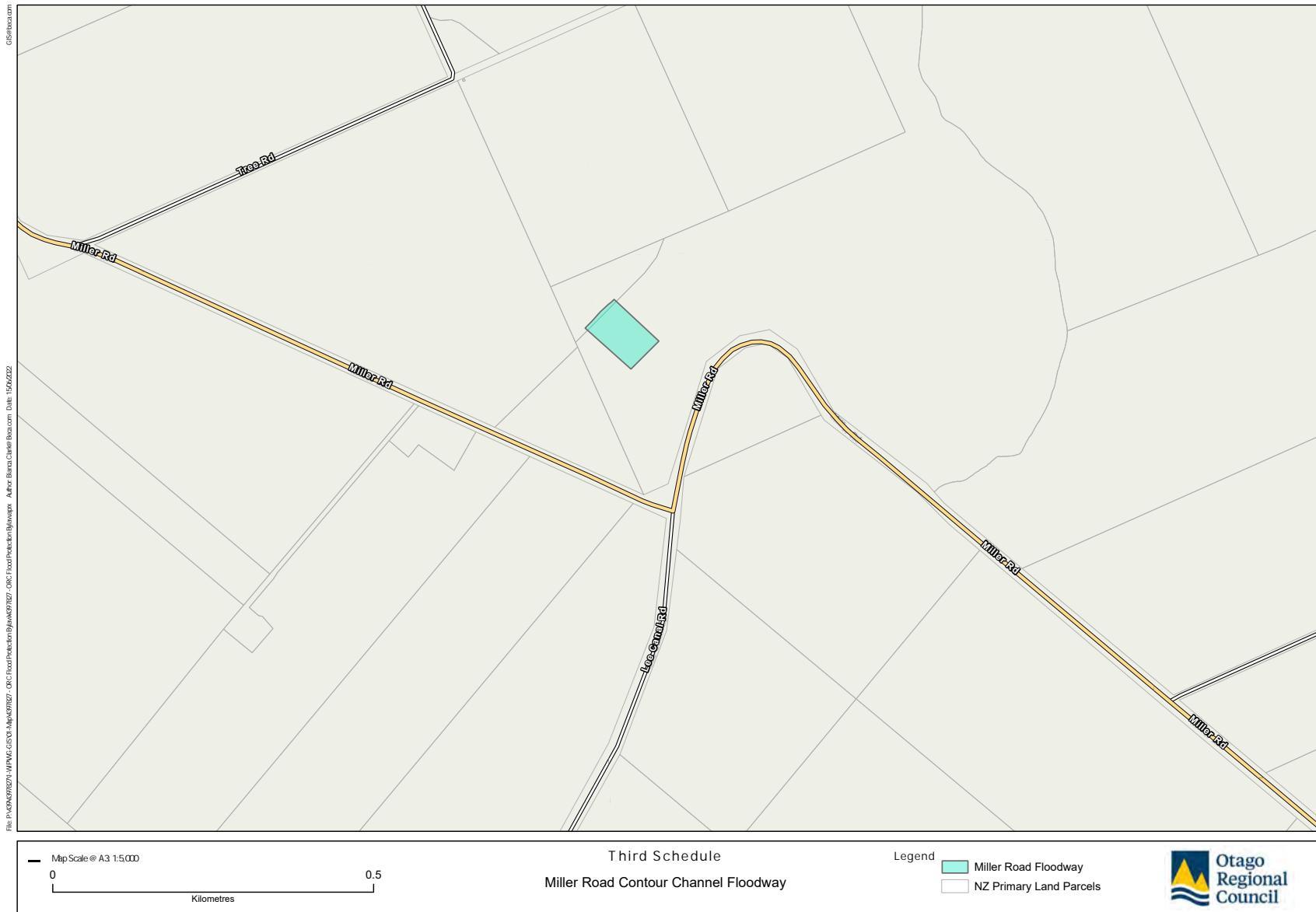
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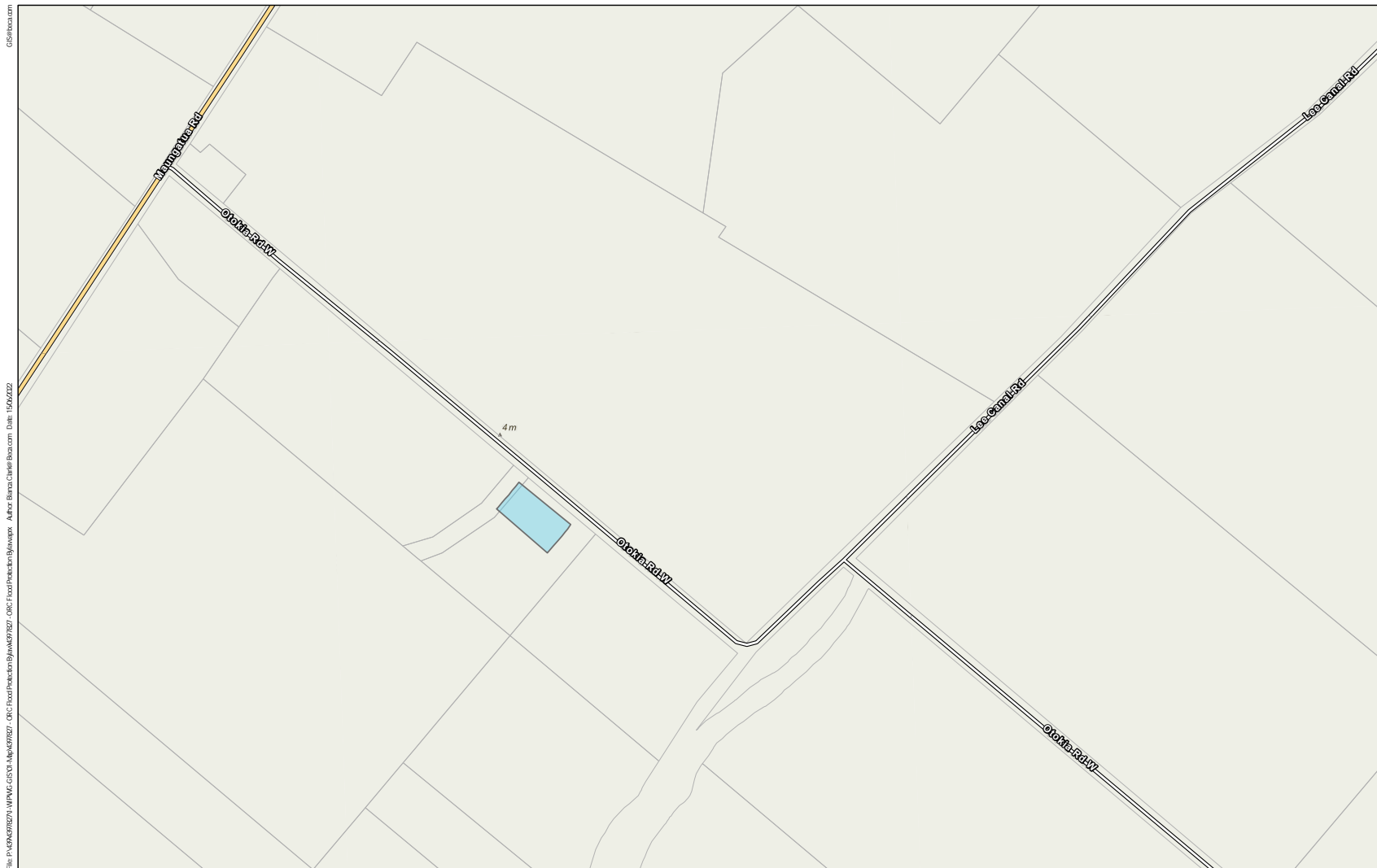
Third Schedule
 Lower Taieri River Floodway
 Sheet 3

Legend
 Taieri River Floodway
 NZ Primary Land Parcels



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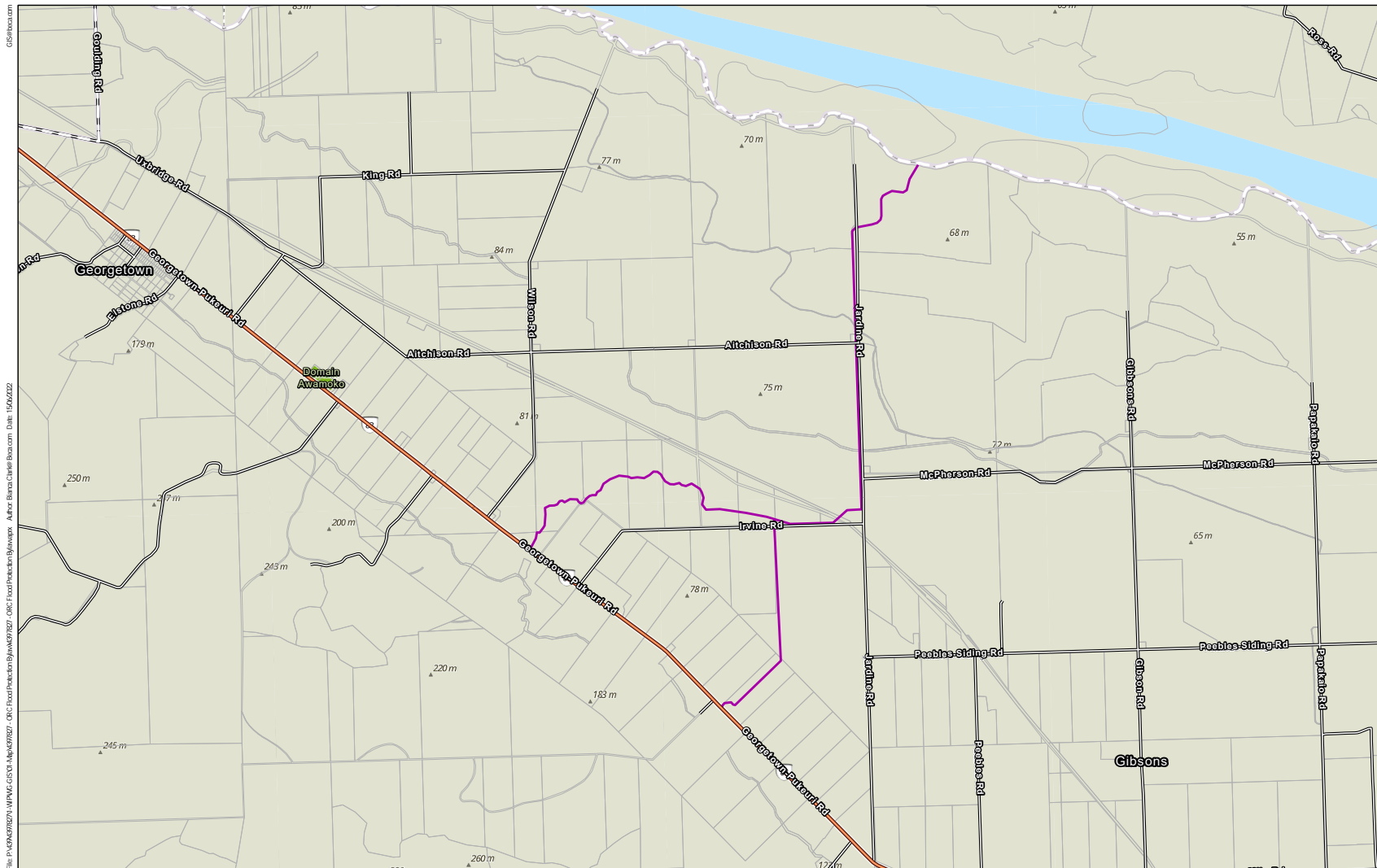
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Third Schedule
 Otokia Road Contour Channel Floodway

Legend
 ■ Otokia Floodway
 □ NZ Primary Land Parcels




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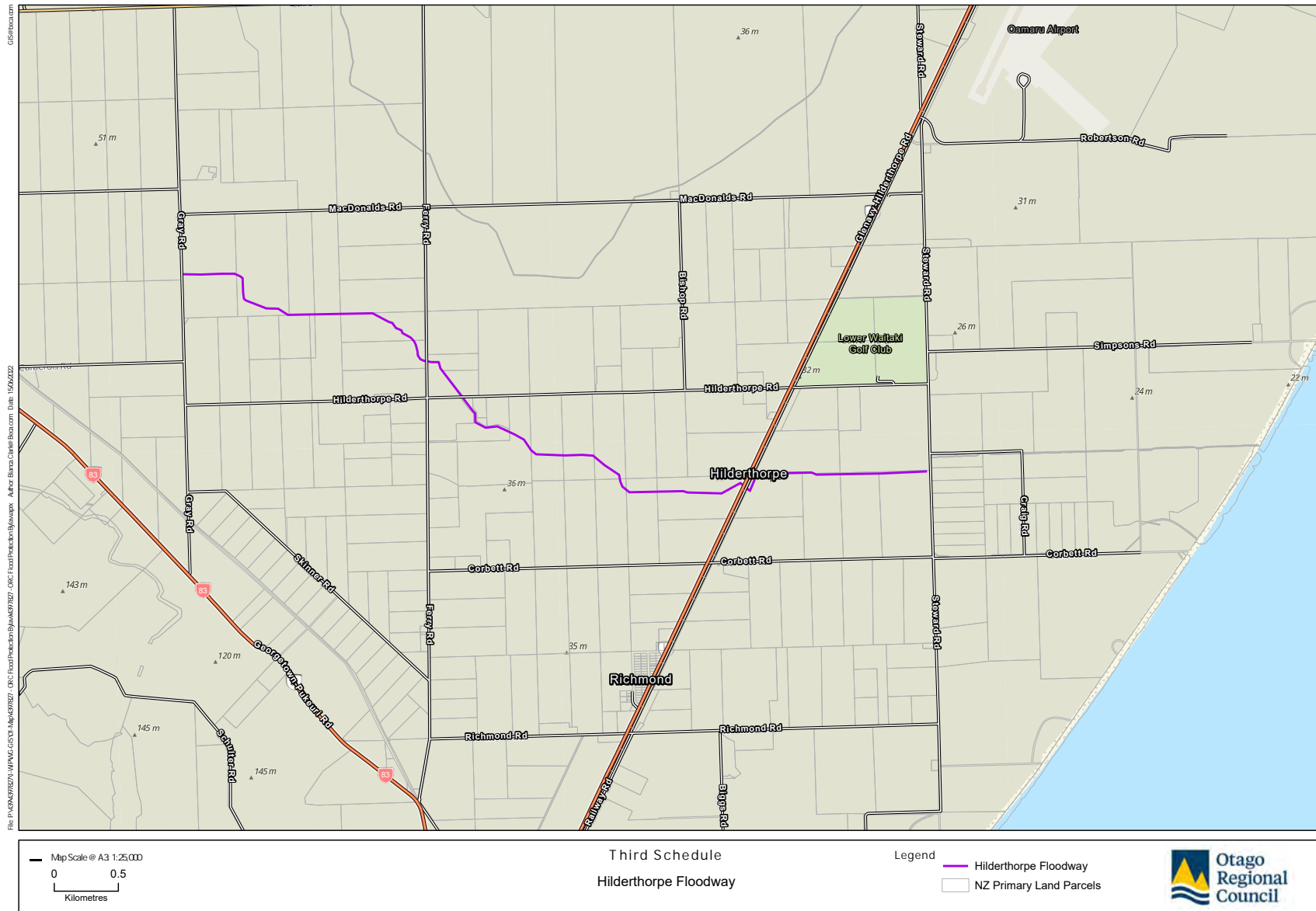
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Third Schedule
Hendersons and Waikoura Creeks Floodway

Legend
— Hendersons and Waikoura Creek Floodway
 NZ Primary Land Parcels



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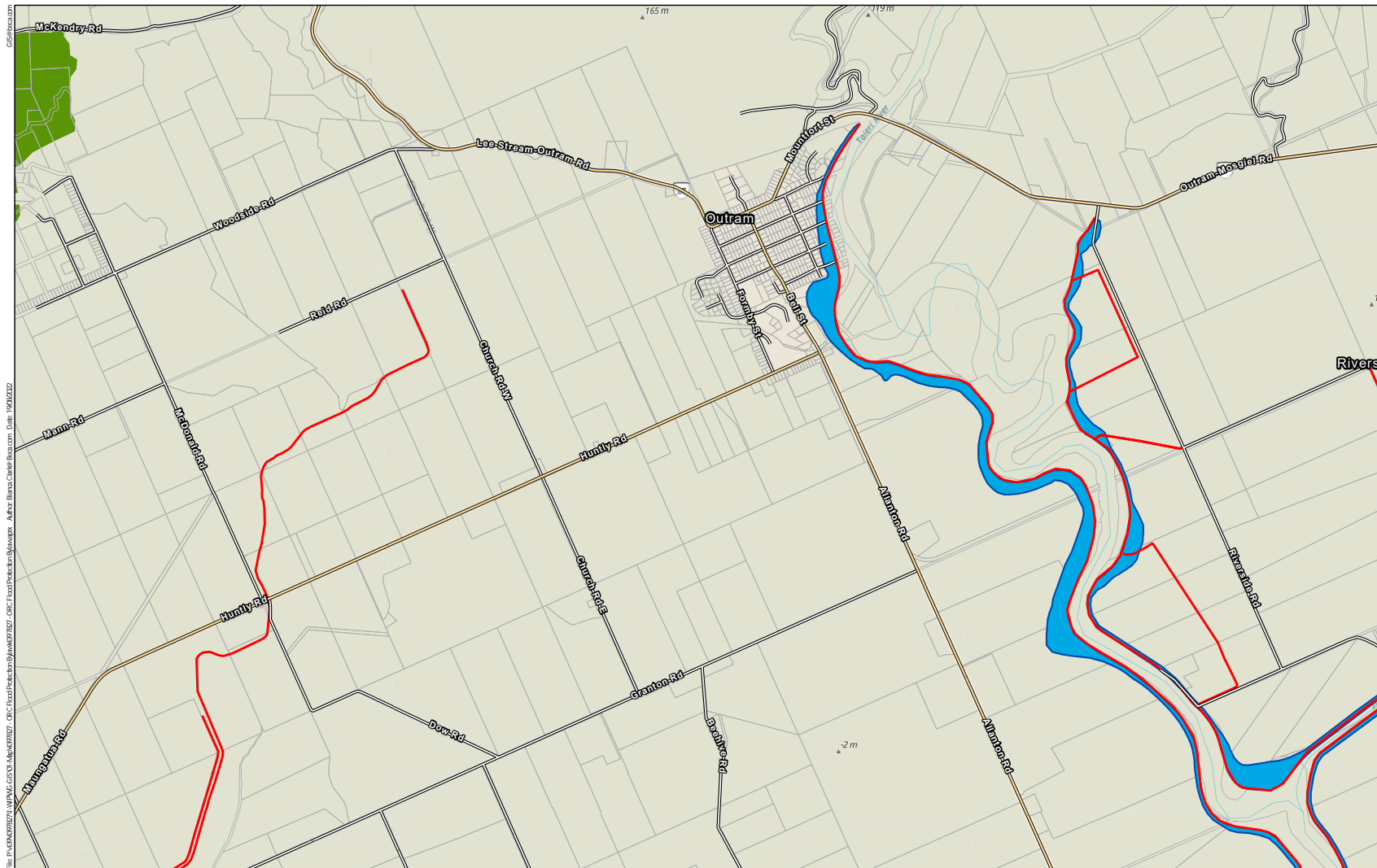


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Second Schedule
 Lower Clutha Defences Against Water

Legend
 — Defence Against Water
 □ NZ Primary Land Parcels

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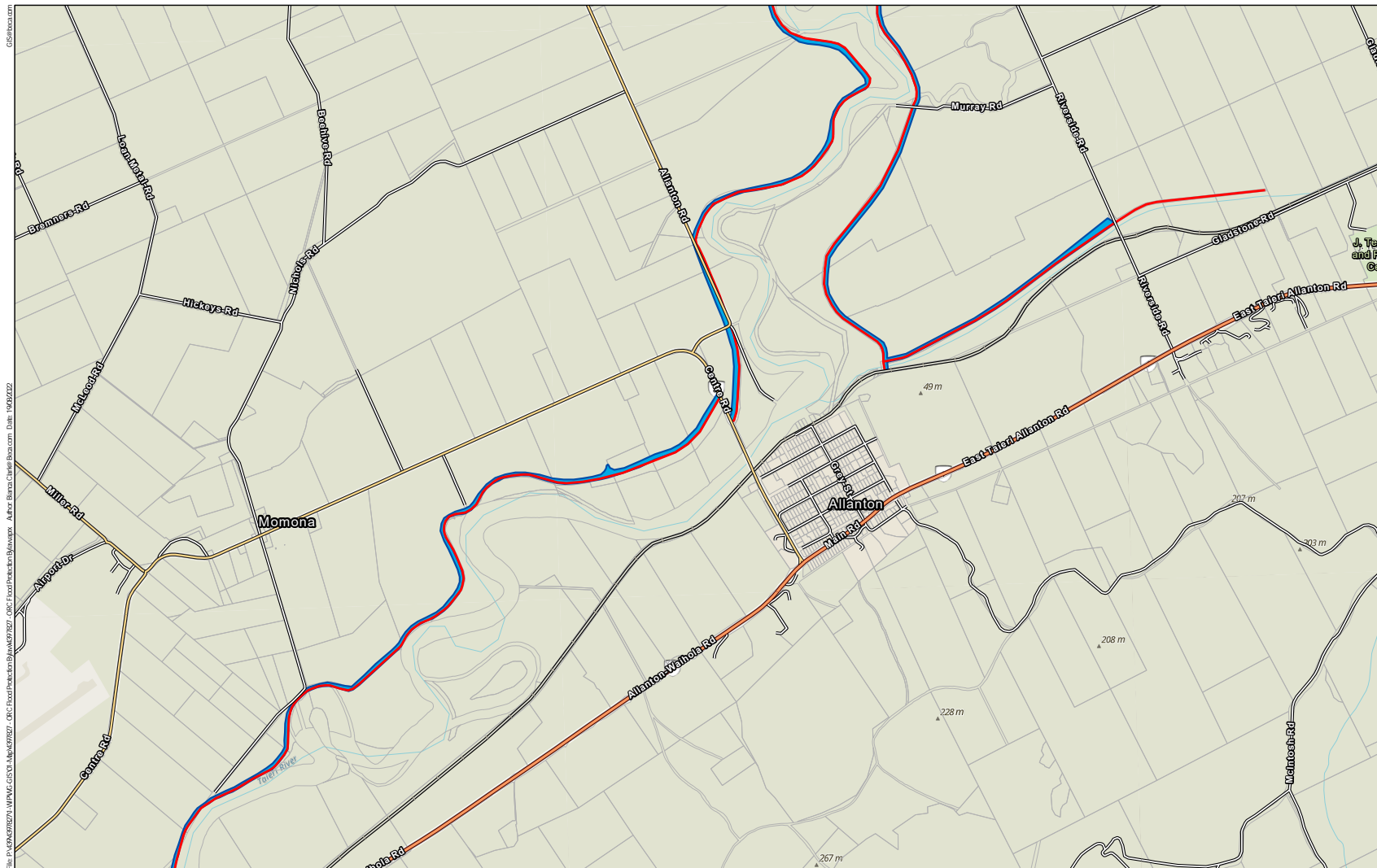
Second Schedule
Lower Taieri Defences Against Water
Sheet 1


Legend

- Defence Against Water
- Excavation Sensitive Area
- NZ Primary Land Parcels

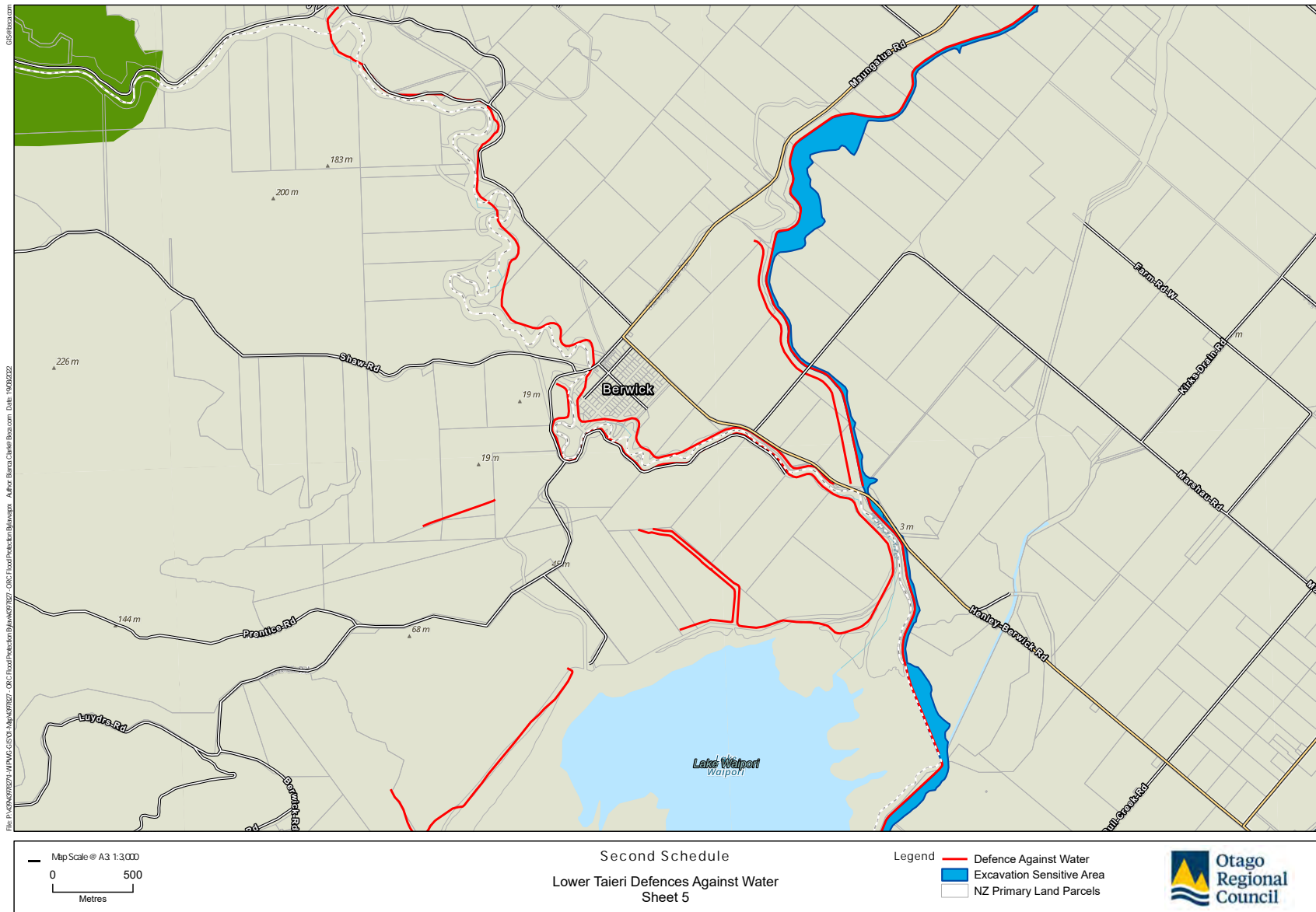


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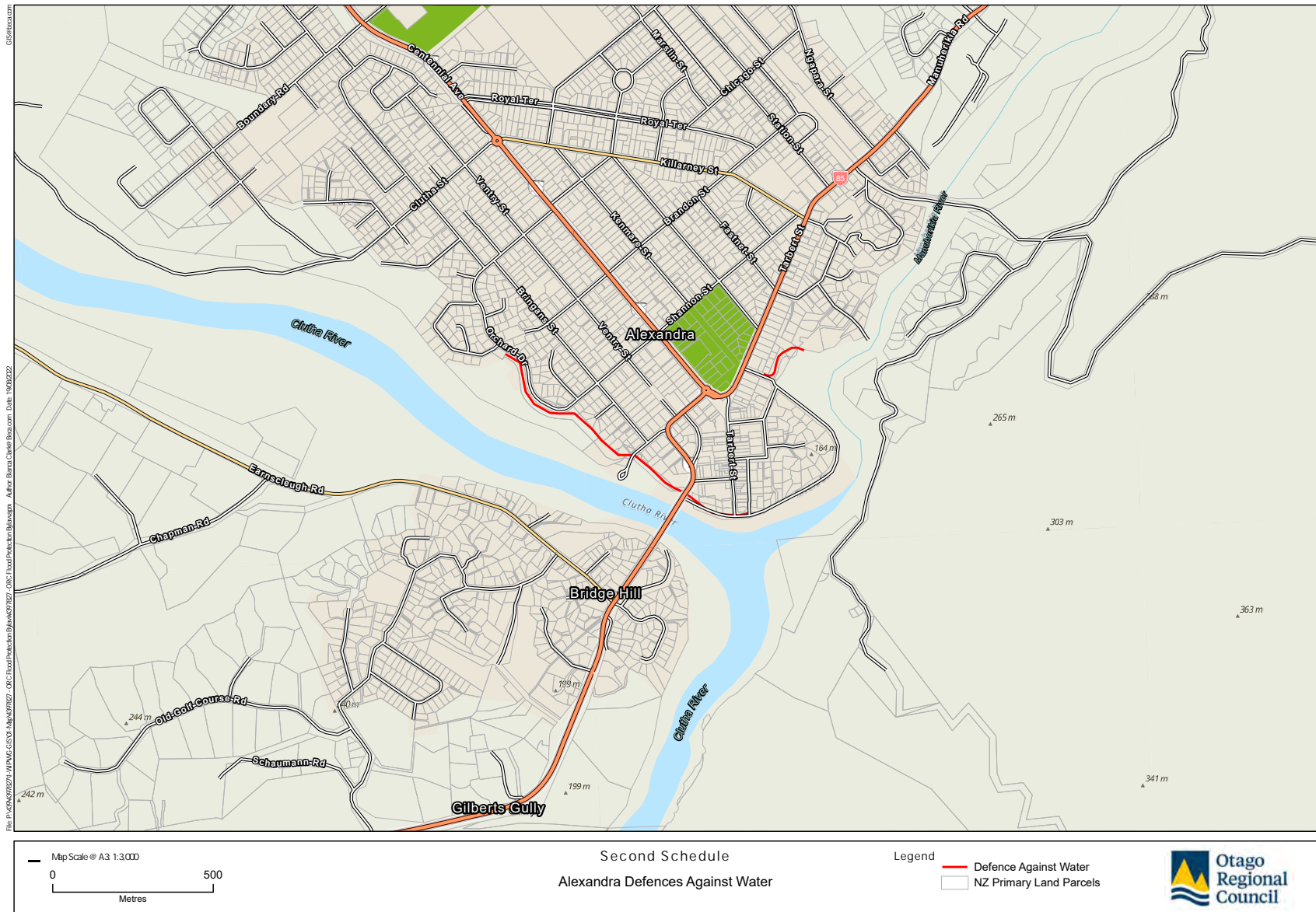


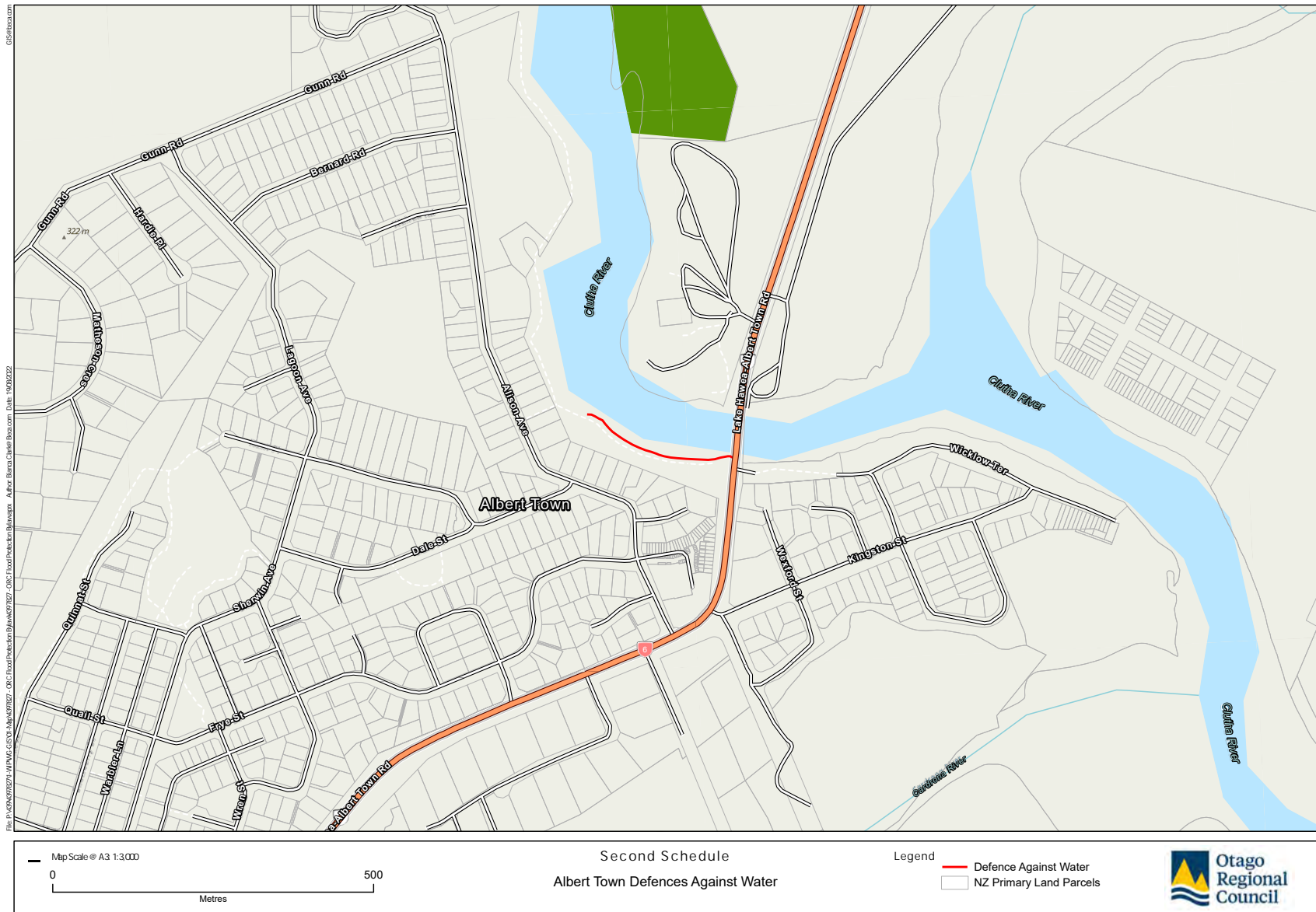
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Second Schedule
Lower Taieri Defences Against Water
Sheet 6

Legend
— Defence Against Water
■ Excavation Sensitive Area
 NZ Primary Land Parcels

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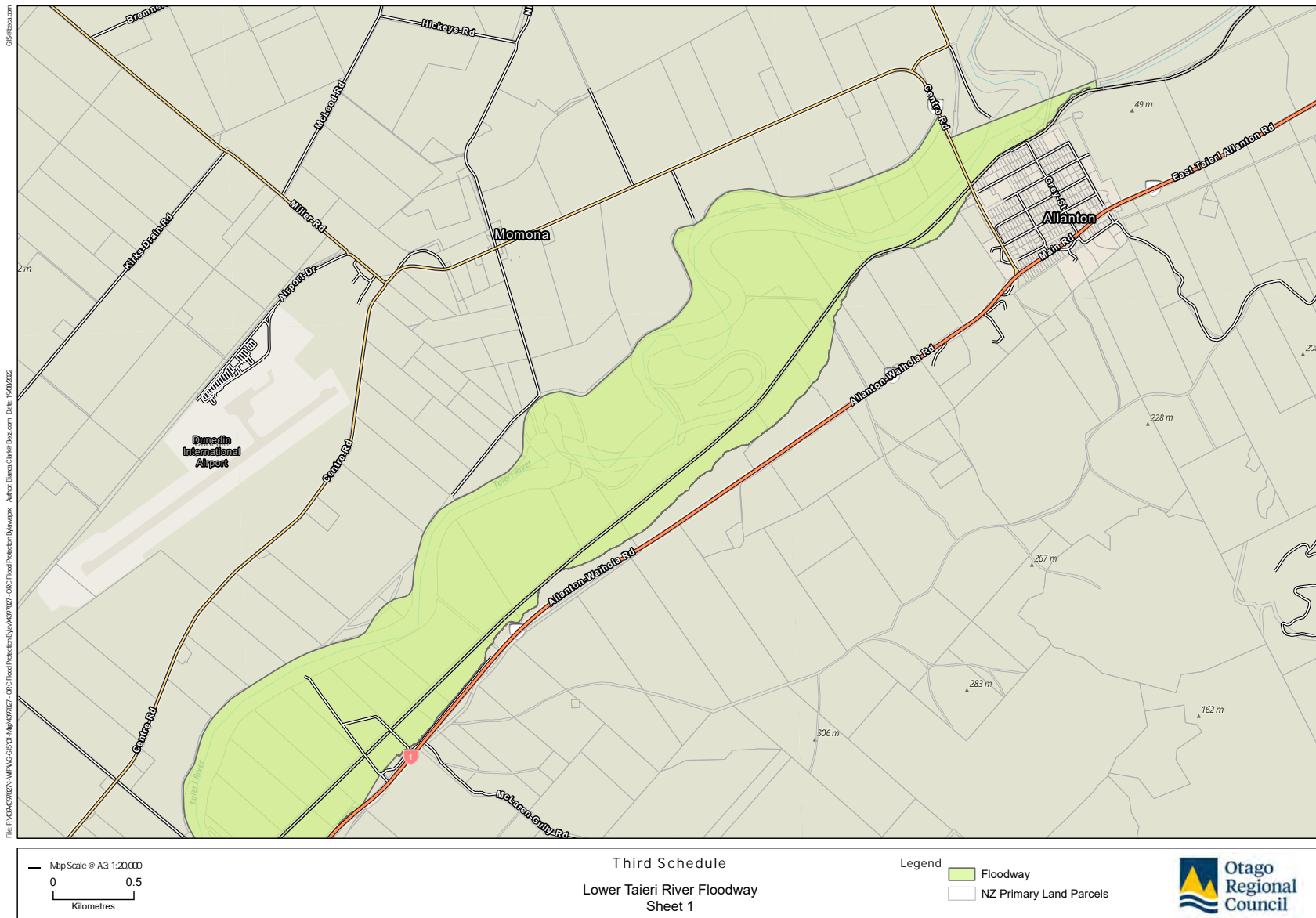


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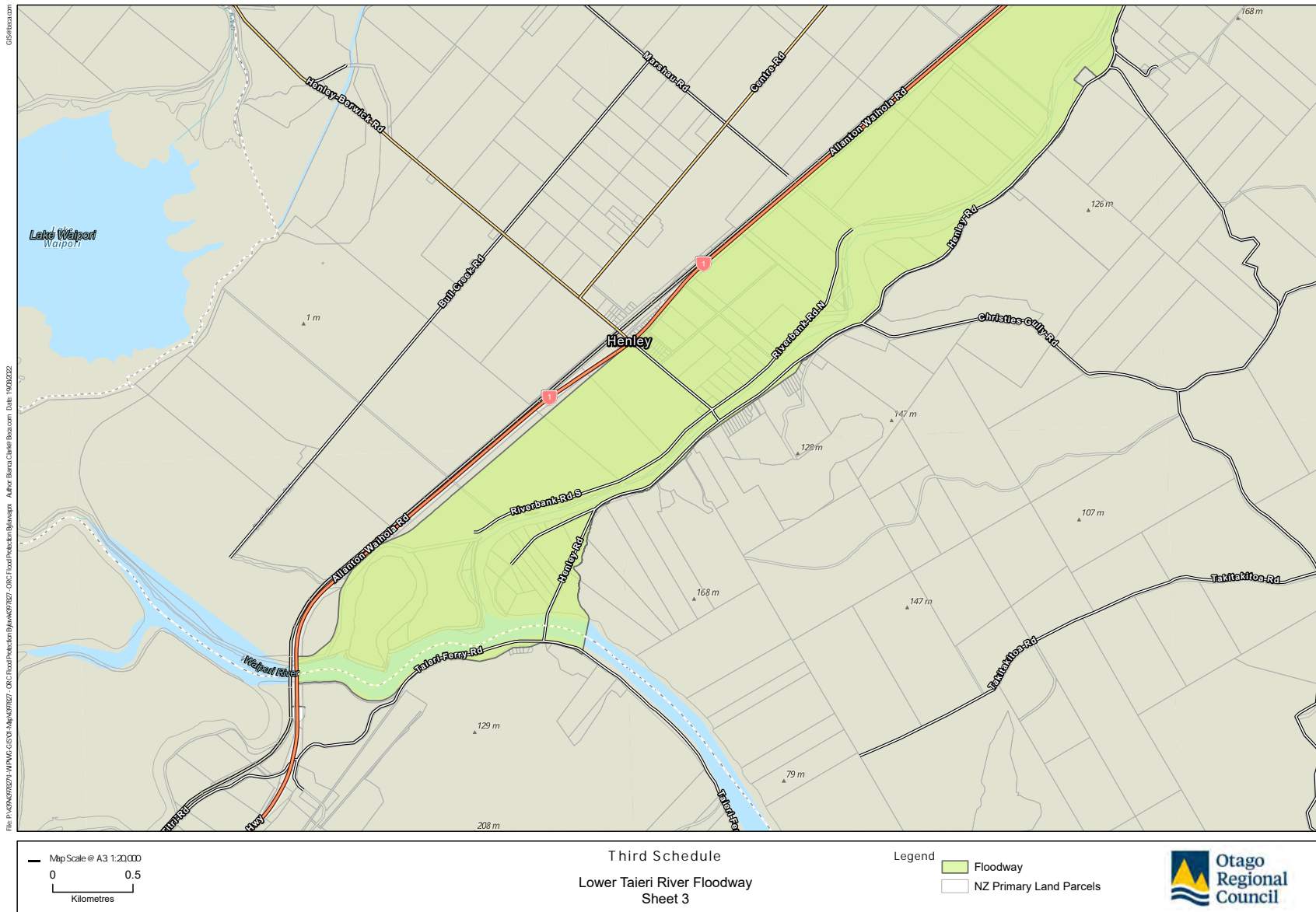
Third Schedule
Gordon Road Floodway

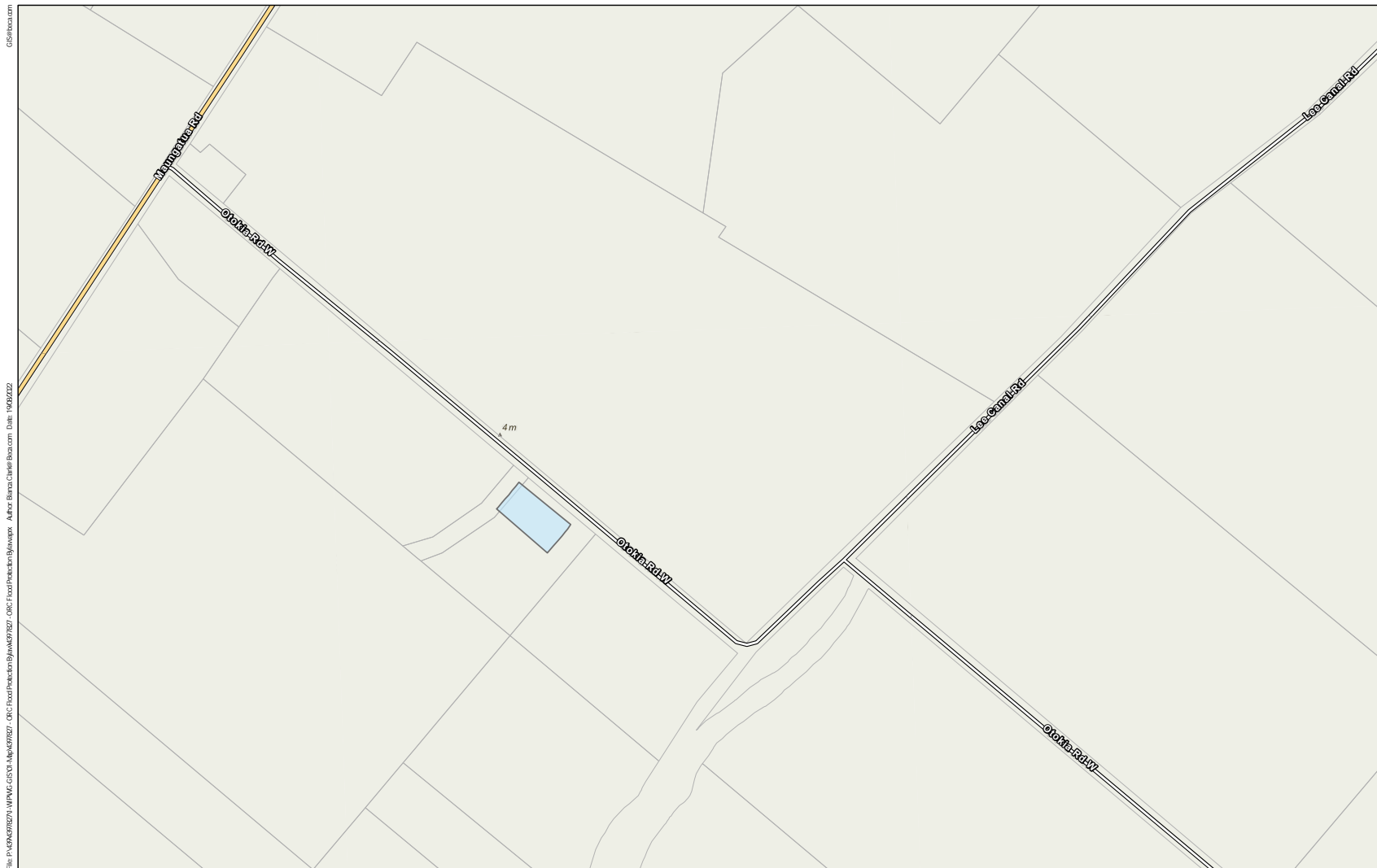
Legend
 Floodway
 NZ Primary Land Parcels

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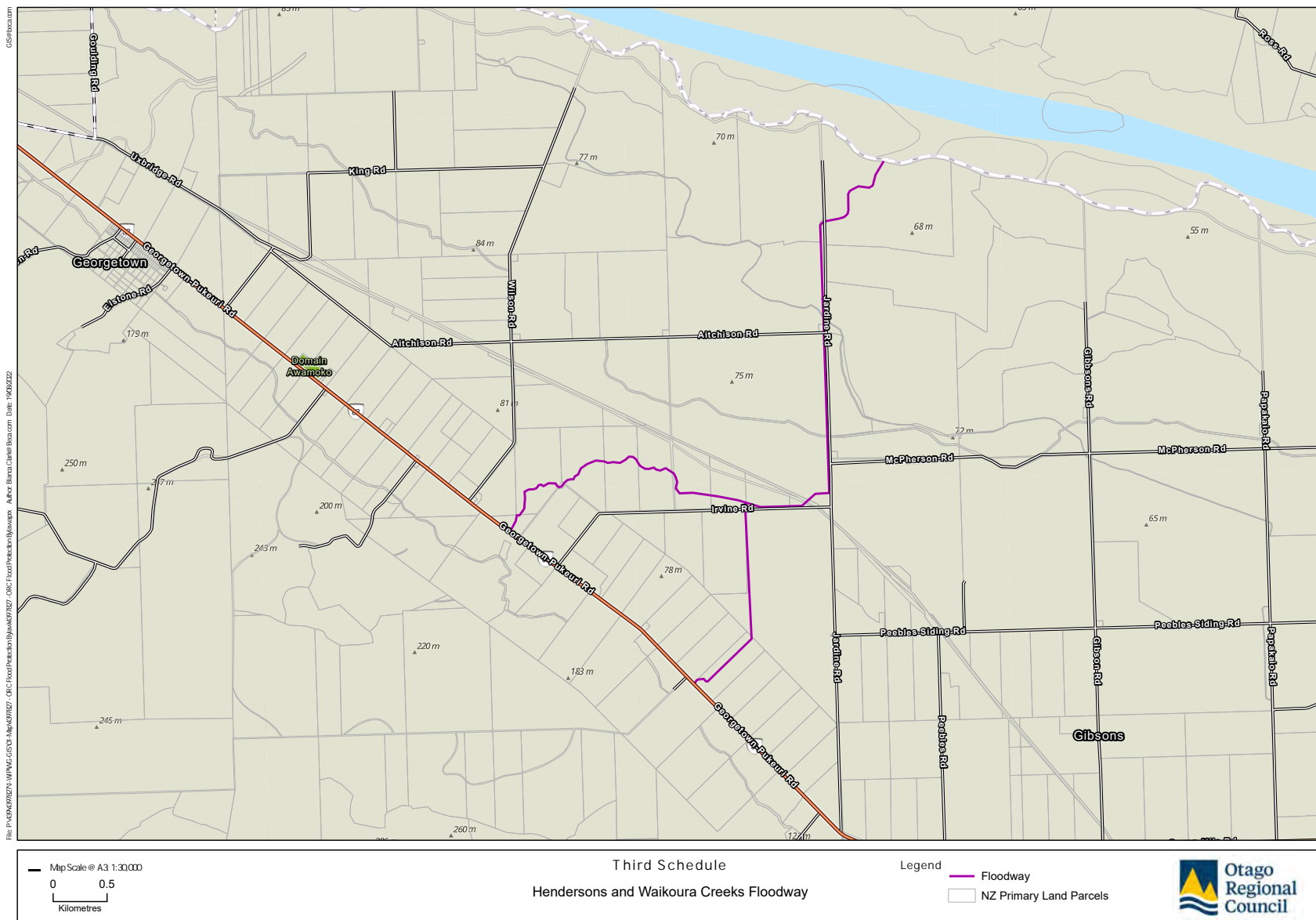
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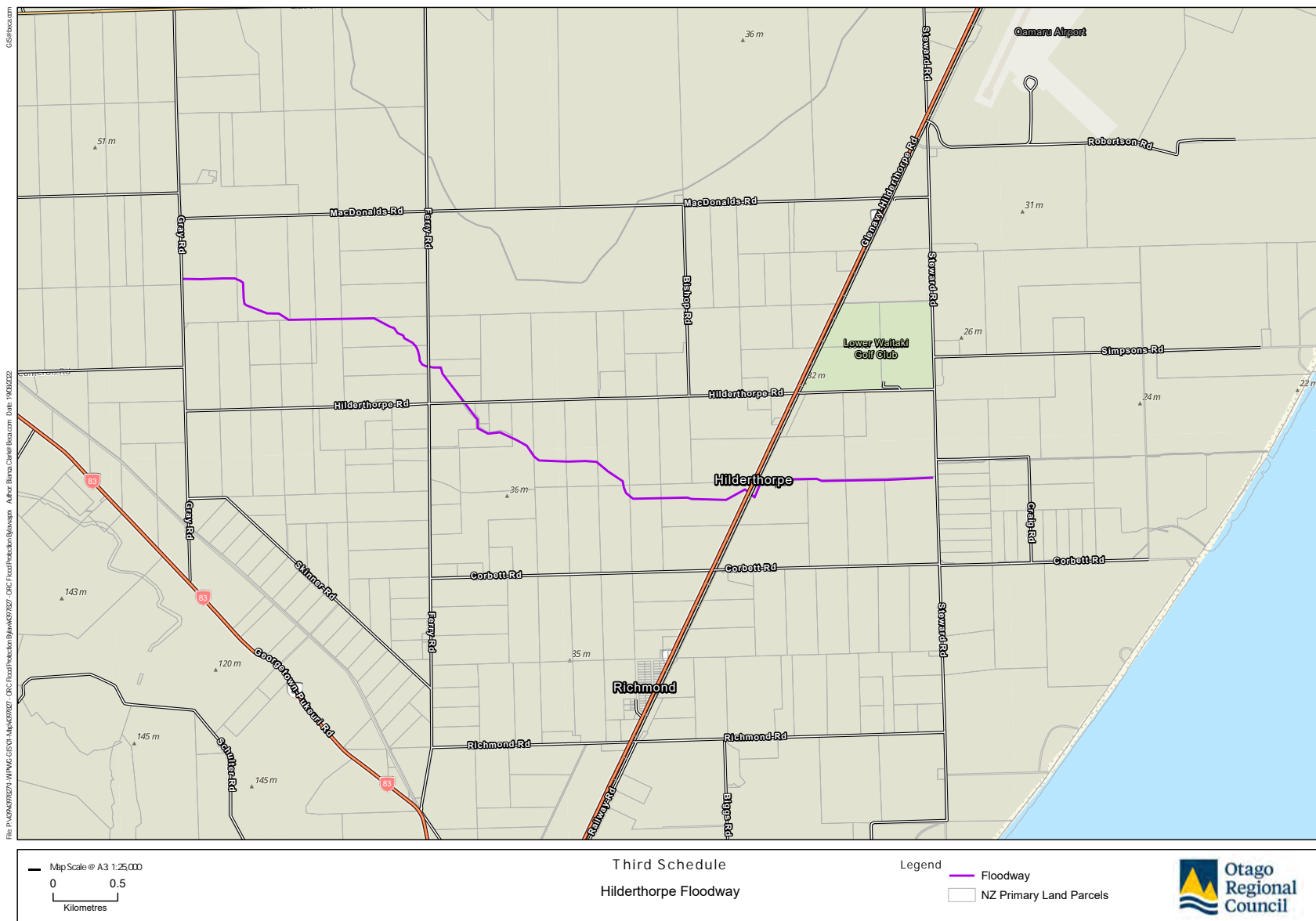
Third Schedule
Otokia Road Contour Channel Floodway

Legend
 Floodway
 NZ Primary Land Parcels



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8.6. Approve Amendments to Waitaki Designation Notice of Requirements

Prepared for: Council
Report No. OPS2233
Activity: Governance Report
Author: Michelle Mifflin, Manager Engineering
Alison Weaver, Team Leader Commercial and Regulatory
Endorsed by: Gavin Palmer, General Manager Operations
Date: 28 September 2022

PURPOSE

- [1] To obtain Council approval of the amended Notice of Requirement (“NoR”) following public consultation and for the lodgement of the application for designations with the Waitaki District Council (“WDC”) as part of WDC’s Proposed District Plan (“the Plan”) review. This is to provide for designations of land on which Otago Regional Council (“ORC”) flood protection works and assets are situated.

EXECUTIVE SUMMARY

- [2] At the Council meeting on 25 May 2022, Council approved¹:
- a. The recommendation to request new designations;
 - b. The NoR for public consultation; and
 - c. Proceeding with public consultation on the proposed NoR.
- [3] Council staff have now undertaken public consultation. A Consultation Outcomes report is attached (Attachment 1).
- [4] The NoR has been updated to reflect public consultation and is attached (Attachment 2).
- [5] Council approval is now sought for lodging the NoR with WDC to be included in the WDC plan review.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Notes** the Consultation Outcomes report (Attachment 1).
- 3) **Approves** the amended Notice of Requirement and the lodgement of this with Waitaki District Council for inclusion in its Proposed District Plan.

¹ Waitaki Designation Notice of Requirements, Report OPS2202, Report to 25 May 2022 meeting of Otago Regional Council.

BACKGROUND

- [6] As part of its district plan review the WDC has, as required under the Resource Management Act 1991 (“RMA”), invited ORC to formally confirm if it wishes to make any modifications to designations listed in the current district plan.
- [7] Council staff recommended seeking new designations for the land on which structures are situated. These are structures that are owned and managed by ORC within the Waitaki District. Council adopted this recommendation².
- [8] The structures are identified in the NoR (unchanged from the NoR presented to Council on 25 May 2022) and provide flood protection for the local community and lifeline utilities which pass through the area.
- [9] The structures and the location of the structures are unchanged from that provided at the 25 May 2022 Council meeting and recorded in the table below. For ease the mapped locations are contained in Attachment 3.

Table 1: Summary of Proposed Designations

Site/Asset	Specific Asset
Hilderthorpe Floodway	Channels conveying flood water from surrounding farmland and tributaries of the Waitaki River. As shown on page 6 of Attachment 3.
Hendersons and Waikoura Creek Floodways	Channels conveying flood water from surrounding farmland and tributaries of the Waitaki River. As shown on page 5 of Attachment 3.
Groynes adjacent to the Waitaki Riverbed	Embankments built out from a riverbank to help control erosion. As shown on pages 2-4 of Attachment 3.
Cross banks adjacent to the Waitaki Riverbed	Banks which have built to guide water away from entering low lying land. As shown on pages 2-4 of Attachment 3

- [10] Council staff have undertaken public consultation as detailed in the Consultation Outcomes (Attachment 1) and now seek Council approval of the NoR as amended to reflect the consultation (Attachment 2).
- [11] If Council approves the NoR, the NoR will be lodged with WDC. The NoR will then form part of the WDC plan review process.

DISCUSSION

- [12] Consultation consisted of:
 - a. A mail out to all landowners identified as having an ORC flood protection asset on their property.
 - b. Email to individual stakeholders inviting feedback and offering to meet.
 - c. A drop in event in Oamaru (no attendees).
- [13] Stakeholder comments are recorded in Attachment 1. Engagement has occurred with the following:
 - a. Waitaki District Council Roding.

² Ibid

- b. Aukaha Limited (ongoing).
- c. Lower Waitaki Irrigation Company Limited.
- d. Waka Kotahi New Zealand Transport Agency.
- e. KiwiRail Limited.
- f. Department of Conservation.
- g. A Richardson.
- h. Transpower Limited.
- i. Environment Canterbury.

[14] All proposed changes to the NoR have been ‘tracked’ in the NoR (Attachment 2). Key changes are summarised below:

Summary of changes to NoR		
Page #	Description	Comment
17, 18, 20	Statutory assessment; Part 2 of RMA	Comment on need for collaboration with Te Rūnanga o Moeraki
20-25	National Policy statements	Te Mana o Te Wai assessment
38, 39	Regional Policy Statement/Proposed Regional Policy Statement	Comment on consultation with mana whenua. Reference to Te Mana o Te Wai assessment.
53	Other designations	Comment on discussions with Waka Kotahi, KiwiRail, Transpower.
53	Draft Waitaki District Plan	New addition to NoR following release of draft plan on 1 June 2022. Assessment of impact of draft provisions on ORC flood protection works.
68	Waitaki Iwi Management Plan 2019	Inclusion of comments on the 2019 plan in addition to the 2005 plan. The 2019 plan relates to most of the assets included within the NoR, and the 2005 plan relates only to the Hilderthorpe Floodway.
72	Kāi Tahu Ki Otago Natural Resource Management Plan 2005	Reference to Hilderthorpe Floodway.
70	Assessment of environmental effects	Comment on consultation with providers of infrastructure.
Proposed Conditions		Addition of provision for engagement with mana whenua on Outline Plans of Work, groynes, floodways. Additional provisions under Earthworks. Additional provision under Transportation of Material. Amendment to NZS reference under Spraying. New provisions for Fuel and Hazardous Materials. Amended provision of Accidental Discovery Protocol.
Appendix E		Consultation Outcomes report added

- [15] As referred to in the Consultation Outcomes report, ORC will continue engagement with Aukaha Limited. The community and stakeholders will have the opportunity to submit on the Draft Waitaki District Plan as part of the WDC's plan review process.

OPTIONS

- [16] The first option is to lodge the NoR as attached with Waitaki District Council.

This is the next step in the process to seek the designations and additional protection of ORC flood protection works in the Waitaki region.

- [17] An alternative option is to not proceed with lodging the NoR.

This does not prevent ORC seeking designations in the future, but this could be a more costly option as it will occur outside of the plan review process currently being undertaken by Waitaki District Council. Flood protection works will retain protection as they are subject to the Flood Protection Management Bylaw 2022, but they will not have the protection or be given the awareness provided by designation under the Waitaki District Council plan.

- [18] It is recommended that the first option is approved by Council as there is a cost saving in undertaking the designation process as part of the WDC plan review and the designation will ensure that the flood protection works are afforded protection through the District Council Plan which in turn creates an increased awareness of those works.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [19] The effective delivery of flood protection and land drainage infrastructure contributes to community resilience to natural hazards, which is a key component to ORC's vision for Otago. The application of designations will uphold ORC's strategic commitments of:
- a. Protecting strategic infrastructure,
 - b. Evidence-based and timely decision making,
 - c. Effective community engagement (through consultation), and
 - d. Partnering with mana whenua and making Mātauranga Kāi Tahu an integral part of decision-making.
- [20] The designation process aligns with the Infrastructure Strategy, which was approved by Council on 1 March 2021, in that it provides protection of the integrity and operation of Council flood protection and land drainage infrastructure which provides certainty for actions contemplated by the Strategy.
- [21] With the designation in place, Council can be confident that strategies such as the approach to asset renewal or improved environmental performance can occur with certainty.
- [22] Seeking designation is consistent with prior decisions regarding flood protection and land drainage infrastructure. The approach taken for hard structures is consistent with the policy direction in the Partially Operative Regional Policy Statement (2019) and the Notified Proposed Regional Policy Statement (2021). Council staff have been engaging with WDC staff in preparation of the Waitaki District Plan to ensure consistency with the Regional Policy Statement.

Financial Considerations

- [23] Persons wishing to undertake activity on land subject to a designation may need to seek approval from ORC. Bylaw authority is already required for areas where designations are proposed. Accordingly, the designation of these assets will not result in any greater restriction of those activities that may be undertaken on the land than already exists, other than requiring the approval of the ORC in some cases (further discussed at paragraphs 28-30 below). Designation applications are processed alongside bylaw authority applications and a fee is payable by the applicant. One assessment is completed, and one fee is payable for bylaw authority and designation approval. Coupled with the low response from the owners of properties affected by the NoR during the consultation undertaken, it is considered unlikely that the ORC will be required to purchase properties impacted by the NoR.
- [24] There are no other additional financial considerations associated with receiving this report. The costs of consultation and application for a notice of requirement are provided for in the 2021-31 Long Term Plan.
- [25] If Council recommend further consideration of one or more options outlined in this report, there will be a financial consideration, and this would need to be considered under separate Council approval.

Significance and Engagement Considerations

- [26] The Consultation Outcomes report sets out the engagement with the community and stakeholders. The report and the consultation strategy approved at the Council meeting of 25 May 2022³ incorporate considerations from the ORC Significance, Engagement and Māori Participation Policy.
- [27] The assets subject to the proposed designation are existing infrastructure assets. No acquisition or disposal is occurring.

Legislative and Risk Considerations

- [28] As previously stated⁴ designations can pose a risk to a requiring authority that relates to a designation restricting an existing use of land and/or eroding the land's value below its market value. In such scenarios the Environment Court may order the requiring authority (in this case ORC) to purchase the land.
- [29] In the event that the designation is seen as restricting an existing use of land or eroding the land's value, compensation may be payable, or the Environment Court could order ORC to purchase the land. This is an unbudgeted cost risk for ORC. The assets in question provide beneficial effect to the landowners or/and are already subject to the Bylaw. The risk is considered as minor. Compensation has not been raised during the consultation.
- [30] It continues to be the case that, if ORC found that the designation process was likely to lead to an order for acquisition, ORC could choose not to include that asset in the designation.

³ ibid

⁴ ibid

Climate Change Considerations

- [31] The assets that are the subject of the proposed designations assist in adaptation to the effects of future climate change.

Communications Considerations

- [32] Communications engagement has supported consultation as stated above and recorded in the Consultation Outcomes report.

NEXT STEPS

- [33] If the Council approves the NoR, Council staff will request that the General Manager of Operations exercises his delegated authority to lodge the NoR with Waitaki District Council.
- [34] Following lodgement of the NoR, the process is determined by the Waitaki District Council as part of its plan review process.
- [35] Report back to Council after submissions close with Waitaki District Council's plan review process. This timeframe is not yet known to Council staff.

ATTACHMENTS

1. Consultation Outcomes [8.6.1 - 6 pages]
2. Notice of Requirement [8.6.2 - 169 pages]
3. Maps [8.6.3 - 6 pages]



Memorandum

To: Otago Regional Council
From: Mitchell Daysh Limited
Date: 27 July 2022
Re: Lower Waitaki Notice of Requirement – Consultation Outcomes

INTRODUCTION

This memorandum sets out results of the consultation undertaken in respect of the Notice of Requirement (NoR) for the Otago Regional Council's flood protection assets on the Lower Waitaki Plain. All feedback received is set out in the attached table, which also identifies what changes, if any, are required to the Draft NoR.

CONSULTATION IMPLEMENTATION

Consultation commenced on 1 June 2022, with a mail out to all landowners identified with an Otago Regional Council Flood Protection Asset on their property.

In addition, individual stakeholders received emails inviting feedback and offering to meet, as required.

Since consultation commenced, engagement has occurred with the following:

- Waitaki District Council Roading (Email received 7 June);
- Aukaha Limited (Ongoing; Hui held 27 July to discuss comments and concerns, awaiting formal written comment);
- Lower Waitaki Irrigation Company Limited (Meeting 30 June, follow up emails early July);
- Waka Kotahi NZ Transport Agency (email received 20 June);
- KiwiRail Limited (Email received 22 July);
- Department of Conservation (emails received 30 June, 5 July, awaiting formal written comment);
- Andrew Richardson (email received 26 June);
- Transpower Limited (meeting held 8 July, awaiting formal written comment); and

- Environment Canterbury (Email received 5 July);

In addition, a drop-in session was held at the North Star in Oamaru on 30 June 2022, however there were no attendees.

CONSULTATION COMMENTS

The attached table attributes specific feedback to individual stakeholders and notes potential responses to the feedback received.

RECOMMENDATION

It is recommended that the amendments identified below are carried out to provide the stakeholders with confidence that their views have been received.

It is further recommended that engagement with mana whenua, Transpower and the Department of Conservation continue as required to obtain formal feedback.

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
Waitaki District Council Roading (consultant)	1. Can the proposed ORC designations overlap with existing road reserve designations?	Yes, however the earlier designation takes precedence.	Response provided.
	2. When will an outline plan be provided?	When any specific works are proposed.	Response provided.
	3. Table 1 'Other designations' within the Notice of Requirement does not identify Council's roads.	This oversight will be corrected with the version that is lodged with the WDC in October.	The NOR has been updated to correct this oversight.
	4. Appendix D documents conditions, but only address transportation of material. It is anticipated that where flood protection assets are located close or across roads that normal traffic flows/access may be impacted by construction activities. Appropriate traffic management may be required.	Vehicular access, circulation, provision for parking and any other matters to avoid, remedy or mitigate adverse effects on the environment are required to be addressed in an outline plan. Traffic management would therefore be addressed via this process and would be specific to the works proposed and the nature of the affected road.	Response provided.
	5. If Council plans work on their road infrastructure assets	Section 177(1) of the Resource Management Act provides guidance in this regard, as follows:	Response provided.
	(a) which may impact flood protection assets, appropriate communication and notification will be required? (b) Under the proposed designation, does the same apply to ORC communicating and notifying Council?	<p><i>Subject to sections 9(2) and 11 to 15, where a designation is included in a district plan, and the land that is the subject of the designation is already the subject of an earlier designation or heritage order,—</i></p> <p><i>(a) the requiring authority responsible for the later designation may do anything that is in accordance with that designation only if that authority has first obtained the written consent of the authority responsible for the earlier designation or order; and</i></p> <p><i>(b) the authority responsible for the earlier designation or order may, notwithstanding section 176(1)(b) and without obtaining the prior written consent of the later requiring authority, do anything that is in accordance with the earlier designation or order.</i></p> <p>As such, in this instance the WDC may undertake works without reference to the ORC, but ORC will require WDC approval for any works.</p>	
6. The NoR states 'No outline plan shall be required for the maintenance of the crossbanks/groynes/floodways, provided there is no overall increase in its height'. More information will be required for Council to adequately consider the implications.	What sort of detail is required? No works are proposed at this time, and as such, no real detail is available.	Response provided. Offer to meet declined at this stage.	
Aukaha	Initial correspondence indicated concerns with the proposed NoR, and a hui was held to further understand concerns from Te Rūnanga o Moeraki. Written comments will also be provided, but were unavailable at the time of preparing this summary.	Noted. Hui held 27 July 2022	NA
	Concerned at the conclusion reached in the AEE regarding the consistency of the proposal with the principle of Te Mana o Te Wai. As the works consist of a blockage between the Henderson/Waikoura catchment and the Waitaki River (a statutory acknowledgement), the proposed designation is not consistent with the first priority. Te Rūnanga considers that the proposal does meet the second and	Agreed to update the AEE to reflect this discussion, and to provide the tabular advice that was provided to Aukaha prior to the meeting. Discussion also suggested the development and implementation of a framework/best practice process/SOP regarding the management of the works.	Reframe AEE in this regard, amendments also made to the wider statutory assessment Continue dialogue with Aukaha and Te Rūnanga to work towards a management framework that could

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
	third priorities and would be prepared to accept flood protection works on these grounds.	This could include practices to encourage planting that reduces sedimentation etc discharge into the Waitaki River. Ongoing engagement can occur up until the time the NoR is heard, and this partnering approach could strengthen ORC's relationship with Aukaha and may even ultimately result in iwi support of the NoR.	be similar to/consistent with the EMP used for the global consent.
	The NoR should better reflect the importance of stock exclusion practices. Requested the inclusion of a condition that required the implementation of a stock exclusion zone within the Henderson/Waikoura Creeks Floodway (concerns did not include the Hilderthorpe Floodway) and requiring the implementation of this in each farm's freshwater farm plan.	The requirements for stock exclusion are plain in the Resource Management Regulations 2020. While the suggested approach does seek to deal with a land use effect, it's inclusion would result in significant restriction on the use of the underlying land and the inclusion of this condition would therefore not achieve the purpose of the designation, As such it's not appropriate to include this as a condition on the designation.	Amend AEE to reflect concerns expressed. Include provision for education and monitoring within management framework.
	Update Iwi Management Plan used.	Noted and agreed	Update AEE to reflect the 2019 Iwi Management Plan
	Collaboration should occur in the preparation of Outline Plans of Works.	Noted and agreed	Additional condition included to require collaboration and the reporting of its outcomes.
	Reframe cultural conditions to reflect archaeological requirements.	Noted and agreed	Condition replaced.
Lower Waitaki Irrigation Company Limited	Requested additional detail regarding the implications of the designation on their existing and proposed assets.	Advised that written approval of requiring authority would be required for any works that could prevent or hinder the ORC's ability to give effect to the designation.	Additional detail including an explanation of section 176 of the Resource Management Act 1991 was provided. No further changes required to NoR.
	Planting project at Waitaki mouth to commence in October	Noted	No action required.
	Are the floodways 'rivers' under RMA? Is the Waikoura/Henderson Floodway a river and then a modified watercourse?	The Hilderthorpe floodway is an artificial watercourse, the 1985 plans for the Floodway were attached to the draft Notice of Requirement. As such, the Hilderthorpe Floodway is unlikely to be considered a "river" within the definition of the Resource Management Act. The Henderson/Waikoura Floodway follows the course of those creeks, and while over its lower reaches the course of this waterway has been modified, it is expected to meet the definition of "river" for its entire length.	No further changes required to NOR.
	If the stock exclusion rules do apply, who should pay for the fencing? If grazing doesn't occur as a result of concern about the costs associated with re-fencing after a flood event, will the ORC need to spray the margins of the watercourse?	Advised that ORC do not normally contribute to the fencing of floodways unless the Fencing Act or other legal obligation applies. The obligation across the region would be great.	No further changes required to NOR.
Waka Kotahi, NZ Transport Agency	All State Highways (SH 1, 8, 83 and 85) within the Waitaki District are designated under the Waitaki District Plan. The Designation provides for Waka Kotahi, either itself or through its agents, to control, manage and improve the State Highway Network including planning, design, research, construction and maintenance relating to all land within the designation. Such activities may also involve, but not necessarily be limited to, realignment of the road and alterations to its physical configuration with the limits of the designation.	Noted	Comment included in NoR at assessment of Waitaki District Plan.

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
	According to the interactive map and description within the NOR, the proposed designations will interact with both State Highway 1 and State Highway 83 within the Lower Waitaki area. It is noted that where the proposed designation may overlap with an existing State Highway Designation, Waka Kotahi would be the primary designation holder, and as such, ORC would be required to consult with Waka Kotahi for any proposed works occurring within these areas. Similarly, Waka Kotahi will continue to work with ORC and consult on any works Waka Kotahi are intending to undertake in these areas.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
KiwiRail Limited	The Main South Line (MSL) rail corridor extends through the Waitaki District and is designated for railway purposes within the Waitaki District Plan. KiwiRail seeks to protect its ability to continue to operate, maintain and upgrade this line into the future.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
	The NoR and overview maps indicate that the proposed designations will overlap with the existing MSL designation where MSL Bridge 150 extends over the Waitaki River. KiwiRail seek to ensure that the MSL rail corridor designation is listed as the primary designation requiring ORC to consult KiwiRail for any proposals within the designated rail corridor.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
	KiwiRail request early engagement on works within and in proximity to the rail corridor. KiwiRail would support a condition requiring ORC to consult KiwiRail on flood control works which may have a downstream impact on our rail assets, particularly Bridge 150.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
Department of Conservation	Seeking reassurance that designation won't impact on river restoration activities, that include vegetation clearance, planting natives, braided river bird and whitebait habitat restoration.	Advice provided	No specific response required.
	Correct/update agricultural standard.	Should refer to NZS8409:2021.	Agricultural standard contained in conditions has been updated to reflect current guidance (see Appendix D).
	Provided overview of DoC's interests and roles in the area, including threatened and endangered species found in the area. DoC is currently partnering with other agencies and organisations (including mana whenua) in respect of the Waitaki River.	Noted.	NA
	Noted Ngai Tahu interests and Statutory Acknowledgements.	Noted	NA
	Include additional conditions relating to earthworks and stockpiling, the use of fuels and hazardous substances and vehicle and machinery movements.	Noted	Additional conditions have been inserted to address DoC's concerns.
	DoC supported the inclusion of the cultural condition.	This condition has been updated subsequent to engagement with Aukaha.	NA
Andrew Richardson,	Opposes NoR because the control of flood protection structures and waterways are already controlled by ORC. It seems unnecessary to try and attach another	Noted	Additional discussion to be included in the Existing Environment section of the NoR to set out what the

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
498 McPherson Road	level of bureaucracy to the district plan. Wants Council to recognise that it already has policies and procedures on the control of these assets and liaise with WDC to ensure that this control will continue. Landowners know best how to control these assets.		designation is and why it is necessary. While not directly relevant to this section, this is a logical place to explain the present controls that cover the assets and provide some explanation as to the necessity of the designation.
Transpower Limited	<p>Transpower to undertake some additional work to ensure identification of the proximity of the assets to its structures/network.</p> <p>Likely to request specifically worded condition that requires ground-conductor clearance (12 metre clearance likely required), and consideration of impact on foundations as required.</p>	Noted. Response anticipated, but not received to date.	NA
Environment Canterbury	No concerns with proposal.	Noted	No action required.



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OTAGO REGIONAL COUNCIL

NOTICES OF REQUIREMENT

Waitaki District Plan

7 September 2022

Figure 9: Eastern view of the Hilderthorpe Floodway Gray Road crossing.....65

Figure 10: Henderson Creek Floodway, viewed from State highway 83 looking towards the north. 67

Figure 11: Waikoura Creek Floodway, viewed from State highway 83 towards the north east.....68

Figure 12: Henderson and Waikoura Creeks Floodway, viewed from near the intersection of Irvine and Jardine Roads, looking towards the northwest. Note: the water visible at the left side of the image is within the irrigation race, not within the Floodway itself..... 70

Figure 13: Henderson and Waikoura Creeks Floodway; viewed from opposite 550 Jardine Road, looking towards the south..... 70

Figure 14: Henderson and Waikoura Creeks Floodway; viewed from opposite 550 Jardine Road, looking towards the north. 71

LIST OF TABLES

Table 1: Te Mana o Te Wai Assessment.....6

Table 2: Other existing designations in the vicinity of the NoR 35

Table 3: Activities requiring Council’s approval under the Bylaw50

Table 4: Residential activities in proximity to Hilderthorpe Floodway.....65

Table 5: Residential activities in proximity to Henderson Creek Floodway.....68

Table 6: Residential activities in proximity to Waikoura Creek Floodway69

Table 7: Residential activities in proximity to Henderson and Waikoura Creeks Floodway 71

Table 8: Nohoanga sites, Lower Waitaki Plains 75

LIST OF APPENDICES

- Appendix A: Henderson and Waikoura Creeks Floodway
- Appendix B: Hilderthorpe Floodway
- Appendix C: Flood Protection Assets (Cross banks and groynes)

Appendix D: Conditions

[Appendix E: Consultation Record](#)



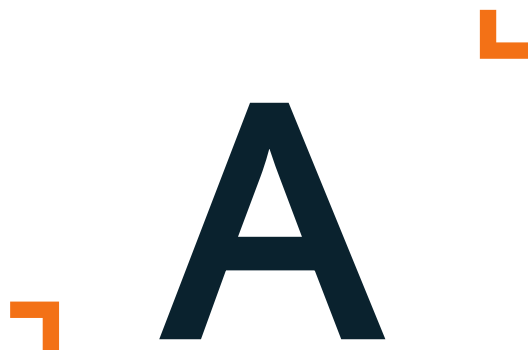
REPORT INFORMATION

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ANNEXURE A

Notice of Requirement for Designation

FORM 18

NOTICE OF REQUIREMENT BY REQUIRING AUTHORITY FOR DESIGNATION

Sections 145, 168(1), (2), 168A and 181, and clause 4 of Schedule, Resource Management Act 1991

To Waitaki District Council

- 1. The **Otago Regional Council** (“**ORC**”) gives notice of a requirement for a designation for a public work where a restriction is necessary for the safe and efficient functioning and operation of that public work. The purpose of the designation is:

Lower Waitaki Flood Protection which includes all groynes, cross banks and floodways and those works, structures, facilities, devices and appliances associated with the assets and all activities relating to the assets, including construction, operation, maintenance, repair, reconstruction, extension, modification, replacement and improvement.

The ORC is a requiring authority pursuant to section 166 of the Resource Management Act 1991 (“**the RMA**” or “**the Act**”).

- 2. The sites to which the requirement applies are described as flood protection assets in the Lower Waitaki, as shown in the Appendices. Legal descriptions of the sites are set out in **Appendices A - C**.

The notice of requirement includes land that is located within the Rural Scenic and Rural General Zones [under the Operative Waitaki District Plan](#). Copies of plans and photographs of the works are included in the Appendices.

- 3. The nature of the work is:

The Otago Regional Council’s existing flood protection assets on the Lower Waitaki Plain In general, this includes

- Henderson and Waikoura Creeks Floodway
- Hilderthorpe Floodway
- Flood protection assets

The flood protection assets that are the subject of this Notice of Requirement include:

- **Groynes** – embankments built out from a riverbank to help control erosion.

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- **Cross-banks** – banks that have been built to guide water away from entering low lying land.
- **Floodways** – channels that convey flood water; in respect of the Lower Waitaki Floodways these convey water from surrounding farmland and tributaries of the Waitaki, rather than the river itself.

The existing infrastructure at these sites will continue to operate within the terms of the designations. The work includes the operation, erection, installation, maintenance, replacement, alteration, upgrading, improvement and removal of the works, structures, facilities and devices.

Plans and photographs are attached within **Appendices A - C**.

This Notice of Requirement is for designations for the ongoing use of the sites for flood protection purposes. The designations also provide for the ongoing operation, maintenance and upgrading of these facilities. Any changes to the established infrastructure will be subject to the Outline Plan procedures as set out in Section 176A of the RMA, and the conditions of the designation as set out in **Appendix D** attached.

4. The nature of the proposed conditions that would apply are:

The designation purpose sought for these sites is:

- Henderson and Waikoura Creeks Floodway
- Hilderthorpe Floodway
- Flood protection asset

The nature of the work is defined in Section 3 above. This will allow for existing works and facilities on the site, as well as any future upgrades.

This Notice seeks to establish conditions on the new designations which have been designed to:

- Provide a level of consistency for the operational requirements of the assets;
- Balance managing potential environmental effects with the operational requirements of flood protection assets; and
- Reflect the predominant character of the area in which they are located.

The conditions cover the following:

- The bulk and location of structures;
- Accidental discovery protocols; and
- Construction and maintenance noise.

An advice note detailing when an Outline Plan of Works is required is also proposed.

These conditions are proposed to ensure that any potential environmental effects are avoided, remedied, or mitigated where necessary and to an appropriate level.

Please refer to **Appendix D** for the proposed designation conditions to apply to the respective designations.

- 5. The effects that the work will have on the environment, and the ways in which any adverse effects will be mitigated, are:

Annexure B sets out the full assessment of environmental effects and details of the ways in which any adverse effects will be mitigated, along with a statutory assessment

The Notice of Requirement enables the continued reliance on the existing flood protection assets and any further works consistent with the purpose of the designation, subject to compliance with the designation's conditions. Detail of any new works to be undertaken will be provided and managed in accordance with the Outline Plan process (section 176A of the Act) and the conditions of the designation.

- 6. Alternative sites, routes and methods have been considered to the following extent:

In considering the effects on the environment of allowing the requirement, section 171 (1) of the RMA requires the Council to have particular regard to whether adequate consideration has been given to alternative sites, routes, methods of undertaking the work, only if:

- a) The Requiring Authority does not have an interest in the land sufficient for undertaking the work; or
- b) It is likely that the work will have significant adverse effects on the environment.

In the case of the ORC's flood protection assets, consideration of alternative sites and locations is not required, and has not occurred. Flood protection assets already exist on the sites and have been in place for several years. While many of the specific assets are on Crown land, immediately adjoining property owners are direct beneficiaries of this infrastructure. Similarly, the land occupied by the floodways continues to be available for general rural activities when not in use.

Some of the assets cross legal road reserve that is administered by Waitaki District Council and/or Waka Kotahi NZ Transport Agency railway land which is administered by KiwiRail, or the high voltage line corridor, administered by Transpower New Zealand Limited.

There will be no significant adverse effects on the environment resulting from the works (refer Section 5 above, and the attached assessment of environmental effects). On this basis, no consideration of alternative sites is required.

Alternative Planning Methods:

Alternative planning methods have been considered and partially implemented. It is considered that the designation process is appropriate in terms of providing for this infrastructure. Designating the land provides certainty for the ORC that the land can be used for flood protection purposes. It also provides the ORC with flexibility to manage its assets in a manner that ensures its effectiveness while enabling the continued use of the land by its owners. In addition, the designation process allows for the flood protection assets to be clearly defined for each site and the specific boundaries of the activity to be identified in the Waitaki District Plan.

In addition to the protection offered by the designation, the Council has an established bylaw in place (the Flood Protection Management Bylaw 2012), which also manages activities in proximity to these assets. The designation offers a complementary approach, highlighting the importance of these assets at a local level.

A designation therefore provides certainty to both the requiring authority and the community in terms of what can be expected to occur on the site into the future.

- 7. The work and designation are reasonably necessary for achieving the objectives of the requiring authority because:

The objectives of the Requiring Authority are as follows:

- To protect the ongoing integrity and effectiveness of the ORC's flood protection assets within the Lower Waitaki area from inappropriate development.
- To enable ongoing reliance on the existing flood protection assets across the Lower Waitaki.
- To provide positive outcomes that provide for the health and safety of the local community.
- To enable the control of activities that can impact on the efficiency and effectiveness of the ORC's assets.

These sites sought to be designated are currently, and will continue to be, used to accommodate floodways, stop banks and river groynes associated with the ORC's flood protection assets in the Lower Waitaki.

The existing assets on the sites sought to be designated are an integral and important part of what are now the ORC's flood protection assets within this geographic area. The assets were first established in the 1950's with groynes being established as part of the 1977 Lower Waitaki Catchment Control Scheme. Active berm management commenced as part of the 1984 Scheme review. As a whole, these assets service both the local communities and wider public with flood protection.

The continued operation, maintenance and improvement of the ORC’s flood protection assets is vital and it is important that the assets are correctly designated under the RMA to ensure that the range of necessary activities and suitable land uses are appropriately provided for in the District Plan.

It is important to ensure that the Waitaki District Council recognises these needs and gives a clear indication to the public of the location and use of the sites through their designation in the District Plan.

Consideration has also been given to the use of the designation procedure. Designating the land provides certainty for the ORC that the land can be used for flood protection purposes. Designating the land will enable the subject land to be used for its intended purpose, while accurately specifying the boundaries of the land to which these activities will occur. The Notice of Requirement also states that the designation of the subject land will provide the flexibility for the Requiring Authority to upgrade the site in the future to reflect demand and changing technology.

Maintenance and upgrades are an essential function of the ORC’s flood management functions and can occur on both a planned and unplanned basis. Upgrades are anticipated to take the form of raising the heights of cross banks and groynes, and deepening floodways. The outline plan procedure under section 176A of the Act provides the requiring authority with a degree of certainty that it can conduct essential maintenance when needed in the future. It also provides the requiring authority and territorial authority with an effective and efficient means for communicating and regulating activities for ensuring compliance with the RMA, and the site’s neighbours with reasonable expectations as to the nature of activities that may occur within the designation.

- 8. The following consultation has been undertaken with the parties that are likely to be affected:

As the flood protection assets that are the subject of this notice of requirement are existing, the effects of the works are known. ~~Consultation will occur in the second half of 2022, and this section will be updated once consultation has occurred. Consultation has occurred with the owners and occupiers of land upon which the flood protection assets are located, and with key stakeholders and other requiring authorities. Feedback from this consultation has been incorporated into the NoR as required. A full record of consultation carried out and responses received is attached as Appendix E.~~

- 9. The Otago Regional Council attaches the following information required to be included :

The following is attached to this Notice of Requirement:

- **Annexure B-** Assessment of Relevant Statutory Plans and Assessment of Environmental Effects

- **Appendix A – Henderson and Waikoura Creeks Floodway**
 - Legal description and ownership detail
 - Record of Title
 - Photographs
 - Plan
- **Appendix B – Hilderthorpe Floodway:**
 - Legal description and ownership detail
 - Record of Title
 - Photographs
 - Plan
- **Appendix C – Flood Protection Assets (cross banks and groynes):**
 - Legal description and ownership detail
 - Record of Title
 - Photographs
 - Plan
- **Appendix D – Conditions**
- **[Appendix E – Consultation Record](#)**

The Operative District Plan identifies the following specific information requirements for notices of requirement, and the table below identifies where each matter is discussed within this notice of requirement.

Details of the Order in Council or empowering legislation which allows the applicant to be a requiring authority, including any specified terms or conditions attached to the Order in Council.	Form 18, paragraph 1
A statement of how the requirement meets Part 2 of the Act.	Annexure A
A statement of the objectives the project or work is aiming to achieve.	Form 18, paragraph 7
The degree to which the requirement meets the objectives and policies of the Plan.	Annexure A
The relationship of the work to, or effect on, any relevant provisions of national or regional policy statements and regional plans.	Annexure A
Details of land ownership, acquisition and site clearance.	Form 18, paragraph 2, and appendices
The proposed sequence and timing of the work, clearly identifying any part which may not be commenced or completed within 5 years time.	NA – existing assets

Proposals for the use and maintenance of those parts of the land which will not be developed for 5 years or more, in particular, identification of those buildings and structures which could continue to be used and maintained in the meantime.	NA – existing assets
Identification of any other designation or heritage order applying to the site, whether it has been given effect to, and the effect the requirement may have on the existing designation or heritage order.	Annexure A

Signature:

Otago Regional Council

General Manager Operations – Dr Gavin Palmer

Dated at Dunedin this _____ day of _____ 2022

Address for Service: Mitchell Daysh Limited
PO Box 489
Dunedin

Telephone: 03 477 7884

Email: kirsten.tebbutt@mitchelldaysh.co.nz

Contact person: Kirsten Tebbutt

Note to person giving notice

If the notice relates to a requirement for a designation, or an alteration to a designation, under section 168A of the Resource Management Act 1991, you must use-

- this form if the requirement is lodged with the Environmental Protection Authority; or
- form 20 if the requirement is not lodged with the Environmental Protection Authority.

If the requirement is lodged with the Environmental Protection Authority, you must also lodge a form in form 16A at the same time.

You must pay any charge payable to the territorial authority for the requirement or alteration to the requirement under the Resource Management Act 1991.

If this notice is to the Environmental Protection Authority, you may be required to pay actual and reasonable costs incurred in dealing with this matter (see section 149ZD of the Resource Management Act 1991).



ANNEXURE B

Assessment of Relevant Statutory
Plans and Assessment of
Environmental Effects

STATUTORY ASSESSMENT

Section 171(1) of the Resource Management Act 1991 (“**RMA**” or “**the Act**”) outlines the matters that a territorial authority must have particular regard to when considering a Notice of Requirement (“**NoR**”). Subject to Part 2,¹ the territorial authority must consider the effects on the environment of allowing the NoR, having particular regard to any relevant provisions of a policy statement or plan.

Aside from the Resource Management Act 1991, the relevant policy statements and plans include:

- National Policy Statement for Freshwater Management 2020
- New Zealand Coastal Policy Statement 2010
- National Policy Statement for Electricity Transmission 2008
- Partially Operative Otago Regional Policy Statement 2015
- Proposed Otago Regional Policy Statement
- Regional Plan: Water for Otago
- Regional Plan: Coast for Otago
- [Waitaki District Plan](#)
- [Waitaki Draft District Plan](#)
- [Waitaki Iwi Management Plan 2019](#)
- Kai Tahu ki Otago Natural Resource Management Plan 2005
- Flood Protection Management Bylaw 2012

PART 2 OF THE RMA

Section 5

The flood protection assets that the Otago Regional Council (“**ORC**”) is responsible for are a physical resource of significant regional importance to the Lower Waitaki community. The provision of reliable and effective flood protection is critical for the social and economic wellbeing of the local community and for its health and safety. The assets play a vital role in managing natural hazards and their potential impacts on the local community,

¹ It is understood that the Court of Appeal decision in R J Davidson Family Trust v Marlborough District Council means that there is no need to resort to Part 2 unless doing so would add something beneficial to the process. This is not the case here because the relevant planning documents are valid documents that give complete coverage over the proposed activity and potential effects. However, should the Council be assisted by such an assessment in this case, consideration of Part 2 is provided.

ensuring that current and future growth in this region will be provided for. The designations are therefore consistent with section 5(a) of the RMA.

The nature of the proposed designation is such that it will not have any particular effect on the life supporting capacity of air, water, soil or ecosystems, and is therefore not contrary to section 5(b) of the RMA.

The effects of the flood protection assets are assessed below. In particular, the effects in relation to landscape and visual amenity, hydrology, risk, and noise and traffic have all been considered. It is concluded that the designation of the infrastructure in the District Plan with appropriate conditions will ensure that potential adverse environmental effects are adequately avoided, remedied, or mitigated. Accordingly, this NoR is consistent with section 5(c) of the RMA.

Section 6

Section 6 identifies matters of national importance that all persons exercising functions and powers under the RMA must recognise and provide for. ~~Two~~ Three of the eight matters listed are of relevance to this NoR, as below:

- (a) *the preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development:*
- (e) *the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga:*
- (h) *the management of significant risks from natural hazards.*

The effects of the proposed designation on the preservation of the natural character of the coast, wetlands, lakes and rivers and their margins are assessed below. That section also contains a similar assessment in respect of the protections of these areas from inappropriate subdivision, use and development. The section concludes that the NoR will have no impact in respect of these areas, because the assets that are subject to this NoR are existing. Conditions on the designation and the requirement to submit outline plans of works for any works proposed will also ensure that future works can be appropriately managed. On this basis, the NoR is considered to be consistent with section 6(a) of the Act.

[The effects of the proposed designation and flood management assets on the relationship of mana whenua with the Waitaki River and Te Tai o Arai Te Uru \(the Otago Coastal Marine Area\) requires appropriate management. Conditions on the designation requiring collaboration with Te Rūnanga o Moeraki on any outline plan of works will provide opportunities to develop mitigation measures for future works carried out under the designation. The purpose of this condition is to ensure that the relationship of mana whenua with the Waitaki River and Te Tai o Arai Te Uru \(the Otago Coastal Marine Area\) is](#)



[provided for. However, groynes, stop-banks, and the conversion of rivers into flood channels does not strictly recognise and provide for the relationship of Te Rūnanga o Moeraki with these waterways as envisaged by section 6\(e\) of the Act.](#)

The NoR seeks to support the ORC’s existing approach to the management of flood risk in this area of the Lower Waitaki Plain. As such, the NoR is considered to appropriately recognise and provide for the management of significant risks from natural hazards as required by section 6(h) of the Act.

Section 7

Section 7 of the RMA identifies additional matters that consent authorities shall “have particular regard to” when exercising their functions and powers under the Act. With respect to this NoR, the following matters are considered to be relevant:

- (a) kaitiakitanga:*
- (b) the efficient use and development of natural and physical resources:*
- (c) the maintenance and enhancement of amenity values:*
- (f) maintenance and enhancement of the quality of the environment:*
- (g) any finite characteristics of natural and physical resources:*
- (h) the protection of the habitat of trout and salmon; and,*
- (i) the effects of climate change.*

[Conditions on the designation requiring collaboration with Te Rūnanga o Moeraki on any outline plan of works recognise their role as kaitiaki over the Waitaki River and Te Tai o Arai Te Uru \(the Otago Coastal Marine Area\). On this basis the NoR supports the exercise of kaitiakitanga as envisaged by section 7\(a\) of the RMA.](#)

This flood protection infrastructure is by necessity located within the communities that it serves. Protecting and maintaining this infrastructure will continue to ensure that the local community benefits from the Council’s assets during flood events and high flows. Similarly, the designation will provide the Council with the ability to actively manage land use activities to ensure that the effectiveness of the assets can be protected. On this basis, the NoR is considered to promote the efficient use of resources, and to accord with section 7(b) of the Act.

The proposed NoR will not impact on amenity values within the context of the receiving environment as set out below. The Council’s designated assets will commonly be available for activities typically found within the area, and thus will have no impact in respect of amenity values. Exclusions from those will typically only be during high flows or infrequent maintenance activities. As a result, it is considered that the amenity values of the area will be maintained and enhanced. Accordingly, the NoR is considered to be consistent with section 7(c) of the RMA. Similarly, the NoR is considered to maintain or

enhance the quality of the environment, given that the designation of the existing assets will not result in any changes to the character of the receiving environment, and it is thus considered that the NoR is consistent with section 7(f) of the Act.

The NoR does not result in any changes to the finite characteristics of natural and physical resources. The designated areas will continue to be available for activities undertaken in accordance with the requirements of the District Plan, provided they meet the Council's operational requirements for the assets. As such the NoR will not result in any change to the finite characteristics of the physical land resource, and this aspect of the NoR meets the requirements of section 7(g) of the RMA.

The designation of the Council's flood protection assets in the Lower Waitaki will not impact on the habitat of trout and salmon. The designations are primarily located on land, however where the proposed requirement also impacts on the beds of waterways, habitat available (and fish passage) will be unaltered. On this basis the NoR accords with section 7(h) of the RMA.

The NoR specifically provides an opportunity for the Council to respond to the effects of climate change. As set out below, the Council is seeking to provide a more coherent response to the increasing frequency of storm events, by ensuring that land use activities within and adjacent to the Lower Waitaki Flood Protection assets are managed appropriately via a suite of mechanisms. As such, the NoR is considered a suitable response to the effects of climate change, as set out in section 7(i) of the RMA.

On this basis, the designation of the Council's assets is well aligned with section 7 of the Act.

Section 8

Section 8 of the RMA sets out that all persons exercising functions and powers under the RMA, in relation to managing the use, development and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

The assessment of actual and potential cultural effects below provides an overview of sites of cultural significance to Māori, and will be further informed by the consultation and engagement that is undertaken in respect of the NoR. Of note, the area includes the following recorded features of interest to Māori:

- Statutory Acknowledgement for the Waitaki River under the Ngai Tahu Claims Settlement Act 1998.
- Statutory Acknowledgement for Te Tai o Arai Te Uru (the Otago Coastal Marine Area) under the Ngai Tahu Claims Settlement Act 1998.
- Nohoanga sites at Ferry Road and the Waitaki River Mouth.

None of these sites are impacted by the proposed designation.

The designation and existing flood management assets impact on the natural form and function of the Waitaki River and Te Tai o Arai Te Uru (the Otago Coastal Marine Area). Collaboration with Te Rūnanga o Moeraki on any future outline plan of works will be undertaken to ensure that any impact on the Waitaki River and Te Tai o Arai Te Uru (the Otago Coastal Marine Area) is appropriately managed. On that basis the NoR is considered to be consistent with section 8 of the Act.

NATIONAL POLICY STATEMENTS

National Policy Statement for Freshwater Management 2020

The National Policy Statement for Freshwater Management 2020 (“**the NPSFM**”) builds on previous National Policy Statements for Freshwater Management (dated 2014 and 2017). It provides a policy framework for the management of freshwater resources throughout New Zealand. The NPSFM includes a single overarching objective that is to:

... ensure that the natural and physical resources are managed in a way that prioritises:

- (a) First, the health and well-being of water bodies and freshwater ecosystems*
- (b) second, the health needs of people (such as drinking water)*
- (c) third, the ability of people and communities to provide for their social, economic, and cultural wellbeing, now and in the future.*

This objective embodies the principle of Te Mana o te Wai. Policy 1 seeks to ensure that freshwater management is undertaken to give effect to Te Mana o te Wai. Part 1.3 of the NPSFM provides additional detail as to the fundamental concept that is Te Mana o te Wai, and notes that it encompasses six principles relating to the roles of both tangata whenua and other New Zealanders, being mana whakahaere, kaitiakitanga, manaakitanga, governance, stewardship and care and respect. Similarly, Policy 2 seeks to ensure that tangata whenua are actively involved in freshwater management, and that Māori freshwater values are identified and provided for.

It is noted that this NoR seeks to designate the existing flood protection assets in the Waitaki District Plan. To enable the assessment of the proposal against the provisions of the NPSFM, engagement has occurred with Te Rūnanga o Moeraki, who are mana whenua for the area.

The ~~designation of the~~ ORC’s existing flood protection assets on the Lower Waitaki do not ~~is wholly aligned~~ with the principle of Te Mana o te Wai, because they have disrupted natural connections and alter the natural form and function of the waterways. However, any future works undertaken for the purpose of the designation will be subject to the Outline Plan of Works process. This process provides an opportunity to prioritise the

[health and well-being of water bodies and freshwater ecosystems to give better effect to Te Mana o te Wai. Designation conditions 1 and 2 are proposed in this regard. In addition, this NoR applies only to land use activities, and the requirements of the regional planning framework would continue to apply to any proposed works, and may require resource consent under that framework.](#)

[An assessment of the assets included in this NoR against Te Mana o te Wai is set out in Table 1 below.](#)

Table 1: Te Mana o Te Wai Assessment

Asset/Location	Relationship with Te Mana o Te Wai
Groyne and cross banks at northern end of Wilson Road	<p>These assets are largely located within land owned by the Department of Conservation and are not within the wet bed of the Waitaki River.</p> <p>The NoR seeks to ensure that any land use activities that could impact on the efficacy of the included assets can be appropriately managed to avoid impacts on human health and safety. No specific works are proposed to result from this designation, and volunteered conditions will apply to the proposed land use, specifically maintenance and reconstruction works. Any works affecting water or the bed of the river will be subject to the usual resource consent requirements from the Otago Regional Council.</p> <p>On this basis, these assets are not considered to present any threat to the health and well-being of the water body and the freshwater ecosystems it supports. Notwithstanding this, the ownership of some of this land by the Department of Conservation enables additional planting and restoration works to occur to further support the ecosystem within and adjoining the Waitaki River.</p>
Henderson and Waikoura Creeks Floodway	<p>The Henderson and Waikoura Creeks Floodway follows the alignment of existing creek beds at the southern end (near State highway 83) before becoming a modified watercourse flowing north and discharging to the Waitaki River. This watercourse would likely be considered a "wide river" under the Resource Management (Stock Exclusion) Regulations 2020.</p> <p>In respect of this Floodway, no specific works are proposed to result from the designation; the NoR only seeks to enable maintenance activities and to protect the site of the existing asset. The conditions that are volunteered in conjunction with the designation will apply to land use only, specifically maintenance and reconstruction works. The inclusion of the Floodway within the NoR is intended to ensure that any works that could interfere with the operation of the Floodway (such as</p>

Asset/Location	Relationship with Te Mana o Te Wai
	<p>earthworks) can be appropriately managed. Any works affecting water or the bed of the river will be subject to the usual resource consent requirements from the Otago Regional Council.</p>
<p>Groynes and cross bank near the northern end of Ferry Road</p>	<p>The groyne located near Ferry Road is in private ownership. Its not within the wet bed of the river and is not located in proximity to any other water course.</p> <p>The cross bank and groyne located further to the east are on land in the ownership of Land Information New Zealand, and the groyne is located on land used for grazing. They are not within the wet bed of the Waitaki River.</p> <p>The NoR seeks to ensure that any land use activities that could impact on the efficacy of the included assets can be appropriately managed to avoid impacts on human health and safety. No specific works are proposed to result from this designation, and the conditions that are volunteered will apply to future land use only via the Outline Plan of Works process, specifically maintenance and reconstruction works. Any works affecting water or the bed of the river will be subject to the usual resource consent requirements from the Otago Regional Council.</p>
<p>Hilderthorpe Floodway</p>	<p>The Hilderthorpe Floodway is effectively a natural swale which typically does not carry water flow except in high rainfall and flood events. It collects runoff from the wider area, and terminates at Steward Road, on the eastern side of State highway 1, where it discharges into the Lower Waitaki Irrigation Company Limited's irrigation race. The race runs 2.6 kilometres southward along Steward Road and eastward along Corbett Road to the coast where it ultimately discharges excess irrigation and flood water to the sea via a working quarry.</p> <p>The discharge of water from the Floodway is not considered to impact on the health and well being of the water in this highly modified water race. The purpose of the Floodway is to provide capacity to enable the safe conduit of floodwater across State highway 1, thus ensuring that the critical road transport link between Otago/Southland and Canterbury is maintained.</p> <p>In respect of the Floodway, no specific works are proposed to result from the proposed designation. The conditions that are volunteered in conjunction with the NoR will apply to land use only via the Outline Plan of Works process, specifically maintenance and reconstruction works. Any works affecting water or the bed of the river will be subject to the usual resource consent requirements from the Otago Regional Council.</p>

Asset/Location	Relationship with Te Mana o Te Wai
	<p>The inclusion of the Floodway within the designation is intended to manage reverse sensitivity and enable natural hazard management. It will ensure that any works that could interfere with the operation of the Floodway (such as earthworks) can be appropriately managed.</p>
<p>Groynes and cross banks clustered at the Waitaki Bridge settlement</p>	<p>The land on which these assets have been established are variously owned by private and public entities. The land on the western side of State highway 1 is in private ownership. These assets are not within the wet bed of the river and are not located in proximity of any other water course.</p> <p>The cross bank and groyne located on the eastern side of State highway 1 are on land in the ownership of Land Information New Zealand. They are not within the wet bed of the Waitaki River.</p> <p>The NoR seeks to ensure that any land use activities that could impact on the efficacy of the included assets can be appropriately managed to avoid impacts on human health and safety that are associated with natural hazards. No specific works are proposed to result from this designation, and the conditions that are volunteered will apply to land use only, via the Outline Plan of Works process, specifically maintenance and reconstruction works. Any works affecting water or the bed of the river will be subject to the usual resource consent requirements from the Otago Regional Council.</p> <p>In addition, an existing planting programme is underway that offers an opportunity for the restoration of the area to the east of State highway 1 (which is presently degraded). This planting will provide ecosystem support along the southern side of the Waitaki River.</p>
<p>Cross bank located at the mouth of the Waitaki River</p>	<p>This asset is located within land owned by Land Information New Zealand and is not within the wet bed of the Waitaki River. The site is used for grazing, and also provides access to the mouth of the River. As the cross bank is not within the wet bed, it is not considered to present any threat to the health and well-being of the water body and the freshwater ecosystems it supports.</p> <p>The NoR seeks to ensure that any land use activities that could impact on the efficacy of the included assets can be appropriately managed to avoid impacts on health and safety that are associated with natural hazards, thus effectively managing reverse sensitivity effects. No specific works are proposed to result from this designation, and the conditions that are volunteered will apply to land use only, specifically maintenance and reconstruction works. Any works affecting water or the bed of the</p>

Asset/Location	Relationship with Te Mana o Te Wai
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river will be subject to the usual resource consent requirements from the Otago Regional Council.

Notwithstanding the above, we understand that the public ownership of this site has enabled some ongoing planting and restoration works to occur to further support the ecosystem within and adjoining the Waitaki River at its mouth.

The designation seeks to enable the effective and efficient management of high flows and flood management. The designation ~~of these assets will not impact on the health and wellbeing of the waterbodies affected, nor on~~ provides for the health and safety needs of people ~~associated with protection from natural hazards, but~~ and will enable the community to provide for its social and economic and cultural wellbeing, both now and into the future. ~~The designation is therefore considered to be well aligned with the second and third priorities of the NPSFM.~~

The requiring authority recognises the principles of mana whakahaere, kaitiakitanga and manaakitanga, and power, authority and obligations of tangata whenua in relation to freshwater. The other principles of stewardship, and care and respect, that seek for all New Zealanders to care for freshwater and to manage freshwater in a way that sustains present and future generations, are to be upheld. ~~Engagement undertaken with mana whenua regarding this NoR has not indicated any specific concerns in respect of the assets with regard to these principles. While engagement with mana whenua has not yet occurred, it will commence in early 2022, and the outcomes of that engagement will be incorporated into the NoR when it is lodged with the Waitaki District Council.~~

Policy 3 of the NPSFM seeks to ensure that freshwater is managed in an integrated way that considers the effects of the use and development of land on a whole-of-catchment basis, including the effects on receiving environments. ~~The NoR embodies this principle, as it proposes the management of floodwaters and high flows in an integrated manner. At the time the existing assets were constructed, their effects were not assessed on a whole-of-catchment basis. Any future works on these assets will consider the effects of managing floodwaters and high flows as part of whole of catchment management².~~ The designation is proposed in addition to the ORC's existing Flood Protection and Management Bylaw 2012. ~~This Bylaw provides, providing~~ for the integrated management of the assets whilst

² ~~Any works impacting on river flows will be subject to a regional resource consent process, and will not be affected by the designation of the assets in the Waitaki District Plan.~~

enabling the continued use of the land by property owners and protecting the lower Waitaki area from high flows.

Policy 4 of the NPSFM directs that freshwater is managed as part of New Zealand’s integrated response to climate change. Climate change is resulting in heightened intensities and frequencies of storm events, which results in a greater need for protection from the adverse effects of these events. The proposed designation provides a suitable response to these events, whilst enabling the protection of the community from natural hazards.

Policy 6 seeks to avoid further loss of extent of natural inland wetlands. The proposed designation will not result in any loss of natural wetlands, and thus is consistent with this policy outcome. Similarly, Policy 7 seeks to avoid the loss of river extent. The proposed designation will not impact on the extent of the river, and will serve to ensure that river extent is maintained.

Policies 8-10 relate to the protection of significant values of outstanding water bodies, habitats of indigenous freshwater species and the habitat of trout and salmon respectively. The proposed works will not impact on any of these features; the works are existing, and the lower reaches of the Waitaki River are not classed as outstanding. For similar reasons, no habitat of freshwater species will be impacted. Accordingly, the proposal [fits-aligns](#) well with these policies.

Policy 15 seeks that communities are enabled to provide for their social, economic and cultural wellbeing, consistent with the NPSFM. The proposed designation of the ORC’s flood protection assets on the Lower Waitaki is appropriate within this context, as it provides for the wellbeing of the community, [providing a level of protection of land and assets from flood events](#).

Overall, it is considered that the proposal [generally accords with the outcomes promoted by will be consistent with and not contrary to](#) the objective and policies of the NPSFM. [Whilst the existing assets do not fully reflect the prioritisation set out in the Objective of the NPSFM, due to the purpose of the works to provide for health and safety of the community it is not anticipated that the designation will result in any environmental effects of concern. In addition, any future works can be undertaken in a manner that better reflects the prioritisation set out in that Objective.](#)

New Zealand Coastal Policy Statement

The New Zealand Coastal Policy Statement 2010 (“**NZCPS**”) is also relevant to the consideration of this NoR as it relates to the cross banks located at the mouth of the Waitaki River, as these fall within the coastal marine area (see Figure 1 for clarity as to the extent of the coastal marine area within the mouth of the Waitaki River).

The NZCPS contains two objectives of specific relevance to this NoR:

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Objective 5

To ensure that coastal hazard risks taking account of climate change, are managed by: ...

- protecting or restoring natural defences to coastal hazards.

Objective 6

To enable people and communities to provide for their social, economic, and cultural wellbeing and their health and safety, through subdivision, use, and development, recognising that:

- the protection of the values of the coastal environment does not preclude use and development in appropriate places and forms, and within appropriate limits:...

These objectives reflect the need for the flood protection assets to be maintained, thereby ensuring the continued wellbeing of the community in close proximity to the existing assets, noting in particular the small settlement located at the mouth of the Waitaki River on Kaik Road.

Policies 25 and 26 of the NZCPS are particularly relevant to coastal hazards, and relevantly provide as follows:

Policy 25: Subdivision, use, and development in areas of coastal hazard risk

In areas potentially affected by coastal hazards over at least the next 100 years:

- avoid increasing the risk of social, environmental and economic harm from coastal hazards;...
- discourage hard protection structures and promote the use of alternatives to them, including natural defences; and...

Policy 26: Natural defences against coastal hazards

- Provide where appropriate for the protection, restoration or enhancement of natural defences that protect coastal land uses, or sites of significant biodiversity, cultural or historic heritage or geological value, from coastal hazards.
- Recognise that such natural defences include beaches, estuaries, wetlands, intertidal areas, coastal vegetation, dunes and barrier islands.

The works are not, on balance, entirely consistent with these policies. The NZCPS encourages the relocation of sensitive activities away from areas potentially affected by coastal hazards, and the true right bank of the Waitaki River Mouth is occupied by predominantly rural activities. Notwithstanding this, a small settlement is located approximately 600 metres south/southwest of the area of the Waitaki River mouth that falls within the coastal marine area. The existing interventions in this location provide an ability to manage both the integrity of the Waitaki River mouth, and the natural processes associated with a braided river. Further, these interventions are existing. The proposed

designation of these assets is to enable greater protection to ensure their continued efficacy; aside from ongoing maintenance, no further works are planned for these areas at this time, and should they be proposed at a later date, outline plan consideration will be necessary. As such, while the works are not entirely congruent with the coastal hazard provisions in the NZCPS, their proposed designation does not offend the outcomes it promotes.

Policies 13 and 15 relate to the preservation of natural character and the protection of natural features respectively.

Policy 13: Preservation of Natural Character

1. *To preserve the natural character of the coastal environment and to protect it from inappropriate subdivision, use, and development:..*
 - a. *avoid significant adverse effects and avoid, remedy or mitigate other adverse effects of activities on natural character in all other areas of the coastal environment; including by:..*
2. *Recognise that natural character is not the same as natural features and landscapes or amenity values and may include matters such as:*
 - a. *natural elements, processes and patterns;*
 - b. *biophysical, ecological, geological and geomorphological aspects;*
 - c. *natural landforms such as headlands, peninsulas, cliffs, dunes, wetlands, reefs, freshwater springs and surf breaks;*
 - d. *the natural movement of water and sediment;*
 - e. *the natural darkness of the night sky;*
 - f. *places or areas that are wild or scenic;*
 - g. *a range of natural character from pristine to modified; and*
 - h. *experiential attributes, including the sounds and smell of the sea; and their context or setting.*

Policy 15: Natural features and natural landscapes

To protect the natural features and natural landscapes (including seascapes) of the coastal environment from inappropriate subdivision, use, and development:..

- b. *avoid significant adverse effects and avoid, remedy, or mitigate other adverse effects of activities on other natural features and natural landscapes in the coastal environment; including by:..*

The area of the coastal marine area where the Council's flood protection assets are located is not identified as an area of significant or outstanding natural character. The existing assets are well integrated within the landform and are appropriately vegetated, thus ensuring they fit well with the receiving environment.



While the assets provide an opportunity to manage the natural processes associated with the mouth of the River, they are passive, and do not result in any adverse environmental effects that alter the character of the area. Accordingly, the NoR [aligns well with](#) comfortably within the outcomes promoted by Policies 13 and 15

Finally, Policy 4 deals with the integration of the relevant planning documents and mechanisms with respect to the coastal marine area.

Policy 4: Integration

Provide for the integrated management of natural and physical resources in the coastal environment, and activities that affect the coastal environment. This requires:

- a. *co-ordinated management or control of activities within the coastal environment, and which could cross administrative boundaries, particularly:*
 - i. *the local authority boundary between the coastal marine area and land;*
 - ii. *local authority boundaries within the coastal environment, both within the coastal marine area and on land; and...*
- b. *working collaboratively with other bodies and agencies with responsibilities and functions relevant to resource management, such as where land or waters are held or managed for conservation purposes; and*
- c. *particular consideration of situations where:*
 - i. *subdivision, use, or development and its effects above or below the line of mean high water springs will require, or is likely to result in, associated use or development that crosses the line of mean high water springs; or*
 - ii. *public use and enjoyment of public space in the coastal environment is affected, or is likely to be affected; or*
 - iii. *development or land management practices may be affected by physical changes to the coastal environment or potential inundation from coastal hazards, including as a result of climate change; or...*

The proposed designation is appropriate within the context of this policy. The designation provides a mechanism whereby the management of effects on the Council's flood protection assets located at the mouth of the Waitaki River is provided for via the District Plan, in addition to the existing Bylaw protection of the assets. As such, the NoR is considered consistent with this policy.

On balance, the proposed designation is appropriate within the context of the NZCPS.

National Policy Statement for Electricity Transmission

The National Policy Statement for Electricity Transmission (NPSET) sets out an objective and associated policies to enable the management of the effects of the electricity transmission network under the RMA. It is relevant to this notice of requirement due to the



proximity of high voltage power lines to the Council’s flood protection assets on the eastern side of the Waitaki Bridge.

The objective contained in the NPSET seeks:

To recognise the national significance of the electricity transmission network by facilitating the operation, maintenance and upgrade of the existing transmission network and the establishment of new transmission resources to meet the needs of present and future generations, while:

- *managing the adverse environmental effects of the network; and*
- *managing the adverse effects of other activities on the network.*

Policy 2 complements this objective.

The existing groyne and cross bank on the eastern side of the Waitaki bridge do not impact on the electricity transmission network, as they do not affect the operation, maintenance or upgrading of the existing network. Further, these flood protection assets also provide some protection to Transpower’s infrastructure in this location.

Policy 10 of the NPSET requires the management of activities to avoid reverse sensitivity effects on the electricity transmission network. The groyne and cross bank located beneath the high voltage line at Waitaki Bridge will not result in any reverse sensitivity effects for the electricity transmission network, as it does not introduce any sensitive land use activities into the area.

On this basis, the proposed designation of the Council’s flood protection assets is considered appropriate within the context of the planning framework provided by the NPSET.

REGIONAL POLICY STATEMENT OR PROPOSED REGIONAL POLICY STATEMENT

The Partially Operative Otago Regional Policy Statement 2019

The Otago Regional Policy Statement (**partially operative RPS**) became partially operative on 14 January 2019. The proposed designations are considered in light of the relevant provisions of the partially operative RPS below.

The sites sought to be designated are located within the Otago Region, none of the proposed designations lie beyond the Otago Regional boundary. Of note, Policy 4.3.2 defines nationally and regionally significant infrastructure, and this definition does not extend to include flood protection schemes such as that included in this Notice of Requirement. Accordingly, the NoR has not been assessed against the objectives and policies that relate to regionally and nationally significant infrastructure within the partially operative RPS.

The following relevant provisions from the partially operative RPS are relevant to the NoR:



Policy 3.1.1 Fresh water

Safeguard the life-supporting capacity of fresh water and manage fresh water to: ...

- d) *Maintain or enhance, as far as practicable:*
 - i. *Natural functioning of rivers, lakes, and wetlands, their riparian margins, and aquifers;*
 - ii. *Coastal values supported by fresh water;*
 - iii. *The habitat of trout and salmon unless detrimental to indigenous biological diversity; and*
 - iv. *Amenity and landscape values of rivers, lakes, and wetlands;...*
- f) *Avoid, remedy or mitigate the adverse effects of natural hazards, including flooding and erosion; and, ...*

Policy 3.1.2 Beds of rivers, lakes, wetlands, and their margins

Manage the beds of rivers, lakes, wetlands, their margins, and riparian vegetation to:

- a) *Safeguard the life supporting capacity of fresh water; ...*
- c) *Maintain or enhance bank stability; ...*
- e) *Maintain or enhance, as far as practicable:*
 - i. *Their natural functioning and character; and*
 - ii. *Amenity values; ...*
- g) *Avoid, remedy or mitigate the adverse effects of natural hazards, including flooding and erosion.*

~~As set out in the assessment of effects below, the proposed NoR does not impact on the life-supporting capacity of freshwater.~~ The flood protection structures and mechanisms that are the subject of this NoR seek to enable the management of natural hazard events and provide protection for both regionally and nationally significant infrastructure (such as the road and rail network), and for the Lower Waitaki community. The flood protection assets maintain coastal, amenity and landscape values, and do not impact on the habitat of trout and salmon. ~~While t~~The interventions ~~do not~~ diminish the natural functioning of rivers lakes and wetlands, ~~they also protect communities, rural activities, and regionally significant infrastructure from flood events.~~ ~~On that basis, the proposed NoR achieves the outcomes sought via Policy 3.1.2 and not considered to be contrary to the outcomes sought via Policy 3.1.1, rather seek to manage these within the confines of their natural courses.~~

Chapter 4.1 of the partially operative RPS deals with natural hazards

Objective 4.1 *Risks that natural hazards pose to Otago's communities are minimised.*

The proposed designation of the existing flood protection assets will enable greater protection for those assets, in turn resulting in greater surety of their efficacy when they are required. Accordingly, the NoR will support the minimisation of the risk posed to the community by natural hazards.

Policy 4.1.3 Natural hazard consequence

Assess the consequences of natural hazard events, by considering all of the following:

- a) *The nature of activities in the area;*
- b) *Individual and community vulnerability;*
- c) *Impacts on individual and community health and safety;*
- d) *Impacts on social, cultural and economic wellbeing;*
- e) *Impacts on infrastructure and property, including access and services;*
- f) *Risk reduction and hazard mitigation measures;*
- g) *Lifeline utilities, essential and emergency services, and their codependence;*
- h) *Implications for civil defence agencies and emergency services;*
- i) *Cumulative effects;*
- j) *Factors that may exacerbate a hazard event.*

Policy 4.1.5 Natural hazard risk

Manage natural hazard risk to people, property and communities, with particular regard to all of the following:

- a) *The risk posed, considering the likelihood and consequences of natural hazard events;*
- b) *The implications of residual risk;*
- c) *The community's tolerance of that risk, now and in the future, including the community's ability and willingness to prepare for and adapt to that risk, and respond to an event;*
- d) *Sensitivity of activities to risk;*
- e) *The need to encourage system resilience;*
- f) *The social costs of recovery.*

The Council has considered the consequences of flooding in the Lower Waitaki area and notes the potential impacts of land use activities on the Council's existing flood protection infrastructure in this area. The nature of the affected area includes primarily rural activities with associated fencing, yards, farm buildings and dwellings. In addition, the area includes State highways 1 and 83, a high voltage power line, and the South Island main south railway line, thus providing an important link between South Canterbury and Otago/Southland. Less typical activities within the wider area include a large commercial quarry, a restaurant with associated shops, visitors' accommodation and a hotel, Oamaru



airport, a freezing works, Waitaki Bridge village, and a number of other small named settlements, which typically include only a hall or a school.

The nature of these activities, combined with the topographical nature of the area is such that it is an area susceptible to natural hazards (floods). Any significant floods that occur in this area can result in lifeline utilities being affected, which in turn has significant potential impacts on civil defence agencies and emergency services, both locally and more regionally. The use of a designation to ensure an additional layer of protection for the existing flood management assets provides a suitable remediation of this potential effect.

Policy 4.1.6 Minimising increase in natural hazard risk

Minimise natural hazard risk to people, communities, property and other aspects of the environment by:

- a) *Avoiding activities that result in significant risk from natural hazard;*
- b) *Enabling activities that result in no or low residual risk from natural hazard;...*

Policy 4.1.7 Reducing existing natural hazard risk

Reduce existing natural hazard risk to people and communities, including by all of the following:

- a) *Encouraging activities that:*
 - i. *Reduce risk; or*
 - ii. *Reduce community vulnerability;*
- b) *Discouraging activities that:*
 - i. *Increase risk; or*
 - ii. *Increase community vulnerability; ...*
- e) *Relocating lifeline utilities, and facilities for essential and emergency service, to areas of reduced risk, where appropriate and practicable;*
- f) *Enabling development, upgrade, maintenance and operation of lifeline utilities and facilities for essential and emergency services;*
- g) *Reassessing natural hazard risk to people and communities, and community tolerance of that risk, following significant natural hazard events.*

As set out above, the NoR provides an additional layer of protection to ensure that the efficacy of the Council's existing flood hazard assets is maintained. Presently, these assets are protected only via the [recently reviewed Flood Protection Management Bylaw 2022-2 \(which is scheduled for review in 2022\)](#). The proposed designation will thus enable the ORC to [avoid-manage](#) activities that are susceptible to flooding within the designated areas, while continuing to enable low impact activities alongside the Council's existing assets.



Policy 4.1.9 Protecting features and systems that provide hazard mitigation

Avoid, remedy or mitigate adverse effects on natural or modified features and systems, that contribute to mitigating the effects of both natural hazards and climate change

The proposed approach and NoR enables the avoidance, remediation or mitigation of flooding effects on the Council’s flood protection assets, which contribute to the management of flood risk on the Lower Waitaki Plain.

Policy 4.1.13 Hazard mitigation measures, lifeline utilities, and essential and emergency services

Protect the functional needs of hazard mitigation measures, lifeline utilities, and essential or emergency services, including by all of the following:

- a) Restricting the establishment of other activities that may result in reverse sensitivity effects on those measures, utilities or services;*
- b) Avoiding significant adverse effects on those measures, utilities or services;*
- c) Avoiding, remedying or mitigating other adverse effects on those measures, utilities or services;*
- d) Maintaining access to those measures, utilities or services for maintenance and operational purposes;*
- e) Managing other activities in a way that does not restrict the ability of those mitigation measures, utilities or services to continue functioning.*

The NoR provides protection for the functional needs of the flood hazard mitigation assets located across the Lower Waitaki plain. The designation of these assets will provide the ORC with greater visibility of any activities that could impact on the effectiveness of these assets, and provide an opportunity for the Council to avoid, remedy or mitigate the adverse effects of activities, whilst enabling the continuation of activities that do not adversely affect the efficacy of the assets.

On the basis of the assessment above, the NoR is considered to fit comfortably with the objectives and policies relating to natural hazards from the partially operative RPS.

The objective and policies of section 4.3 of the partially operative RPS relate to the management and development of infrastructure. Although not considered regionally significant infrastructure, the flood protection assets are considered to fall within the more general infrastructure definition, and accordingly the objectives and policies are relevant to the consideration of the NoR.

Objective 4.3

Infrastructure is managed and developed in a sustainable way.

Policy 4.3.1 Managing infrastructure activities

Recognise and provide for infrastructure by all of the following:



- a) *Protecting and providing for the functional needs of lifeline utilities and essential or emergency services;*
- b) *Increasing the ability of communities to respond and adapt to emergencies, and disruptive or natural hazard events;*
- c) *Improving efficiency of natural and physical resource use;*
- d) *Minimising adverse effects on existing land uses, and natural and physical resources;*
- e) *Managing other activities to ensure the functional needs of infrastructure are not compromised.*

This notice of requirement will allow for the sustainable management and development of the ORC’s flood protection assets and infrastructure in a manner that complements both the existing planning framework, and the existing activities already undertaken in the vicinity of the Council’s assets. Overall, as this approach enables control over land use activities undertaken within the designation while enabling complementary activities to occur, it is consistent with Objective 4.3 and Policy 4.3.1.

The designation of the Council’s flood protection assets in the Lower Waitaki will provide an appropriate planning framework to ensure that they continue to provide the flood mitigation required for the locality, including lifeline utilities. The designation of the assets make it clear to neighbours, property owners, and the Council what activity can be expected to occur within that area; and will also assist with protecting the existing assets from future incompatible development.

On this basis, the NoR is considered to be generally consistent with the relevant provisions of the partially operative RPS.

The Proposed Otago Regional Policy Statement 2021

The Proposed Otago Regional Policy Statement 2021 (“**PORPS21**”) was notified on 26 June 2021. At the time of preparation, submissions and further submissions have been invited, however hearings have not yet been held. The following PORPS21 provisions in italics are considered relevant to this NOR and are assessed below in plain text.

In contrast to the partially operative RPS, the PORPS21 identifies flood protection infrastructure as regionally significant infrastructure, as follows:

Regionally significant infrastructure means:...

- (12) *Otago Regional Council’s hazard mitigation works including flood protection infrastructure and drainage schemes.*

The assessment of the relevant objectives and policies of the PORPS21 below is on the basis that the flood protection assets located on the Lower Waitaki are therefore deemed regionally significant infrastructure.



The Energy, Infrastructure and Transport section of the PORPS21 includes the objectives and policies of greatest relevance to the NoR.

Objectives

EIT-INF-04 – Provision of infrastructure

Effective, efficient and resilient infrastructure enables the people and communities of Otago to provide for their social and cultural well-being, their health and safety, and supports sustainable economic development and growth within the region within environmental limits.

EIT-INF-05 – Integration

Development of nationally and regionally significant infrastructure, as well as land use change, occurs in a co-ordinated manner to minimise adverse effects on the environment and increase efficiency in the delivery, operation and use of the infrastructure.

The Council's existing flood protection assets on the Lower Waitaki provide an effective and efficient means to manage natural hazards which in turn provides for the social and cultural well-being, and for the health and safety of the community. The NoR offers a coordinated solution to ensure the continued efficiency of the Council's flood protection assets, and to enable the continued use of land in the vicinity of the Council's assets in a manner that does not impact on the effectiveness of those assets. The proposed NoR fits comfortably within this policy framework.

Policies

EIT-INF-P10 – Recognising resource requirements

Decision making on the allocation or use of natural and physical resources must take into account the needs of nationally and regionally significant infrastructure.

The proposed NoR is consistent with this policy. The designation of the ORC's flood protection assets on the Lower Waitaki clearly identifies these assets to property owners and the wider community. It will in turn specifically identify those areas where particular care is required in undertaking land uses, and will thus serve to take into account the regionally significant infrastructure that is the Council's flood protection assets.

EIT-INF-P11 – Operation and maintenance

...allow for the operation and maintenance of existing nationally and regionally significant infrastructure while:

- (1) avoiding, as the first priority, significant adverse effects on the environment, and*
- (2) if avoidance is not practicable, and for other adverse effects, minimising adverse effects.*



As indicated in respect of EIT-INF-P10 above, the proposed approach enables the active management and avoidance of significant adverse effects of land use activities on this regionally significant infrastructure.

EIT-INF-P12– Upgrades and development

Provide for upgrades to, and development of, nationally or regionally significant infrastructure while ensuring that:

- (1) *infrastructure is designed and located, as far as practicable, to maintain functionality during and after natural hazard events,*
- (2) *it is, as far as practicable, co-ordinated with long-term land use planning, and*
- (3) *increases efficiency in the delivery, operation or use of the infrastructure.*

The NoR does not seek provision for any specific upgrading or development of the existing regionally significant infrastructure, aside from regular maintenance activities. Notwithstanding this, the designation of the infrastructure at this time provides better opportunities for long term planning associated with the land use activities in proximity to the flood protection assets on the Lower Waitaki. In turn, this provides for greater reliance on the ability of the Council’s assets to effectively mitigate the effects of flood events. Accordingly, the proposed designation of these works is consistent with this policy.

EIT-INF-P13– Locating and managing effects of infrastructure

When providing for new infrastructure outside the coastal environment:

- (1) *avoid, as the first priority, locating infrastructure in all of the following:*
 - (a) *significant natural areas,*
 - (b) *outstanding natural features and landscapes,*
 - (c) *natural wetlands,*
 - (d) *outstanding water bodies,*
 - (e) *areas of high or outstanding natural character,*
 - (f) *areas or places of significant or outstanding historic heritage,*
 - (g) *wāhi tapu, wāhi taoka, and areas with protected customary rights, and*
 - (h) *areas of high recreational and high amenity value...*

The existing infrastructure and flood protection assets are not located within any of the areas identified in EIT-INF-P13 (1). While the Waitaki River is a statutory acknowledgment under the Ngai Tahu Claims Settlement Act 1998, this matter is not identified as being of any specific relevance in respect of this policy. Some of the Council’s existing assets along the Waitaki River are located within the Rural Scenic Zone in the operative Waitaki District Plan, however the zone alone does not confer any outstanding status on this landscape. The defined regionally significant wetland at Te Hua Taki wetland (located at the north western end of Gibson Road) is not included in the proposed designation.

EIT-INF-P15 – Protecting nationally or regionally significant infrastructure

Seek to avoid the establishment of activities that may result in reverse sensitivity effects on nationally or regionally significant infrastructure, and/or where they may compromise the functional or operational needs of nationally or regionally significant infrastructure.

This policy is at the heart of the Council’s NoR for this infrastructure. By designating its flood protection assets, the Council is seeking to ensure that the establishment of activities that may result in reverse sensitivity effects are avoided, and that the integrity of the Council’s flood protection assets is maintained. The proposal directly accords with this outcome.

Objective

HAZ-NH-O1 – Natural hazards

Levels of risk to people, communities and property from natural hazards within Otago do not exceed a tolerable level.

HAZ-NH-O2 – Adaption

Otago’s people, property and communities are prepared for and able to adapt to the effects of natural hazards, including climate change.

These objectives and their associated policies provide support for the proposed designation of the Council’s flood protection assets within the Lower Waitaki. The assets are required to ensure that risk is appropriately managed, and to support resilience to climate change events.

HAZ-NH-P4 – Existing activities

Reduce existing natural hazard risk by:

- (1) *encouraging activities that reduce risk, or reduce community vulnerability,*
- (2) *restricting activities that increase risk, or increase community vulnerability,*
- (3) *managing existing land uses within areas of significant risk to people and communities,*
- (4) *encouraging design that facilitates:*
 - (a) *recovery from natural hazard events, or*
 - (b) *relocation to areas of acceptable risk, or*
 - (c) *reduction of risk,*
- (5) *relocating lifeline utilities, and facilities for essential and emergency services, away from areas of significant risk, where appropriate and practicable, and*
- (6) *enabling development, upgrade, maintenance and operation of lifeline utilities and facilities for essential and emergency services.*

In addition to this, objectives HCV-WT-O1– P2 and policies HCV-WT-P1– P2 seek to ensure the protection of Kāi Tahu cultural landscapes, the recognition of rakatirataka of mana whenua over wāhi tupuna, and the ability of mana whenua to exercise kaitiakitaka within those areas. On the basis of publicly available information, the proposed designation does not include these areas, and thus will not adversely affect wāhi tupuna and their cultural values, nor the rakatirataka and kaitiakitaka of mana whenua. This ~~has been will be~~ confirmed via the consultation that ~~has occurred prior to the lodgement of the NoR occurs~~. ~~On the basis of the currently available information, it~~ is considered that the proposal ~~fits comfortably aligns~~ with the policy framework applicable to heritage and cultural values.

Objective LF-WAI-O1 – Te Mana o te Wai

The mauri of Otago's water bodies and their health and well-being is protected, and restored where it is degraded, and the management of land and water recognises and reflects that:

- (1) *water is the foundation and source of all life – na te wai ko te hauora o ngā mea katoa,*
- (2) *there is an integral kinship relationship between water and Kāi Tahu whānui, and this relationship endures through time, connecting past, present and future,*
- (3) *each water body has a unique whakapapa and characteristics,*
- (4) *water and land have a connectedness that supports and perpetuates life, and*
- (5) *Kāi Tahu exercise rakatirataka, manaakitaka and their kaitiakitaka duty of care and attention over wai and all the life it supports.*

As set out above, the ~~proposal is~~ existing flood protection structures are not well aligned with the principle of Te Mana o te Wai, because it disrupts natural connections and alters the natural form and function of the waterways. Any future outline plan of works will better recognise the health and well-being of water bodies and freshwater ecosystems, and better give effect to ~~considered to sit comfortably within the principle of~~ Te Mana o te Wai. The relationship of Kāi Tahu with the water is recognised in that consultation and engagement with mana whenua ~~will occur~~ has occurred, and accordingly they will be able to exercise their functions in accordance with (5).

Policy LF-WAI-P1 – Prioritisation

In all management of fresh water in Otago, prioritise:

- (1) *first, the health and well-being of water bodies and freshwater ecosystems, te hauora o te wai and te hauora o te taiao, and the exercise of mana whenua to uphold these;*



- (2) — second, the health and well-being needs of people, te hauora o te tangata; interacting with water through ingestion (such as drinking water and consuming harvested resources) and immersive activities (such as harvesting resources and bathing), and*
- (3) — third, the ability of people and communities to provide for their social, economic, and cultural wellbeing, now and in the future.*

This NoR is consistent with this Objective for the same reasons as outlined above for Objective 1 of the NPSFM 2020. Policy LF-WAI-P1 reflects the provisions of Objective 1 of the NPSFM 2020. Whilst the existing assets do not fully reflect the prioritisation set out in this Policy, due to the purpose of the works to provide for health and safety of the community it is not anticipated that the designation will result in any environmental effects of concern. In addition, any future works can be undertaken in a manner that better reflects the prioritisation set out in that Objective.

On the basis of this assessment, the NoR is considered to be broadly consistent with most of the relevant provisions of the PORPS21.

PLANS OR PROPOSED PLANS

Regional Plans

The provisions of the Otago Regional Plans provide a part of the statutory framework applicable to this Notice of Requirement. In this instance, the provisions of the Regional Plan: Water for Otago, and the Regional Plan: Coast for Otago contain provisions that are directly relevant.

Regional Plan: Water for Otago

The Regional Plan: Water for Otago (the RPW or the Water Plan) is relevant to the NoR as it provides the policy framework for the Regional Council's approach to water management.

Under the RPW, the true right bank of the lower reaches of the Waitaki River is subject to the following scheduled and mapped areas:

- The Lower Waitaki Plains Aquifer is valued for human consumption without treatment and stock drinking water supply and farm dairy water (Schedule 3A).
- Group 2 for receiving water numerical limits and targets for achieving good quality water (Schedule 15).
- Discharge Threshold Area 2 Catchments – Permitted activity thresholds for water quality by discharge threshold area (Schedule 16A).

These values are not of direct relevance to the proposed designation of the ORC's flood protection assets on the Lower Waitaki Plains.



Most relevantly, Objective 5.3.8, from Chapter 5 of the RPW (relating to Natural and Human Use Values of Lakes and Rivers), seeks to avoid the exacerbation of any natural hazard or the creation of a hazard associated with Otago’s rivers. The NoR will enable the effective management of an existing hazard associated with the Lower Waitaki Plains area. The proposed designation sits comfortably within this policy outcome.

The following objectives and associated policies also from Chapter 5 of the Water Plan are relevant to the consideration of the NoR:

- Objective 5.3.3 seeks to protect the natural character of Otago’s rivers and their margins from inappropriate subdivision, use and development.
- Objective 5.3.4 seeks to maintain or enhance the amenity values associated with Otago’s rivers and their margins.
- Objective 5.3.5 seeks to maintain or enhance public access to and along the margins of Otago’s rivers.
- Objective 5.3.6 provides for the sustainable use and development of Otago’s water bodies, and the beds and margins of Otago’s rivers.

The proposed designation of the Council’s assets across the Lower Waitaki will not result in adverse effects on natural character, and will maintain amenity values along the Lower Waitaki River. Public access to and along the margins of the river will be unchanged. The implementation of this NoR will continue to provide for the protection of the existing rural land use activities in the area from inappropriate activities, and thus provides directly for the sustainable use and development of the existing rural area. Accordingly, the proposal is consistent with the objectives and policies contained in Chapter 5 of the Water Plan.

Chapter 8 of the Water Plan relates to the beds and margins of lakes and rivers. This section of the Water Plan contains two objectives (and associated policies) that are particularly pertinent to the NoR.

Objective 8.3.1 seeks to maintain the stability of the bed and bank of any river, and the flood and sediment carrying capacity of any river. The existing flood protection assets have been designed specifically to ensure that bank stability and flood carrying capacity is available, while mitigating the effects of flood water and high flows. On this basis, the proposed designation is considered to be consistent with the outcomes promoted by this objective and the associated policies.

Objective 8.3.3 (and the relevant associated policies) seeks to maintain the integrity of existing defences against water. The proposed designation of the existing flood protection assets along the Lower Waitaki River accords with this approach. The designation will provide an additional layer of protection for the existing assets, and will thus maintain their integrity. No additional works are proposed, and thus any disturbance will be avoided.

Chapter 10 of the RPW relates to wetlands, and objective 10.3.2 seeks to recognise and sustain the values and uses of Otago’s Regionally Significant Wetlands, along with the wetlands themselves. Despite the Te-Hua-Taki wetland (a Regionally Significant Wetland) being located in close proximity to the Waitaki River, none of the assets included in this NoR adjoin the Wetland. Accordingly, the setback achieved between the Council’s assets and the wetland is such that no impacts will result, and the proposal is thus considered acceptable within the context of this section of the Water Plan.

Overall, the proposed designation of the Council’s flood protection assets on the Lower Waitaki Plain is consistent with and supported by the policy framework contained in the RPW.

Regional Plan: Coast for Otago

The Regional Plan: Coast for Otago (the RPC or the Coastal Plan) is relevant to the designation of the works located at the mouth of the Waitaki River. Schedule 1-1 of the Coastal Plan contains maps that delineate where the boundary of the coastal marine area lies with respect of river mouths, and figure 1 below demonstrates the location of the boundary at the Waitaki River Mouth. As a result of this definition, a cross bank is located within the coastal marine area, to which the RPC applies.

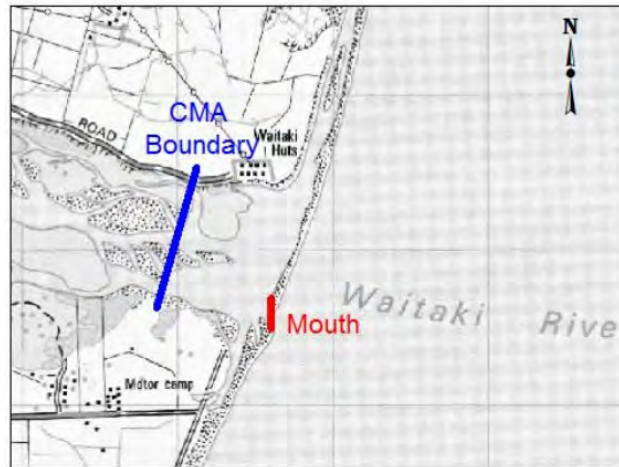


Figure 1: Location of the coastal marine area boundary at the Waitaki River mouth.

Objective 5.3.1 of the RPC seeks to provide for the use and development of the coastal marine area while maintaining its natural character, outstanding natural features and landscapes, and its ecosystem, amenity and historical values. The cross bank has been long established, and is therefore imperceptible within this coastal environment. The braided nature of the Waitaki River is such that the cross bank is not readily identifiable,



and accordingly it will not impact on the character, amenity, landscape ecosystem or historical values. As such it is considered that the cross bank is appropriate within the context of this objective and its associated policies.

Objective 6.3.1 and its associated policies are focussed on avoiding, remedying or mitigating the adverse effects of activities crossing the boundary line of mean high water springs. The proposed designation will not impact on the key considerations of natural coastal processes, landscapes and landforms and coastal ecosystems. As such it is considered that the NoR is consistent with the outcomes sought in this section of the Coastal Plan.

It is relevant to note that Policy 6.4.4 provides as follows:

*To recognise the following coastal hazard areas, as identified in Schedule 3.3:
CHA 1 Waitaki River- Oamaru...*

While this policy does not specify an outcome, it does clearly indicate that the natural hazard characteristics within this area have been recognised by the RPC.

Policy 6.4.6 provides as follows:

To recognise the action of natural physical coastal processes within the coastal marine area which could have the potential for adverse effects on adjacent land.

The NoR is consistent with this policy, as it provides mitigation for the natural processes that occur within the coastal marine area and protects the ORC's existing interventions within this area. The Council's assets will in turn protect the adjacent land from adverse effects associated with flooding. Accordingly, the NoR is considered to be consistent with this policy outcome.

The objectives and policies found in sections 7.3 and 7.4 of the Coastal Plan seek to address continued public access to and along the coastal marine area, while recognising that some activities require occupation of this area. The existing works provide for continued safe access to and along the coastal marine area located at the mouth of the Waitaki River. The designation of these works will have no impact on the ability to access the coastal marine area in this location. The NoR is considered to be consistent with the outcomes sought by this chapter of the Coastal Plan.

Chapter 9 of the Coastal Plan deals with alteration of the foreshore and seabed in the coastal marine area. The objectives and policies of that section are directed towards the preservation of the natural character of the coastal marine area, while taking natural processes that alter the foreshore and seabed into account. They also seek to restrict the disturbance of the foreshore and seabed to those activities that require coastal location. The cross bank is appropriate within the context of these policies, as it is necessary within the coastal marine area to enable its functionality. Additionally, as identified above, and



further discussed below, the Council’s assets fit appropriately within the context of the environment, and thus do not adversely impact upon natural character. On this basis, the NoR is considered to be consistent with the objectives and policies of this section.

The objectives and policies of the Coastal Plan as it relates to the taking, use, damming or diversion of coastal water are also relevant to the NoR. The Coastal Plan contains a single objective, which enables these activities while protecting values associated with estuaries, inlets, harbours and embayments. In this instance, any diversion that results from the cross bank does not impact on estuaries, inlets, harbours or embayments, and as such the proposed designation is considered to be consistent with the objective and policies contained within this section of the Coastal Plan.

Objective 14.3.1 requires that the potential adverse effects of natural hazards within and adjacent to the Otago coastal marine area are taken into account in considering the use, development or protection of the area. This NoR seeks to designate existing hazard mitigation assets located within the coastal marine area to provide protection to adjoining land. The proposed designation is therefore considered to accord with the requirements of Chapter 14 of the Coastal Plan.

The proposal to designate the cross bank that is located within the Waitaki River mouth is considered to fit appropriately within the provisions of the Coastal Plan. As such, the proposal is considered consistent with the outcomes promoted by that Plan.

Waitaki District Plan

The Waitaki District Plan (“**District Plan**”) was made operative on 31 May 2010.

This section includes district wide objectives and policies, which apply to all components of the NoR, and zone-specific objectives and policies, which apply to the Rural General and Rural Scenic zones respectively. In broad terms, the provisions of the Rural General Zone apply to the existing floodways, and the Rural Scenic provisions relate to the flood protection assets along the Waitaki River. Some additional annotations are also relevant to this NoR, including Appendix C(1) which identifies the Lower Waitaki River as an area of conservation merit (but which also notes that such areas do not have any formal legal protection under the District Plan). The description for this annotation is as follows:

Lower Waitaki River Important braided river and back-water habitat for a large range of native bird species. Also contains smaller stony river terrace areas of native flora and high entomological values. Rivermouth wetlands, including saltmarsh vegetation are important as feeding and breeding sites for both native fish and birds.

Part II Chapter 1 of the District Plan deals with tangata whenua issues. Objective B of the chapter (and its associated policies) seeks to protect and enhance wāhi tapu, wāhi taoka, cultural property and mahinga kai. This NoR is consistent with this outcome, as it



recognises Kāi Tahu as kaitiaki over the Otago area. Engagement with mana whenua ~~will commence in early~~ commenced in mid 2022, and the outcomes of the ~~at~~ engagement ~~have been~~ will be incorporated into the NoR ~~that is lodged~~. ~~On the basis of the detail available at the time of preparation of this NoR,~~ †The requirement does not appear to extend over any ~~wāhi tupuna~~, wāhi taoka, cultural property or mahinga kai areas. ~~This will be confirmed via engagement with mana whenua.~~

Part II Chapter 4 of the District Plan deals with natural hazards. Objective 4.2.1 seeks to:

Avoid loss of life, and avoid or mitigate damage to assets, infrastructure, natural and physical resources, or disruption to the District's community, from natural hazards.

The proposed NoR accords with this objective, as it provides a further layer of protection to the ORC's flood protection assets. In turn, the integrity of these assets will be maintained, enabling them to function as designed in high flow and flood events. As a result, it is anticipated that lifelines such as the transport network and power supply through the Lower Waitaki will be protected, and any flood damage minimised.

The relevant policies associated with this objective include:

- Informing the community of the potential risk of natural hazards (Policy 4.2.2.1)
- Ensuring that development is carried out in a manner that avoid or mitigates the adverse effects of natural hazards (Policy 4.2.2.3)
- Recognise that existing protection works may require continuing maintenance to protect existing assets (Policy 4.2.2.6)

The ORC ~~has~~ will undertake n consultation with the directly affected community in conjunction with this NoR, ~~to~~ thus ~~provide~~ ing information as to the risk of natural hazards in the Lower Waitaki. The implementation of the NoR will ensure that development that occurs within the designated area will be carried out in a manner that avoids or mitigates the effects of natural hazards, given that the approval of the ORC will be required for any works that could prevent or hinder the flood protection assets, in addition to the existing bylaw controls. Further, the NoR will enable the ORC to undertake maintenance of its flood protection assets on the Lower Waitaki plain. As such, the proposed designation is considered complementary to the objectives and policies of the Natural Hazards section of the District Plan.

Part II Chapter 10 of the District Plan relates to Utilities. The ORC's flood protection assets fit within the definition of Utilities that is included in the District Plan:

h) structures, facilities, plant, equipment and associated works for the protection of the community from natural hazards;

Designations are a planning tool available for utility operators as they provide an essential service. The designation of the ORC's flood protection assets appropriately recognises



that they provide an essential service, and by designating this activity, the requiring authority is able to continue to provide this service in the most efficient and effective manner.

Objective 10.2.2.1 and its associated policies seek to avoid remedy or mitigate adverse effects on amenity values and the surrounding environment from the construction, installation, operation and maintenance of utilities. The ORC's existing flood protection assets do not impact on amenity values and the surrounding environment. As set out in the Assessment of Effects below, the existing assets sit comfortably within the existing environment. The floodways appear either as a creek bed or depression in the land, and are accordingly appropriate within the rural environment. The groynes and cross banks are largely within the Waitaki River bed, and cannot be readily discerned from natural landform and plantings. Should any maintenance or repair work be required to these assets, it is anticipated that conditions will control the visual and amenity outcomes of the works. The details of any works to be undertaken will be subject to the outline plan process which requires that any methods necessary to avoid, remedy or mitigate adverse effects on the environment are considered, where appropriate. On this basis, it is considered that the flood protection assets do not and will not result in adverse visual or amenity effects, and are accordingly consistent with this objective and the associated policies.

Objective 10.3.2.2 provides for the efficient and equitable establishment use and maintenance of utilities necessary for the well-being of the community. As set out above, the ORC's flood protection assets provide significant benefit to the community in periods of high and flood flows. Accordingly, they are considered necessary for the wellbeing of the community.

Part II Chapter 16 sets out the objectives and policies relating to the Rural General and Rural Scenic Zones. In large part, the floodways that are included in this NoR are within the Rural General Zone, and the other flood protection assets along the Waitaki River are within the Rural Scenic Zone.

Objective 16.2.2.1 seeks to retain the productive potential of the high class soils located within the Plains area. The District Plan maps provide guidance as to where these areas are located, and some of the ORC's flood protection assets are located within areas where high class soils are found, as shown in Figures 2 and 3 below.

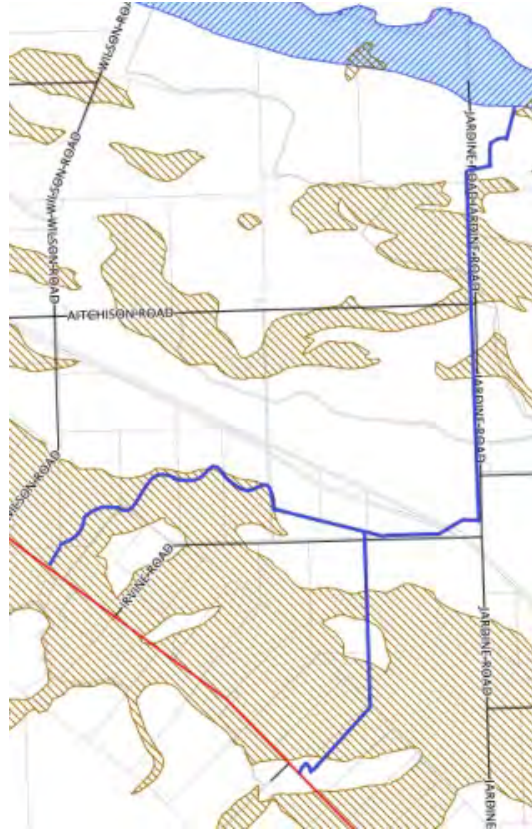


Figure 2: Showing approximate location of Waikoura and Henderson Creeks Floodway (in dark blue) in relation to areas of high class soils that are mapped within the District Plan



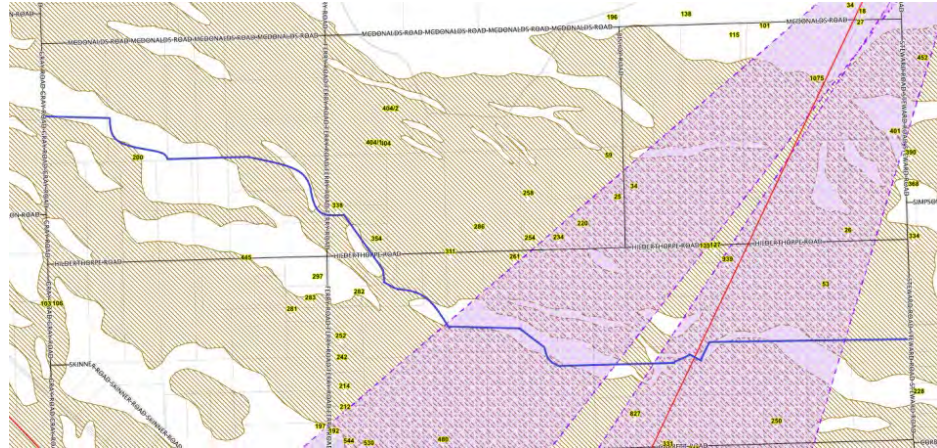


Figure 3: Showing approximate location of Hilderthorpe Floodway (in dark blue) in relation to areas of high class soils that are mapped within the District Plan

While these floodways cross portions of the high class soils on the Lower Waitaki plains, because they are existing, the proposed designation will not decrease the availability of these soils for productive activities. Much of the Henderson and Waikoura Creeks Floodway is creek bed, and is thus not available for productive farming activities. Along with the portions of that floodway that are not within creek bed, the Hilderthorpe floodway is available for farming activities when not required for high or flood flows. Additionally, the presence of the floodway and the proposed designation will restrict the ability to subdivide these properties for intensive residential purposes, and limit the potential for the establishment of hard surfaces within the floodway. On this basis it is considered that the NoR is consistent with the outcomes sought with regard to high class soils.

Objective 16.5.14 promotes a level of rural amenity that is consistent with the range of activities anticipated in the rural areas, but which does not create unacceptably unpleasant living or working conditions, nor a significant deterioration of the quality of the rural environment. Policy 16.5.2.4 applies specifically to the Rural General Zone, and seeks to encourage a wide range of rural land use and land management practices in the zone, without increasing the potential for conflict or the loss of rural amenity. The passive works that comprise the ORC's flood protection assets will not result in any challenge to the existing high level of rural amenity in the area. As set out above, the works are visually unobtrusive and are not readily discernible within this environment. In particular, the groyne and cross banks within the Rural Scenic Zone fit comfortably within its environment, as identified in the assessment of environmental effects below. Within the Rural General Zone, the floodways are visible, however do not result in any adverse visual or amenity effects, instead resembling a creek bed or depression in the topography across



the Plains. On this basis, the NoR is considered to fit comfortably within the applicable objectives and policies of the Plan.

The Rural section of the Plan also sets out specific objectives and policies that relate to landscape. The overarching objective provides for the management of development so that areas of landscape significance are protected, and that the overall landscape qualities of the Rural Scenic Zone are retained. None of the sites upon which the Council's flood protection assets are located are identified as outstanding or significant, and accordingly the NoR must be considered in light of whether the designation will prevent the retention of the overall landscape qualities of the zone.

As set out above, and within the Assessment of Environmental Effects, the visual effects of the groynes and cross banks within the Rural Scenic Zone will be less than minor. The existing works are not readily discernible within the receiving environment. Those assets that are within the coastal marine area at the mouth of the Waitaki River are similarly difficult to distinguish, within a highly active river bed. Should any maintenance or repair work be required to these assets, it is anticipated that conditions will control the landscape outcomes of the works, and the details of any works to be undertaken will be subject to the outline plan process which requires that any methods necessary to avoid, remedy or mitigate adverse effects on the environment are considered, where appropriate.

On this basis, it is considered that the existing flood protection assets do not result in adverse landscape effects, and any future works will be appropriately managed via the outline plan of works process. Accordingly consistent with this objective and the associated policies.

Policy 16.8.3.6 also requires that a number of sub-policies are considered in determining development applications. Those relevant to the Council's flood protection assets include:

- f) *Earthworks are encouraged to be located away from visually sensitive areas, and where practicable towards the edges of the landform and vegetation patterns;*
- g) *Earthworks should not compromise any rare or distinctive geological outcrops or any other values associated with an identified outstanding or significant natural feature;*
- h) *Earthworks, where possible, should be restored and finished to a contour sympathetic to the surrounding physiography and should also, where possible, be revegetated with a cover appropriate to the site and setting;*

The earthworks associated with the establishment of the Council's assets are complete, and the resulting landform has been vegetated in a manner consistent with its surrounding environment. As the works are not located within any outstanding or significant landscape or feature, they do not compromise any landscape values. Similarly, where revegetation has occurred, trees selected have not had wilding potential. Should further works be



proposed in the future, they will require consideration through the outline plan process, whereby their effects on the environment will be considered, and the Council would anticipate a condition regarding the finish of any earthworks to be imposed. On this basis, the proposed designation of the existing works is considered to be consistent with the outcomes advanced by these sub-policies.

In addition to the above considerations, the NoR will not impact on biodiversity on the Lower Waitaki Plains. The assets are not located in areas that are identified as having significant indigenous flora or significant habitats of indigenous fauna, and will not impact on wetland areas. The areas covered by the NoR do not include wetlands, alpine areas or any other areas with known conservation values. The work undertaken to date, which is now the subject of this NoR, maintains and enhances the quality of the coastal environment and the margins of the Waitaki River. It is therefore considered that the proposal is consistent with Objectives 16.9.2.1-2 and the associated policies of the District Plan.

Other designations

For completeness, it is appropriate to also record other existing designations in the vicinity of the NoR.

Table 2: Other existing designations in the vicinity of the NoR

District Plan Ref	Requiring Authority	Purpose	Impact on this NoR
None	Transit New Zealand, now Waka Kotahi NZ Transport Agency	State highway 1	None
None		State highway 83	None
None	New Zealand Railways Corporation	Main South Railway	None
None	Waitaki District Council	Roading Purposes	None
62	Telecom NZ Limited	Hilderthorpe Exchange, telecommunication and radiocommunication and ancillary purposes	None

While the District Plan Maps identify the high voltage power lines that run to the east of Waitaki Bridge, they are not formally designated.



Waka Kotahi has advised as follows:

All State Highways (SH 1, 8, 83 and 85) within the Waitaki District are designated under the Waitaki District Plan. The Designation provides for Waka Kotahi, either itself or through its agents, to control, manage and improve the State Highway Network including planning, design, research, construction and maintenance relating to all land within the designation. Such activities may also involve, but not necessarily be limited to, realignment of the road and alterations to its physical configuration with the limits of the designation.

According to the interactive map and description within the NOR, the proposed designations will interact with both State Highway 1 and State Highway 83 within the Lower Waitaki area. It is noted that where the proposed designation may overlap with an existing State Highway Designation, Waka Kotahi would be the primary designation holder, and as such, ORC would be required to consult with Waka Kotahi for any proposed works occurring within these areas. Similarly, Waka Kotahi will continue to work with ORC and consult on any works Waka Kotahi are intending to undertake in these areas.

This feedback is also consistent with that received from KiwiRail, as follows:

The Main South Line (MSL) rail corridor extends through the Waitaki District and is designated for railway purposes within the Waitaki District Plan. KiwiRail seeks to protect its ability to continue to operate, maintain and upgrade this line into the future.

The NoR and overview maps indicate that the proposed designations will overlap with the existing MSL designation where MSL Bridge 150 extends over the Waitaki River. KiwiRail seek to ensure that the MSL rail corridor designation is listed as the primary designation requiring ORC to consult KiwiRail for any proposals within the designated rail corridor.

KiwiRail request early engagement on works within and in proximity to the rail corridor. KiwiRail would support a condition requiring ORC to consult KiwiRail on flood control works which may have a downstream impact on our rail assets, particularly Bridge 150.

The ORC notes and concurs with these views, and considers that the Waka Kotahi and KiwiRail designations should be considered as primary designations in respect of this NoR.

The ORC also met with Transpower New Zealand Limited during consultation, given that the flood protection assets located near Waitaki Bridge are located within the existing Transpower designation. During those discussions, Transpower indicated that it would provide standard conditions for this NoR, however to date, no further correspondence has been received. The ORC will continue to work with Transpower to resolve this issue.

Draft Waitaki District Plan

On 1 June 2022, the Waitaki District Council released a Draft Waitaki District Plan ("Draft District Plan") for public review and comment. While the Draft District Plan has no legal



status, it provides guidance as to the likely direction the Council will take with the notification of the proposed District Plan. Of note, the Draft District Plan does not provide any details regarding new or rolled over designations throughout the District, and accordingly the comments below simply focus on the relevant provisions that impact on the subject areas, and provides comment as to the impact of the draft provisions on the Otago Regional Council's flood protection assets.

The Draft District Plan includes a comprehensive network of zones and overlay provisions. For simplicity, the table below has been developed to set out how the provisions impact on each of the assets included in this NoR. The provisions from each applicable section of the Draft District Plan are set out below.

	Hilderthorpe Floodway	Henderson and Waikoura Creeks Floodway	Cross banks	Cross bank at Waitaki River Mouth	Groynes
General Rural Zone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Hazard - Flood		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Hazard - Floodplain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Hazard – Alluvial Fan - active		<input type="checkbox"/>			
Natural Hazard – Waitaki Fault		<input type="checkbox"/>			
Natural Hazard – Stone wall Fault		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Natural Hazard – Liquefaction B		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Natural Hazard – Coastal Erosion				<input type="checkbox"/>	
Highly Productive Land – Class 2	<input type="checkbox"/>				<input type="checkbox"/>
Highly Productive Land – Class 3	<input type="checkbox"/>	<input type="checkbox"/>			
Flight Protection Overlay	<input type="checkbox"/>		<input type="checkbox"/>		
Natural Environment Value (ONF053)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Heritage and Cultural Value (SASM007)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Hilderthorpe Floodway	Henderson and Waikoura Creeks Floodway	Cross banks	Cross bank at Waitaki River Mouth	Groynes
Heritage and Cultural Value (SASMO18)					
Heritage and Cultural Value (SASMO19)					
Heritage and Cultural Value (SASMO49)					
Coastal Environment Overlay – Degraded Natural Character					
Coastal Environment Overlay – Coastal Environment					
Coastal Environment Overlay – Coastal Protection					
Power Network – Transmission Lines					

General Rural Zone

All sites that are the subject of this Notice of Requirement are located within the General Rural Zone. The focus of the General Rural Zone is on the following:

- Providing for and enabling primary production activities while minimising or avoiding impacts on important ecological, cultural and landscape values for the District (Objective RURZ-O1);
- Recognising the benefits of highly productive land and protecting its availability for agricultural, horticultural and pastoral production from inappropriate subdivision, use and development (Objective RURZ-O2);
- Providing for sustainable and appropriate growth of rural settlements (Objective RURZ-O3);
- Rural amenity values that are consistent with the rural zone and the maintenance of the quality of the rural environment (Objective RURZ-O4); and
- Establishing commercial, industrial, service, recreational and large scale accommodation facilities only where those activities have a functional or operational need to locate within the rural environment.

The presence of the ORC’s flood protection assets will not adversely impact on the productive potential of the General Rural Zone, and similarly will not impact on the availability of the land for agricultural, horticultural and pastoral production. The assets may enhance the ability for rural activities to utilise land in close proximity to the rivers by providing management of flood events. Rural amenity will be unaltered as a result of the designation of the existing assets, and any works undertaken on the assets will be of a small scale and will not erode the existing rural amenity values of the location of the asset. The assets do not impact on the growth of rural settlements, however the cross banks and groyne located in proximity to the Waitaki Bridge settlement may provide some flood protection for the settlement. On this basis, the proposal is considered to be consistent with the outcomes promoted by the Rural Chapter of the Draft Plan.

Highly Productive Land

Strategic Direction SD-RA-O2 relates to the protection of highly productive land, and seeks to protect such land from inappropriate subdivision, use or development. This NoR relates to highly productive land within the context of the existing Hilderthorpe and Henderson and Waikoura Creeks Floodways; none of the other ORC assets included within the NoR are on land identified as highly productive within the Draft District Plan.

The Henderson and Waikoura Creeks Floodway partially follows an existing stream, and then follows a highly modified watercourse to the north. It carries a combination of spring water and irrigation bywash, and functions on a day to day basis as a small stream (as



shown in the photographs attached is Appendix A). Given this, and coupled with the requirements of the Resource Management (Stock Exclusion) Regulations 2020, the alignment of the existing floodway is not available for grazing and productive activity. The proposed designation of this floodway does not alter the availability of this highly productive land for productive land use activities.

The Hilderthorpe floodway is predominantly dry, and is grazed by landowners in the area (as shown in the photographs attached is Appendix B); the proposed designation of the Floodway is not anticipated to result in any change to this approach. As such, the designation of this floodway will not impact on, alter or reduce access to the productive potential of the land within this area.

On the basis of the assessments above, the proposed designation does not impact on the existing ability to utilise the highly productive land that comprises the floodways that are the subject of this NoR, and thus the proposal is not considered to be an inappropriate activity within the context of the relevant objective. On this basis, the proposal is considered to accord with this outcome advanced by the Draft District Plan.

Natural Hazards

The relevant Natural Hazards provisions in the Draft District Plan relate to floods and floodplains, alluvial fans, surface fault rupture and liquefaction. The Draft District Plan contains one objective that relates to natural hazards, as follows:

NH-O1 Natural Hazard Risk

The risks from natural hazards, including the effects of climate change, and their impact on people, property and the environment is recognised and understood, and avoided or appropriately mitigated.

This NoR seeks to ensure that risks that result from the existing flood hazard on the Lower Waitaki Plain are avoided, remedied or mitigated, and therefore accords with this objective. In addition to this, Policy NHP8 is specifically relevant to flood risk on the Lower Waitaki Plain, as follows:

NH-P8 Otago Flood Assessment Overlay and Waitaki River Floodplain Assessment Overlay

Provide for subdivision, use and development in the Otago Flood Assessment Overlay and Waitaki River Floodplain Assessment Overlay where:

- 1. significant adverse effects on people and property are avoided; and*
- 2. the use or development is not likely to suffer material damage in a flood event; and*
- 3. new buildings have a floor level that will avoid inundation; and*
- 4. spaces that store hazardous substances will not be inundated.*

The designation of the ORC’s flood protection assets on the Lower Waitaki Plain is expected to support the management of flood risk in this area, and may therefore result in the avoidance of significant adverse effects, and the protection of activities occurring in the area from the adverse effects of flood events. Thus, the NoR is considered to be appropriately aligned with this policy directive in the Draft District Plan.

Other specific policies of relevance focus on:

- Identifying areas subject to natural hazard, taking the effects of climate change into account (NH-P1), and requiring the effects of climate change to be taken into account when assessing hazard risk (NH-P2);
- Avoiding activities in areas affected by natural hazards unless risk can be mitigated to an acceptable level (NH-P3);
- Requiring assessments to be undertaken for sensitive activities in areas subject to risk resulting from natural hazards (NH-P6);
- Provision for development activities within fault rupture overlay areas where setbacks are achieved and specific areas are avoided, and potential effects of fault rupture are mitigated (NH-P10 and NH-P11), and to similarly provide for development activities within the liquefaction assessment overlay (NH-P12); and
- Encourage development activities subject to natural hazard overlays to undertake an assessment of natural hazard risk and incorporate methods to reduce or mitigate risk to an acceptable level (NH-P14).

Given that this NoR seeks to enhance protective measures that relate to flood hazards, these policies have limited applicability to the proposal. Notwithstanding this, the existing assets provide some mitigation of natural hazard effects within the Lower Waitaki, and the designation of these assets provides an opportunity for their maintenance and reinstatement as required, thus providing enduring flood management within the area. Given that some flood protection assets are also located within areas that are subject to earthquake and liquefaction risk, the ability to maintain and reinstate these assets is key, and the proposed designation accords with this requirement. Due to these assets seeking to manage flood risk in the area, no risk assessment in respect of this issue has been undertaken. On this basis, the proposal is considered to be consistent with the natural hazard outcomes advanced via the Draft District Plan.

In addition to the requirements of the Natural Hazards Chapter, the provisions relating to hazards within the coastal environment are also relevant to this proposal, given the location of the cross bank at the mouth of the Waitaki River. The Draft District Plan contains two objectives of relevance, as follows:

CE-O5 Coastal natural hazard risks and new subdivision, use and development

Subdivision, use and development does not increase the risk of social, economic or environmental harm from coastal natural hazards.

CE-O6 Coastal natural hazard risks and existing development

The risk of harm to existing development in coastal natural hazard overlays is reduced through natural defences, and the option to relocate buildings and structures to areas outside coastal natural hazard overlays is available.

The NoR seeks to provide additional protection for the existing cross bank located at the Waitaki River mouth in turn mitigating the risk of harm associated with fluvial processes in the area. These objectives are supported by policies CE-P15 and CEP16 and the existing cross bank accords with this outcome.

Policy CEP18 is set out below and is also relevant to the NoR as it relates to the existing cross bank at the mouth of the River:

CE-P18 Hard protection structures

Avoid hard protection structures unless:

- 1. they reduce an immediate risk of serious harm to people, property, or infrastructure arising out of coastal natural hazards or if they are the only practical means to protect regionally significant infrastructure; and*
- 2. they would not compromise the function of natural features and systems as natural defences; and*
- 3. they are designed to minimise adverse effects on social, cultural and environmental values of the Coastal Environment; and*
- 4. it is demonstrated that alternative measures would not mitigate the risk to an acceptable level; and*
- 5. where they are to protect private land, they are not located on public land, except where they provide a significant public benefit.*

The existing cross bank manages the integrity of the true right bank of the river, and thus reduces potential for serious harm. It has been designed and established to ensure that it complements the natural fluvial processes in this area, and represents an effective mitigation measure within this environment. The location and establishment of the cross bank minimises its adverse effects on social, cultural and environmental values of the Coastal Environment, as set out in the effects assessment below. On this basis, the Waitaki River mouth cross bank is considered to be consistent with the outcomes promoted in the Draft District Plan.

Natural Environment Value

ONF053 includes land along the right bank of the Waitaki River, and thus impacts on the end of the Henderson and Waikoura Creeks Floodway, cross banks, and groynes that are included within this NoR.

The relevant objectives and policies seek to protect outstanding natural features and landscapes from inappropriate subdivision, use and development (NFL-O1), and to restore and enhance outstanding natural features where appropriate (NFL-O3).

NFL-P1 provides detail as to the identification of natural features and landscapes. ONF053 is identified as Te Ana Raki Escarpment, and the Draft District Plan provides the following additional detail in respect of this feature:

<p><u>Limestone Escarpment</u></p>	<p><u>Natural Science Values – High</u></p> <p><i>Visible escarpments mark the upthrust western edge of a large tilted limestone block. The margin has been separated into three lobes by alluvial erosion. This is one of the bigger more prominent ones presented as a prominent broadly curving escarpment on the northern lobe.</i></p> <p><u>Legibility Values – Very High</u></p> <p><i>Landform is intact and clear to see.</i></p> <p><u>Aesthetic Values – Very High</u></p> <p><i>Visually prominent/dominant distinctive and memorable skyline feature. Intactness and naturalness of landform accords high aesthetic value.</i></p> <p><u>Transient Values – High</u></p> <p><i>Transient effects of light and shadow highlight overhangs and crevices.</i></p>
<p><u>Values that make the feature outstanding</u></p> <ul style="list-style-type: none"> • <u>Legibility</u> • <u>Aesthetic</u> 	<p><u>Mana whenua Values – None Known</u></p> <p><u>Shared and Recognised Values – High</u></p> <p><i>Familiar landmarks for local community; classic escarpment forms very characteristic of the area, contribution to sense of place and distinctive character.</i></p> <p><u>Historic Values – None Known</u></p>

Given that the NoR relates to existing assets, the proposed designation of the assets will not impact on the qualities listed in the Draft District Plan. Further, conditions requiring restabilisation of any earthworks will ensure that maintenance works that occur will not impact on the character of the outstanding natural feature.



The ORC's assets will not impact on the ability to enhance and restore the outstanding natural feature; while planting will not be permitted within the Henderson and Waikoura Creeks floodway due to its impedance of flows, and is not practical on groyne due to their nature, subject to Bylaw approval planting may be permitted to occur on cross banks. Accordingly, the NoR is considered consistent with NFL-P10.

Heritage and Cultural Value

The Draft District Plan identifies heritage and cultural values via a schedule of sites and areas of significance to Māori. The following assets have been identified as wholly or partially within these sites:

- SASM007 – Waitaki River
 - Henderson and Waikoura Creeks Floodway
 - Cross banks
 - Groynes
- SASM018 – Te Puna-a-Marū
 - Cross banks
 - Groynes
- SASM019 – Korotuaheka
 - Cross bank at Waitaki River Mouth
- SASM049 - Waitaki River Mouth Nohoaka
 - Cross bank at Waitaki River Mouth

The areas impacted by this NoR are described in the Draft District Plan as follows:

SASM007 – Waitaki River

The name Waitaki literally means “the waterway of tears”, and the Waitaki is often referred to in whaikōrero (oratory) as representing the tears of Aoraki which spill into Lake Pūkaki and eventually make their way south along the river, to the coast. The river is an essential element of the identity of Kāi Tahu as an iwi.

The river was a traditional route to the mahika kai resources of inland North Otago, as well as further inland, to Central Otago and the West Coast. The river was, and is, a noted source of mahika, including tuna (eel), inaka, kōkopu and kōaro species (whitebait), kanakana (lamprey) and waikōura (freshwater crayfish); with aua (yellow-eyed mullet) and mōhoao (black flounder) being found at the mouth.

The Waitaki River is recognised in the Ngāi Tahu Claims Settlement Act 1998 (Schedule 72) as a statutory acknowledgement.



Values: The values in this wāhi tūpuna include, but are not limited to, nohoaka, wāhi mahika kai, wāi māori, wāhi taoka, ara tawhito, tauraka waka.

SASM018 – Te Puna-a-Marū

Te Puna-a-Marū was the pā site of prominent Kāi Tahu leader, Te Huruheru.

Values: The values in this wāhi tūpuna include, but are not limited to, ara tawhito, kāika, wāhi pakaka, urupā, pā site.

SASM019- Korotuaheka

Korotuaheka is an ancient pā located on the south side of the Waitaki River mouth. In the past, Korotuaheka covered 600 acres and was the pā that Hipa Te Maiharoa saw from the top of Te Ruataniwha after a protest at Ōmārama and where he led his followers following their eviction from the Ōmārama settlement by an armed constabulary in 1879.

Values: The values in this wāhi tūpuna include, but are not limited to, Wāhi pakaka, Kāika, Umu, Urupā, Pā site.

SASM049 – Waitaki River Mouth Nohoaka

This is a contemporary nohoaka provided as redress under the Ngāi Tahu Claims Settlement Act 1998. Contemporary nohoaka sites were selected because they were Crown land adjacent to, or near, lake shores or river beds. Nohoaka provide camping sites to support traditional mahika kai activities.

The Draft District Plan recognises co-governance of mana whenua over significant sites and areas and provides for the exercise of kaitiakitanga over those areas (SASM-O1). Objective SASM-O2 recognises the need to sustain the relationship of mana whenua with wāhi tūpuna and protects wāhi tūpuna values from inappropriate activities. Objective SASM-O4 relate to the enhancement of mahika kai values. Objective SASM-O5 provides as follows:

Mana whenua are able to access wāhi tūpuna for customary purposes and are able to use mahika kai resources in accordance with tikaka.

Policy SASM-P2 sets out the importance of mana whenua involvement in the resource management process. Policy SASM-P3 only provides for land use within identified wāhi tūpuna where it avoids significant adverse effects and avoids, remedies or mitigates other adverse effects on the values associated with those area.

As set out in the Consultation Summary attached as Appendix E, consultation has occurred with mana whenua, and the outcomes have been incorporated within the conditions attached as Appendix D. Specific consideration of how the proposal impacts on the principle of Te Mana o Te Wai within the context of the NPSFM is set out above, and this



will be further embedded within the management framework that will be developed to support the Council's management of these assets and will be prepared in collaboration with Te Rūnanga o Moeraki.

Policy SASM-P6 sets out specific activities that are to be avoided due to their potential to degrade the mauri of wāhi tūpuna. None of those activities are proposed to occur within the designated areas, and any fill that is used on sites within the designated areas will not include waste. On this basis, the NoR is considered to accord with this policy.

Policies SASM-P7, SASM-P8 and SASM-P9 relate to restoration and enhancement of mahika kai areas, enabling mana whenua to undertake mahika kai activities and to provide access opportunities for mana whenua to identified wāhi tūpuna for customary purposes. The NoR will not impact on any existing opportunities in this regard, and access to these areas for customary purposes will not be impacted by the proposed designation.

Coastal Environment Overlay

The cross bank at the mouth of the Waitaki River is within an environment that the Draft District Plan describes as Coastal Environment, Coastal Protection and Degraded Natural Character. As a result a number of objectives within the Draft District Plan are relevant to this cross bank, as follows:

CE-01 – Preserving the natural character of the Coastal Environment

There is no further decline in natural character values as a result of land use activities.

The existing cross bank at the mouth of the Waitaki River will not alter as a result of its designation, and thus the NoR is not considered to result in adverse impacts on the natural character values in the area. The provision of flood protection infrastructure in the area offers an opportunity for the longer term improvement of the coastal environment, and does not prevent the realisation of any such benefits.

CE-02 – Improving the natural character of the Coastal Environment

The natural character of the Coastal Environment is improved, over time.

The designation of the existing cross bank will not increase any risk of natural coastal processes.

CE-05 – Coastal natural hazard risks and new subdivision, use and development

Subdivision, use and development does not increase the risk of social, economic or environmental harm from coastal natural hazards.

The existing cross bank provides a defence to coastal inundation, and thus enables the use of the immediately surrounding land.

CE-06 – Coastal natural hazard risks and existing development

The risk of harm to existing development in coastal natural hazard overlays is reduced through natural defences, and the option to relocate buildings and structures to areas

outside coastal natural hazard overlays is available.

CE-07 – Mana whenua and the Coastal Environment

Mana whenua's relationship with the Coastal Environment is recognised and provided for, including their cultural values, traditions, and role as kaitiaki.

Mana whenua's relationship with the coastal environment will be unaltered as a result of the designation of the existing cross bank at the mouth of the Waitaki River. Access will continue to be available for customary uses

On this basis, the proposed designation of the existing cross bank within the coastal environment at the mouth of the Waitaki River is considered to accord with the policy direction provided within the Draft District Plan.

Power Network – Transmission Lines

The ORC's flood protection assets clustered at the Waitaki Bridge area are also located beneath Transpower's transmission lines. Consultation with Transpower has occurred in respect of this matter, and the outcomes of that consultation are set out in **Appendix E**. Notwithstanding this, the infrastructure objectives and policies of the Draft District Plan are also relevant to the consideration of this aspect of the NoR.

Objective INF-O1 seeks to provide for effective, resilient, efficient and safe infrastructure that provides essential and secure services, including in emergencies. Similarly, Objective INF-O4 recognises and provides for the national, regional and local benefits of regionally significant infrastructure.

The location of the flood protection assets beneath the transmission lines annotated in the Draft District Plan will provide greater security for this essential service. Engagement undertaken with Transpower to date has highlighted the importance of ensuring that any works within the designated area are planned and undertaken in recognition of the presence of the transmission lines above, and this dialogue remains ongoing.

Flight Protection overlay

Both the Hilderthorpe Floodway and some cross banks are within the Flight Protection Overlay as shown on the Draft District Plan maps. The Draft District Plan does not appear to contain any objectives or policies that relate to this overlay. Notwithstanding this, it is anticipated that the overlay requires that works not impact on the approach and takeoff surfaces associated with Oamaru Airport. Given that the floodway and cross banks are located away from Oamaru Airport itself, it is not anticipated that the proposed designation of these assets will impact on the operation of the Airport.

RESOURCE MANAGEMENT (STOCK EXCLUSION) REGULATIONS 2020

The Resource Management (Stock Exclusion) Regulations 2020 (the Stock Exclusion Regulations or the Regulations) have been developed under section 360 of the Resource Management Act 1991 and require the exclusion of stock from watercourses unless they are supervised and actively driven across the watercourse. The Regulations apply to all persons that own or control stock, and include a requirement for a three metre setback for all included stock from lakes and wide rivers. Limited exemptions are provided for specific situations.

Overall, the regulations take a staggered approach to the requirements coming into effect, as follows:

- 1 July 2023
 - dairy cattle and pigs on any terrain
 - beef cattle and deer that intensively graze on any terrain
 - the exclusion of stock from natural wetlands identified in a regional or a district plan that is operative on the commencement date
- 1 July 2025
 - dairy support cattle on any terrain
 - beef cattle and deer on low slope land
 - exclusion of stock from natural wetlands that support a population of threatened species
 - exclusion of stock from natural wetlands on low slope land

This NoR does not seek to introduce any additional requirements in respect of stock exclusion from the subject sites, however it is noted that the Henderson and Waikoura Creeks Floodway will be categorised as a “wide river” under these regulations, and stock exclusion will be required.

During consultation in respect of this NoR, mana whenua indicated concern that stock were able to access the Henderson and Waikoura Creeks Floodway and requested the ORC promote a condition requiring fencing of the watercourse to prevent stock from accessing or being driven through the watercourse. The Lower Waitaki Irrigation Company Limited also raised concerns with respect to the requirement to fence waterways. Appendix E records the consultation outcomes in respect of these matters.

The intention of the designation is to ensure that the integrity of the flood protection assets can be assured when they are required; at all other times, they are intended to be available for continued rural use. Accordingly, the inclusion of such a condition is not necessary to achieve the purpose of this designation. In addition, conditions should relate to the works that a requiring authority can undertake within a designation, rather than applying to land use activities on the underlying land that do not impact on the designation. As such, the ORC has not included such a condition in this NoR, and



[continues to work alongside mana whenua to develop and implement an appropriate management framework for waterways in the area.](#)

[The proposed NoR thus does not conflict with the Stock Exclusion Regulations 2020, and the designation does not preclude opportunity to improve environmental outcomes.](#)

FLOOD PROTECTION MANAGEMENT BYLAW 2012

The Flood Protection Management Bylaw 2012 (“the Bylaw”) seeks to manage, regulate and protect flood protection works belonging to, or controlled by the Otago Regional Council. Flood protection works are defined in the Bylaw as including drains, overland flow paths, defences against water, floodways, groynes and cross-banks as mapped in the Bylaw. The Bylaw includes all assets that are subject to this NoR.

All Council assets that are within the control of the Bylaw are mapped and property owners are required to keep every fence and gate within floodways debris-free.

Under the Bylaw, the following activities undertaken in proximity to the scheduled Council assets require the Council’s approval, as outlined in the following table:

Table 3: Activities requiring Council’s approval under the Bylaw

	Groyne, cross bank or anchored tree protection	Floodways	Flood Protection Vegetation ³
Alteration of	<input type="checkbox"/>	<input type="checkbox"/>	
Remove or interfere with machinery or equipment relating to	<input type="checkbox"/>	<input type="checkbox"/>	
Plant any tree, shrub, hedge or part thereof in or on any	<input type="checkbox"/>	<input type="checkbox"/>	
Construct or put any structure in, over, through, or under	<input type="checkbox"/>	<input type="checkbox"/>	
Dump or deposit anything in or on any	<input type="checkbox"/>	<input type="checkbox"/>	
Obstruct any	<input type="checkbox"/>	<input type="checkbox"/>	
Allow live stock to drive, take or operate any vehicle, machinery or equipment to adversely affect the integrity of or through any	<input type="checkbox"/>		

³ Flood protection vegetation is located adjacent to the Waitaki River.



Connect any pipe, channel or conduit to	<input type="checkbox"/>	
Remove or alter any structure in on over through or under	<input type="checkbox"/>	
Carry out any excavation earthworks in on through or under	<input type="checkbox"/>	<input type="checkbox"/>
Remove, alter, interfere with, or add to or allow stock to graze within any plantings in the Lower Waitaki		<input type="checkbox"/>

- ^a including within 7 metres of the top of a bank or asset.
- ^b excluding materials for the maintenance of existing access or as a result of drain maintenance.
- ^c including within 50 metres of these.
- ^d including within 50 metres of the landward side if it lowers the existing ground level by more than 300 millimetres, or between the bank of any river and associated groyne, cross-bank or anchored tree protection, [unless it relates to cultivation](#).

Providing an additional layer of protection for the ORC’s assets on the Lower Waitaki will accord with the objectives of the Bylaw. For clarity, it is not proposed that the [areas designated by this](#) NoR will include the setbacks required by the Bylaw.

[WAITAKI IWI MANAGEMENT PLAN 2019](#)

[Te Rūnanga o Arowhenua, Te Rūnanga o Waihao and Te Rūnanga o Moeraki \(Kā Papatipu Rūnaka\) developed the Waitaki Iwi Management Plan \(the Management Plan\) in 2019 as an expression of rakatirataka and in fulfilment of their kaitiaki responsibilities within the Waitaki Catchment. The Management Plan describes the values held by Kā Papatipu Rūnaka relating to Aoraki, wai, mahika kai and wāhi tūpuna in the Waitaki catchment, and to articulate policies and management guidelines for these matters. The area covered by the Management Plan is limited within the context of the Lower Waitaki, and does not extend to include the Hilderthorpe Floodway \(as shown below\).](#)



Figure 4: [Area included within the Waitaki Iwi Management Plan 2019](#)

[The Management Plan seeks to ensure that Ka Rūnaka can undertake their kaitiaki role in the Waitaki and that the role is recognised and supported, and that the management of the Waitaki and its resources is undertaken in accordance with ki uta ki tai \(from the mountains to the sea\). The relevant strategic objectives from the Management Plan include:](#)

- [The mauri of the water is protected, restored and enhanced throughout the Waitaki catchment](#)
- [Abundant mahika kai species are available and accessible for manawhenua to gather](#)
- [Mahika kai species and their habitats are protected, restored and enhanced](#)
- [Manawhenua can exercise rakatirataka and kaitiakitaka over significant mahika kai areas and species](#)

[The mauri of the Waitaki River will not be impacted by the proposed designation, given that all assets are existing. Other changes to the planning framework \(such as the Resource Management \(Stock Exclusion\) Regulations 2020\) will also come into effect that will enable the restoration and enhancement of the mauri of the inflows to the Waitaki River. The development of an appropriate management framework to guide any activities undertaken by the ORC in conjunction with this NoR will ensure that the mauri of the wai on the Lower Waitaki Plain is appropriately maintained and enhanced.](#)

[Mahika kai species and habitats will not be impacted by the proposed designation of these existing assets. Rakatirataka and kaitiakitaka can still be exercised over these areas and species, and thus the proposal is not considered to conflict with these strategic objectives.](#)

[Part 5 of the Management Plan sets out the overarching objectives and policies for wai māori. Those considered directly relevant to the NOR include:](#)



Manawhenua rights and interests are given full effect in the management of wai in the Waitaki

Provide for Kā Rūnaka partnership in planning and decision making on freshwater management to ensure that our interests are at a minimum, represented in:

e. Management of floods

Ensure Regional Councils meet their obligations under the NPSFM including:

a. Involving Kā Rūnaka in their management of fresh water and freshwater ecosystems in the Waitaki Catchment.

Require a precautionary approach to taking, damming, diverting water and discharges where the effects are uncertain or unknown.

The ORC has met with Te Rūnanga o Moeraki in respect of the proposed designation, and has agreed to undertake additional work alongside Te Rūnanga to further ensure that mana whenua rights and interests are further embedded in the management approach to the flood protection assets that are the subject of this NoR. In particular, the ORC has agreed to jointly prepare a management framework for these assets with Te Rūnanga, to ensure that opportunities to enhance mana whenua involvement in the management of these assets are enabled. Given this approach, the NoR is considered to accord appropriately with this objective and the supporting policies.

The effects of the Henderson and Waikoura Creeks Floodway are long established, as they have been operating without designation for some time. As such the NoR accords with this policy.

The Management Plan also identifies a number of objectives that relate to riparian management and activities occurring within riparian areas, as follows:

Riparian management supports ecological and Manawhenua values including access to waterways.

Riparian wetlands are fully protected and operate in their natural state, supporting flourishing populations of taoka species.

Riparian margins are restored throughout the Waitaki district.

Riparian margins are protected from the effects of livestock.

Farm management practices and land management by Crown agencies supports the retention of riparian margins.

River engineering works... are carried out in ways that are sensitive to braided river ecosystems and cultural health.

The designation of these assets will not result in adverse impacts in respect of the management of the riparian area, and access arrangements will be unaltered. However, as requiring authority, the ORC proposes to establish a management framework that encourages engagement with mana whenua and the implementation of agreed objectives with respect to the management of any riparian areas that are within the land covered by this NoR. It is anticipated that this framework will encourage the establishment of taoka species throughout the area, leading to the restoration of riparian margins throughout the District.

Providing a mechanism to exclude stock from the riparian margins is not considered to be appropriate via this designation to provide for flood protection structures. The staged introduction of the provisions of the Stock Exclusion Guidelines is independent of this NoR.



and has a greater impact on the underlying land use activities conducted on each site than will result from this designation.

Finally, any works associated with these existing flood protection assets will be undertaken away from the wetted bed and braided river ecosystem of the Waitaki River. The development of a suitable management framework will similarly ensure that any such works are undertaken in a manner that is sensitive to cultural health.

The Management Plan also includes a number of objectives that are specific to the Lower Waitaki area. These include:

- The cultural and ecological values of all watercourses are recognised;
- Braided river character and habitat in the Lower Waitaki is enhanced; and
- The Lower Waitaki wetlands are protected and enhanced.

As set out in the assessment above, the proposed designation of the existing assets accords with these objectives.

Finally, this NoR also includes a floodbank at the coastal mouth of the Waitaki River, and accordingly the coastal environment objectives of the Management Plan are also relevant to the consideration of the Requirement. Two objectives are key:

Achieve a continuous flow of clean water, ki uta ki tai, that:

- a enables sediment movement and provides for the opening of the Waitaki River mouth
- b Protects the ecological health and natural character of the Lower Waitaki River...
- d Provides for Manawhenua cultural values and use.

The proposed designation of this asset will not impact on sediment movement or the opening of the Waitaki River mouth. Similarly, the NoR will not impact on the ecological health of the River. While the establishment of a cross bank in this location may impact on the natural character of this stretch of the river, as this cross bank is existing, it is not considered to have any impact in this regard.

The proposed development of a management framework for the cross bank (in conjunction with the other assets that are the subject of this NoR) is anticipated to make appropriate provision for mana whenua cultural values. This framework will be developed in conjunction with Te Rūnanga, and will reflect mana whenua values for the area.

Conditions on the designation requiring collaboration with mana whenua on any outline plan of works for any future land use works will recognise their role as kaitiaki over the Waitaki catchment. As such, the proposed designation of the flood protection assets in this location is considered to be consistent with the outcomes advanced by the Management Plan. Further, any future works associated with the flood protection assets will remain subject to the resource consenting requirements under regulatory plans administered by the Otago Regional Council.

As a result of this assessment, the proposal is considered to broadly accord with the outcomes advanced via the Management Plan insofar as they are relevant to the purpose of the designation.

KĀI TAHU KI OTAGO NATURAL RESOURCE MANAGEMENT PLAN 2005

The Kāi Tahu Ki Otago Natural Resource Management Plan (the Kāi Tahu Plan) was developed in 2005, and uses Otago’s geographic boundaries. It therefore aligns, thus consistent with the Waitaki District Council’s boundary along the Lower Waitaki River. The Hilderthorpe Floodway is located within the area that is covered by this Plan.

It is relevant to note that the ~~works floodway is~~ are not considered to result in any impacts on known wāhi tapu, mahika kai, nohoaka, or tōpuni sites.

Part 3 of the Kāi Tahu Plan sets out the objectives and policies for the Otago Region. Those considered directly relevant to the NoR include:

5.3.3 Wai Māori General Objectives

72i. *The spiritual and cultural significance of water to Kāi Tahu ki Otago is recognised in all water management.*

5.3.4 Wai Māori General Policies

- 4. *To protect and restore the mauri of all water.*
- 54. *To promote land use that suits the type of land and climatic conditions.*
- 58. *To promote integrated riparian management throughout entire catchments.*

5.8.3 Taku Tai Moana Me Wai Māori Objectives

- i. *The spiritual and cultural significance of taku tai moana me te wai māori is recognised in all management of the coastal environment.*
- ii. *Te Tai o Arai Te Uru is healthy and supports Kāi Tahu ki Otago customs.*

5.8.4 Taku Tai Moana Me Wai Māori Policies

- 2. *To require Kāi Tahu ki Otago input into any artificial openings or works in river mouths, estuary or lagoon systems.*
- 5. *To discourage any further reclamation within the coastal environment.*



None of these objectives or policies explicitly recognise the need to manage natural hazards, however they do raise other matters for consideration. ~~These matters will be further informed by the outputs of consultation with mana whenua, in particular in respect of the spiritual and cultural significance of water and the coastal environment, and mauri.~~ ~~Notwithstanding this,~~ The designation of the existing ~~works Floodway at Hilderthorpe~~ will accord with policies related to land use suitability and riparian management, and the health of the coastal marine environment. ~~It is noted that any future works associated with the flood protection assets will remain subject to the resource consenting requirements under regulatory plans administered by the Otago Regional Council.~~

In addition, Chapter 6 sets out policies that are directly applicable to the Waitaki catchment; those considered to be of relevance to the proposed designation include:

6.2.3 Wai Māori Policies for the Waitaki Catchments

12. To encourage the recognition of the defined river channel.
13. To encourage the use of buffer zones to protect the side braids and riparian wetlands.

The ~~Floodway will not impact on existing works specifically seek to maintain~~ the defined river channel ~~and to protect~~ the side braids. No riparian wetlands are impacted by the works. As such, the proposed designation of the ~~Hilderthorpe Floodway protection assets in this location~~ is considered to be consistent with the outcomes advanced by the Kāi Tahu Plan.



ASSESSMENT OF ENVIRONMENTAL EFFECTS

This section of the Notice of Requirement assesses the potential effects of the designations, including positive effects. The potential effects are considered with regards to the relevant provisions of national and regional policy statements and regional and district plans, including the district plan rules. While these rules do not apply to activities undertaken in accordance with designations, they are useful for providing a baseline for the type of activities and level of effects that can be expected and that are permitted within the respective land use zones.

The hard protection structures that are located across the Lower Waitaki Plain include:

- Hilderthorpe Floodway;
- Henderson and Waikoura Creek Floodway;
- Groynes adjacent to the Waitaki River bed; and
- Cross-banks adjacent to the Waitaki River bed.

EXISTING ENVIRONMENT AND STRUCTURES

Waitaki River Catchment Description

The Waitaki River catchment has an area of 11,860 km². The Southern Alps form the north western boundary of the catchment. Several natural and manmade lakes feed the river system.

The Lower Waitaki extends from the Waitaki Dam, upstream of Kurow to the Pacific Ocean. The Lower Waitaki has a diverse topography with mountain ranges in the north west, hill country and extensive rolling downlands in the east and the gentle slopes of the plains near the mouth of the incised river.

Flows in the lower reaches of the Waitaki river are heavily influenced by the operation of the reservoirs located in the upstream parts of the catchment.

Part of the Lower Waitaki River catchment lies within the Otago Region. This section of the catchment is bounded by the right bank of the Waitaki River, downstream of Goulding Road and extends across the plains towards Pukeuri in the south. The area is characterised by a gently graded floodplain that falls about 90 metres between Georgetown and the coast. Major tributaries flowing through this area are Awamoko Stream, Waikoura Creek and Henderson Creek.

Irrigation schemes are a feature the Lower Waitaki plains. Irrigation development commenced in the 1930s. The Lower Waitaki Irrigation Scheme now serves about 14,500 ha.



Where the Waitaki River meets the Otago Region boundary, the river is incised and flows within braided channels. The Waitaki River floodplain within the Otago Region is narrow, being defined by low cliffs. Direct flooding affects only small areas of marginal land.

Bank erosion is active on this section of the Waitaki River. ORC and Environment Canterbury (Ecan) manage bank protection work (groynes, cross-bank and anchored tree protection) on the lower Waitaki River floodplain.

The land use is mainly agricultural with limited residential properties. There are some holiday houses situated at Waitaki Bridge on State Highway 1 and immediately to the north of McPherson Road.

Lower Waitaki Plains Floodplain Description

The lower Waitaki floodplain generally slopes towards the coast and away from the Waitaki River. Problems with surface water not draining away are reasonably common on the floodplain. Flooding is typically associated with overland flow paths: runoff from paddocks is intercepted and conveyed by swales or remnant channels that crosses the plain.

Because of the relatively gentle topography of the floodplain and the lack of well-defined channels, local features, such as smallscale earthworks, bunds, fences, shelterbelts roads, driveways and buildings can influence the flow direction and the depth and extent of flooding. Those features can impede natural-downslope drainage and locally divert water on the floodplain, modifying the flood hazard.

Construction of the Lower Waitaki Irrigation Scheme began in 1974 and was completed in 1978. Irrigation channels now serve about 14,500 hectares of farmland on the south bank of the Waitaki River. The scheme introduced new races that provided new routes- and obstructions -for floodwaters.

Outside of irrigation channels and floodways, medium velocities (generally less than 1m/s) and depth of inundation of generally up to 1m are likely. This combination of depth and velocity is sufficient to result in potential risks to safety (e.g. wading becomes unsafe). In the irrigation channels and floodways deeper water can be expected.

Flooding can make some sections of SH1 impassable during heavy rainfall events.

Waikoura Creek and Henderson Creek drain small catchments upstream of State Highway 83, of areas approximately 18km² and 6km² respectively. The catchments lie parallel to and east of the Awamoko Stream catchment. Historically, the creeks flowed in a north-easterly direction across the Waitaki plains to discharge directly to the Pacific Ocean.

A scheme to reduce flood damage was completed in 1981/82 by the Waitaki Catchment Commission. The scheme involved the construction of a trapezoidal channel to collect flood flows on the north-eastern side of Georgetown-Pukeuri Road (SH83) and to convey



the combined flows of Waikoura and Henderson Creeks directly to the Waitaki River, rather than have them meander across the plains to the coast south of Hilderthorpe. The diversion generally runs parallel to Jardine Road and discharges into the Waitaki River some 7 km north of Peebles.

The Hilderthorpe Floodway is another flood alleviation channel, combining natural and artificially constructed sections and designed to convey overland flow from Gray Road to the Hilderthorpe Race alongside Steward Road during significant rainfall events. The natural sections of the channel follow the course of a paleochannel.

Both the Waikoura and Henderson Creeks floodway and the Hilderthorpe floodway are managed by ORC and are protected by the ORC Flood Protection Management Bylaw (2012).

POSITIVE EFFECTS

In combination, the existing floodways, groynes and cross banks provide a comprehensive network of flood protection mechanisms for the Lower Waitaki area. In turn, this provides positive outcomes for the social, economic and cultural wellbeing of both the immediately affected community. Further, the ability to rely on the continued efficacy of the existing flood protection assets enables lifeline utilities within this area to operate with a degree of confidence.

In 2017, an economic assessment of the Lower Waitaki River Control Scheme was undertaken on behalf of the ORC⁴. While the scope of that report related to an assessment of the benefit split between those within and outside of the control scheme zone and a review of the allocation of costs between Canterbury and Otago, this report also provides useful commentary as to the benefits provided by the existing scheme.

This assessment combines the benefits from preventing flooding and erosion and assesses them together, using a baseline where existing infrastructure is not in place to demonstrate the effectiveness of the works.

Type of Impact	Lower Waitaki River Scheme
Loss of life	<p><i>Net impact assessment: Low</i></p> <ul style="list-style-type: none"> ➤ <i>The risk to lives is low in the event of a small flood.</i> ➤ <i>The risk to lives is higher in the event of a large flood...</i>

⁴ Economic Assessment of the Lower Waitaki River Control Scheme, Report to the Otago Regional Council, February 2017, Castalie Advisors Limited (<https://www.orc.govt.nz/media/3291/castalia-report-2017.pdf>)



Type of Impact	Lower Waitaki River Scheme
	<ul style="list-style-type: none"> ➤ While the cost of losing lives is high, its low probability means the overall impact is low.
<i>Impaired health</i>	<p>Net impact assessment: Low</p> <ul style="list-style-type: none"> ➤ Injuries and illness from flooding events are likely to affect several people in the scheme, which will increase the longer the flooding persists.
<i>Damage to non-commercial property</i>	<p>Net impact assessment: High</p> <ul style="list-style-type: none"> ➤ May suffer aesthetic damage ➤ Given the extent of the property (residential and farms) in the area, damage to this property is likely to be widespread (and severe in a large event). ➤ River course change will destroy property on affected land.
<i>Loss of amenity</i>	<p>Net impact assessment: Negligible</p> <ul style="list-style-type: none"> ➤ Less recreational users in a flooding event (This includes campers, trampers, people fishing etc) ➤ Little or no effect on recreational users from erosion as they would move with the river bed.
<i>Loss of land or output on farms or businesses</i>	<p>Net impact assessment: High</p> <ul style="list-style-type: none"> ➤ Damage due to stock and ability to support them for several weeks (possibly longer, if the recovery time after the event is considered). ➤ Lot business to those reliant on expenditure by farms. Significant impact given multiple service towns in schemes.
<i>The cost of emergency response and repairs</i>	<p>Net impact assessment: Moderate</p> <ul style="list-style-type: none"> ➤ A large flooding event would be more damaging than without the scheme because water would breach the river banks earlier. This would lead to higher cost of response and subsequent repair works. ➤ Direct costs would be moderate in low level events as they require relatively little response (partly due to the ability to give some warning about the likelihood of flooding) and some repair costs ➤ Cost to evacuate, house and provide welfare for residents in major event would be higher than with the scheme.



Type of Impact	Lower Waitaki River Scheme
<p><i>Loss of road access</i></p>	<p><i>Net impact assessment: Moderate</i></p> <ul style="list-style-type: none"> ➤ <i>The areas of State highway 1... that receive greater protection from the scheme will face higher delays and greater loss of access in large events without the scheme.</i> ➤ <i>Residents and businesses (in and out-of-scheme) using road infrastructure in scheme would face greater delays and costs from taking alternative routes.</i> ➤ <i>There would be increased road maintenance costs from greater erosion.</i>
<p><i>Loss of rail access</i></p>	<p><i>Net impact assessment: Moderate</i></p> <ul style="list-style-type: none"> ➤ <i>Businesses using rail infrastructure in the scheme (Main South Trunk Line) would face delays and costs from lost business in the event of a flood.</i> ➤ <i>There would be higher cost in repairing or maintaining the rail line with higher levels of erosion.</i> ➤ <i>Given the unique characteristics of rail freight, businesses are more likely to bear cost of delays than use more expensive alternatives, such as road freight.</i>
<p><i>Transport transmission line damages</i></p>	<p><i>Net impact assessment: Moderate</i></p> <ul style="list-style-type: none"> ➤ <i>Flood impact likely to be low. Line redundancies allow the line to deal with some malfunctions from flooding and continue to operate. A more severe flood impact, such as the loss of line towers, would lead to power outages for up to three days in Oamaru, Studholme and Timaru, and for two large irrigation schemes. However, the 1995 Waitaki river flood event (a 1 in a 100 year event) did not lead to power outages in these regions, showing the line's towers remained intact in severe floods.</i> ➤ <i>Impact from river course change would be high. River course change without the scheme is expected to lead to land loss that would require Transpower to move the lines, incurring significant expense.</i>
<p><i>Irrigation intakes</i></p>	<p><i>Net impact assessment: Moderate</i></p> <ul style="list-style-type: none"> ➤ <i>The irrigation companies taking water from the river will have increased costs of infrastructure.</i>

The designation of these assets offers an enhanced protection for the existing flood protection utilities. While these are presently protected by an Otago Regional Council Bylaw, the inclusion of the NoR within the Waitaki District Plan provides greater clarity for land owners and occupiers within the vicinity of the works regarding other works that may impact on the integrity and efficacy of these assets.

The designation of these sites recognises that the assets are an essential utility. The designations will provide an efficient and appropriately enabling planning framework for the continuation of the existing use and any changes to the established assets that may be required in the future.

The Council seeks to minimise any potential adverse effects on the environment resulting from the operation and maintenance of these flood protection assets, and the NoR includes conditions and advice notes to appropriately manage actual and potential environmental effects arising from these activities. Outline plan requirements will also apply to the existing assets, providing the Waitaki District Council with oversight of the environmental effects that result from any continuing works on these assets.

On this basis, the NoR is considered to have potentially positive effects on the community, and in respect of environmental outcomes.

LANDSCAPE AND VISUAL EFFECTS

The landscape and visual effects of the Council’s assets differ based on the nature of the asset to be designated, as reflected in the assessment below. The Floodways are located across the Lower Plains, however the other assets to which this NoR relates are located on the lower reaches of the river terrace, which is sparsely populated.

Both Floodways are located within the Rural General Zone. Aside from a groyne located near the northern end of Ferry Road, all cross banks and groynes that are the subject of this NoR are located within the Rural Scenic Zone. The assessment below notes and reflects this key difference.

Floodways

The three floodways that are the subject of this NoR are located on the Waitaki Plains within the Rural General Zone.

During dry periods, the **Hilderthorpe Floodway** appears as a grassed depression running through the landscape. Where the Hilderthorpe floodway crosses roads, crossings are typically low profile, relying on culverts beneath the road. There are no bridges along the alignment of the Hilderthorpe floodway.



Figure 5: Hilderthorpe Floodway ; view west from State highway 1 bridge



Figure 6: Hilderthorpe Floodway; view east from State highway 1 bridge.



Figure 7: Hilderthorpe Floodway; view east from Gray Road crossing



Figure 8: Western view of the Hilderthorpe Floodway Gray Road crossing





Figure 9: Eastern view of the Hilderthorpe Floodway Gray Road crossing

Due to the very flat topography across the Waitaki Plains and the lack of planting along the margins of the floodway, visually the floodway is well integrated with, and almost indistinguishable from, the existing topography in the area. The only locations where it is visible is where it crosses roads and the railway line. Where visible, it appears very similar to the irrigation races that are located in the area, albeit largely dry.

The table below identifies residential activities in close proximity to the existing Hilderthorpe Floodway and provides a summary of the visual effect of the Floodway on these activities.

Table 4: Residential activities in proximity to Hilderthorpe Floodway

Property address	Mitigation
200 Gray Road	Established plantings provide visual separation from the Floodway, which is located approximately 60 metres from the dwelling.
354 Hilderthorpe Road	Established planting located both upon the site of the dwelling and along the edge of the Floodway provides screening. Floodway is located approximately 60 metres from the dwelling.

Property address	Mitigation
282 Ferry Road	Established planting surrounds the existing dwelling which is set back from the Floodway by approximately 180 metres. The separation distance is occupied by a paddock.
311 Hilderthorpe Road	Some shelterbelts are located between the dwelling and the Floodway. The Floodway is located 280 metres from the dwelling, with paddocks lying between.
827 Hilderthorpe Pukeuri Road (SH1)	The farm sheds associated with this property are located between the dwelling and the Floodway, which is approximately 310 metres to the north. A shelterbelt also screens the Floodway from view.
250 Corbett Road	There is approximately 500 metres between this dwelling and the Floodway. Planting has been undertaken around the existing dwelling, however the distance between it and the Floodway appropriately mitigates the Floodway's visual effects.
53 Hilderthorpe Road	This dwelling lies approximately 340 metres to the north of the Floodway. Planting has been undertaken around the existing dwelling, and the setback from the floodway mitigates visual effects.
Steward Road	This dwelling is situated approximately 110 metres from the eastern end of the Floodway, across Steward Road. Hedging and an irrigation race are located between the dwelling and the Floodway.

The existing floodway results in visual and landscape effects that are less than minor in respect of these dwellings; it is not dominant within the existing landscape of the area.

As set out above, the Henderson and Waikoura Creek Floodways are complementary, and while visually separate at their commencement at their respective State highway 83 crossings, they converge at Irvine Road, continuing to the Waitaki River.

The **Henderson Creek Floodway** appears as a typical rural stream at its commencement at State highway 83. Slightly incised, it meanders naturally towards the north, with grassed banks, and occasional trees along its margins.





Figure 10: Henderson Creek Floodway, viewed from State highway 83 looking towards the north.

Once Henderson Creek is out of sight from State highway 83, it becomes more controlled, following comparatively direct lines towards its convergence with the Waikoura Creek Floodway, on the northern side of Irvine Road. State highway 83 is slightly elevated above the plains, however the fall towards the north is gradual, thereby offering no real views of the more confined alignment of the Floodway beyond the immediate visual catchment of the State highway. The views of the Floodway from Irvine Road are also relatively confined due to the topography of the area. On this basis, there is not considered to be anything present within the landscape that differentiates the Floodway from any other watercourse within this rural environment.

The table below identifies the single residential activity occurring in close proximity to the existing Henderson Creek Floodway and summarises the Floodway's effect on this dwelling.

Table 5: Residential activities in proximity to Henderson Creek Floodway

Property address	Mitigation
1357 Georgetown Pukeuri Road	This dwelling is located across SH83 from the commencement of the Floodway, with approximately 80 metres separation distance. This dwelling is oriented towards the north, and the State highway visually separates the Floodway from the dwelling. Established plantings also provide screening.

The existing floodway results in visual and landscape effects that are less than minor in respect of this dwelling.

Like Henderson Creek, at its commencement the **Waikoura Creek Floodway** appears much like any farm stream, noting that it is a more modified environment than Henderson Creek. The terrain in this area is also very similar, providing no views of the stream beyond approximately 200 metres from State highway 83.



Figure 11 Waikoura Creek Floodway, viewed from State highway 83 towards the north east.



As seen in Figure 10 above, the Creek carries very low flows (aside from during flood events), and the bed of the floodway is grassed. A concrete ford provides stock crossing in this location. Notably, on the true right bank of the floodway, an irrigation race is present. This Floodway takes a more natural route to its convergence with the Henderson Creek Floodway on the northern side of Irvine Road.

Like the Henderson Creek Floodway, there are not considered to be any landscape characteristics that differentiate the Floodway from other watercourses within this rural environment.

The table below identifies residential activity in close proximity to the existing Waikoura Creek Floodway, and provides a summary of the visual effect of the Floodway on that dwelling.

Table 6: Residential activities in proximity to Waikoura Creek Floodway

Property address	Mitigation
1571 Georgetown Pukeuri Road	This dwelling is located in an elevated position 220 metres from the end of the commencement of the Floodway. State highway 83 lies between the residential activity and the Floodway.

The existing floodway results in visual and landscape effects that are less than minor in respect of this dwelling.

From the convergence of the Henderson and Waikoura Creeks, the combined **Henderson and Waikoura Creeks Floodway** exhibits a more modified character, flowing towards the east, where it meets Jardine Road. The combined floodway then runs along the western side of Jardine Road before deviating from this alignment towards the river.





Figure 12 Henderson and Waikoura Creeks Floodway, viewed from near the intersection of Irvine and Jardine Roads, looking towards the northwest. Note: the water visible at the left side of the image is within the irrigation race, not within the Floodway itself.

The length of the floodway that runs along Irvine Road (shown in the centre of the image above) results in no adverse visual effects. This area is significantly modified, and the Floodway runs partially adjacent to an irrigation ditch. Existing pasture and cropping in the area also restrict views into the waterway. As such, this portion of the Floodway is considered to have adverse visual effects that are de minimis.



Figure 13 Henderson and Waikoura Creeks Floodway; viewed from opposite 550 Jardine Road, looking towards the south.





Figure 14: Henderson and Waikoura Creeks Floodway; viewed from opposite 550 Jardine Road, looking towards the north.

The length of the Floodway that extends along Jardine Road is similarly considered to have effects that are de minimis. While the Floodway is visible, its presence is not an adverse effect, and its location alongside the road alignment ensures that infrastructure is co-located as far as practicable. The banks of the Floodway are grassed, and the floodway itself is also fenced.

The final portion of the Floodway meanders from Jardine Road and the Waitaki River. Its course is more typical of a natural rural watercourse, and is thus visually suitable within this receiving environment. It does not result in any adverse visual effects.

The table below identifies residential activities in close proximity to the existing Floodway and provides a summary of the visual effect of the Floodway on these activities.

Table 7: Residential activities in proximity to Henderson and Waikoura Creeks Floodway

Property address	Mitigation
1/367 Jardine Road	The dwelling is located approximately 90 metres from the Floodway. Some planting surrounding the house may provide some visual screening, and the low banks along either side of the floodway will obscure it from view.

Property address	Mitigation
2/367 Jardine Road	The dwelling is located approximately 40 metres from the Floodway. Low banks along either side of the floodway will obscure it from view.
460 Jardine Road	The dwelling is located approximately 80 metres from the Floodway, with planting providing screening of the Floodway from view from the dwelling. Jardine Road also reduces any visual prominence of the Floodway.
464 Jardine Road	While the dwelling is located 40 metres from the floodway, the banks running alongside the Floodway make it less visually dominant. Jardine Road also reduces any visual prominence of the Floodway.
550 Jardine Road	This dwelling is located behind a substantial shelterbelt that prevents the visibility of the Floodway. The house is set back 110metres from the Floodway. The Floodway lies to both the west and north of this dwelling, due to the alignment of the watercourse. A second dwelling on the property benefits from similar screening achieved by plantings and shelterbelts.

Overall, no change in visual effects is anticipated to result from the designation of the existing Floodways for flood protection purposes. Beyond occasional maintenance activities, no works are proposed, however should works be undertaken at a future stage they will be subject to the Waitaki District Council’s consideration via the outline plan process. Accordingly, the proposed designation of the existing Floodways is not considered to result in any adverse visual effects that are greater than minor.

Cross Banks

The locations of the cross banks proposed to be designated via this NoR are shown in **Appendix C**, however include the following general areas:

- Mouth of the Waitaki River
- Two areas at the Waitaki Bridge, either side of State highway 1, including a small portion beneath the highway and the railway line
- A small portion of cross bank beyond the Welcome Creek groyne
- Two areas beyond the northern termination of Wilson Road.

The cross bank that is located at the **mouth of the Waitaki River** runs along the true right bank, for approximately 500 metres. The cross bank is vegetated in a manner that is

consistent with the surrounding area. The cross bank is virtually indistinguishable from the surrounding environment, and thus results in adverse visual effects that are de minimis. The closest residential activities are located at the Motor Camp, approximately 580 metres to the south west. The cross bank in this location is not visible from this distance. No works to this cross bank are proposed in conjunction with this NoR. On this basis, the existing cross bank is considered to have visual effects that are less than minor.

The two cross banks located on either side of State highway 1 at Waitaki Bridge are similarly indistinguishable. The cross bank which lies **beneath the railway line** is accessible via a formed vehicle track, and the railway abutment forms the cross bank (approximately 100metres in length). The area is vegetated with trees and shrubs, and while visible for users of the access road, it is not easily visible from State highway 1 or from any residential activities.

On the **western side of State highway 1**, the longer cross bank is located in a heavily vegetated area, predominantly of willows. Accordingly, it is not visible from State highway 1, or from the nearest residential activity, located at the Waitaki Bridge village. This cross bank is approximately 200 metres in length.

Due to the inability to readily identify these cross banks, they are considered to have no adverse visual effects. Two groynes are also located in this area, and these are discussed further below.

The short length of cross bank **beyond the Welcome Creek groyne** (discussed below) is approximately 40 metres in length. Due to the extensive planting along the true right bank of the Waitaki River in this location, the cross bank is indistinguishable and therefore has no visual impact.

There are also two cross banks located beyond the northern termination of Wilson Road. The longer of the two cross banks is located to the **east of the northern end of Wilson Road** and is approximately 550 metres in length. Its location is not readily accessible, and the area is heavily vegetated, resulting in the cross bank not being visible in this area. As such, it is considered to have no visual effects.

Similarly, the cross bank located on the **western side of Wilson Road** is approximately 375 metres in length and is not visible from adjoining areas. It is also heavily vegetated, and thus has no adverse visual effects.

The cross banks near Wilson Road are supported by three groynes, the visual effects of which are considered below.

None of the existing cross banks located along the true right bank of the Waitaki River result in adverse visual effects. No specific works are proposed for these cross banks under this NoR; should works be contemplated they will be subject to consideration through the outline plan process prescribed by the RMA.

Groynes

The locations of the groynes proposed to be designated via this NoR are shown in **Appendix C**, and includes the following areas:

- Waitaki Bridge (either side of State highway 1 – one of 250 metres and one of 480 metres)
- Between Welcome Creek and the Waitaki River (approximately 160 metres in length)
- East of the northern most extent of Ferry Road (600 metres in length)
- Three groynes of varying lengths are located beyond the northern termination of Wilson Road.

The visual assessment relating to the cross banks located at **Waitaki Bridge** is also applicable to the groynes located within this area. No additional adverse visual effects result from these existing assets.

The groyne located **between Welcome Creek and the River** is partially located within the Waimate District and the Canterbury Region. Only the portion that is located within the Waitaki District and Otago Region is proposed to be included in this designation. The groyne is grassed and in pastoral use. It results in no adverse visual effects, and is not visible from any nearby residential activity (the closest dwelling is more than a kilometre to the south west of the groyne). Accordingly, it is considered that the existing groyne has no visual effects.

The groyne at the **northern end of Ferry Road** is grassed and in pastoral use, and is located below the edge of the terrace. It results in no adverse visual effects, and is not visible from any nearby residential activity (the closest dwelling is more than a kilometre to the south west of the groyne). Accordingly, it is considered that the existing groyne has no visual effects.

There are three groynes broadly described as being at the **northern end of Wilson Road**. Two of these groynes intersect with the cross banks described above (the eastern groyne is 400 metres in length, with the central groyne being approximately 150 metres in length), and the same visual assessment applies. On this basis, the visual effects of the two easternmost groynes are considered to be less than minor. The westernmost groyne in this location (approximately 140 metres in length) is also grassed and planted. It is not overlooked by any residential activities, and is appropriate within the landscape. As such, it will not result in any adverse visual effects.

As for the other Council assets included within this NoR, there are no works proposed to the existing groynes at this time, and any such works will of course be subject to consideration in accordance with the outline plan requirements set out in the RMA. The existing groynes do not result in any adverse visual effects.

HYDROLOGY

The works that are subject to this Notice of Requirement were established by Environment Canterbury's predecessors in the early 1980s. Little data is available in respect of the works associated with the establishment of the scheme. The works are clear of the main stem of the Waitaki River and thus have no impact on the hydrological functioning of the river at normal flows.

Given that the existing works are not within the main stem of the Waitaki River, they similarly do not impact on the life supporting capacity of freshwater in this location.

CULTURAL

The designation of the existing flood protection assets is considered unlikely to result in any effects that are of concern to mana whenua within this area. The NoR does not impact on any areas identified as holding particular cultural significance in the operative Waitaki District Plan, the Regional Plan: Water for Otago, or the Regional Plan: Coast for Otago. Notwithstanding this, the area does include the following features that are relevant from a cultural perspective:

- Statutory Acknowledgement for the Waitaki River under the Ngai Tahu Claims Settlement Act 1998
- Statutory Acknowledgement for Te Tai o Arai Te Uru (the Otago Coastal Marine Area) under the Ngai Tahu Claims Settlement Act 1998
- Nohoanga sites at Ferry Road and the Waitaki River Mouth, as described in Table 7 below.

Table 8: Nohoanga sites, Lower Waitaki Plains

Site No	Waterway	Site	Legal Description/ Allocation Plan
43	Waitaki River	Ferry Road	6000 square metres, approximately, being Part Waitaki Riverbed, Block VII, Papakaio Survey District. Subject to survey, as shown on Allocation Plan MN 527 (SO24800).
44	Waitaki River	Waitaki River Mouth	1 hectare, approximately, being part Section 53, Block VIII, Papakaio Survey.

[Further engagement with mana whenua will inform a more detailed assessment of cultural effects resulting from the designation of these assets.](#)



To address potential archaeological discoveries that result from any future works (including maintenance works), an accidental discovery protocol is volunteered as a condition for this requirement.

NOISE

The flood protection assets are existing, and no specific construction work is proposed. Once in place, no noise will be generated by these assets. Accordingly, the only potential noise effect that could occur as a result of this NoR is related to maintenance works. Such works could include:

- Earthworks and re-grading
- Bridge and culvert replacements
- Weed spraying
- Clearing drains
- Raising bank heights

Should these works be required, they will be of a short duration, and will be undertaken in conjunction with the relevant standard for construction noise. On this basis, it is considered that any noise associated with these works would be consistent with noise resulting from any other construction activities. While less common in the rural environment, as the separation distance between any sensitive receivers and the works is significant noise will be attenuated.

To provide assurance that construction activities will be undertaken in accordance with the relevant New Zealand Standard, the requiring authority volunteers a condition for this NoR requiring adherence to NZS 6803:1999 Acoustics – Construction Noise. Compliance with this standard will ensure that adverse noise effects associated with construction works are no more than minor.

TRAFFIC EFFECTS

The assets proposed to be designated are largely passive, which means that it is not necessary to regularly visit them to undertake work. General maintenance of these assets may be required however any increase in traffic during any future construction can be readily accommodated by the existing road network.

Access to the Floodways is available via defined crossings and gates. Access to the cross banks and groynes is largely via formed and unformed roads.

Effects will be temporary and of short duration and will accordingly be less than minor.



EFFECTS ON OTHER INFRASTRUCTURE

The existing assets have positive effects on other infrastructure in the general vicinity, and the flood protection they afford provides for lifeline utility activities in particular.

Consultation has occurred with the providers of this infrastructure, and no concerns have been raised. The ORC notes that where existing assets are designated, the existing designations have primacy over the assets that are the subject of this requirement, and the provisions of section 177 of the RMA will apply. On this basis, the proposed designation of the existing assets will have no adverse effects in respect of other infrastructure within the area. Consultation will occur with the providers of this infrastructure, and this assessment will be updated by the resultant outputs.

SUMMARY

Based on the assessment set out above, it is considered that there will be no more than minor adverse effects on the environment as a result of these designations and any works that would be provided for by the designations. For any future works, details of work to be undertaken within the designations will be provided via the outline plan process and section 176A of the RMA. At that stage, any additional measures required to be undertaken to avoid, remedy or mitigate effects on the environment will be undertaken.



APPENDIX A

Henderson [and](#) Waikoura Creeks
Floodway



HENDERSON/WAIKOURA CREEK FLOODWAY

LEGAL DESCRIPTIONS AND OWNERSHIP DETAILS

Records of title will be attached to final version.

Street address	Title Reference	Legal Description	Ratepayer	Ratepayer Address
1531 Georgetown- Pukeuri Road	OT9A/648 OT2D/1078	Lot 1 DP 20381 Pt Lot B P 2358 Sec 62 Pt Sec 63 Blk I Secs 78-79 Blk IV Awamoko SD	Trevor Alan Lee, HGW Trustees Ltd, BCO Trustees (2011) Ltd	c/- 1531 Georgetown- Pukeuri Road RD 14K Oamaru 9494
Irvine Road Awamoko	126073	Secs 60-61 Pt Sec 59 Blk I Secs 10-11 Pt Secs 7-8 Blk VI Awamoko SD Lot 2 DP 25798	John Ross & Maree Robyn Skinner	100 McPhee Road RD 15 K Oamaru 9494
Jardine Road Peebles	724529 OT5A/909 OT257/112	Secs 80-81 Blk I Pt Secs 57-58 84- 85 Blk I Secs 55- 56 Blk I Awamoko SD	Lynley Joy & Lucien Bernhardt Verkerk & GCA Legal Trustee 2016 Ltd	179 Jardine Road RD 3K Oamaru 9494
1276 Georgetown- Pukeuri Road	OT190/136	Secs 19-21 24-26 Pt 23 Blk IV Awamoko SD Sec 25 Pukenui Settlement	Strachan Farms Ltd	1276 Georgetown- Pukeuri Road RD 15K Oamaru 9494
179 Jardine Road Peebles	OT8C/443	Lot 1 DP 25796 Lots 1-2 DP 17195	Skinner Farms Ltd	179 Jardine Road RD 3K Oamaru 9494
195 Aitchison Road Awamoko	272206 603662	Lot 1 DP 25797 Lot 1 DP 25798 Lot 1 DP 316736 Secs 12 SO 360321 Sec 18A Steward	Cornelis & Donna Maree Smit, Sharp Tudhope Trustee Services No 3 Ltd, Corona Trust	Otakiri Road RD 2 Whakatane 3192

Settlement Blk I Awamoko SD				
195 Aitchison Road Awamoko	OT16B/1004 OT13C/646	Lots 1 2 DP 24473 Lots 2 3 418232 Secs 14A19A Steward Settlement	Smit Dairies Ltd	74 Aitchison Road RD 3K Oamaru 9494
1 Jardine Road Peebles	OT10C/1198	Lot 1 DP 324337 Lot 1 DP 19347	Isa Holdings Ltd	c/- Grant & Rebecca Isbister 36 Homestead Road RD 1D Oamaru 9492
Waitaki District Council Rooding				

PHOTOGRAPHS



Figure 1: Henderson Creek at State highway 83



Figure 2: Henderson Creek from State highway 83 (downstream)



Figure 3: Henderson Creek from State highway 83 (downstream)



Figure 4: Waikoura Creek at State highway 83



Figure 5: Waikoura Creek at State highway 83



Figure 6: Waikoura Creek at State highway 83 (downstream)



Figure 7: Waikoura Creek at State highway 83 (downstream)



Figure 8: Waikoura Creek at State highway 83 (downstream)



Figure 9: Waikoura Creek at State highway 83 (downstream). Note irrigation channel to the right of image



Figure 10: Henderson/Waikoura Floodway from Irvine Road (upstream)



Figure 11: Henderson/Waikoura Floodway from Irvine Road (downstream)



Figure 12: Henderson/Waikoura Floodway from intersection of Irvine and Jardine Road. Note irrigation canal to left of image



Figure 13: Henderson/Waikoura Floodway from Jardine Road (upstream)

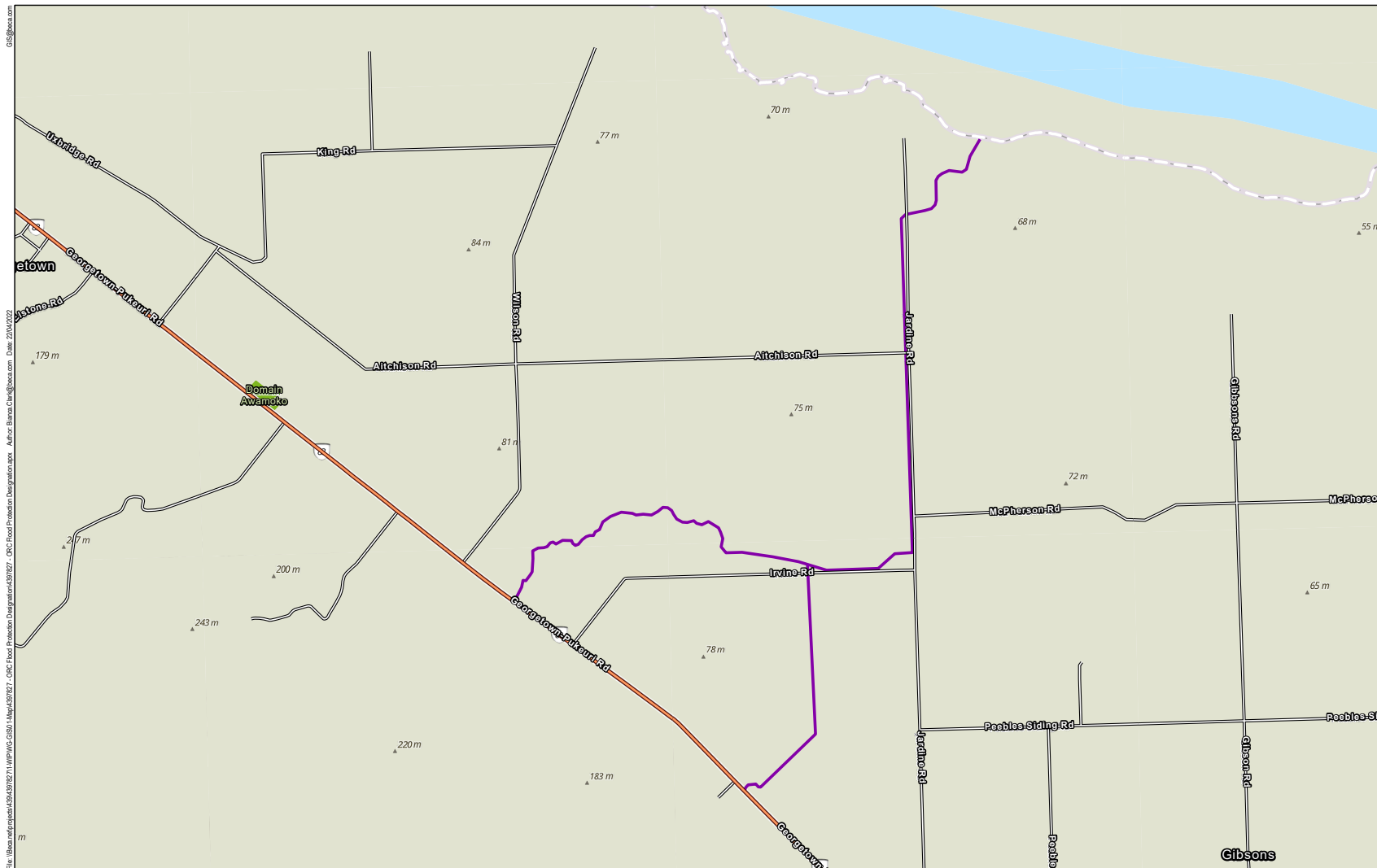


Figure 14: Henderson/Waikoura Floodway from Jardine Road (downstream)



Figure 15: Henderson/Waikoura Floodway from Jardine Road(upstream). Note depth of channel.

PLANS



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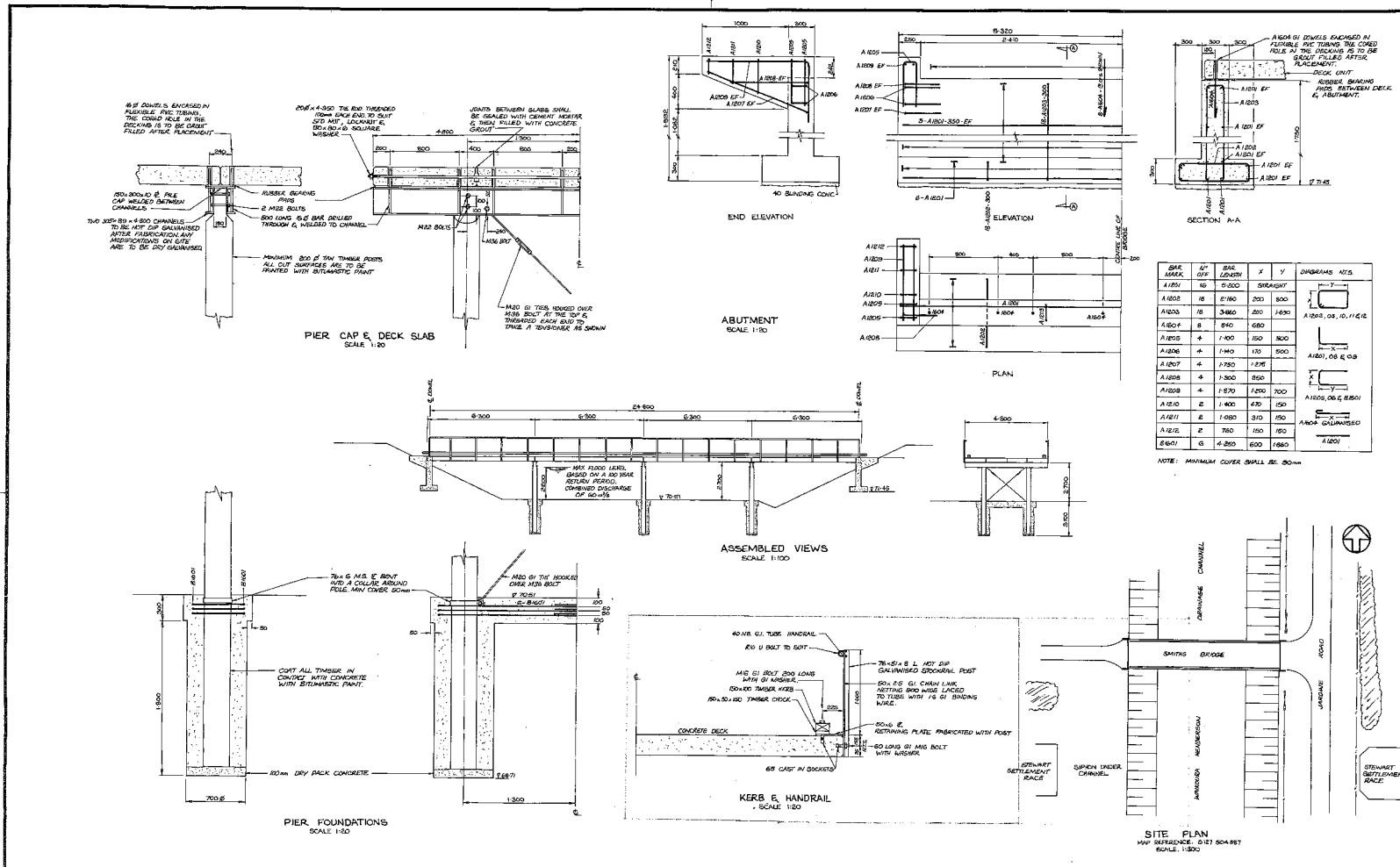
Waitaki Designation
Hendersons and Waikoura Creek Floodways

Legend

- Hendersons and Waikoura Creek Floodway
- - - Regional Council
- - - Boundaries

Otago Regional Council

Map created by Ilicia GIS. Contact: Ilicia.Martin@otago.govt.nz. Contains data sourced from Otago Regional Council and Environment Canterbury. Contains Crown Copyright. Data. Crown Copyright Reserved. This map contains data derived in part or wholly from sources other than Ilicia, and therefore, no representations or warranties are made by Ilicia as to the accuracy or completeness of this information. Map intended for distribution as a PDF document. Scale may be incorrect when printed. Basemap: Esri, NASA, NOAA, USGS, LINZ, Stats NZ, Eagle Technology, Esri, HERE, Garmin, METI/NASA, USGS

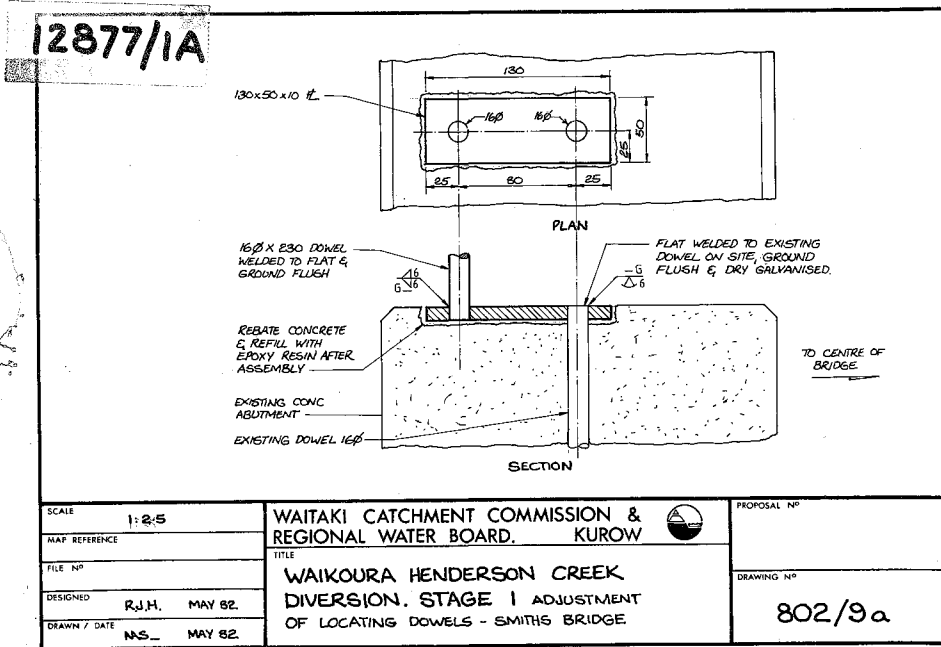


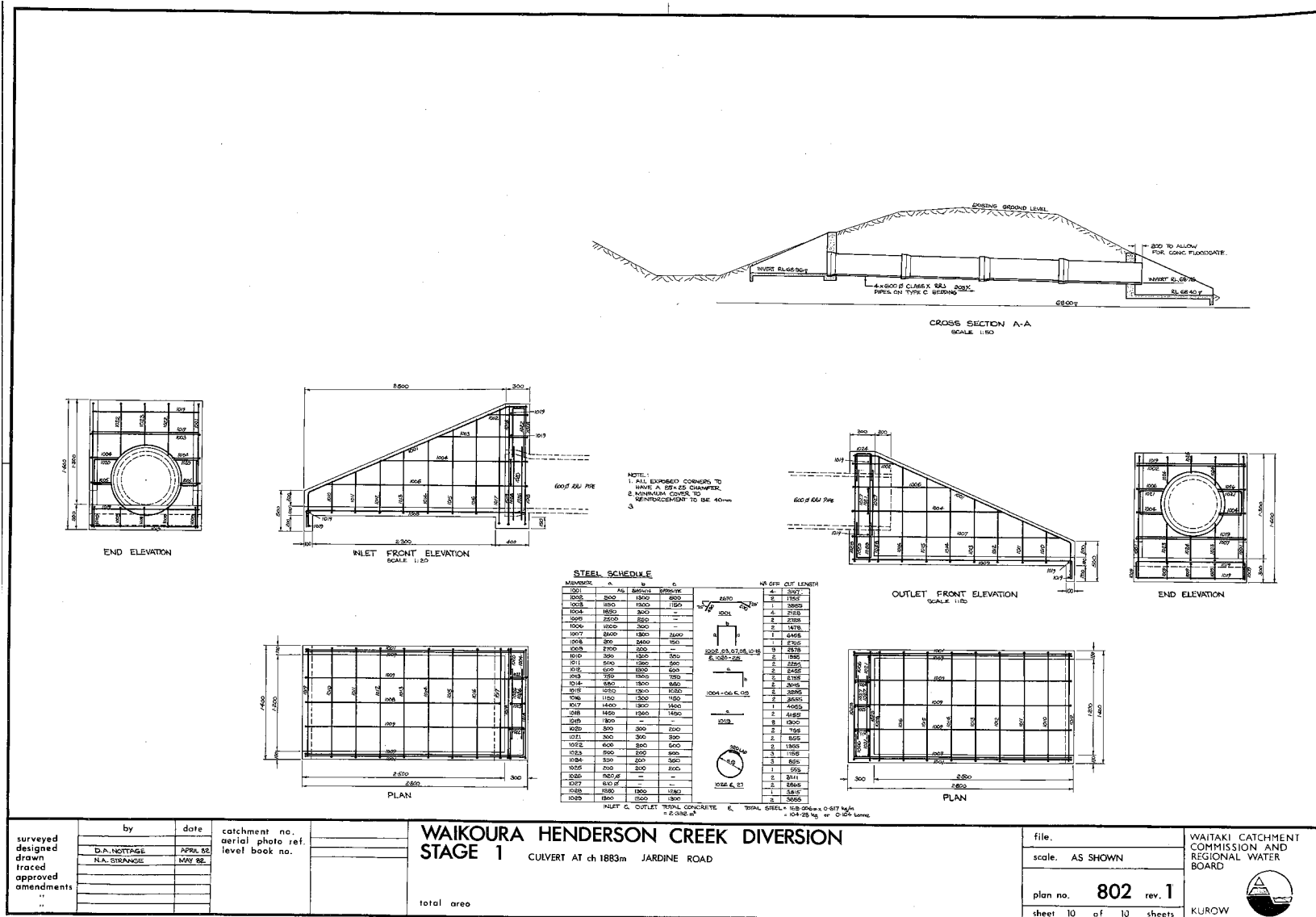
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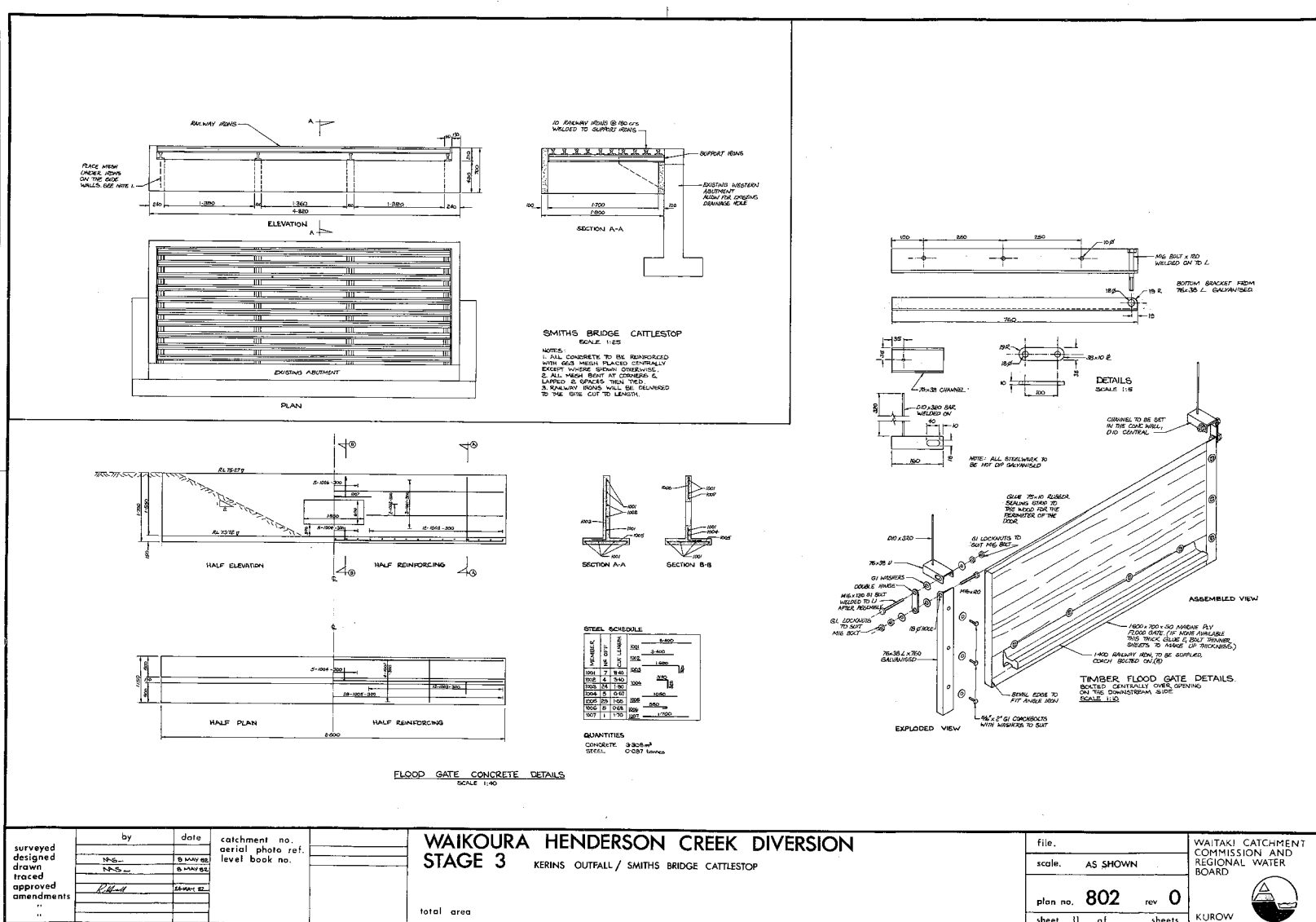
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	N.A. STRANDBERG	4 MAR 92	level book no.			
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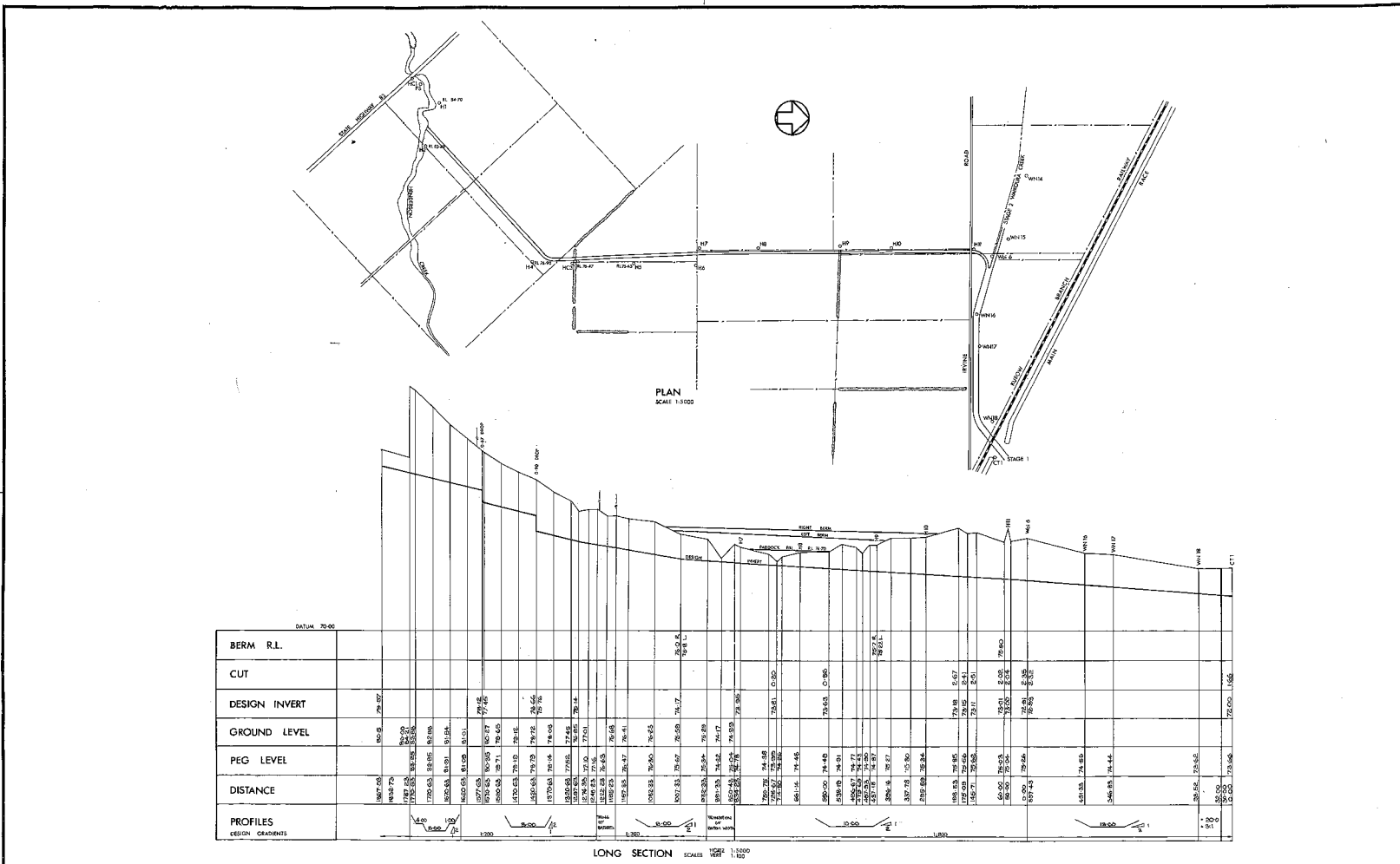
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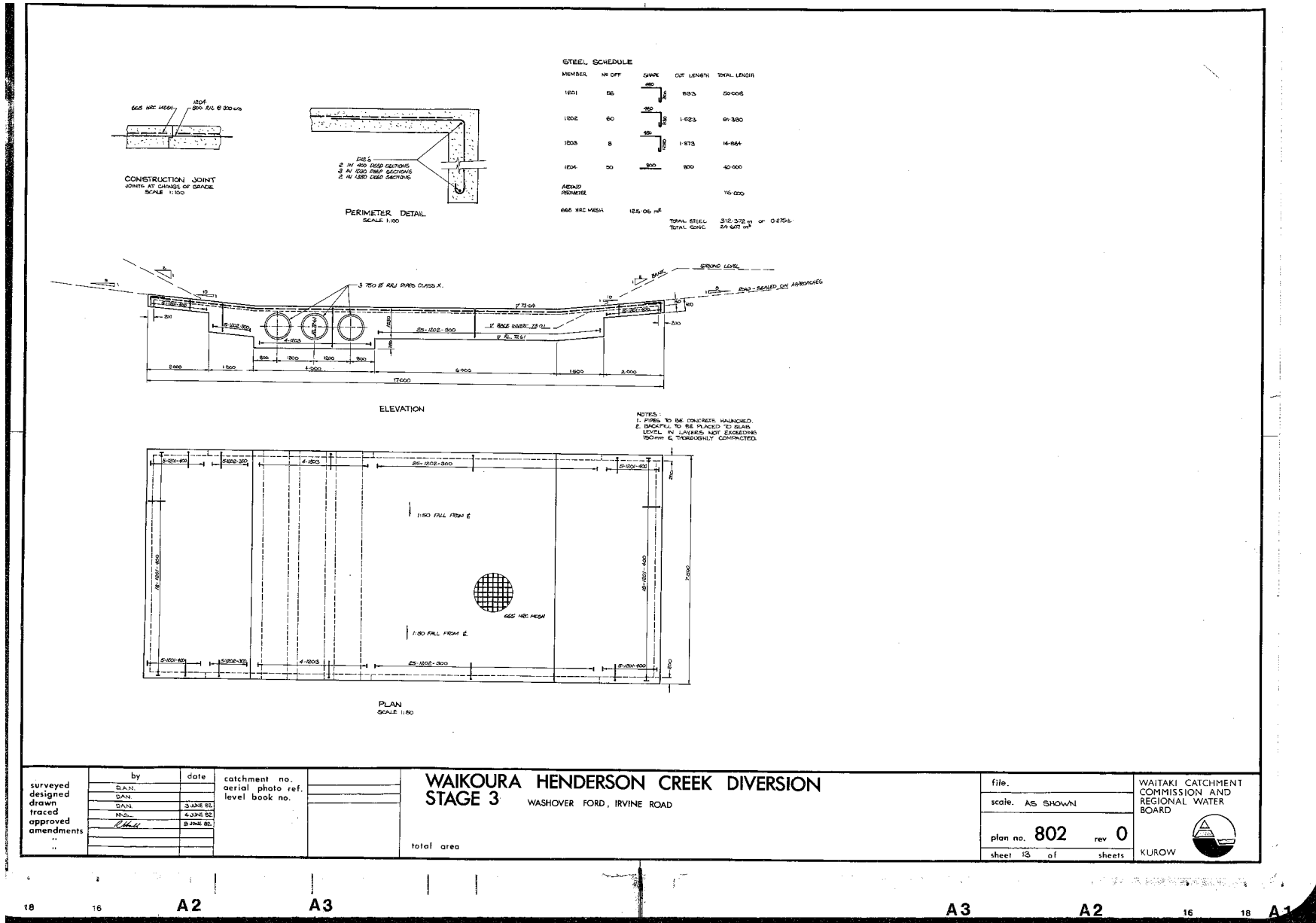
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STAGE 3**
WASHOVER FORD, IRVINE ROAD

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WAIKOURA CATCHMENT
COMMISSION AND
REGIONAL WATER
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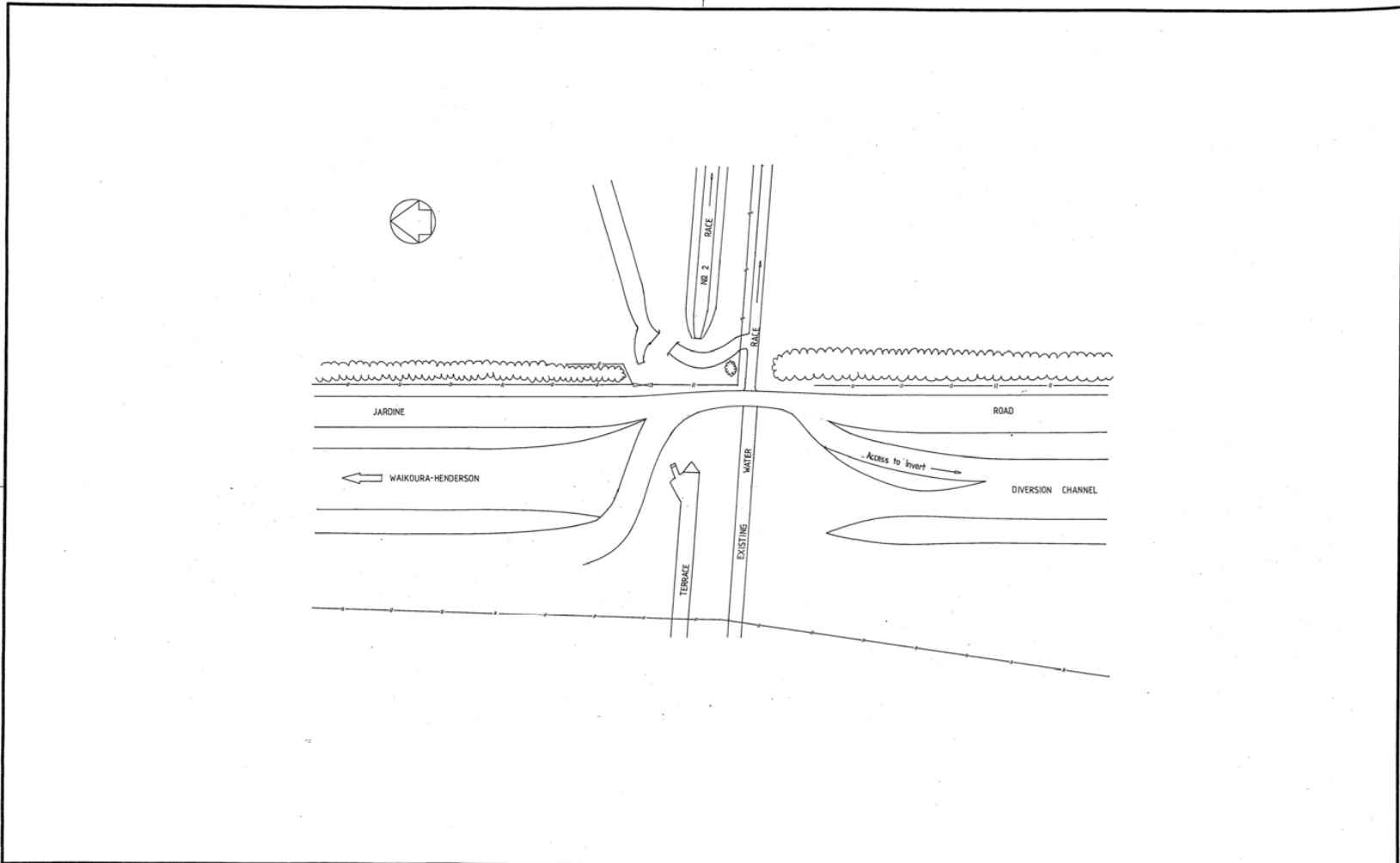
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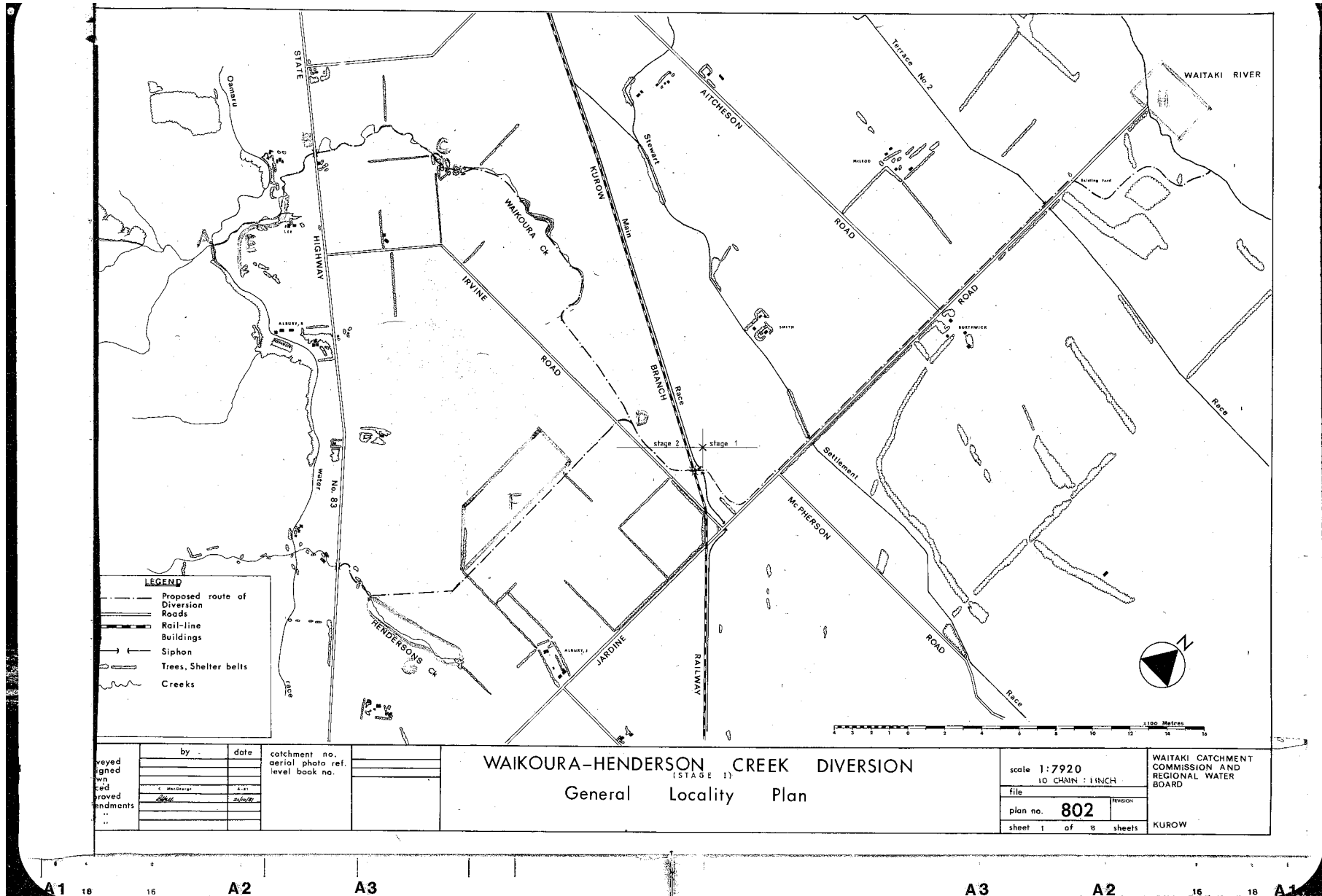
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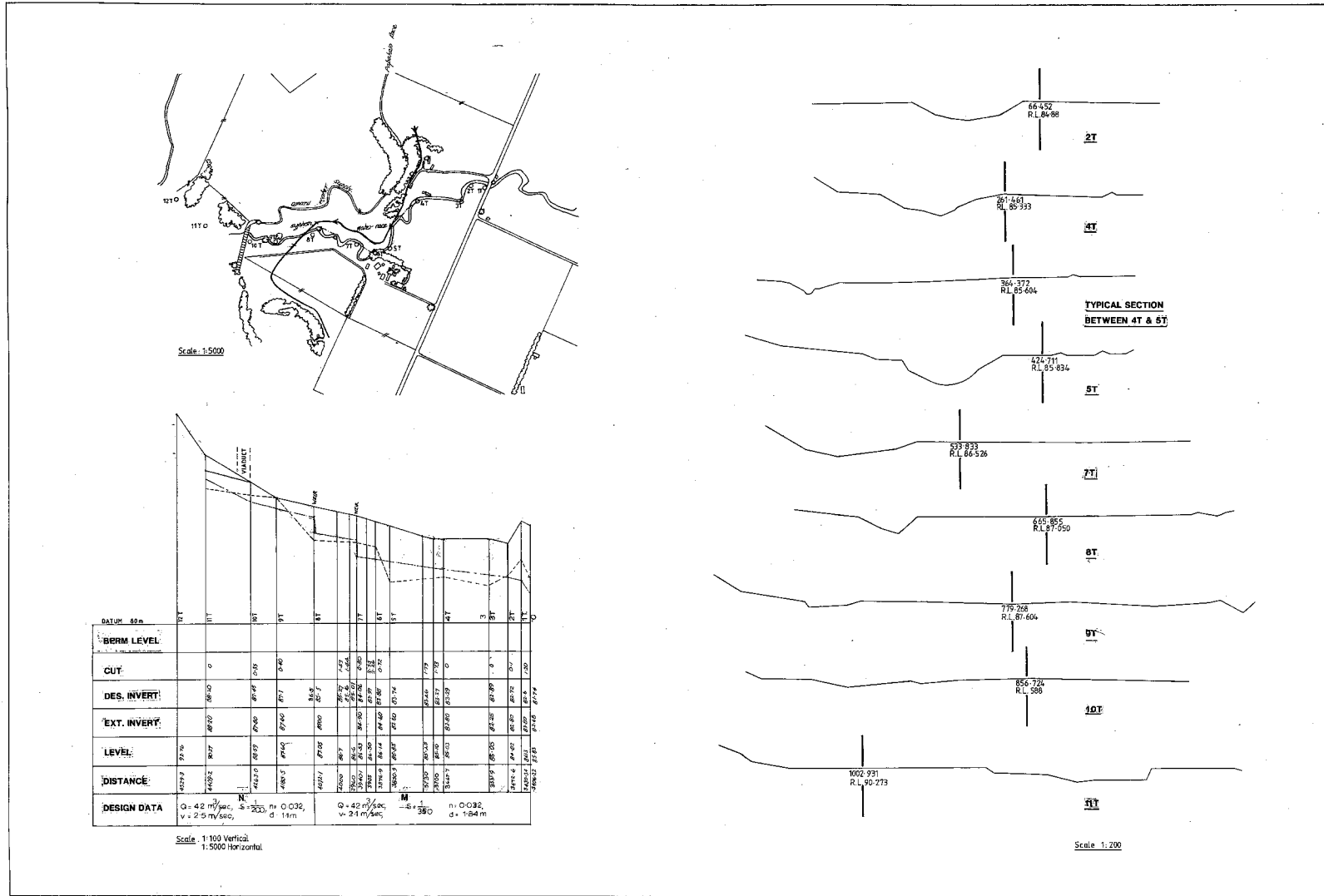
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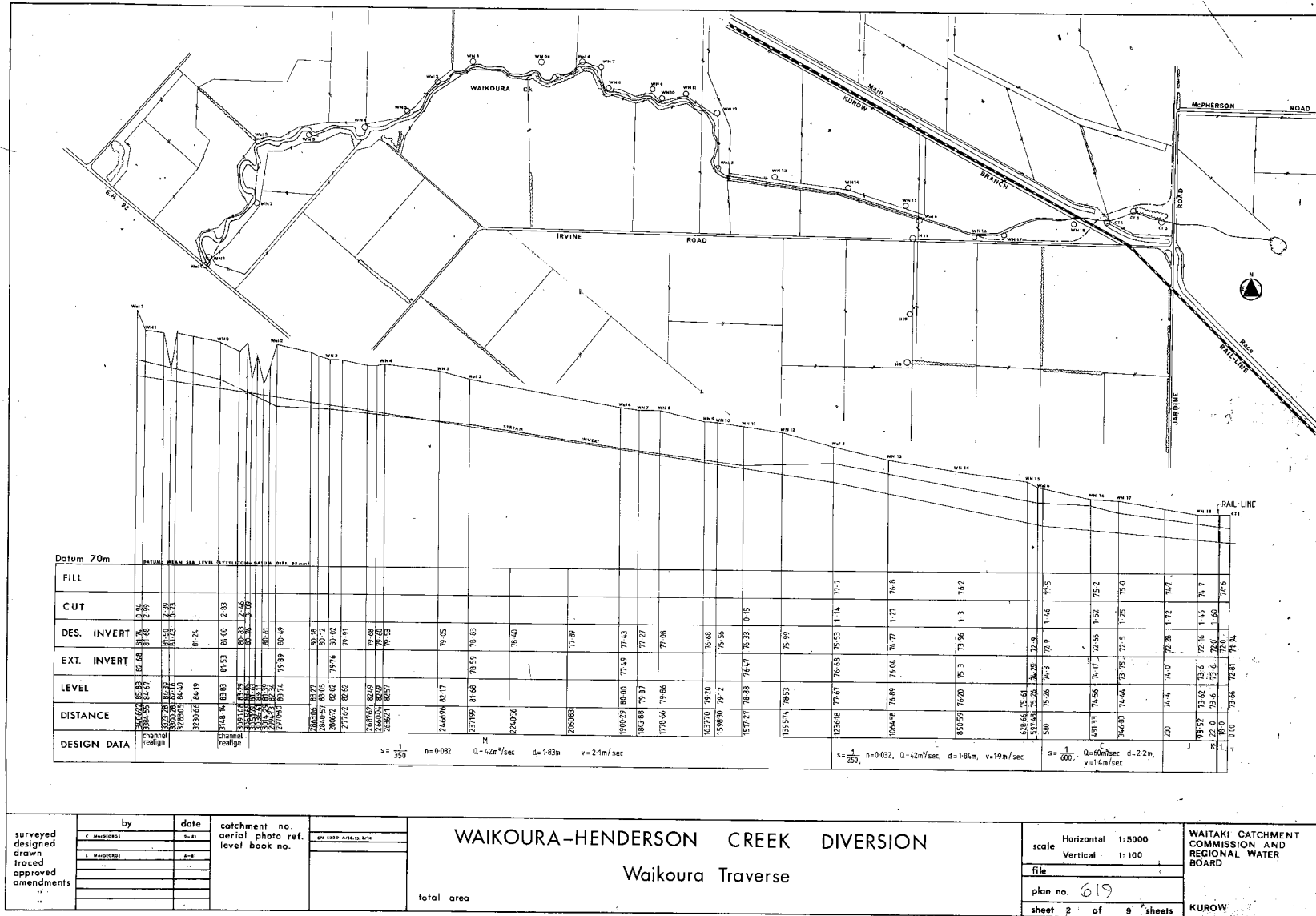


WAIKOURA - HENDERSON CREEK DIVERSION

Upper-Waikoura Traverse

DRAWN BY: J. ALINGTON CHECKED BY: J. ALINGTON DATE: 10/09/22 PROJECT: WAIKOURA - HENDERSON CREEK DIVERSION	619
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 Waikoura Traverse

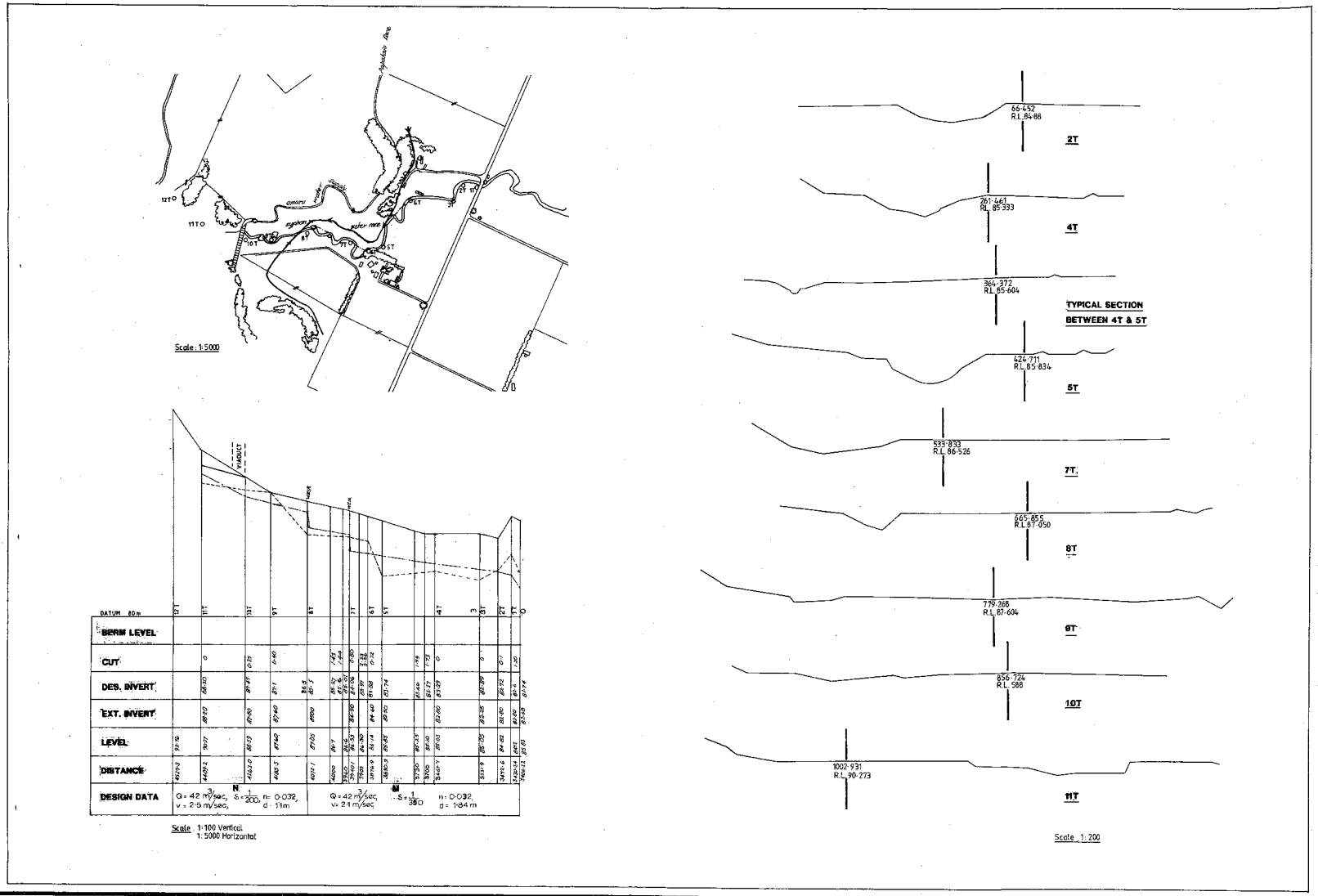
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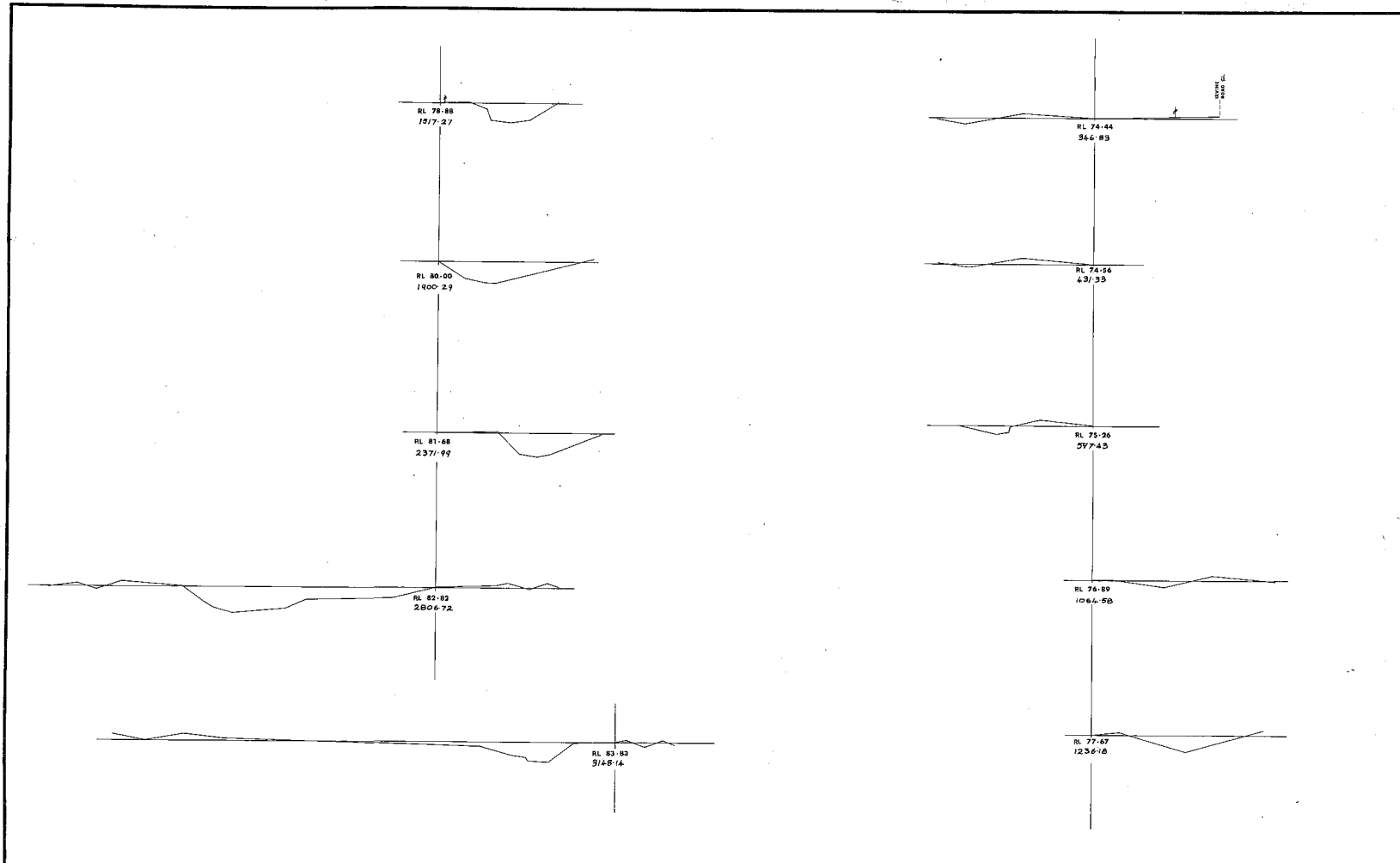



WAIKOURA - HENDERSON CREEK DIVERSION

Upper-Waikoura Traverse

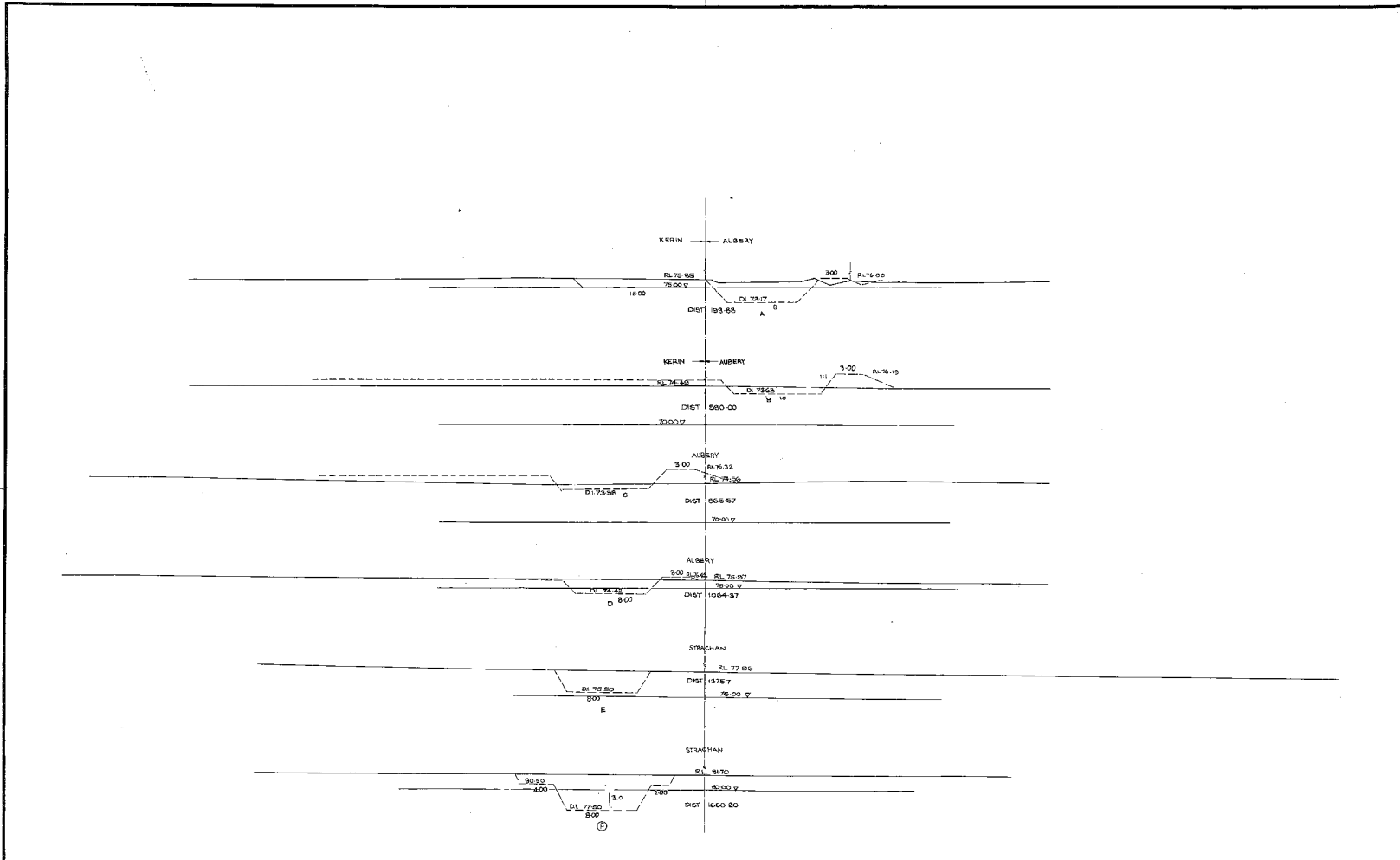
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STAGE 3 HENDERSON DIVERSION
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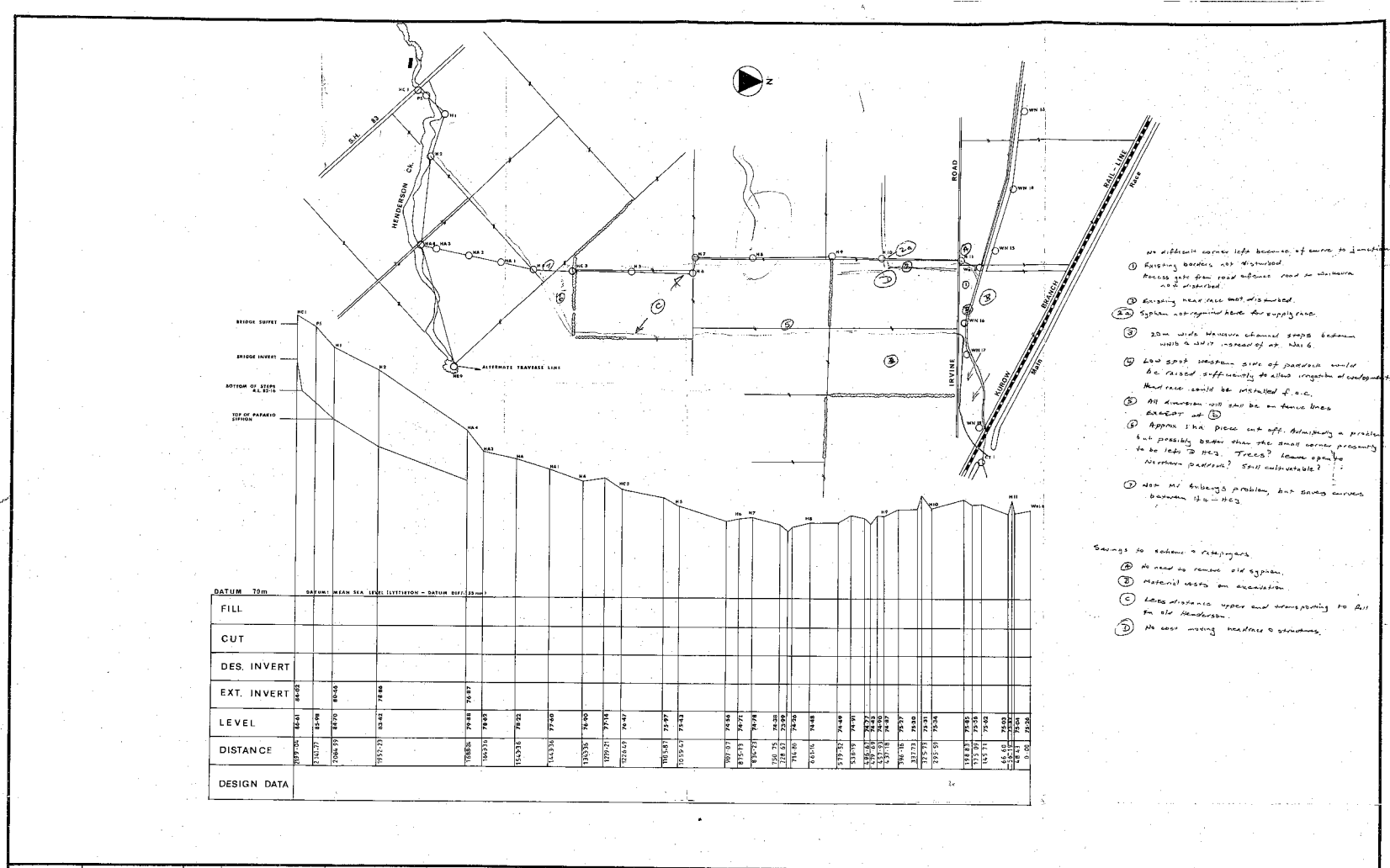
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WAIKOURA CATCHMENT
 COMMISSION AND
 REGIONAL WATER
 BOARD

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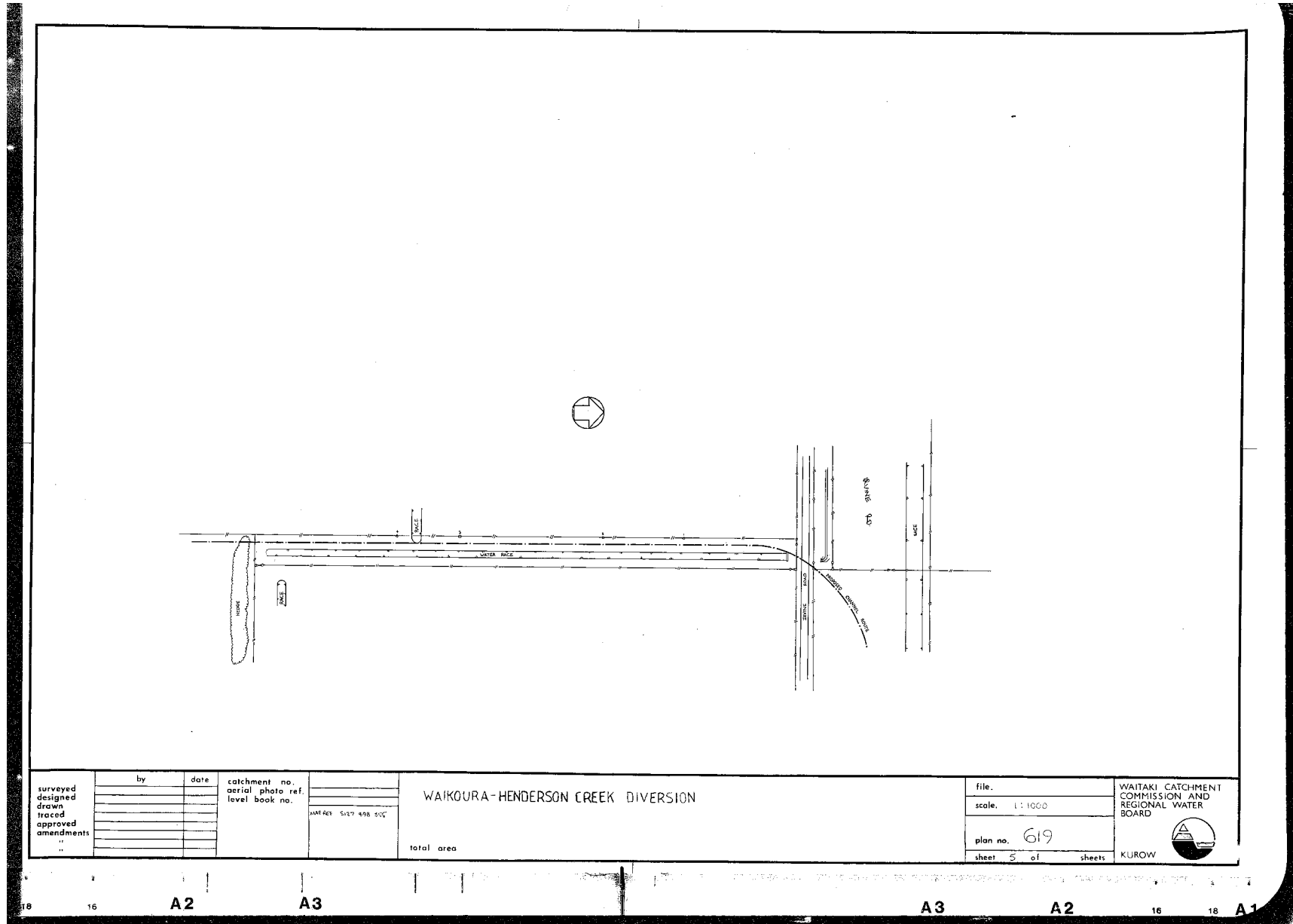


- ① Existing borders not disturbed. Please get the road surface road to maintain and disturbed.
 - ② Existing road not disturbed.
 - ③ System arrangement have the supply road.
 - ④ 20m wide drainage channel steps between with a 1:1.5 instead of at 1:1.5.
 - ⑤ Low cost drainage side of drainage would be raised sufficiently to allow drainage of catchment. Main road could be installed if a.c.
 - ⑥ All drainage will go to an open line except at ⑤.
 - ⑦ Approx 1 ha piece cut off. Adjoining a private but possibly better than the small area presently to be left to the trees? Some open water pasture? Soil suitable?
 - ⑧ How do drainage problem, but some curves between ⑧ and ⑨.
- Savings to reduce a 20m pipe.
- ⑨ As road is removed old system.
 - ⑩ Material stays on excavation.
 - ⑪ Long drainage upper and corresponding to the in the Henderson.
 - ⑫ An area moving material to structure.

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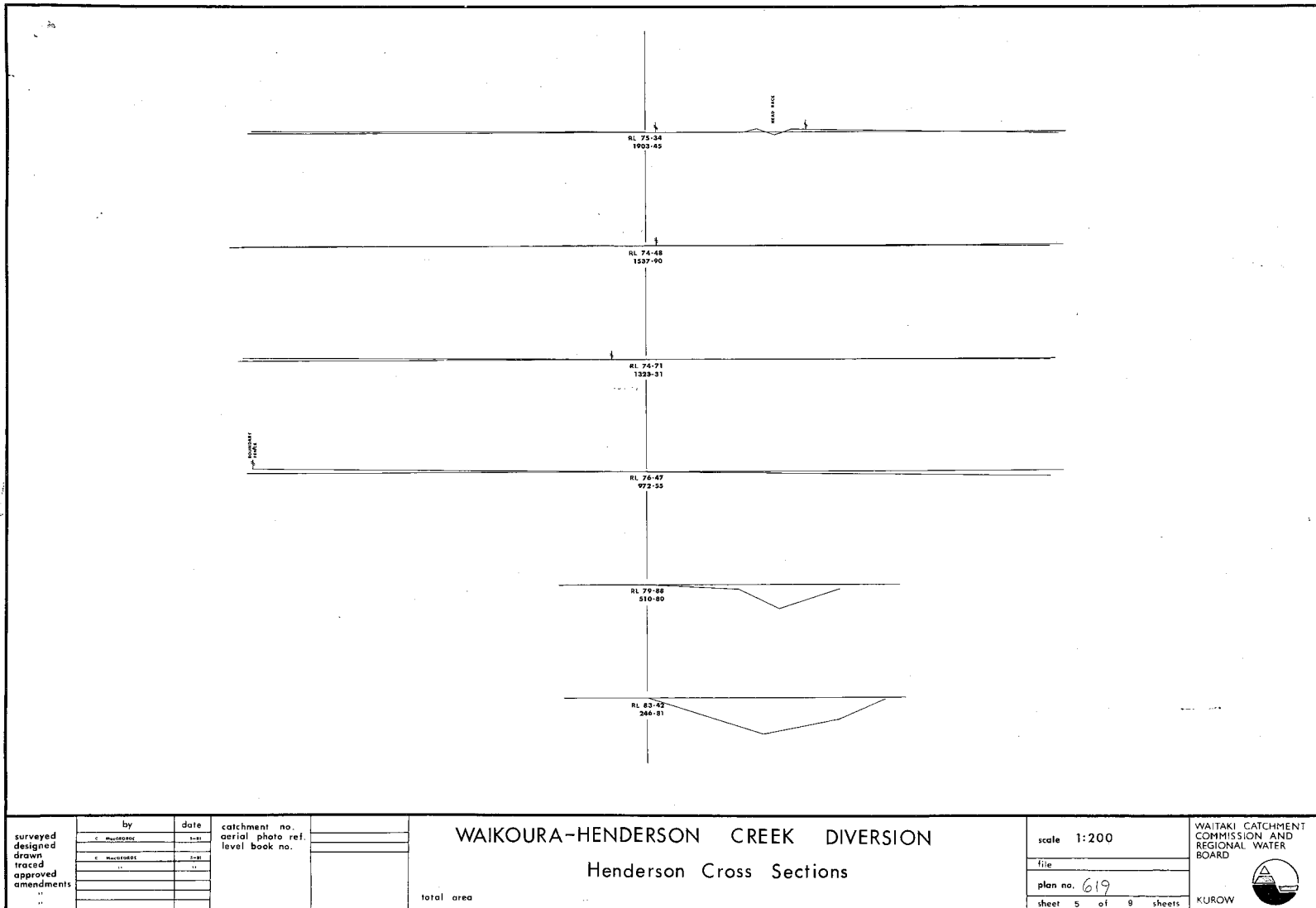
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APPENDIX B

Hilderthorpe Floodway



HILDERTHORPE FLOODWAY

LEGAL DESCRIPTIONS AND OWNERSHIP DETAILS

Records of title will be attached to final version.

Street address	Title Reference	Legal Description	Ratepayer	Ratepayer address
53 Hilderthorpe Road	OT237/88	Secs 98-100 143-144 Lot 2 DP 301558 Blk IV Papakaio SD	Corbett Road Farms Ltd	C/O Leonardo Bensegues 337 Morris Road RD 10 Waimate 7980
Hilderthorpe Road	OT233/195	Sec 94 Pt 95 Blk IV Papakaio SD	Neil Lyndon & Dorothy Nance Smith	1431 Glenavy-Hilderthorpe Road RD 5H Oamaru 9493
Corbett Road	OT358/123	Secs 101-102 Blk IV Papakaio SD	Corbett Road Farms Ltd	c/- LF Bensegues 337 Morris Rd RD 10 Waimate 7980
25 Bishop Road	OT233/220	Lot 1 DP 16402 Secs 90-93 103-105 Pt Sec 92 Blk IV Papakaio SD	Banarach Farm Ltd	c/- R A Plunket 77 Boundary Creek Road RD 1H Oamaru 9493
261 Hilderthorpe Road	OT10D/1132 161599 379566	Lot 2 DP 8942 Lot 1 DP 302081 Lot 2 DP 320416 Lot 2 DP 333749 Lots 1 2 DP393307 Secs 87-89 106-108 Blk IV Papakaio SD	Hilderlands Farms Ltd	23 Anderson Street RD 14O Oamaru 9495

Hilderthorpe Road	379567	Lot 1 DP 320416 Lot 3 DP 393307	Jane Rosemary & Erin Margaret Malcolm & Joshua Marc Soper	282 Ferry Road RD 1K Oamaru 9494
338 Ferry Road Richmond-Tawai	891753	Lot 1 DP 536044	Amber Marie Everett & Victoria Maree Littlejohn	338 Ferry Road RD 1K Oamaru 9494
445 Hilderthorpe Road	OT216/14	Lot 1 DP 21611 Lot 1 DP 25367 Secs 68-69 74 Pt Secs 70-73 75 Blk IV Papakaio SD on DP 3141	Inveraray Dairy Ltd	46 Flaxmill Road RD 1 Balclutha 9271
200 Gray Road	OT216/15	Secs 36-37 39-41 Pt Secs 38 71-73 75 Blk IV Papakaio SD	Dalziel Ag Ltd	C/- MJ and JJ Dalziel 200 Gray Road RD 15K Oamaru 9494
Kiwirail				
Waka Kotahi NZ Transport Agency				
Waitaki District Council Roothing				

PHOTOGRAPHS



Figure 1: Hilderthorpe Floodway at State highway 1 (source: Google Streetview)



Figure 2: Hilderthorpe Floodway at Ferry Road (downstream). (Source: Google Streetview)



Figure 3: Hilderthorpe Floodway at Ferry Road (downstream). (Source: Google Streetview)



Figure 4: Hilderthorpe Floodway at Gray Road (downstream)

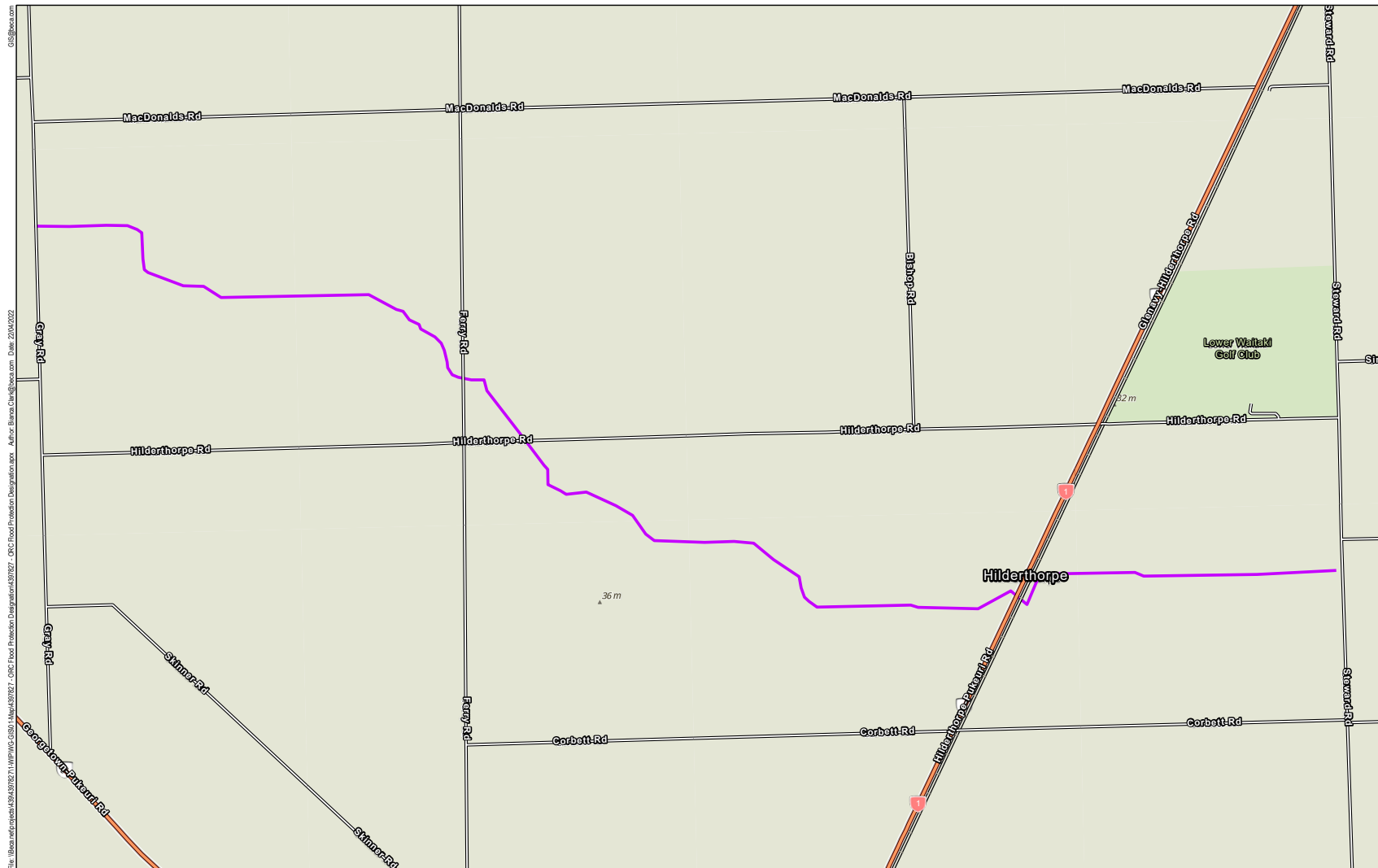


Figure 5: Hilderthorpe Floodway Culvert at Gray Road (downstream side)



Figure 6: Hilderthorpe Floodway Culvert at Gray Road (upstream side)

PLAN



Map Scale @ A3: 1:15,000

0 1
Kilometres

**Waitaki Designation
Hilderthorpe Floodway**

Legend

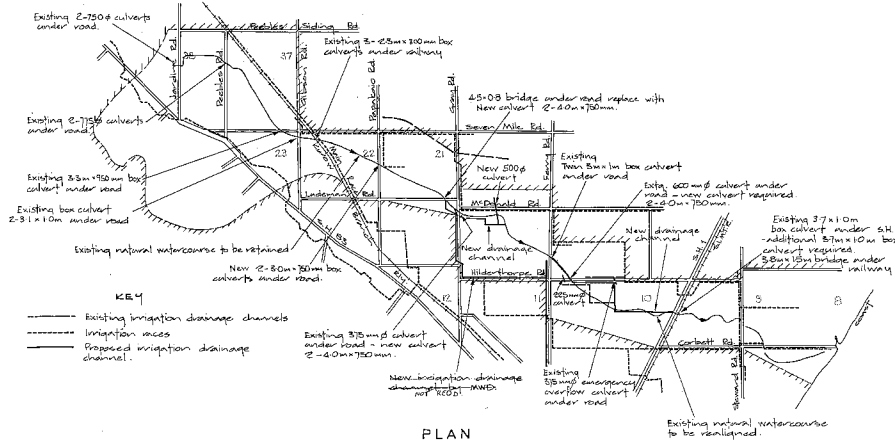
- Hilderthorpe Floodway
- Regional Council
- Boundaries

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LOCATION	CULVERTS				STORAGE (ha-m)		DRAINAGE CHANNELS									
	EXISTING		REQUIRED		1 ha-m - 10,000 m ³		UPSTREAM				DOWNSTREAM				MODIFICATION 20-4 WBS?	
	Dim ¹	Q	Dim ²	Q	INTG	REQUIRED	MODIFIED	EXISTING	REQUIRED	EXISTING	REQUIRED	UP-DIM.	DN-DIM.			
mm	m ³ /s	mm	m ³ /s		PEAK FLOW		AREA	Q	PEAK FLOW	AREA	Q	PEAK FLOW	AREA	Q		
STATE HIGHWAY 83	2.6 2.0	2.82	2.82	NR	'A'	'A'			2.82	2.12	2.22	2.12				
JARDINE RD.	2.750	2.45	2.750	2.45	NR	'A'	'A'	0.9	1.0	0.2	2.45	3.4	0.2	2.45	2.45 2.45 - - Improve channel	
PEEBLES RD. (410)	2.715	2.9	3.500	2.9	New culvert	'A'	'A'	5.0	0.2	2.9	5.0	0.2	2.9	- - - -		
SEVEN MILE RD.	3.500	3.1	3.6	NR	'A'	'A'	Improve	5.0	-	3.6	2.4	-	3.6	- - - 3.6	Improve channel	
HIBSON RD.	3.100 2.500	3.34	3.150	3.9	NR	'A'	'A'	2.4	-	3.9	4.0	-	3.9	3.9 3.9 - -	Channel needs cleaning out to increase capacity	
KUROW RAILWAY LINE	3.250 3.800	5.5	4.2	NR	'A'	'A'		9.0		9.0					Railway to be removed	
PAPAKAIO RD. (410)	4.11	5.7	5.7	New culvert	'A'	'A'		11.0	-	5.7	5.0	-	5.7	- - - 5.7	Improve channel	
LUDEMAN RD. (410)	4.800 4.800	6.8	7.6	New culvert	'A'	'A'		8.0		7.6	1.0		7.6	- - - 7.6	New channel	
GRAY RD. (410)	3.75	0.85	0.85	New culvert	'A'	'A'		Not well defined	0.2	Not well defined	0.2	0.2	0.2 0.2 0.2 0.2		New channel	
FERRY RD.	3.800 3.800	0.2	0.2	NR	'A'	'A'		Not well defined	0.2	1.5	1.2	-	0.2	0.2 0.2 0.2 0.2		New channel
HILBERTHORPE RD (410)	4.600 4.600	1.5	1.2	New culvert	'A'	'A'		1.5	1.2	-	0.2	0.2	0.2 0.2 0.2 0.2		New channel	
STATE HIGHWAY 1 (410)	4.700 4.700	1.0	1.0	New culvert	'A'	'A'		Not well defined	0.2	1.0	1.0	-	0.2	0.2 0.2 - -		New channel
NZ RAILWAYS (410)	3.800 3.800	1.0	1.0	Regrade bed.	'A'	'A'		1.0	1.0	-	0.2	0.2	0.2 - - -			

NOTE: - 'A' - only sufficient storage is required to ensure the necessary head over culvert is obtained to give design flow.

SCHEDULE OF CULVERTS, STORAGE AREAS & CHANNELS



LOWER WAITAKI PLAINS DRAINAGE

HILBERTHORPE - HENDERSON - CATCHMENT AREA

CONTENTS

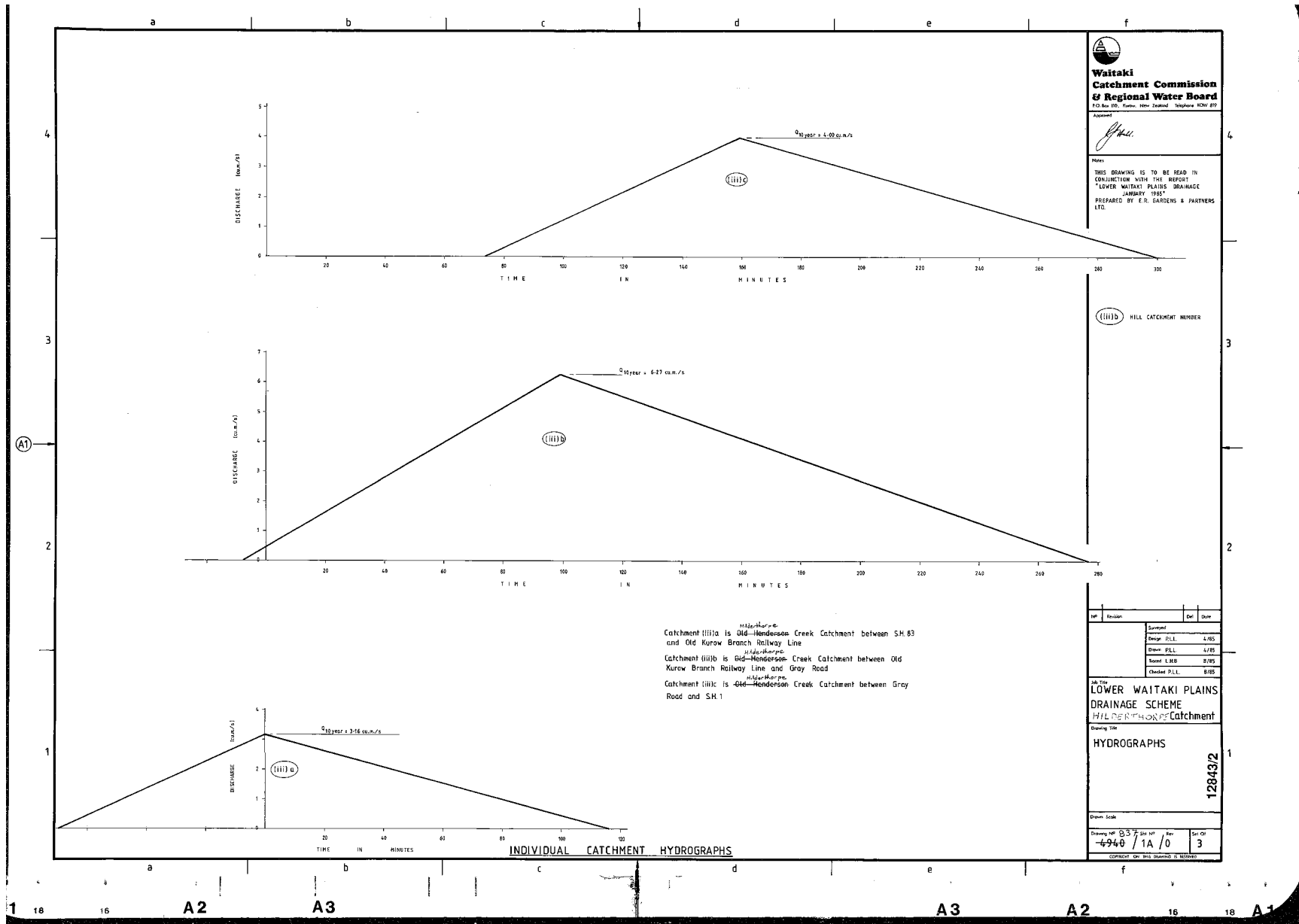
Culvert Details
Aerial transparencies Shs. 8-12
20-23
37-38

WAITAKI CATCHMENT COMMISSION & REGIONAL WATER BOARD

E.R.GARDEN & PARTNERS LTD
CONSULTING ENGINEERS
DUNEDIN INVERCARGILL

DRS 837 SHT 1

12843/1



Waitaki Catchment Commission & Regional Water Board
 112 Hill St, Timaru New Zealand Telephone (077) 837 1000

Approved: *[Signature]*

Note: THIS DRAWING IS TO BE READ IN CONJUNCTION WITH THE REPORT LOWER WAITAKI PLAINS DRAINAGE JANUARY 1985 PREPARED BY E.R. GARDNER & PARTNERS LTD.

(iii) b HILL CATCHMENT NUMBER

Ref	Revision	By	Date
	Approved		
	Design P.L.L.	4/85	
	Drawn P.L.L.	4/85	
	Sound L.N.B.	8/85	
	Checked P.L.L.	8/85	

LOWER WAITAKI PLAINS DRAINAGE SCHEME
 HILL CATCHMENT Catchment

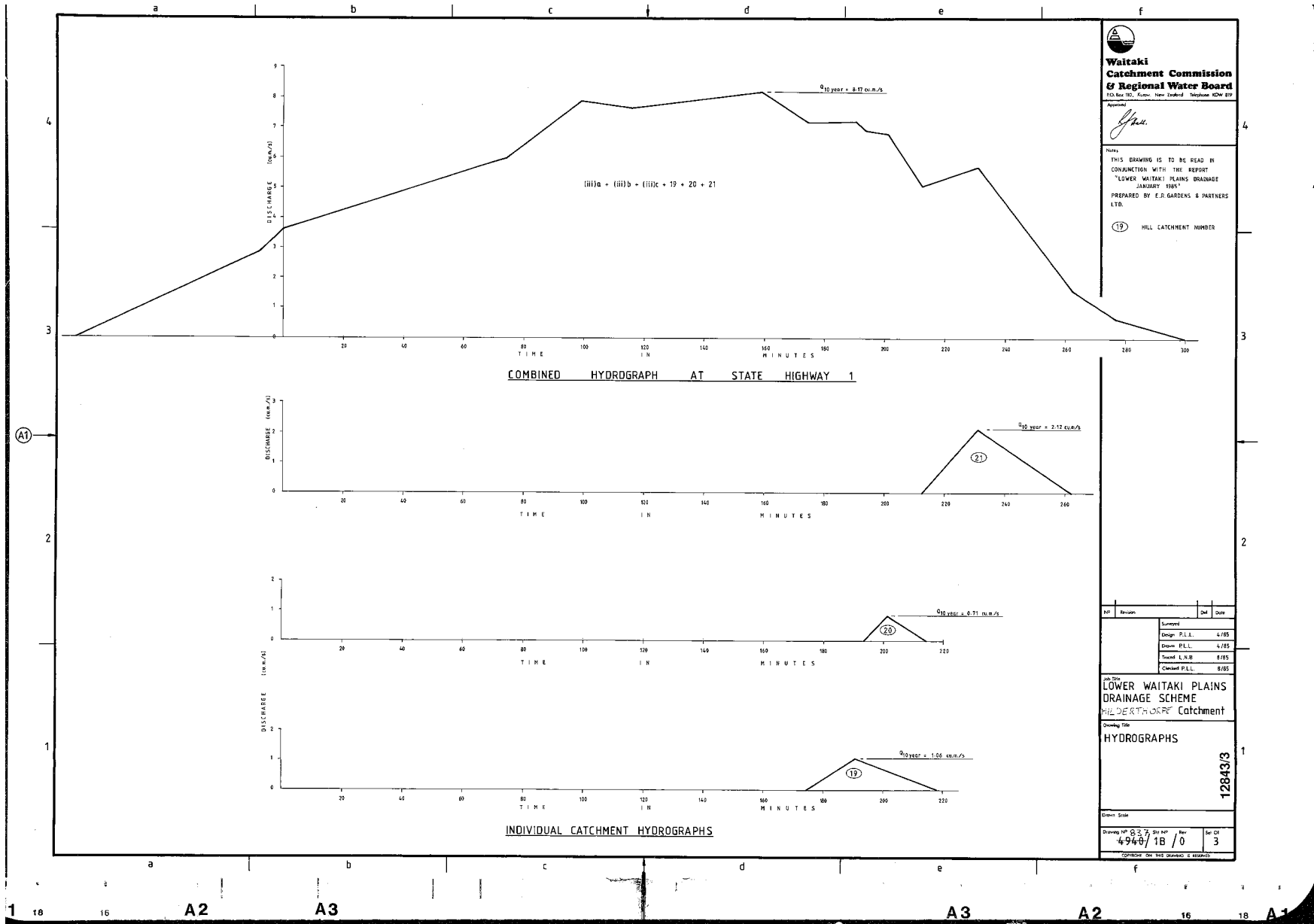
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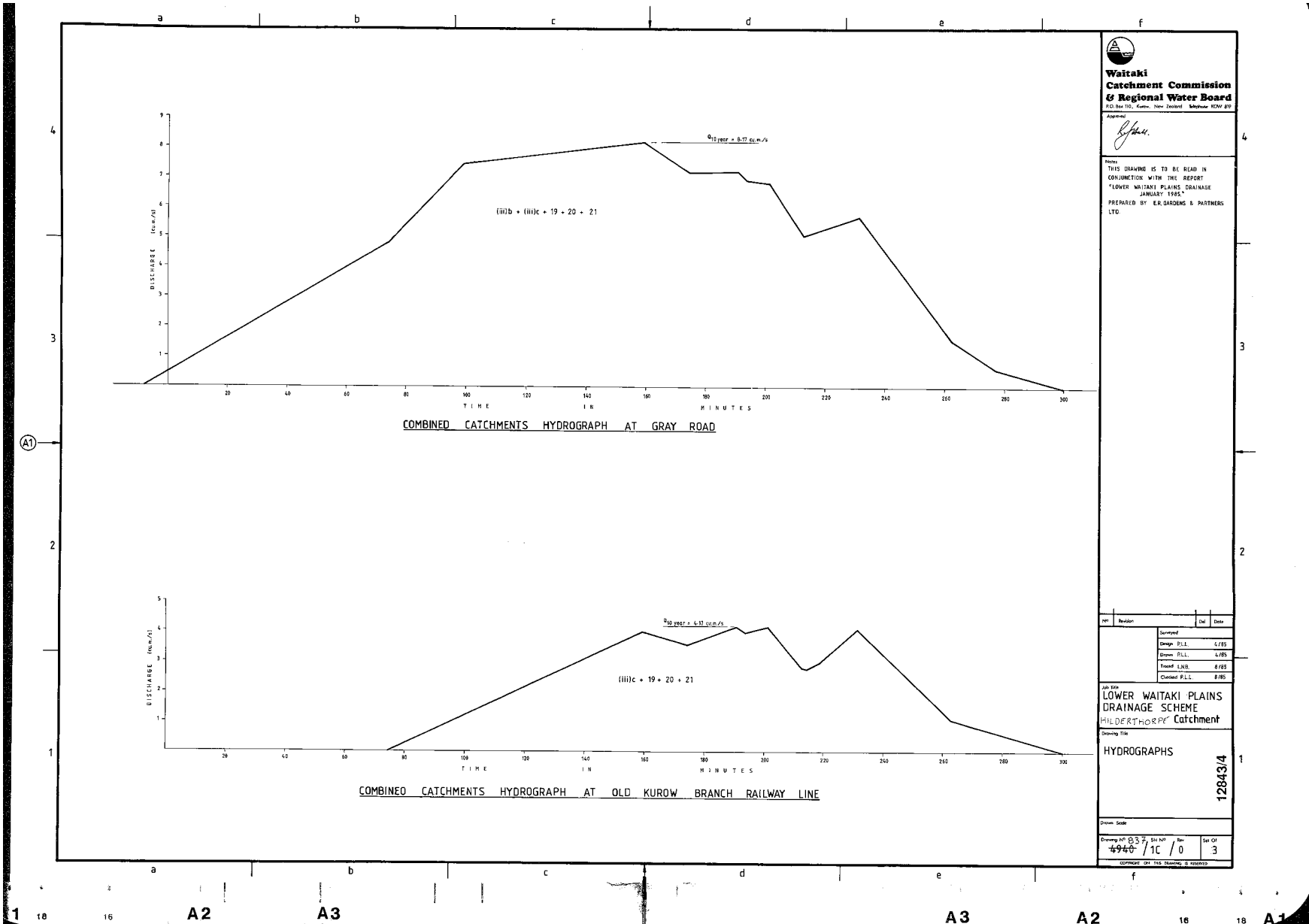
12843/2

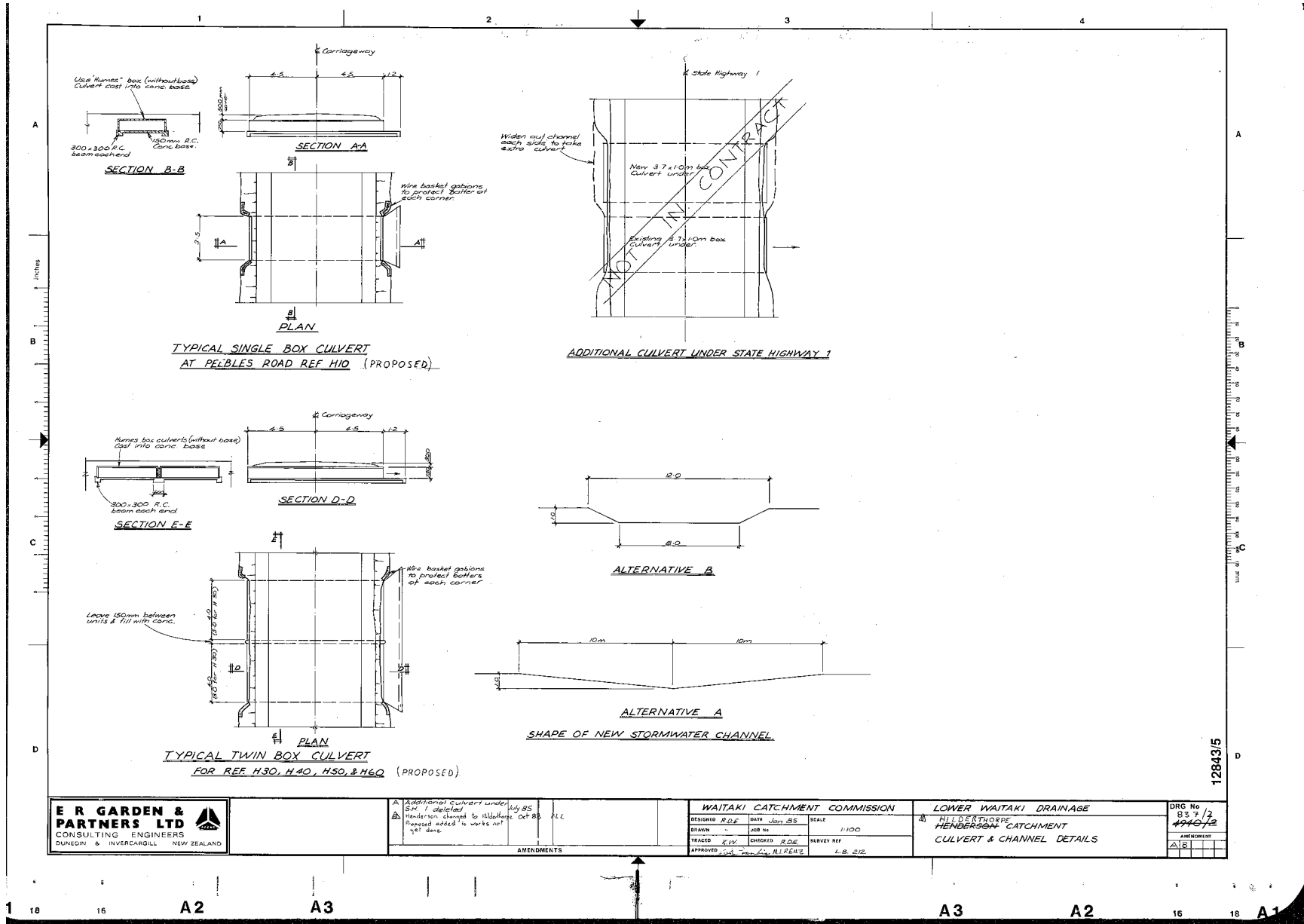
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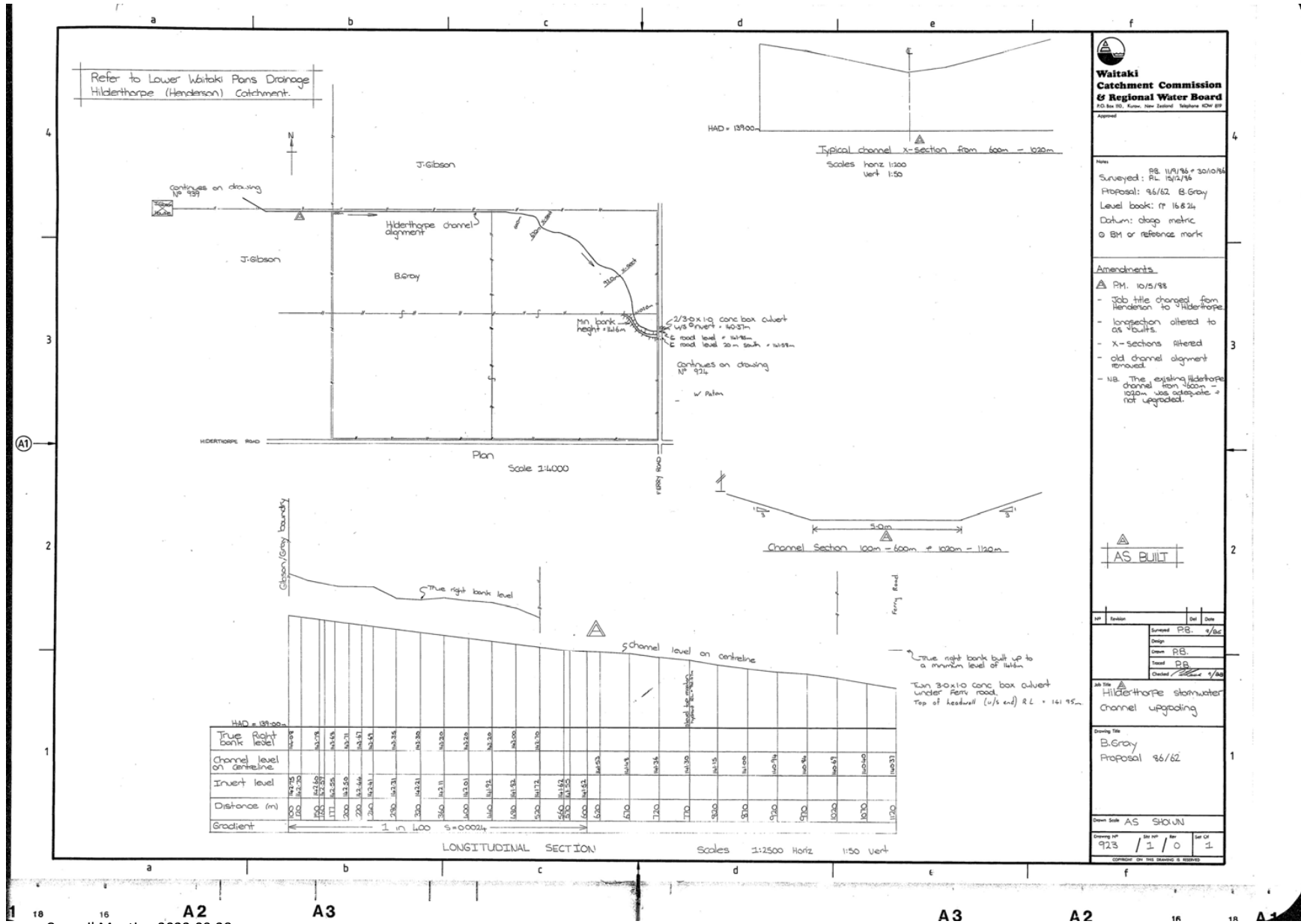
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+940 / 1A / 0							

CONFORMS WITH DRAWING 11-10000









Waitaki Catchment Commission & Regional Water Board
P.O. Box 80, Kowhai, New Zealand. Telephone 030 899 899

Approved

Notes:
 PB 14/1/96 + 30/10/94
 Surveyed: RL 15/4/95
 Proposal: 9/6/62 B.Gray
 Level book: TP 16824
 Datum: chgs metric
 o BM or reference mark

Amendments:
 PM 10/5/98
 - Job title changed from Henderson to Hilderthorpe
 - longsection altered to AS BUILTS
 - X-sections altered
 - old channel alignment removed
 - NB. The existing Hilderthorpe channel from 60m - 102m was adequately & not upgraded.

Rev	Revision	Date
1	Approved PB	4/06
2	Design PB	
3	Issue PB	
4	Checked	14/06/06

All the Hilderthorpe stormwater channel upgrading

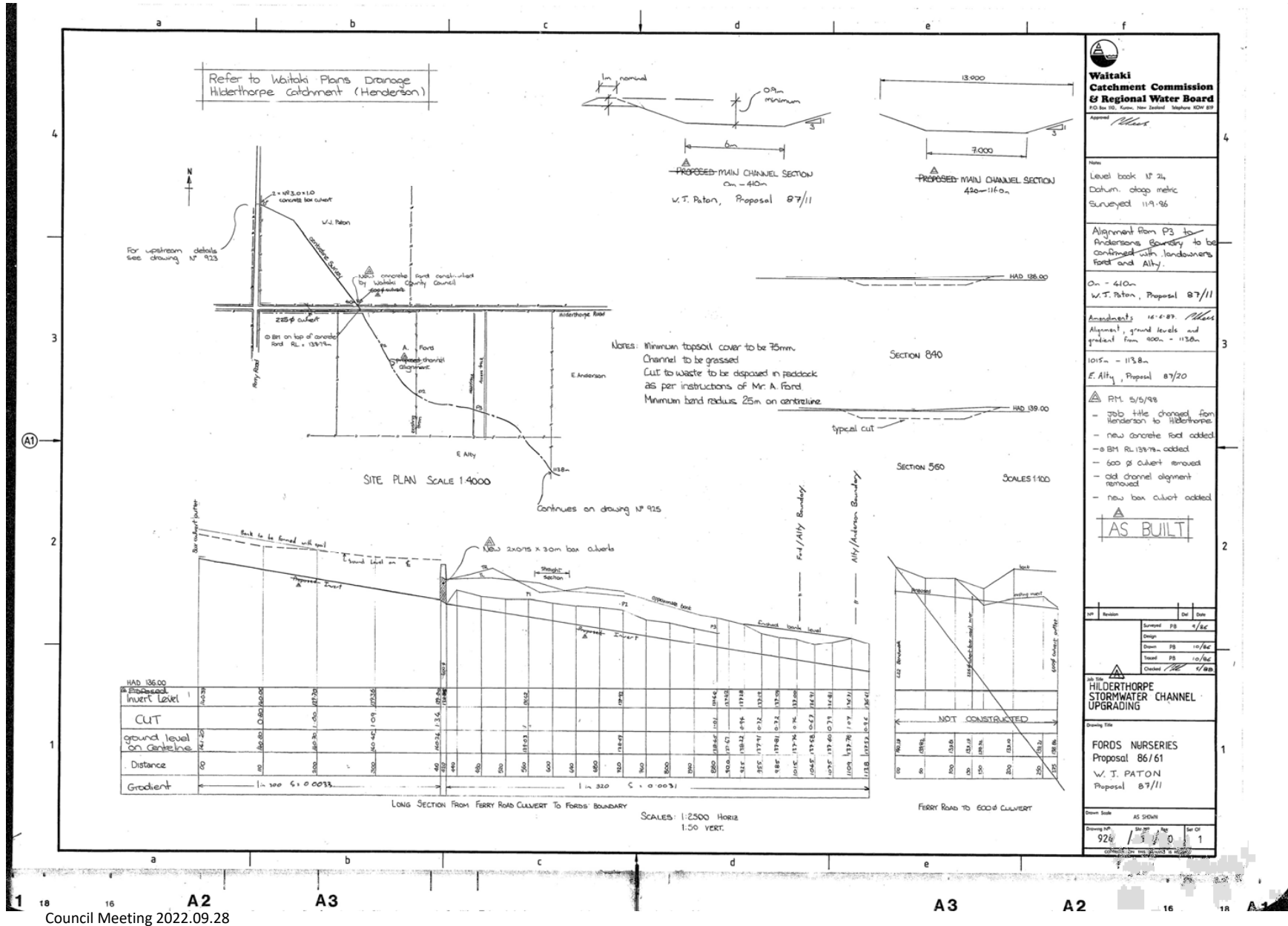
Drawing Title:
B.Gray
Proposal 9/6/62

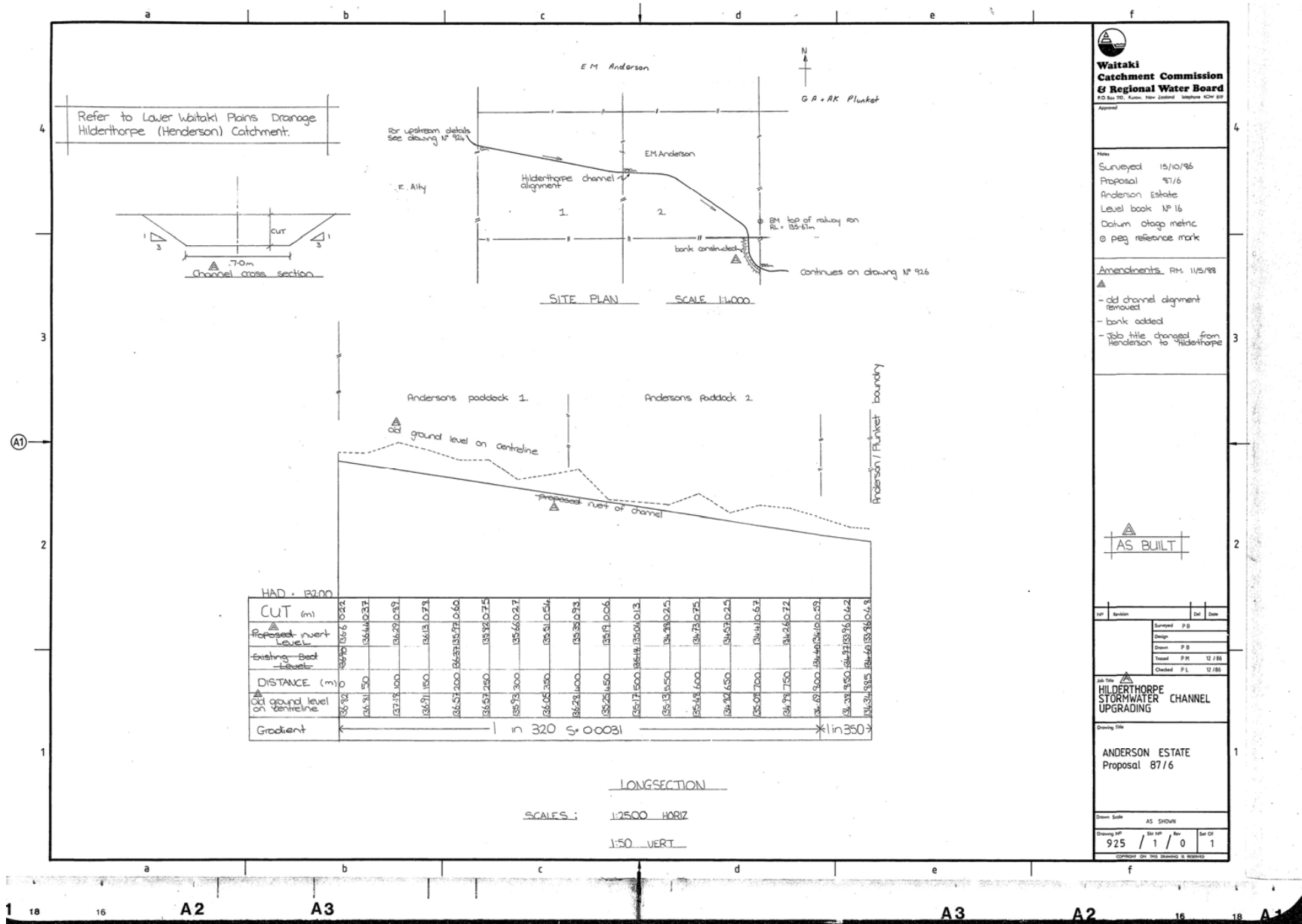
Drawn Scale AS SHOWN

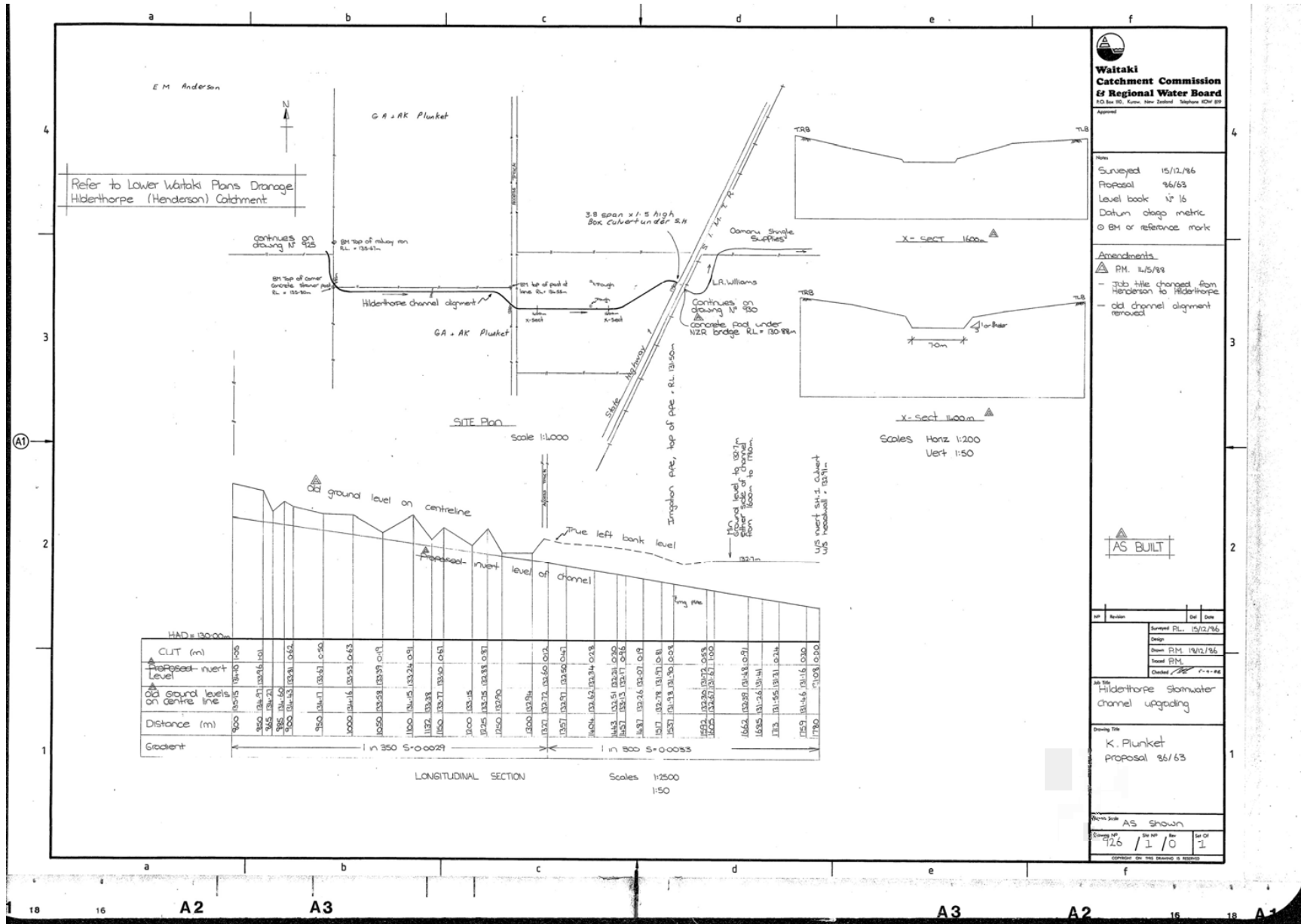
Drawing No: 923 / 1 / 0

Scale of 1

Checked by the Manager: B. Roberts







Waitaki Catchment Commission & Regional Water Board
 P.O. Box 10, Kaitiaki, New Zealand Telephone 0309 839 100

Approved: _____

Notes:
 Surveyed 15/12/86
 Proposal 96/63
 Level back 1/16
 Datum ortho metric
 @ BM or reference mark

Amendments:
 PM 14/5/93
 - Job title changed from Henderson to Hilderthorpe
 - old channel alignment removed

Job Title:
 Hilderthorpe Stormwater channel upgrading

Design Title:
 K. Plunket
 Proposal 96/63

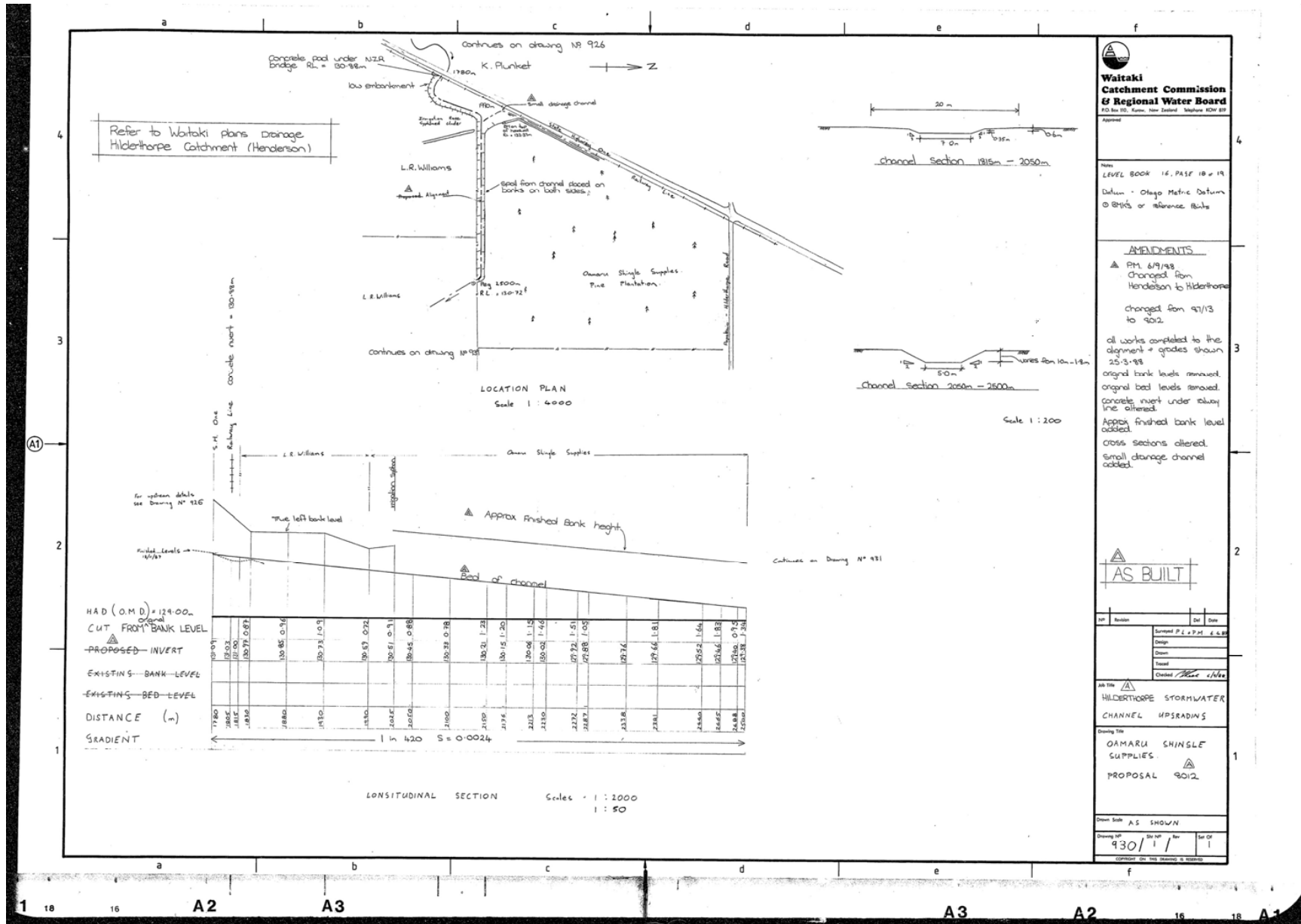
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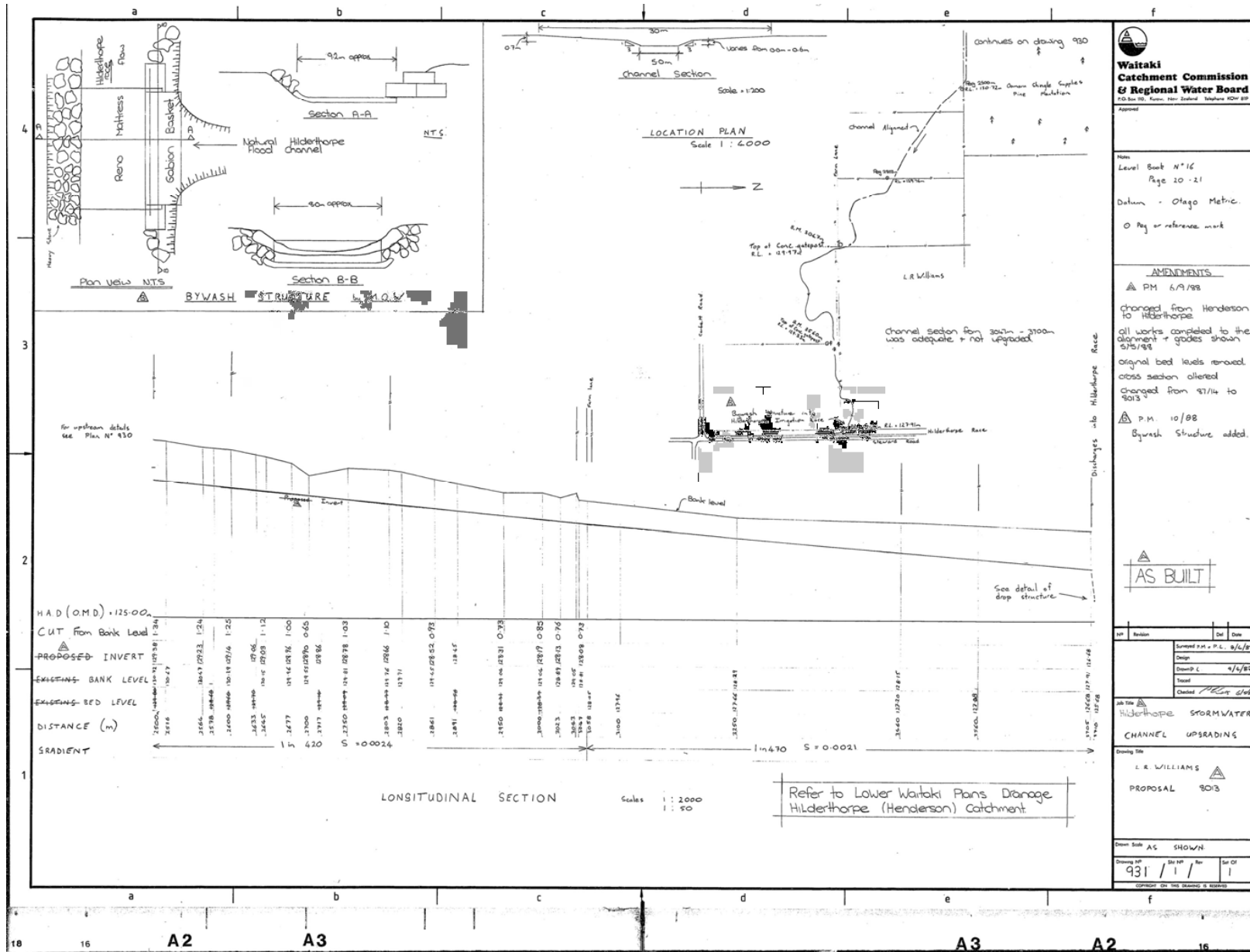
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2	Design	
3	Drawn PM	19/12/86
4	Checked PM	
5	Checked	1/1/88

Drawing Scale: AS shown

Quantity	726	1	0	1
Sheet No	1	0	1	

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Waitaki Catchment Commission & Regional Water Board
 753 New St. Timaru. P.O. Box 1000. Telephone 400 888

Approved: _____

Plan: Level Boat N°16
 Page 20-21
 Datum - Otago Metric.
 O Peg or reference mark

AMENDMENTS

- PM 6/9/88
- changed from Henderson to Hilderthorpe
- all works completed to the alignment + grades shown 6/9/88
- original bed levels removed, cross section altered
- changed from 47/14 to 40/3
- P.M. 10/88
- Bywash Structure added.

AS BUILT

Rev	Revision	Date
1	Surveyed P.M. + P.L.	8/4/88
2	Design	9/4/88
3	Checked	12/20/88

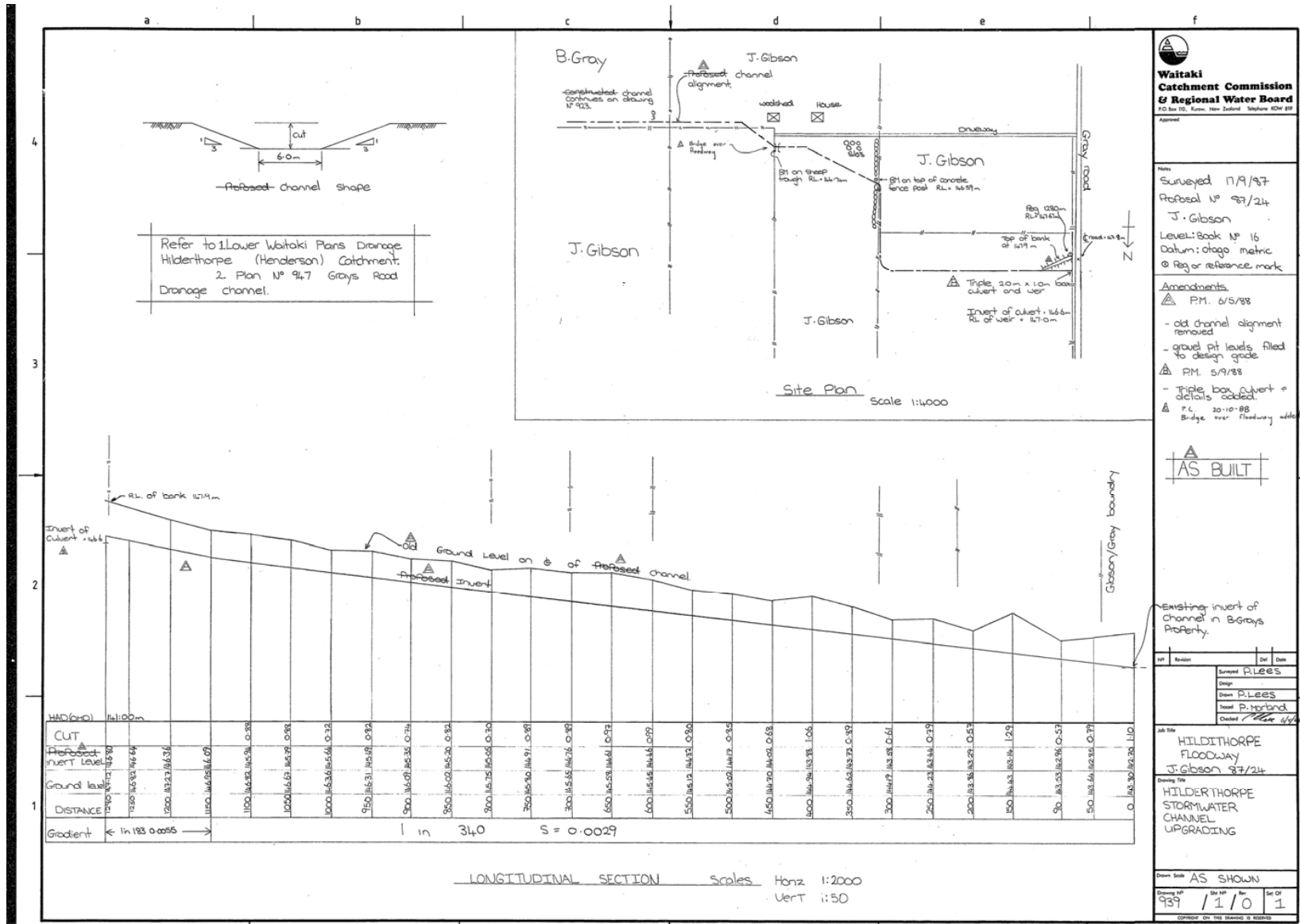
Job Title: Hilderthorpe STORMWATER CHANNEL UPGRADING

Drawing Title: L.R. WILLIAMS PROPOSAL 80/3

Drawn Scale: AS SHOWN

Drawing No: 931 / 1 / 1

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Waitaki Catchment Commission & Regional Water Board
 P.O. Box 10, Kaitiaki, New Zealand Telephone 06 478 8777

Approval: _____

Notes:
 Surveyed 17/9/87
 Proposal N° 87/24
 J. Gibson
 Level: Book N° 16
 Datum: otago metric
 @ Peg or reference mark

Amendments:
 PM. 6/5/88
 - old channel alignment removed
 - gravel pit levels filled to design grade
 PM. 5/9/88
 - triple box culvert & details added
 P.C. 20/10/88
 Bridge over Standway added

AS BUILT

Existing invert of channel in B. Grays Property.

Rev	Station	Rev	Date
1	AS BUILT		

Drawn: P. LEES
 Check: P. LEES
 Title: HILDERTHORPE FLOODWAY J. GIBSON 87/24
 Drawing Title: HILDERTHORPE STORMWATER CHANNEL UPGRADING

Drawn Scale: AS SHOWN
 Drawing N°: 939 / 1 / 0
 Rev: 1
 Set Of: 1



APPENDIX C

Flood Protection Assets

Cross Banks and Groynes



FLOOD PROTECTION ASSETS (GROYNES AND CROSS BANKS)

LEGAL DESCRIPTIONS AND OWNERSHIP DETAILS

Records of title will be attached to final version.

Groynes

Street address	Title Reference	Legal Description	Ratepayer	Ratepayer Address
	Conservation Purposes Section 62(1), Conservation Act 1987 SO 22263 J41/27	Part Section 5 & 6 Block VIII Papakaio SD	Department of Conservation	PO Box 5244 Dunedin 9054
McPherson Road		LS 105 Pt Secs 65 43A Steward Sett Pt Bed of Waitaki River adj to Pt Sec 65 Blk VII Papakaio SD Pt Bed of Waitaki River	Department of Conservation	PO Box 5244 Dunedin 9054
498 McPherson Road	OT13A/827	Sec 66 Blk VII Papakaio SD	Andrew J & Barbara Joan Richardson, LW Nominees Ltd	Minus One Trust 498 McPherson Road RD 2K Oamaru 9494
Wilson Road	Protective Works New Zealand Gazette 1917 p 15 [Referenced] Conservation purposes Section 62(1), Conservation Act	Part Section 2A Steward Sett LGR 9 Pt Sec 2A Steward Settlement Blk I Awamoko SD	Department of Conservation	PO Box 5244 Dunedin 9054

1987 SO 22263 J41/11				
Wilson Road	Protective Works New Zealand Gazette 1917 p 15 [Referenced] Conservation purposes Section 62(1), Conservation Act 1987 SO 22263 J41/11	Part Section 1A Steward Sett LGR 4 Pt Secs 6 79 Blk I Pt Sec 1A Steward Settlement Awamoko SD	Invernia Holdings Ltd, Department of Conservation	c/- RGM and CJ Hurst 140 King Road RD 4K Oamaru 9494
Jackson Road	OT15C/485	Sec 1-3 SO 24138	Searle's Dairy Ltd	c/- MR and PL Searle 131 Jackson Road RD 5H Oamaru 9493
McPherson Road	OT304/37	Secs 8, 65, 66, Blk VII Waitaki Bridge Town, Papakaio SD	Houtimata Farm Ltd	72 McPherson Road, RD 6H Oamaru 9493
Waka Kotahi NZ Transport Agency				
Kiwirail				
Waitaki District Council Rooding				

Cross banks

Street address	Title Reference	Legal Description	Ratepayer	Ratepayer Address
303 Kaik Road	9901	Lot 2 DP 414112 Lots 1-2 DP 302602 Sec 12 Blk VIII Papakaio SD Secs 58A 96A Stewards Settlement Sec 4 SO 24138	Willowview Pastures Ltd	C/- GNS & KJ Taylor 304 Kaik Road RD 5H Oamaru 9493
	Conservation Purposes Section 62(1), Conservation Act 1987 SO 22263 J41/27	Part Section 6 Block VIII Papakaio SD	Department of Conservation	PO Box 5244 Dunedin 9054
		Part Section 7 Block VIII Tn of Waitaki Bridge	Department of Conservation	PO Box 5244 Dunedin 9054
Wilson Road	Protective Works New Zealand Gazette 1917 p 15 [Referenced] Conservation purposes Section 62(1), Conservation Act 1987 SO 22263 J41/11	Part Section 2A Steward Sett LGR 9 Pt Sec 2A Steward Settlement Blk I Awamoko SD	Department of Conservation	PO Box 5244 Dunedin 9054
Wilson Road	Protective Works New Zealand Gazette 1917 p 15 [Referenced] Conservation purposes Section	Part Section 1A Steward SETT LGR 4 Pt Secs 6 79 Blk I Pt Sec 1A Steward	Invernia Holdings Ltd, Department of Conservation	c/- RGM and CJ Hurst 140 King Road RD 4K Oamaru 9494

	62(1), Conservation Act 1987 SO 22263 J41/11	Settlement Awamoko SD		
McPherson Road	OT304/37	Secs 8, 65, 66, Blk VII Waitaki Bridge Town, Papakaio SD	Houtimata Farm Ltd	72 McPherson Road, RD 6H Oamaru 9493
Waka Kotahi NZ Transport Agency				
Kiwirail				

PLAN



Map Scale @ A3: 1:65,000

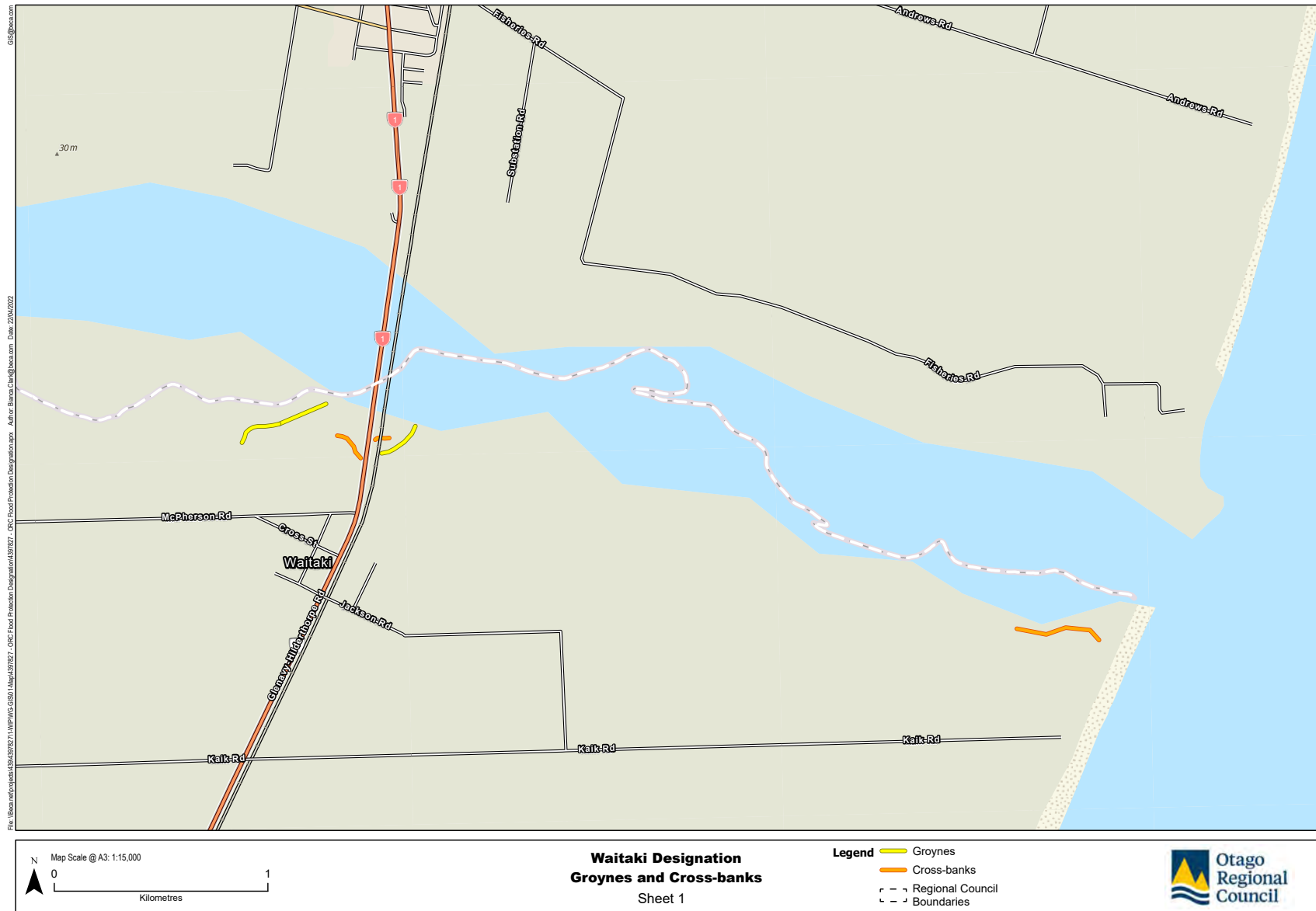
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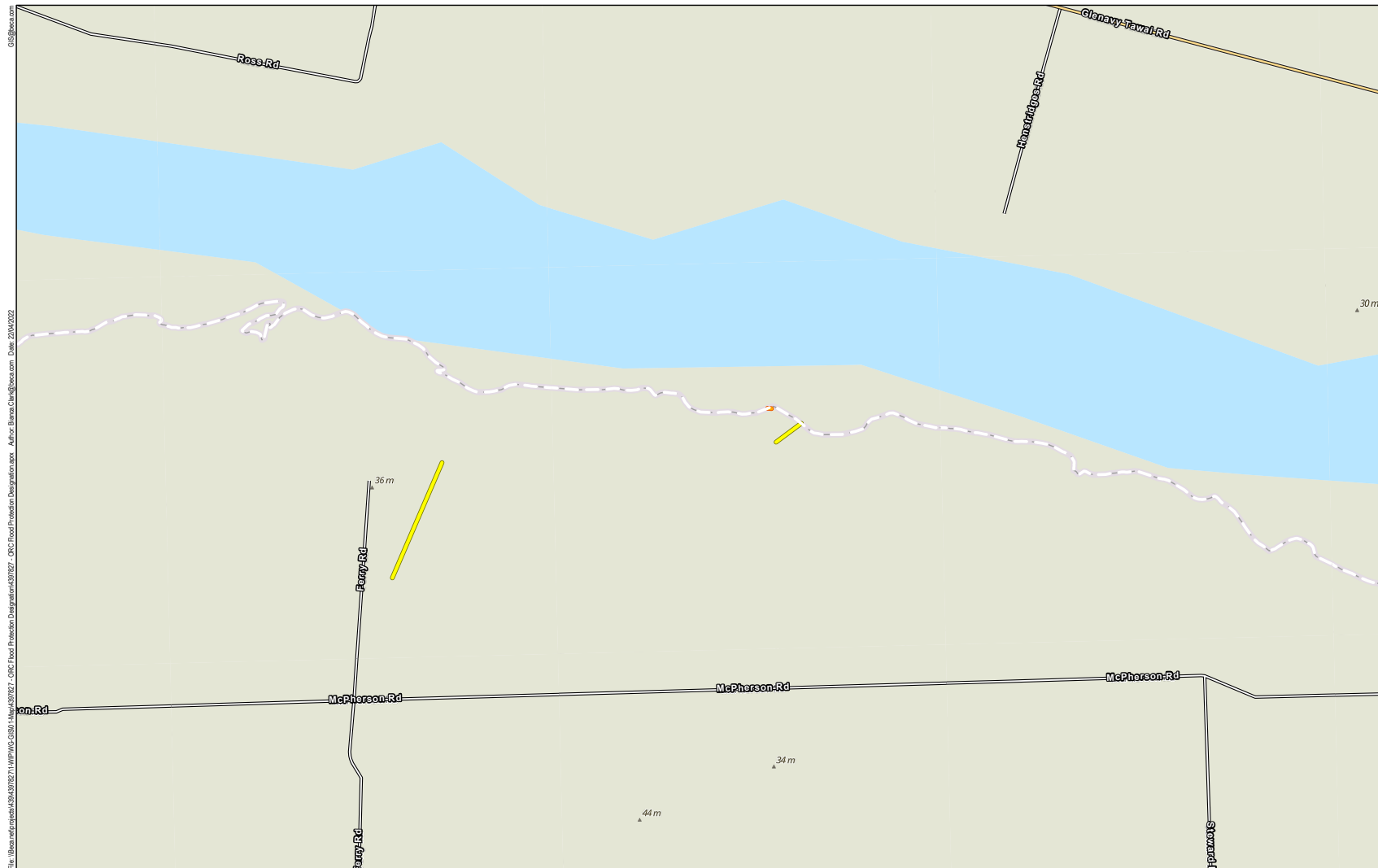
Waitaki Designation Groynes and Cross-banks Overview

Legend

- Groynes
- Cross-banks
- Regional Council
- Boundaries

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Map Scale @ A3: 1:15,000

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Kilometres

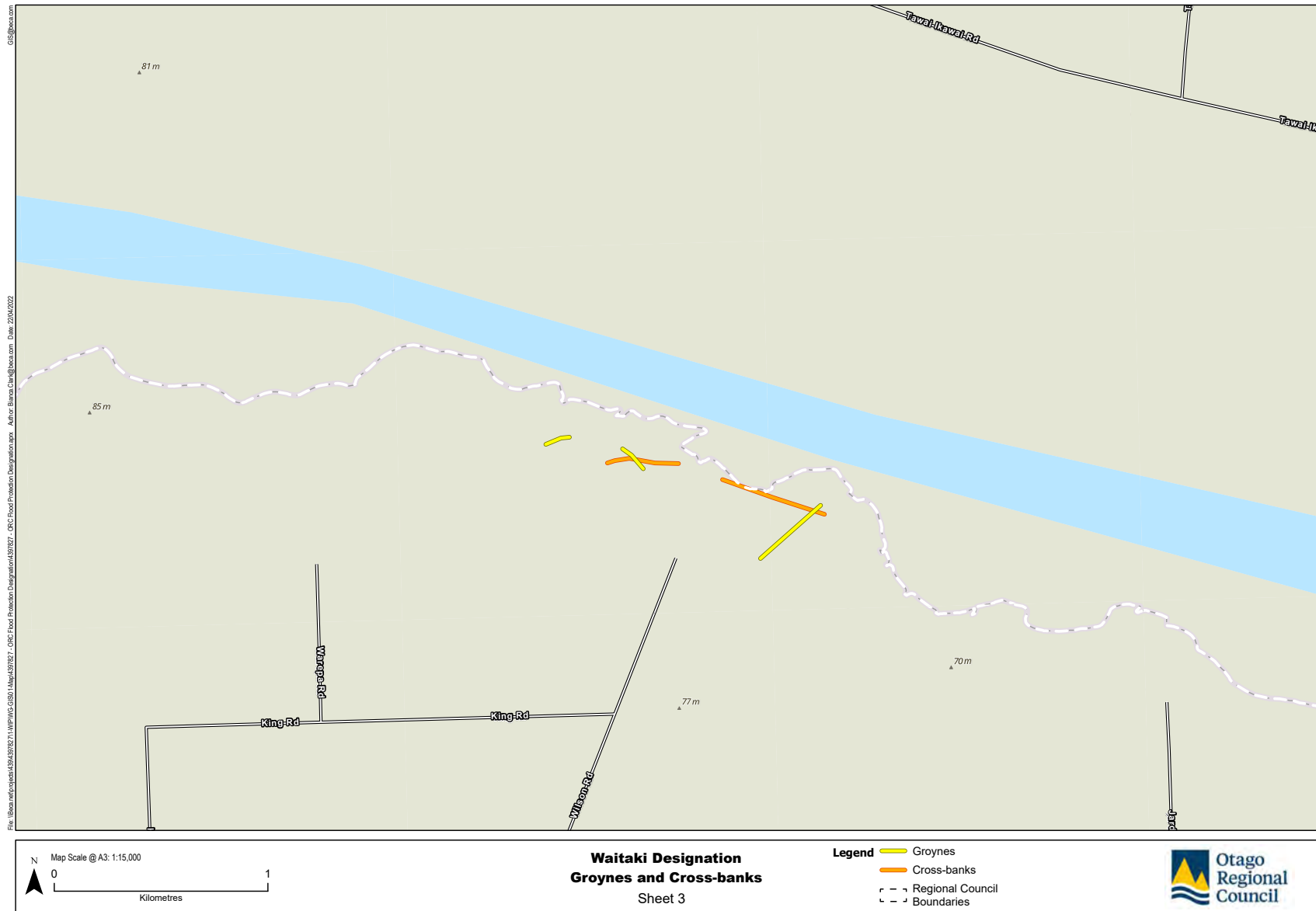
**Waitaki Designation
Groynes and Cross-banks
Sheet 2**

Legend

- ▬ Groynes
- ▬ Cross-banks
- - - Regional Council
- - - Boundaries

 Otago Regional Council

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APPENDIX D

Conditions

PROPOSED CONDITIONS

CROSSBANKS

Engagement with Mana Whenua

For works where an Outline Plan of Work is required to be submitted to the Waitaki District Council, collaboration shall occur with Te Rūnanga o Moeraki during the preparation of the Outline Plan of Work.

Any required Outline Plan of Work must include specific discussion of the outcomes of collaboration with Te Rūnanga o Moeraki during the preparation of the Outline Plan.

General

For the purpose of this designation, normal working hours are between 7.30am and 7pm, Monday to Friday, and 8am and 6pm Saturday, with the operation of noisy machinery restricted to 8am until 6pm Monday to Saturday. No work shall be undertaken on-site on Sundays or public holidays. Where in the opinion of the requiring authority there is an imminent or immediate risk to people or property, the requiring authority may undertake works at any time.

Earthworks

Any exposed earth shall be stabilised as soon as practicable.

All practicable measures shall be undertaken to avoid sediment runoff.

All machinery and equipment shall be checked and cleaned to ensure it is clear of weeds or excessive dirt that may harbour seeds prior to works onsite.

Dust and Fumes

The requiring authority must avoid, as far as practicable, discharging dust and fumes beyond the boundaries of the designation.

Transportation of Material

The requiring authority must implement suitable measures to avoid deposition of any debris on surrounding roads by vehicles moving to and from the site. If any material is deposited on any roads, the requiring authority shall take immediate action, at its expense, to clean the roads.

Vehicle and machinery movements shall be confined to one set of tracks, as far as practicable.

GROYNES

Engagement with Mana Whenua

For works where an Outline Plan of Work is required to be submitted to the Waitaki District Council, collaboration shall occur with Te Rūnanga o Moeraki during the preparation of the Outline Plan of Work.

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Vehicle and machinery movements shall be confined to one set of tracks, as far as practicable.

Spraying

All use of agrichemicals shall be carried out in accordance with the conditions and standards of NZS8409:2021 Management of Agrichemicals or any replacement standard.

The requiring authority must ensure that any contractor undertaking spraying of pest plants shall either hold current Growsafe certification or shall be directly supervised by an individual with a current Growsafe certification.

A register of organic farms must be included in the Operation and Maintenance manuals for the works.

Construction and Maintenance Noise

All construction work shall be designed, managed and conducted to ensure that construction and maintenance noise from the site does not exceed the limits in NZS6803:1999 Acoustics-Construction Noise.

Fuel and Hazardous Materials

All works shall be carried out in a manner which avoids the potential for any fuel or other hazardous materials to enter water. This includes:

1. No cleaning or refuelling of machinery or equipment shall take place on any area of the floodway, or in any area where spills may enter surface water.
2. Fuel shall not be stored at any location where fuel can enter any water body.
3. All machinery, equipment and materials used for the activity shall be removed from the floodway every night and on completion of the activity.

Accidental Discovery Protocol

In the event that an unidentified archaeological site is located during works, the following applies:

1. Work shall cease immediately at that place and within 20m around the site.
2. The contractor shall shut down all machinery, secure the area, and advise the Site Manager.
3. The Site Manager shall secure the site and notify the Heritage New Zealand Regional Archaeologist.
4. If the site is of Māori origin, the Site Manager shall notify the Heritage New Zealand Regional Archaeologist and the appropriate iwi group or kaitiaki representative of the discovery and ensure site access to enable appropriate cultural procedures and tikanga to be undertaken, as long as all statutory requirements under legislation are met.
5. If human remains (koiwi tangata) are uncovered the Site Manager shall advise the Heritage New Zealand Regional Archaeologist, NZ Police, and the appropriate iwi groups or kaitiaki representative and the above process under 4 shall apply. Remains are not to be moved until such time as iwi and Heritage New Zealand have responded.



FLOODWAYS

Engagement with Mana Whenua

For works where an Outline Plan of Work is required to be submitted to the Waitaki District Council, collaboration shall occur with Te Rūnanga o Moeraki during the preparation of the Outline Plan of Work.

Any required Outline Plan of Work must include specific discussion of the outcomes of collaboration with Te Rūnanga o Moeraki during the preparation of the Outline Plan.

General

For the purpose of this designation, normal working hours are between 7.30am and 7pm, Monday to Friday, and 8am and 6pm Saturday, with the operation of noisy machinery restricted to 8am until 6pm Monday to Saturday. No work shall be undertaken on-site on Sundays or public holidays.

Where in the opinion of the requiring authority there is an imminent or immediate risk to people or property, the requiring authority may undertake works at any time.

Earthworks

Any exposed earth shall be stabilised as soon as practicable.

All practicable measures shall be undertaken to avoid sediment runoff.

There shall be no stockpiling of material in the floodway.

All machinery and equipment shall be checked and cleaned to ensure it is clear of weeds or excessive dirt that may harbour seeds prior to works onsite.

Dust and Fumes

The requiring authority must avoid, as far as practicable, discharging dust and fumes beyond the boundaries of the designation.

Transportation of Material

The requiring authority must implement suitable measures to avoid deposition of any debris on surrounding roads by vehicles moving to and from the site. If any material is deposited on any roads, the requiring authority shall take immediate action, at its expense, to clean the roads.

Vehicle and machinery movements shall be confined to one set of tracks, as far as practicable.

Spraying

All use of agrichemicals shall be carried out in accordance with the conditions and standards of NZS8409:2014 Management of Agrichemicals or any replacement standard.

The requiring authority must ensure that any contractor undertaking spraying of pest plants shall either hold current Growsafe certification or shall be directly supervised by an individual with a current Growsafe certification.

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APPENDIX E

Consultation Summary



Memorandum

To: Otago Regional Council
From: Mitchell Daysh Limited
Date: 27 July 2022
Re: Lower Waitaki Notice of Requirement – Consultation Outcomes

INTRODUCTION

This memorandum sets out results of the consultation undertaken in respect of the Notice of Requirement (NoR) for the Otago Regional Council's flood protection assets on the Lower Waitaki Plain. All feedback received is set out in the attached table, which also identifies what changes, if any, are required to the Draft NoR.

CONSULTATION IMPLEMENTATION

Consultation commenced on 1 June 2022, with a mail out to all landowners identified with an Otago Regional Council Flood Protection Asset on their property.

In addition, individual stakeholders received emails inviting feedback and offering to meet, as required.

Since consultation commenced, engagement has occurred with the following:

- Waitaki District Council Roading (Email received 7 June);
- Aukaha Limited (Ongoing; Hui held 27 July to discuss comments and concerns, awaiting formal written comment);
- Lower Waitaki Irrigation Company Limited (Meeting 30 June, follow up emails early July);
- Waka Kotahi NZ Transport Agency (email received 20 June);
- KiwiRail Limited (Email received 22 July);
- Department of Conservation (emails received 30 June, 5 July, awaiting formal written comment);
- Andrew Richardson (email received 26 June);
- Transpower Limited (meeting held 8 July, awaiting formal written comment); and

- Environment Canterbury (Email received 5 July);

In addition, a drop-in session was held at the North Star in Oamaru on 30 June 2022, however there were no attendees.

CONSULTATION COMMENTS

The attached table attributes specific feedback to individual stakeholders and notes potential responses to the feedback received.

RECOMMENDATION

It is recommended that the amendments identified below are carried out to provide the stakeholders with confidence that their views have been received.

It is further recommended that engagement with mana whenua, Transpower and the Department of Conservation continue as required to obtain formal feedback.

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
Waitaki District Council Roading (consultant)	1. Can the proposed ORC designations overlap with existing road reserve designations?	Yes, however the earlier designation takes precedence.	Response provided.
	2. When will an outline plan be provided?	When any specific works are proposed.	Response provided.
	3. Table 1 'Other designations' within the Notice of Requirement does not identify Council's roads.	This oversight will be corrected with the version that is lodged with the WDC in October.	The NOR has been updated to correct this oversight.
	4. Appendix D documents conditions, but only address transportation of material. It is anticipated that where flood protection assets are located close or across roads that normal traffic flows/access may be impacted by construction activities. Appropriate traffic management may be required.	Vehicular access, circulation, provision for parking and any other matters to avoid, remedy or mitigate adverse effects on the environment are required to be addressed in an outline plan. Traffic management would therefore be addressed via this process and would be specific to the works proposed and the nature of the affected road.	Response provided.
	5. If Council plans work on their road infrastructure assets	Section 177(1) of the Resource Management Act provides guidance in this regard, as follows:	Response provided.
	(a) which may impact flood protection assets, appropriate communication and notification will be required? (b) Under the proposed designation, does the same apply to ORC communicating and notifying Council?	<p><i>Subject to sections 9(2) and 11 to 15, where a designation is included in a district plan, and the land that is the subject of the designation is already the subject of an earlier designation or heritage order,—</i></p> <p><i>(a) the requiring authority responsible for the later designation may do anything that is in accordance with that designation only if that authority has first obtained the written consent of the authority responsible for the earlier designation or order; and</i></p> <p><i>(b) the authority responsible for the earlier designation or order may, notwithstanding section 176(1)(b) and without obtaining the prior written consent of the later requiring authority, do anything that is in accordance with the earlier designation or order.</i></p> <p>As such, in this instance the WDC may undertake works without reference to the ORC, but ORC will require WDC approval for any works.</p>	
6. The NoR states 'No outline plan shall be required for the maintenance of the crossbanks/groynes/floodways, provided there is no overall increase in its height'. More information will be required for Council to adequately consider the implications.	What sort of detail is required? No works are proposed at this time, and as such, no real detail is available.	Response provided. Offer to meet declined at this stage.	
Aukaha	Initial correspondence indicated concerns with the proposed NoR, and a hui was held to further understand concerns from Te Rūnanga o Moeraki. Written comments will also be provided, but were unavailable at the time of preparing this summary.	Noted. Hui held 27 July 2022	NA
	Concerned at the conclusion reached in the AEE regarding the consistency of the proposal with the principle of Te Mana o Te Wai. As the works consist of a blockage between the Henderson/Waikoura catchment and the Waitaki River (a statutory acknowledgement), the proposed designation is not consistent with the first priority. Te Rūnanga considers that the proposal does meet the second and	Agreed to update the AEE to reflect this discussion, and to provide the tabular advice that was provided to Aukaha prior to the meeting. Discussion also suggested the development and implementation of a framework/best practice process/SOP regarding the management of the works.	Reframe AEE in this regard, amendments also made to the wider statutory assessment Continue dialogue with Aukaha and Te Rūnanga to work towards a management framework that could



Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
	third priorities and would be prepared to accept flood protection works on these grounds.	This could include practices to encourage planting that reduces sedimentation etc discharge into the Waitaki River. Ongoing engagement can occur up until the time the NoR is heard, and this partnering approach could strengthen ORC's relationship with Aukaha and may even ultimately result in iwi support of the NoR.	be similar to/consistent with the EMP used for the global consent.
	The NoR should better reflect the importance of stock exclusion practices. Requested the inclusion of a condition that required the implementation of a stock exclusion zone within the Henderson/Waikoura Creeks Floodway (concerns did not include the Hilderthorpe Floodway) and requiring the implementation of this in each farm's freshwater farm plan.	The requirements for stock exclusion are plain in the Resource Management Regulations 2020. While the suggested approach does seek to deal with a land use effect, it's inclusion would result in significant restriction on the use of the underlying land and the inclusion of this condition would therefore not achieve the purpose of the designation, As such it's not appropriate to include this as a condition on the designation.	Amend AEE to reflect concerns expressed. Include provision for education and monitoring within management framework.
	Update Iwi Management Plan used.	Noted and agreed	Update AEE to reflect the 2019 Iwi Management Plan
	Collaboration should occur in the preparation of Outline Plans of Works.	Noted and agreed	Additional condition included to require collaboration and the reporting of its outcomes.
	Reframe cultural conditions to reflect archaeological requirements.	Noted and agreed	Condition replaced.
Lower Waitaki Irrigation Company Limited	Requested additional detail regarding the implications of the designation on their existing and proposed assets.	Advised that written approval of requiring authority would be required for any works that could prevent or hinder the ORC's ability to give effect to the designation.	Additional detail including an explanation of section 176 of the Resource Management Act 1991 was provided. No further changes required to NoR.
	Planting project at Waitaki mouth to commence in October	Noted	No action required.
	Are the floodways 'rivers' under RMA? Is the Waikoura/Henderson Floodway a river and then a modified watercourse?	The Hilderthorpe floodway is an artificial watercourse, the 1985 plans for the Floodway were attached to the draft Notice of Requirement. As such, the Hilderthorpe Floodway is unlikely to be considered a "river" within the definition of the Resource Management Act. The Henderson/Waikoura Floodway follows the course of those creeks, and while over its lower reaches the course of this waterway has been modified, it is expected to meet the definition of "river" for its entire length.	No further changes required to NOR.
	If the stock exclusion rules do apply, who should pay for the fencing? If grazing doesn't occur as a result of concern about the costs associated with re-fencing after a flood event, will the ORC need to spray the margins of the watercourse?	Advised that ORC do not normally contribute to the fencing of floodways unless the Fencing Act or other legal obligation applies. The obligation across the region would be great.	No further changes required to NOR.
Waka Kotahi, NZ Transport Agency	All State Highways (SH 1, 8, 83 and 85) within the Waitaki District are designated under the Waitaki District Plan. The Designation provides for Waka Kotahi, either itself or through its agents, to control, manage and improve the State Highway Network including planning, design, research, construction and maintenance relating to all land within the designation. Such activities may also involve, but not necessarily be limited to, realignment of the road and alterations to its physical configuration with the limits of the designation.	Noted	Comment included in NoR at assessment of Waitaki District Plan.

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
	According to the interactive map and description within the NOR, the proposed designations will interact with both State Highway 1 and State Highway 83 within the Lower Waitaki area. It is noted that where the proposed designation may overlap with an existing State Highway Designation, Waka Kotahi would be the primary designation holder, and as such, ORC would be required to consult with Waka Kotahi for any proposed works occurring within these areas. Similarly, Waka Kotahi will continue to work with ORC and consult on any works Waka Kotahi are intending to undertake in these areas.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
KiwiRail Limited	The Main South Line (MSL) rail corridor extends through the Waitaki District and is designated for railway purposes within the Waitaki District Plan. KiwiRail seeks to protect its ability to continue to operate, maintain and upgrade this line into the future.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
	The NoR and overview maps indicate that the proposed designations will overlap with the existing MSL designation where MSL Bridge 150 extends over the Waitaki River. KiwiRail seek to ensure that the MSL rail corridor designation is listed as the primary designation requiring ORC to consult KiwiRail for any proposals within the designated rail corridor.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
	KiwiRail request early engagement on works within and in proximity to the rail corridor. KiwiRail would support a condition requiring ORC to consult KiwiRail on flood control works which may have a downstream impact on our rail assets, particularly Bridge 150.	Noted	Comment included in NoR at assessment of Waitaki District Plan.
Department of Conservation	Seeking reassurance that designation won't impact on river restoration activities, that include vegetation clearance, planting natives, braided river bird and whitebait habitat restoration.	Advice provided	No specific response required.
	Correct/update agricultural standard.	Should refer to NZS8409:2021.	Agricultural standard contained in conditions has been updated to reflect current guidance (see Appendix D).
	Provided overview of DoC's interests and roles in the area, including threatened and endangered species found in the area. DoC is currently partnering with other agencies and organisations (including mana whenua) in respect of the Waitaki River.	Noted.	NA
	Noted Ngai Tahu interests and Statutory Acknowledgements.	Noted	NA
	Include additional conditions relating to earthworks and stockpiling, the use of fuels and hazardous substances and vehicle and machinery movements.	Noted	Additional conditions have been inserted to address DoC's concerns.
	DoC supported the inclusion of the cultural condition.	This condition has been updated subsequent to engagement with Aukaha.	NA
Andrew Richardson,	Opposes NoR because the control of flood protection structures and waterways are already controlled by ORC. It seems unnecessary to try and attach another	Noted	Additional discussion to be included in the Existing Environment section of the NoR to set out what the

Council Meeting Agenda - 28 September 2022 - MATTERS FOR COUNCIL CONSIDERATION

Who	Issue	Response	Action
498 McPherson Road	level of bureaucracy to the district plan. Wants Council to recognise that it already has policies and procedures on the control of these assets and liaise with WDC to ensure that this control will continue. Landowners know best how to control these assets.		designation is and why it is necessary. While not directly relevant to this section, this is a logical place to explain the present controls that cover the assets and provide some explanation as to the necessity of the designation.
Transpower Limited	<p>Transpower to undertake some additional work to ensure identification of the proximity of the assets to its structures/network.</p> <p>Likely to request specifically worded condition that requires ground-conductor clearance (12 metre clearance likely required), and consideration of impact on foundations as required.</p>	Noted. Response anticipated, but not received to date.	NA
Environment Canterbury	No concerns with proposal.	Noted	No action required.



Map Scale @ A3 1:65,000
 0 1 Kilometres

Waitaki Designation Overview

Legend

- Groyne
- Cross-banks
- Hilderthorpe Floodway
- Hendersons and Waikoura Creek Floodway
- Regional Council Boundaries

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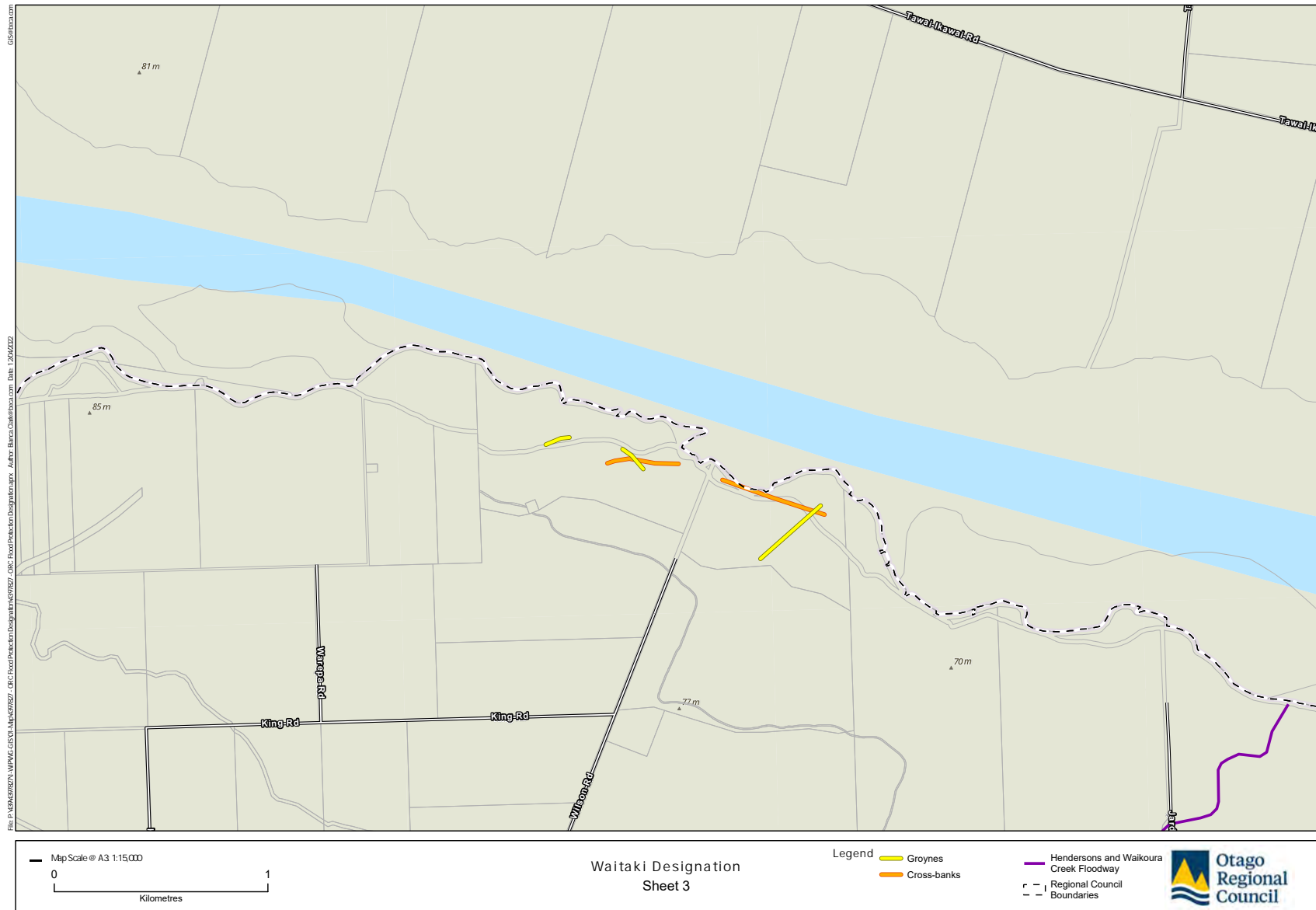
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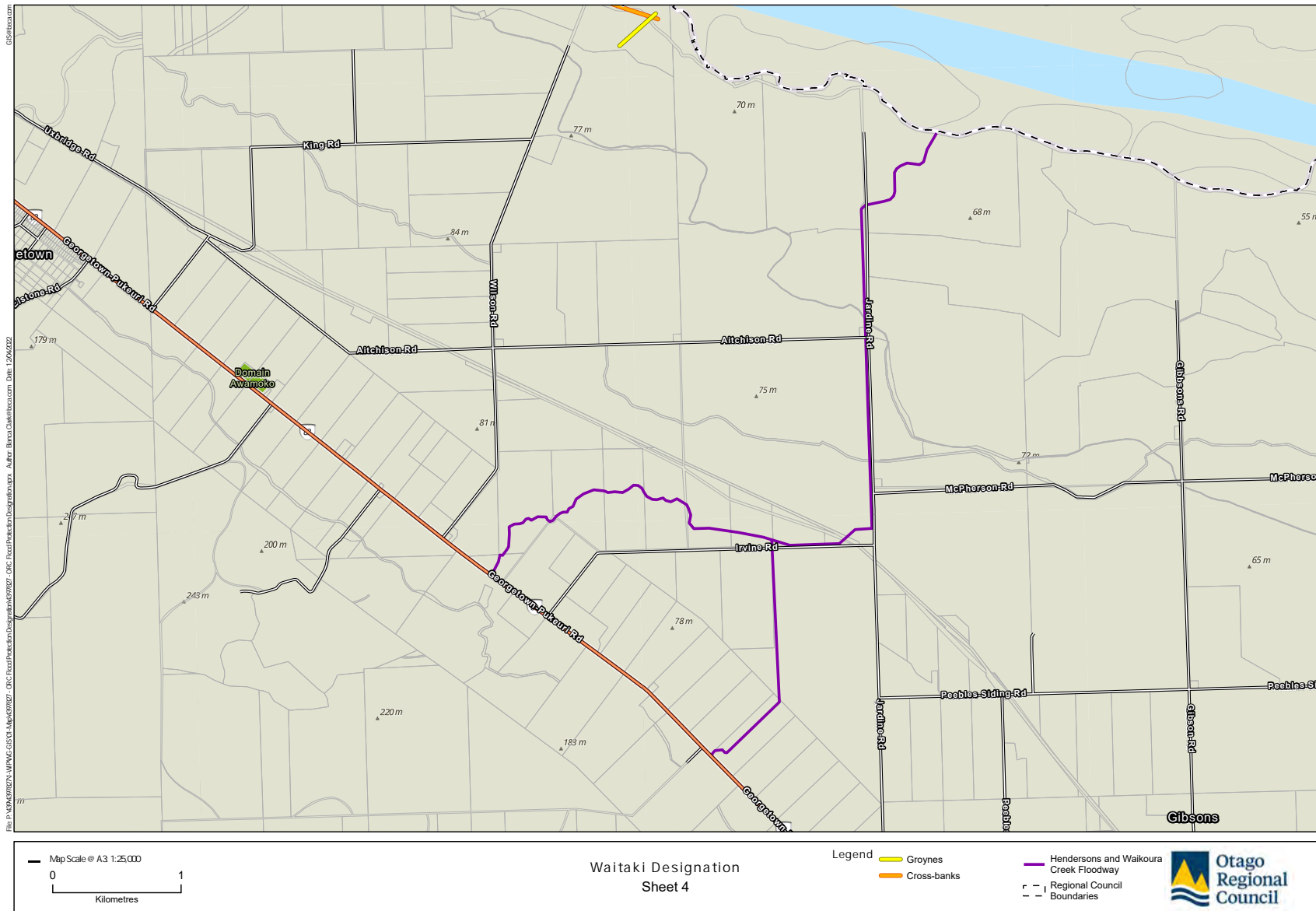
Waitaki Designation
 Sheet 2

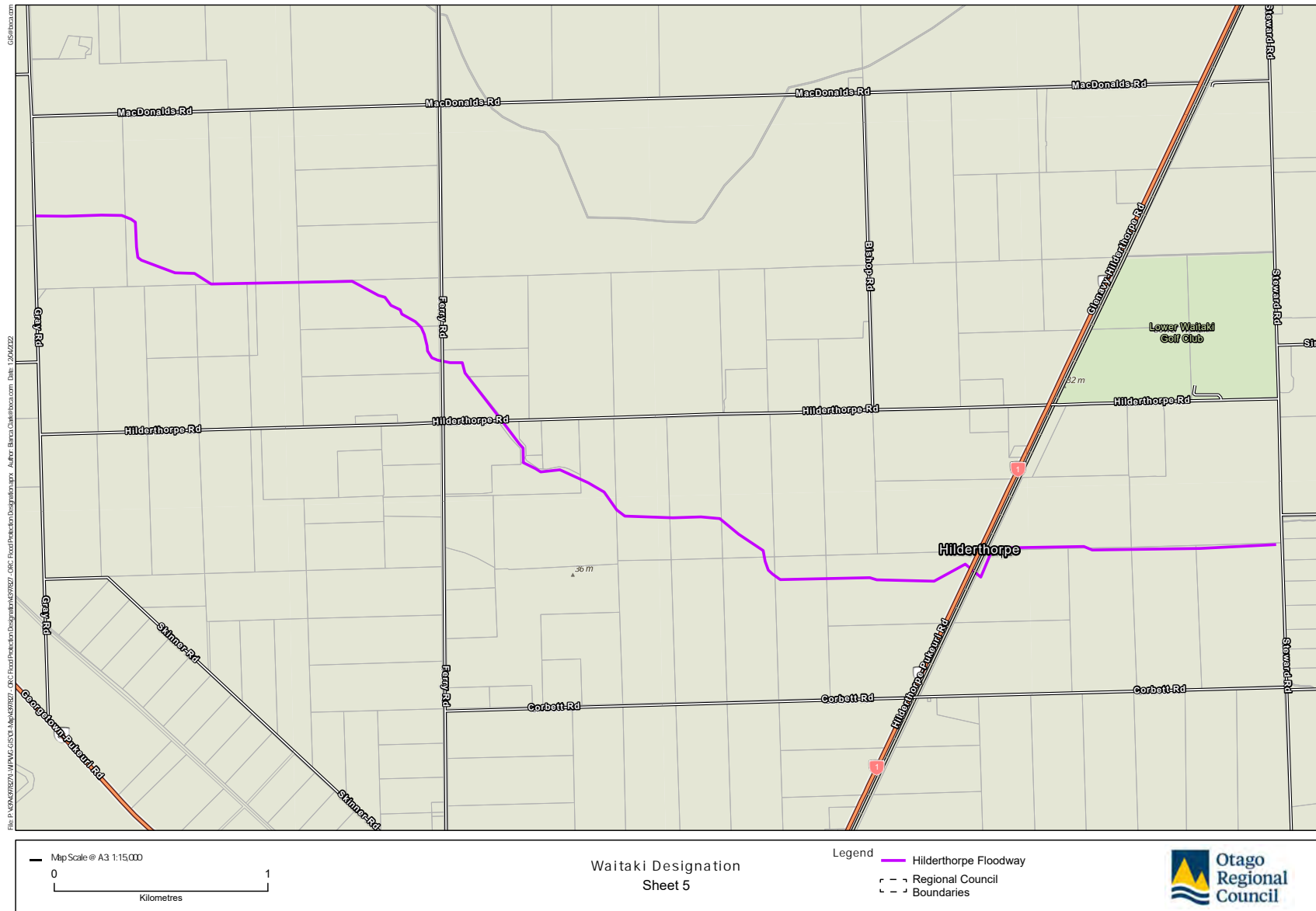
Legend
 Groynes
 Cross-banks
 Regional Council
 Boundaries



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8.7. Integrated Catchment Management (ICM) Update

Prepared for:	Council
Report No.	OPS2243
Activity:	Governance Report
Author:	Anna Ferguson, Principal Advisor Environmental Implementation
Endorsed by:	Gavin Palmer, General Manager Operations
Date:	28 September 2022

PURPOSE

- [1] To provide an update to Council on the progress on decisions made at the 10 August 2022 meeting of the Strategy and Planning Committee regarding the Integrated Catchment Management (ICM) Programme, and to propose a Terms of Reference for the proposed ICM Working Group.

EXECUTIVE SUMMARY

- [2] An update is provided on the decisions from the 10 August 2022 Strategy and Planning Committee meeting on ICM – the path forward.
- [3] A Terms of Reference for the proposed ICM Working Group (ICMWG) has been drafted and attached for endorsement and/or amendment by Council.
- [4] Proposed members of the ICMWG have been contacted and all are supportive of being involved and supportive of the Catlins Freshwater Management Unit (FMU) being the pilot for the first Catchment Action Plan (CAP).

RECOMMENDATION

That the Council:

- 1) **Notes** this update.
- 2) **Approves** the proposed Terms of Reference for the ICM Working Group.

BACKGROUND

- [5] At the 10 August 2022 Strategy and Planning Committee, Committee members endorsed a series of recommendations (decisions which are provided in Table 1), including a request for staff to report back to Council no later than 30 September 2022 with an update on progress with implementing these decisions, and a proposed terms of reference for the ICM Working Group.
- [6] This paper provides the update and proposed Terms of Reference.

DISCUSSION

Update on Strategy and Planning Committee decisions

[7] An update on decisions arising from the 10 August Strategy and Planning Committee is provided in Table 1 below. Note the decisions are in a revised order to group similar tasks together.

Table 1: Update on ICM Decisions made by the Strategy and Planning Committee

Category	Decision	Update	Next steps
Pilot	The Catlins Freshwater Management Unit (FMU) is the preferred catchment in which to pilot the community collaboration plan and CAP development process	Noted	None
	Staff seek iwi, catchment and community group views on the suitability of the Catlins FMU as the pilot	Contact has been made with Aukaha, Te Ao Marama, Otago Catchment Community Inc (OCC), Catlins Coast, and the Owaka Catchment Group. All are supportive of the Catlins being the pilot for the CAP process.	None
ICM Working Group (ICMWG)	Establish an ICM Working Group (ICMWG)	See below	See below
	Adopts preferred membership of the ICMWG.	Noted	None
	The Chair and Deputy Chair are nominated as interim Councillor representatives for the ICMWG	Noted	Include Chair and Deputy Chair on the membership of the ICMWG.
	Staff seek catchment and community group interest in being members of the ICM Working Group for the Catlins FMU	Contact was made with Aukaha, Te Ao Marama, Otago Catchment Community Inc (OCC), Catlins Coast Inc, and the Owaka Catchment Group.	Provide Terms of Reference once endorsed to each group.
		All expressed interest, in principle, in being involved in the ICMWG. Letters were sent to each group asking them to nominate a representative, acknowledging that the Terms of Reference are not available for full consideration and therefore any nomination would be ‘in principle’. Any responses received between this paper being written and the Council meeting on 28 September 2022 will be advised to Council at the meeting.	Receive nominations and add them to the ICMWG membership.
	Staff report back to Council	This table is the update.	If endorsed,

	no later than 30 September 2022 with an update on progress on implementing these recommendations, and a proposed terms of reference for the ICM Working Group	The Terms of Reference is addressed later in this paper.	provide Terms of Reference to ICMWG nominees and confirm membership.
ICMWG Tasks	Stocktake current and planned iwi, catchment and community group and ORC initiatives	Initial stocktake within ORC is underway.	Engage with other groups via the ICMWG once established.
	Develop a community collaboration plan for ICM and CAP co-design	Requires ICMWG to be in place	Draft a discussion paper for the ICMWG
	Develop detail around the community reference group concept (if appropriate)	Requires ICMWG to be in place	Part of discussion paper above
	Develop a process for CAP development including: i. at what point community collaboration (co-design) should begin ii. how to collate and incorporate relevant knowledge, data, activities, plans and strategies including citizen science, iii. a revised programme logic (if appropriate) as a conceptual basis and communication tool for CAP development, iv. a multi-criteria analysis framework for prioritising key actions within CAPs which can be tailored by each CAP collaboration group as required	i. Requires ICMWG to be in place ii. Refer to stocktake above, also initial work underway for plan 'relationships' – how they can fit and work together. iii. Work on a concept for how to make the programme logic theory more engaging is underway. This includes a more interactive platform 'clickable' links. iv. Work on framing prioritisation as a series of 'lenses' is underway, including specific work on biodiversity and water.	Initial work will be presented to the ICMWG in a discussion paper(s).
	Develop a communications plan for ICM and CAPs based on the community collaboration plan and the CAP development process	Requires ICMWG to be in place.	Draft Communications Plan for discussion by ICMWG.
	Begin implementation of the community collaboration plan and CAP development process where actions do not require further approval of Council.	Requires ICMWG and above tasks completed first	None at this stage.
	Timeframe	Proposed timeframe for continued work on the ICM programme during 2022/23	For noting only. Timeframe will be updated once ICM WG is in place and tasks are more defined.

Terms of Reference for ICM Working Group

- [8] A draft Terms of Reference for the ICM Working Group (ICMWG) is provided as Attachment 1. The ICMWG will be supported by ORC staff.

OPTIONS

- [9] Council can adopt the Terms of Reference for the ICMWG as is or with changes.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [10] None applicable for this paper.

Financial Considerations

- [11] Resourcing the ICMWG can be met through existing budgets.

Significance and Engagement

- [12] The ICMWG is the first step towards co-design for the ICM Programme. It will enable better and genuine collaboration for the intended CAP development.

Legislative and Risk Considerations

- [13] There are no legislative requirements that need to be considered at this stage.

Climate Change Considerations

- [14] There are no immediate climate change considerations for this work.

Communications Considerations

- [15] A communications plan will be developed through the proposed working group once the collaboration plan and CAP Framework have been settled to whatever degree is deemed necessary prior to initiating engagement with the community.

NEXT STEPS

- [16] If approved, the terms of reference will be provided to the proposed ICMWG members and final nominations to be confirmed.
- [17] Once membership is confirmed, the first ICMWG meeting will be set and held as per the Terms of Reference.

ATTACHMENTS

1. ICM Working Group Terms of Reference [8.7.1 - 4 pages]

OTAGO INTEGRATED CATCHMENT MANAGEMENT (ICM) WORKING GROUP TERMS OF REFERENCE

1. ICM PROGRAMME VISION

The overall vision for ICM programme is that:

- ICM is an accepted way of operating throughout Otago, and
- It is implemented through catchment action plans (CAPs) developed and delivered in collaboration with mana whenua and community.

2. SCOPE OF THE ICM PROGRAMME

The ICM Programme comes from the ORC's Long-Term Plan commitment to "lead the development, implementation, and review of integrated Catchment [Action] Plans in collaboration with iwi and community". This is broadly grouped into three phases:

- 2021/22 - commence development of an integrated catchment planning programme and report to Council on progress by 30 June.
- 2022/23 - commence spatial systems and analysis to inform and define ICP programme by 30 June.
- 2023/24 - Prepare Integrated Catchment [Action] Plan.

Initial work undertaken in 2021/22 forms the basis for developing a framework for how CAPs can be developed in collaboration with iwi and community.

3. ROLE OF THE ICM WORKING GROUP

The ICM Working Group will develop the CAP Framework including a collaboration plan. This is not the development of a CAP, but rather establishing the 'groundwork' upon which the CAP will be built. This involves (but may not be limited to):

- a. A stocktake current and planned iwi, catchment and community group and ORC initiatives within the pilot catchment.
- b. Developing a community collaboration plan for ICM and CAP co-design, using the "Recommendations for a Collaborative Framework for Integrated Catchment Management and Catchment Action Plans" (Ahika Consulting, 2022) as a starting point.
- c. As part of the community collaboration plan, develop detail around the community reference group concept (if appropriate) including terms of reference, appointment process and resourcing.
- d. Developing a process for CAP development including consideration of:
 - i. at what point community collaboration (co-design) should begin (as informed by the community collaboration framework),
 - ii. how to collate and incorporate relevant knowledge, data, activities, plans and strategies including mātauranga māori and citizen science,

Document Version: 0.1
Draft date: 25 August 2022

- iii. a revised programme logic (if appropriate) as a conceptual basis and communication tool for CAP development,
- iv. a multi-criteria analysis framework for prioritising key actions within CAPs which can be tailored by each CAP collaboration group as required,
- e. Developing a communications plan for ICM and CAPs based on the community collaboration plan and the CAP development process

The ICM Working Group’s role will be revisited once the CAP development is underway.

4. RESPONSIBILITIES OF WORKING GROUP MEMBERS

Individual Working Group members should:

- Review and analyse any documents or material provided for working group meetings.
- Actively participate in meetings through attendance, discussion, bringing ideas and working with other members.
- Communicate the objectives and progress of ICM programme to their networks internally and externally (where appropriate).
- Provide input relevant to their area of expertise or experience to support the tasks of the working group.
- Provide for an alternate representative to attend meetings if required or appropriate.
- Advise if any risks arise that are likely to affect delivery of the tasks above and to be part of the risk reduction process.

5. RESPONSIBILITIES OF THE PROGRAMME COORDINATOR

The Programme Coordinator is the Principal Advisor Environmental Implementation. The responsibilities of the Programme Coordinator are to:

- Coordinate and support the activities of the Working Group.
- Develop draft proposals, plans or deliverables for Working Group review and input
- Set the agenda and purpose for each Working Group meeting based on input the Working Group where appropriate.
- Report on progress of the Working Group to the appropriate Council Committee.
- Encourage broad participation from Working Group members in discussion.
- End each meeting with a summary of decisions and actions and confirm responsibility.

6. GENERAL

6.1 MEMBERSHIP

The table below lists the membership of the ICM Working Group.

Organisation	Role	Name
Aukaha	TBC	TBC

Document Version: 0.1
Draft date: 25 August 2022

Te Ao Marama	TBC	TBC
Otago Catchment Community Inc.	TBC	TBC
Catlins Coast Inc	Member	Rachel Napier
Owaka Catchment Group	Coordinator	Rachel Napier (same as for Catlins Coast Inc.)
Otago Regional Council	Chair	Cr Andrew Noone
Otago Regional Council	Deputy Chair	Cr Kevin Malcom
Otago Regional Council – Staff	Member	TBC
Otago Regional Council – Staff	Member	TBC
Otago Regional Council – Staff	Member	TBC

6.2 CHAIR

The chair of the Working Group will be nominated and agreed to by members of the Working Group at their first meeting.

6.3 QUORUM

A minimum number of five Working Group members are required for effective advisory purposes.

6.4 FREQUENCY AND LOCATION OF MEETINGS

The ICM Working Group will meet every four weeks at a time and place suitable to Working Group members. Additional meetings will be canvassed with the Working Group members if important business requires extra meetings.

Meetings will aim to be held in person, with an online option available.

6.5 AGENDA, MINUTES, AND SUPPORTING PAPERS

Where possible, a package will be sent to members at least three business days in advance of an ICM Working Group meeting. This package will include the following:

- Agenda for upcoming meeting.
- Minutes of previous meeting.
- Any other documents/information to be considered at the meeting.

6.6 ALTERNATES AND ADDITIONAL

Members of the Working Group can send alternates to meetings. Alternates are entitled to participate in discussion and provide expert advice. Working Group members will inform the Programme Coordinator as soon as possible if they intend to send an alternate to a meeting.

6.7 TERM OF THE WORKING GROUP

Document Version: 0.1
Draft date: 25 August 2022

The term for the Working Group is from first meeting (to be set) until such time that the wider collaborative forum for developing the Catlins CAP is in place. It is expected that this will occur before 30 June 2023, but timing is dependent on the tasks of the Working Group being completed to a point where the work of the wider collaborative forum can begin.

The need, purpose and/or membership for the Working Group will be reviewed by ORC once the wider collaborative forum is underway.

DRAFT

Document Version: 0.1
Draft date: 25 August 2022

8.8. Regional Wellbeing Framework Progress Update and Draft Report

Prepared for:	Council
Report No.	GOV2254
Activity:	Community: Governance & Community
Author:	James Adams, Senior Strategic Analyst
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer
Date:	28 September 2022

PURPOSE

- [1] To update Council about progress on ORC's wellbeing programme.
- [2] To provide, for noting, the current working draft of Otago's Regional Wellbeing Framework, and a draft version of the accompanying report from our consultants, Kōtātā Insight.

EXECUTIVE SUMMARY

- [3] Wellbeing is at the heart of ORC's purpose and activities, as indicated in both the Local Government Act 2002 and the Resource Management Act 1991. Strategic Directions identified that ORC needed to understand more about regional wellbeing so that it could identify significant issues, consider its role, and take any appropriate actions. Therefore, the Long-term Plan (LTP) includes a Level of Service to "Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues."
 - [4] ORC has initiated a wellbeing programme to deliver on this level of service. The first phase of the programme is to develop a Regional Wellbeing Framework (the Framework). The Framework is a multi-purpose strategic tool designed to enable ORC to:
 - a. Incorporate wellbeing outcomes into ORC's wider strategic framework more effectively,
 - b. Communicate more clearly with other agencies, organisations, communities, and stakeholders about priorities for wellbeing, and
 - c. To enable ORC to measure and report on wellbeing outcomes.
 - [5] The Framework does this by providing:
 - a. A definition for wellbeing in Otago,
 - b. The key outcome areas (domains) for wellbeing that matter most in Otago,
 - c. Outcome statements for achieving wellbeing within those domains, and
 - d. Indicators that allow us to measure achievement of those outcomes.
 - [6] The attached draft report from our consultants, Kōtātā Insight, details the background and process for developing a Wellbeing Framework, and the theory underpinning it. It also provides commentary on data and indicators that may be used to measure the wellbeing outcomes established in an Otago Regional Wellbeing Framework. Note that
-

the proposed indicators and next steps in the report still require further revision and development before the report is finalised.

- [7] The Framework's initial development has been a collaboration with community members and stakeholders from around Otago, covering city and district councils, the health sector, mana whenua, the disabilities sector, rural communities, and others.
- [8] Due to workload and time constraints for our iwi partners, rūnaka still require an opportunity to properly assess the draft Framework before it can be finalised.
- [9] The report and Framework are expected to be finalised in late October 2022, pending further review.
- [10] Work will then begin to explore collaboration on wellbeing outcomes in Otago. Through this collaboration, ORC will work with others to establish efficient ways to collect data, and substantiate and refine indicators, to underpin a baseline report on Otago Wellbeing Indicators in June 2023.
- [11] At that stage, ORC will undertake broader public engagement on the Framework, and the results of the baseline report. This will enable us to further enhance it to ensure it serves Otago's needs.
- [12] Although the Framework is being developed by ORC, it is intended to be a useful tool for other agencies, organisations, communities, and stakeholders in Otago as well.
- [13] ORC anticipates that the Framework will be a living document that forms the basis of collaborative relationships with other agencies, organisations, communities, and stakeholders throughout Otago seeking the improvement of wellbeing throughout Otago's communities.

RECOMMENDATION

That the Council:

- 1) **Notes** the attached draft report and draft Regional Wellbeing Framework.
- 2) **Notes** that the Framework and accompanying report are scheduled to be delivered at the end of October 2022 and will undergo further revision and development before that time, particularly the draft indicators and next steps.
- 3) **Notes** that this is the first phase in an ongoing work programme for wellbeing, with a baseline report on indicators due in June 2023.

BACKGROUND

Why is ORC developing a wellbeing framework?

- [14] Wellbeing is embedded in the purpose of ORC's governing legislation.
- [15] The Local Government Act 2002 section 10(1)(2) states that one of the purposes of local government is to "promote the social, economic, environmental, and cultural well-being of communities in the present and for the future."

- [16] In a related matter, one of the purposes of Council's LTP, under section 93(6)(b), is to describe the community outcomes of the local authority's district or region.
- [17] The Resource Management Act 1991, in defining its purpose in section 5, states that sustainable management means:
- "[M]anaging the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—
- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and
 - (b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and
 - (c) avoiding, remedying, or mitigating any adverse effects of activities on the environment."
- [18] ORC's Strategic Directions identified that ORC needed to understand more about regional wellbeing so that it could identify significant issues, consider its role, and take any appropriate actions.
- [19] In accordance with the above, ORC has committed to a level of service in its LTP to: "Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues."
- [20] The Regional Wellbeing Framework is being developed as a part of this programme. It is a tool that will enable ORC to identify appropriate indicators for wellbeing in Otago, and measure progress against wellbeing outcomes. It will also enable wellbeing to be more effectively incorporated into strategic planning and decision making.
- [21] The LTP scheduled a report on the indicators for the end of the 2021/2022 year. This has been delayed due to work programme priorities and availability of staff resources.
- [22] Despite this delay, ORC is on track to deliver a baseline report on wellbeing in Otago in June 2023. The report will be based on the Framework, and the indicators therein.

How has the Framework been developed?

- [23] To lead the development of the Wellbeing Framework and the accompanying report, ORC engaged the services of Conal Smith, an economist from Kōtātā Insight in Wellington. Conal has expertise in the economics of well-being. Among other things, he led the development of the first international guidelines on the measurement of subjective wellbeing (2013) and trust (2017) as well as the OECD's first well-being themed country report. Conal has worked on the policy applications of well-being measures in New Zealand, the OECD, and the developing world.
- [24] ORC has convened a Working Group and a wider Advisory Group (collectively, the Groups) to guide the Framework's development. Members of these groups were identified through professional networks, and directly invited to participate.

- [25] The Working Group was established to provide review and sign-off on the Framework, and includes staff from:
- a. Otago Regional Council
 - b. Aukaha and Te Ao Marama Inc
 - c. City and District Councils (Dunedin City Council, Queenstown Lakes, Clutha, Waitaki, Central Otago)
 - d. Southern District Health Board
 - e. Ministry of Social Development
- [26] The Advisory Group has provided advice on the Framework's development and includes the members of the working group as well as other local stakeholders and community members representing rural communities, the disabilities sector, and workplace wellbeing.
- [27] The Working Group had an initial meeting in February 2022 to provide an overview and discuss project goals. They met again in April 2022 to look at conceptual frameworks and begin thinking about the wellbeing domains meaningful to Otago.
- [28] The Advisory Group then met in June and July 2022 to workshop the domains and a definition for wellbeing and refine those aspects of the framework.
- [29] Both groups met in early September 2022 to define the outcomes for the domains and discuss next steps.
- [30] Feedback from group members on the process and the scope of ORC's wellbeing work has been positive and enthusiastic. There appears to be a genuine engagement with the value of this work.
- [31] Aukaha and Te Ao Marama Inc. were invited as partners to be part of the Working Group and discussions have been undertaken with them at intervals. However, deeper engagement is still needed to discuss how to progress with the Framework from an iwi perspective, and this is in progress.
- [32] Public engagement is proposed to follow the publication of the baseline report on wellbeing in Otago in June 2023. The first baseline report will incorporate full discussions with our iwi partners and a complete version of the Framework and associated data. Staff expect that this will be easier for the public to engage with and provide a strong impetus for public feedback, which will allow the Framework to be further enhanced and strengthened.
- [33] Staff anticipate that the Framework will be a live document that is progressively iterated on. The breadth of participation in the Framework's development gives it a potentially wider application than ORC's work alone, allowing agencies to better align work programmes on wellbeing, and communicate data, measurement, and progress more effectively and efficiently. Accordingly, staff intend to continue working collaboratively with people from across Otago as the wellbeing work programme progresses.

DISCUSSION

- [34] The attached draft report on development of the Framework provides a detailed discussion of the value and development process for wellbeing frameworks. It also

provides specific discussion of the draft Otago Regional Wellbeing Framework, and the development process that has led to it. Note that the proposed indicators and next steps in the report still require further revision and development before the report is finalised.

- [35] The definition for wellbeing in Otago that the Groups arrived at is:
 - a. Wellbeing in Otago means our people and our children are able to lead enjoyable and meaningful lives.
- [36] In discussing the factors that contribute to wellbeing in Otago, the Groups have arrived at seven key factors and associated outcomes. The factors fall into categories of People, Community, and Place:

	Wellbeing Domain	Outcome
People	Healthy and fulfilled people	People in Otago live safe, meaningful lives with good physical and mental health.
	A good standard of living	People have good livelihoods, with access to quality employment and education. Individuals, families and whānau are able to prosper and support themselves.
Community	Connected communities	Communities and networks in Otago are cohesive and provide opportunities for positive social interaction and support.
	Belonging and identity	People of all backgrounds feel a sense of belonging in Otago. People are able to practice and share culture and traditions.
	Participation and governance	Formal and informal governing bodies function effectively through active and diverse engagement.
Place	A healthy natural environment	The mauri of Otago’s taiao is respected and preserved. Otago’s air, water, land, and biodiversity is healthy and its natural beauty endures.
	An enabling built environment	Spaces, connections, and infrastructure empower people to live well.

- [37] The outcome statements provide the basis for selecting indicators to measure wellbeing in Otago, as further described in the attached report.
- [38] In developing these outcome statements, the Groups also noted that there are principles vital to people’s wellbeing in Otago that need to be considered across all dimensions of wellbeing and when selecting indicators. They have called these principles Pou. They are given below, with some examples of the kinds of considerations that arise from them:

- a. **Equity in the distribution of outcomes**
 - i. what is the gap between the most privileged and most disadvantaged?
 - ii. Are outcomes fairly reflected across communities in Otago?
 - b. **Mātauraka Kāi Tahu informs and is reflected in all aspects of wellbeing**
 - i. How are the treaty partnership and Te Ao Kāi Tahu values reflected in wellbeing outcomes, both formally and informally?
 - c. **Sustainability of wellbeing for future generations**
 - i. Will the wellbeing outcomes we seek today be available to our descendants?
 - ii. Are we being good ancestors?
 - d. **Resilience to shocks that might affect people's wellbeing**
 - i. How well can our wellbeing outcomes endure through shocks and abrupt changes like natural disasters, climate migration, financial crises, or pandemics?
- [39] The Framework, taken as a whole, will give ORC a basis to inform policy and strategic decisions at a high level, as well as measure success and progress on wellbeing issues that matter to Otago communities. It will be used to aid review of the Strategic Directions and community outcomes as a part of the LTP development process.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [40] The wellbeing work programme is consistent with ORC's Strategic Directions and LTP.
- [41] The Framework will be a multi-purpose strategic tool that, in addition to providing a way to measure wellbeing outcomes, will help inform review of strategic documents such as the Strategic Directions and community outcomes in the LTP.

Financial Considerations

- [42] There are no specific financial considerations associated with this paper.

Significance and Engagement

- [43] This work programme is consistent with ORC's Significance, Engagement and Māori Participation policy.

Legislative and Risk Considerations

- [44] A wellbeing framework helps us more effectively and efficiently discharge ORC's responsibilities under the Local Government Act 2002 and Resource Management Act 1991.

Climate Change Considerations

- [45] Climate change will have significant impacts on the wellbeing of Otago's communities. The Framework will provide guidance to strategic decision making associated with ORC's climate change work programme.

Communications Considerations

- [46] ORC will need to consider how to communicate progress on the wellbeing work programme.
- [47] There is a risk that the public may consider wider considerations of wellbeing fall outside the ORC's perceived narrower focus on environmental concerns.

- [48] ORC will be developing a communications plan to manage wider public communication of the wellbeing work programme.

NEXT STEPS

- [49] In October 2022, the working group will be reconvened to begin work on the next phase of the wellbeing work programme, including finalising indicators, data collection and regional collaboration.
- [50] The draft Framework and covering report are scheduled to be finalised by the end of October 2022, pending further review.
- [51] In June 2023, ORC will publish its first report on wellbeing measures in Otago, establishing a baseline for the wellbeing indicators. This will be followed by public engagement on the wellbeing measures and indicators, to collect feedback and refine the Framework further.
- [52] The Working Group is intended to continue meeting to provide input on the work programme.

ATTACHMENTS

1. Draft Otago Regional Wellbeing Framework - September 2022 [8.8.1 - 1 page]
2. Draft Wellbeing Framework and Indicators Report - September 2022 [8.8.2 - 44 pages]

Wellbeing in Otago means our people and our children are able to lead enjoyable and meaningful lives

Equity

Mātauraka
Kāi Tahu

Resilience

Sustainability

Pou

The four pou capture principles vital to people’s wellbeing in Otago that need to be considered across all six dimensions of wellbeing. They address whether the distribution of outcomes is equitable, Otago’s resilience to shocks that might affect people’s wellbeing and whether levels of wellbeing can be sustained for future generations. Mātauraka Kāi Tahu informs and is reflected in all aspects of wellbeing.

People

Otago people’s wellbeing matters. This is grounded both in people’s livelihoods and in other aspects of life.

Healthy and fulfilled people

People in Otago live safe, meaningful lives with good physical and mental health.

A good standard of living

People have good livelihoods, with access to quality employment and education. Individuals, families and whānau are able to prosper and support themselves.

Community

Thriving communities are essential to people’s wellbeing both in the connections that people make and in terms of engagement and civic participation.

Connected communities

Communities and networks in Otago are cohesive and provide opportunities for positive social interaction and support.

Belonging and identity

People of all backgrounds feel a sense of belonging in Otago. People are able to practice and share culture and traditions.

Participation and governance

Formal and informal governing bodies function effectively through active and diverse engagement.

Place

The places people live, work, and explore – both natural and built – set the parameters for how people are able to live their lives.

A healthy natural environment

The mauri of Otago’s taiao is respected and preserved. Otago’s air, water, land, and biodiversity is healthy and its natural beauty endures.

An enabling built environment

Spaces, connections, and infrastructure empower people to live well.

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Measuring outcomes in Otago

Wellbeing framework and indicators [draft report]

Conal Smith, Luisa Beltran-Castillon and Margreet Frieling

September 2022

Acknowledgements

This report was prepared by Kōtātā Insight on commission to Otago Regional Council. It describes the Otago Wellbeing Framework, which was developed in collaboration with community stakeholders. We would like to acknowledge the support and input from all those who participated in the workshops, helping to build a framework for wellbeing in the Otago region.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	2
1 INTRODUCTION	3
1.1 BACKGROUND	3
1.2 WHY MEASURE WELLBEING? THE VALUE OF WELLBEING FRAMEWORKS TO PUBLIC POLICY	3
<i>The need to focus on ends rather than means</i>	3
<i>The roles of wellbeing frameworks in supporting public policy</i>	4
<i>From framework to action</i>	5
1.3 WHAT IS WELLBEING?	8
1.4 THIS PROJECT: DEVELOPING AN OTAGO WELLBEING FRAMEWORK	8
2 A WELLBEING FRAMEWORK FOR OTAGO	10
2.1 THE PROCESS OF DEVELOPING THE OTAGO WELLBEING FRAMEWORK	10
2.2 A WELLBEING FRAMEWORK FOR OTAGO	11
<i>The core features of the framework</i>	11
<i>Conceptualising wellbeing</i>	11
<i>Seven dimensions of wellbeing</i>	13
<i>Four cross-cutting pou</i>	16
2.3 COMPARISON WITH OTHER FRAMEWORKS	17
<i>The OECD Well-being framework</i>	17
<i>The New Zealand Living Standards Framework</i>	18
<i>The Big Cities Quality of Life project</i>	20
<i>Comparison between wellbeing frameworks</i>	21
3 MEASURING WELLBEING: INDICATORS	23
3.1 INDICATOR SELECTION CRITERIA	23
3.2 DATA SOURCES	23
<i>Statistics New Zealand</i>	24
<i>Environmental Reporting</i>	25
<i>Administrative data and the Integrated Data Infrastructure (IDI)</i>	25
<i>Local Government</i>	26
<i>Existing data</i>	26
<i>Ratepayer survey</i>	27
3.3 PROPOSED MEASURES	27
<i>People</i>	27
<i>Community</i>	31
<i>Place</i>	33
4 FILLING DATA GAPS	36
<i>Statistics New Zealand data</i>	36
<i>Analysis of IDI data</i>	36
<i>Existing data</i>	36
<i>Collecting new data</i>	37
BIBLIOGRAPHY	38
ANNEX 1	41

EXECUTIVE SUMMARY

The Otago Regional Council promotes the environmental, cultural, social and economic wellbeing of the Otago community, at a regional level. To be able to draw a more comprehensive picture of wellbeing and wellbeing needs in Otago, the Council has initiated a regional wellbeing monitoring programme. Monitoring wellbeing will enable the Council to capture the outcomes that ultimately matter to people – not just the means to achieve those outcomes – and to gain better insights in the full range of outcomes for the region – so that gains in one measured area do not obscure losses in an unmeasured area. By doing so, the wellbeing monitoring programme will enable the Council to focus their actions on what matters most for the wellbeing of current and future generations; to further align the efforts of local actors in improving wellbeing in the region; to strengthen public accountability towards wellbeing outcomes; and to better understand what works for wellbeing as the basis for accelerating progress.

This report describes the development of the Otago Wellbeing Framework, based on engagement with representatives from the Otago Regional Council as well as city and district councils, Otago's mana whenua, the Southern District Health Board, and other agencies and NGOs involved in community wellbeing in Otago. These stakeholders have worked together to jointly define what wellbeing means in the Otago region.

For the purposes of monitoring wellbeing in Otago seven outcome areas (wellbeing domains) have been identified along with four pou that cut across all aspects of wellbeing. The seven outcome areas are: *Healthy and fulfilled people*; *A good standard of living*; *Connected communities*; *Belonging and identity*; *Participation and governance*; *A healthy natural environment*; and *An enabling built environment*. The four pou are not distinct dimensions of wellbeing but are principles or ways of looking at wellbeing that cut across the seven dimensions. The two outer pou remind us that it is not just the level of wellbeing that matters, but also its distribution both among the current population (pou 1, *equity*) and across generations (pou 4, *sustainability*). The second pou recognises the importance for the knowledge, values, and world views of Kai Tahu, as mana whenua for the Otago region, to inform and be reflected in all aspects of wellbeing. Lastly, the third pou (*resilience*) looks at the degree to which levels of wellbeing are resilient to potential shocks.

A comparison of the Otago Wellbeing Framework with other relevant wellbeing frameworks shows that the approach taken by Otago is consistent with the approach taken by both national and international organisations, such as the OECD, the New Zealand Treasury and the Big Cities Quality of Life project. The comparison has provided an opportunity to test whether there is anything included in other wellbeing frameworks that may have been overlooked in the development of the Otago framework. A second driver for the comparison is that there can be value in aligning with other frameworks, in particular the New Zealand Living Standards Framework, as it allows regional findings to be put into a broader context.

This report describes recommended indicators for each of the domains of the frameworks, based on a clear set of selection criteria. Where relevant, additional indicators were identified to capture the specific lenses that the pou offer. The report then provides an overview of the available data to populate these indicators and suggests additional indicators to be developed.

Filling existing data gaps is critical for strengthening the monitoring of wellbeing in the Otago region. The last section of this report describes four avenues for doing so, including: 1) working with central government to improve official data collected by Stats NZ; 2) further analysis of existing data in the IDI to build synthetic measures of wellbeing outcomes; 3) making better use of existing data by coordinating within and between local government agencies; and 4) collecting new data at the local level. These four avenues are not exclusive but instead can work together to advance the Otago regional monitoring programme.

1 INTRODUCTION

The Otago region is an area of snow-capped mountains, glacial lakes and a rugged peninsula with sandy beaches and unique wildlife. Home to the people of Kai Tahu¹, it is a region rich in cultural heritage, with a diverse economy and a vibrant student life. Most of all, it is filled with people who are passionate about the region's future.

1.1 Background

Promoting the environmental, cultural, social and economic wellbeing of the Otago region is at the heart of the work by the Otago Regional Council. To be able to draw a more comprehensive picture of wellbeing and wellbeing needs in Otago, the Council has initiated a regional wellbeing monitoring programme. The wellbeing monitoring programme aligns with the Council's 2021 Strategic Direction and its Long-Term Plan for 2021-2031, in which the Council commits to engaging with Otago's communities to collect relevant wellbeing information that can identify any significant issues that affect wellbeing in the region and to take appropriate actions to address these.

The commitments made by the Council reflect a growing national and international movement towards applying a wellbeing lens to public governance. The Local Government (Community Wellbeing) Amendment Act 2019 emphasises the broad role that local authorities play in promoting the wellbeing of their communities and the importance of taking a sustainable development approach. Similarly, sustainable management under the Resource Management Act refers to managing natural and physical resources in a way that enables people and communities to provide for their social, economic and cultural wellbeing, while sustaining the potential of these resources to meet the needs of future generations, safeguarding their life-supporting capacities, and avoiding adverse effects on the environment (New Zealand Resource Management Act 1991, Section 5). At the national level, the New Zealand Treasury uses the Living Standards Framework as the basis for policy prioritisation and budget decision-making. Internationally, the last two decades have similarly seen a growing number of wellbeing frameworks being developed and applied by local, regional and national governments around the world (OECD, 2021, Figure 1, Annex 1).

1.2 Why measure wellbeing? The value of wellbeing frameworks to public policy

The need to focus on ends rather than means

The growing focus on wellbeing in a policy context around the world reflects a recognition of the importance of focusing on 'ends' rather than 'means'. If the ultimate goal of the Otago Regional Council is to improve the collective wellbeing of the Otago community, now and for future generations, then it is important that its decision-making frameworks reflect these outcomes in a comprehensive way. A focus on ends rather than means is particularly important in planning and policy processes because decision-making in these areas always involves an element of uncertainty. Although decisions are made based on what theory, evidence, and lived experience tell us will improve peoples' lives, such judgments are not always right. A reasonable proposal may turn out not to work, may achieve its goal in one area only at the cost of other wellbeing outcomes, or average outcomes might improve but still leave some groups behind.

In all of these cases, focusing measurement narrowly will misrepresent the impact of a proposal or

¹ The term 'Kai Tahu', as used in this document refers to the kupenga (net) of whakapapa that embraces the three constituent indigenous iwi of Otago, being Kai Tahu, Kati Mamoe and Waitaha. The use of the term Kai Tahu is inclusive of these three iwi.

Draft – September 2022

intervention on the outcomes that people ultimately care about. For example, economic growth on its own might improve the wellbeing of people through higher incomes, but if the growth occurs at the cost of severe pollution or if the gains of that growth are not distributed equitably, the net impact is likely to be negative.

We measure wellbeing to make sure that we capture the outcomes that actually matter to people – not just the means to achieve those outcomes – and to make sure that we capture the full range of outcomes – so that gains in a measured area do not obscure losses in an unmeasured area.

The roles of wellbeing frameworks in supporting public policy

There are at least four important roles that wellbeing frameworks can play in supporting public policy (OECD, 2021; Boarini & Smith, 2014):

Focusing government action on what matters most, now and for future generations

Determining policy priorities is a challenging task for any government given the range of objectives that need to be simultaneously achieved. Wellbeing frameworks can give structure to this priority setting process and help governments to firmly focus action on what matters most. Monitoring evidence on current wellbeing, distributional outcomes, and resources for future wellbeing facilitates the identification of those wellbeing areas of greatest need.

Strategic alignment and more coherent policy design

Given their strong interdependencies, environmental, economic, social and cultural wellbeing priorities cannot be achieved in isolation (Box 1). Siloed government systems in which each body works towards its own set of objectives provide few incentives for one part of government to invest in outcomes that fall under the responsibility of another. A wellbeing framework can help to strengthen alignment between agencies involved in improving communities' wellbeing, by identifying a clear set of overarching wellbeing priorities that transcend individual agencies and departments, against which joint progress can be assessed.

When it comes to developing policies and strategies, a wellbeing framework enables agencies to systematically scan potential impacts across all relevant wellbeing outcomes. Doing so helps to identify opportunities whereby actions in one wellbeing area can create positive feedback loops that support the objectives in other wellbeing areas. At the same time, a wellbeing lens can help anticipate and mitigate risks where well-intended actions in one domain may trigger problems in other domains.

Box 1: A Rubik's cube analogy

The UNSSC Knowledge Centre for Sustainable Development builds on the metaphor of a Rubik's cube to illustrate the importance of policy coherence for sustainable development (Van Weerelt, 2018, see also: OECD, 2019). Thinking of the different sides of the Rubik's cube, it is easy to see that we cannot solve problems by focusing on one side or one dimension alone, as action on one side immediately leads to a reaction on the other sides of the cube. Moreover, while most people are able to complete one or two sides of the Rubik's cube, the likelihood of individuals completing the entire puzzle is very small.

The Rubik's cube metaphor highlights the importance of strengthening cross-sector collaboration and for policy makers to constantly be mindful of the fact that what appears to be a solution in one area may inadvertently cause damage in another area. A wellbeing framework supports greater policy coherence by bringing all relevant wellbeing outcomes together in an overarching picture that enables policy makers to see key trends and interlinkages, like a 'macroscope' for public policy (Karacaoglu, 2021; Winkler, 2009). The wellbeing 'macroscope' recognises that social, environmental and economic goals must be understood and managed as an integrated system rather than as a divisive set of priorities.

Reconnecting public, private and civil society stakeholders

A wellbeing framework can also play an important role in strengthening public accountability and reconnecting public, private and civil society stakeholders in the journey towards greater wellbeing (Box 2). Public sector agencies, businesses, NGO’s and civil society all have pivotal roles to play in improving collective wellbeing. Developing a wellbeing framework through an inclusive and participatory process is an important starting point for reconnecting these stakeholders and aligning their efforts towards local wellbeing priorities.

Understanding what works for wellbeing

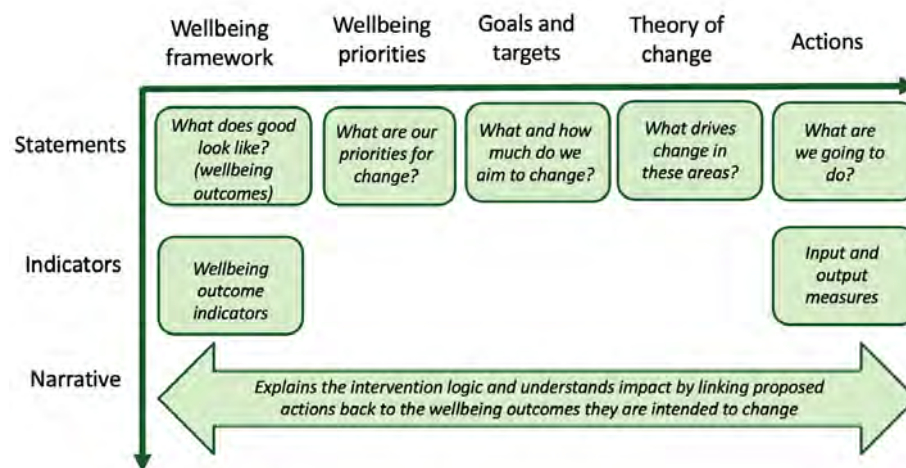
Finally, a key question in any operational context is “did the intervention or project work?”. Understanding what works for wellbeing requires evidence not only on whether the project delivered the agreed outputs, but whether these outputs led to the desired change in outcomes. At a conceptual level, wellbeing frameworks provide a comprehensive foundation for identifying the range of outcomes against which impact needs to be assessed. Subsequently, the data that is collected as part of wellbeing measurement frameworks can be used to generate quantitative evidence on what worked, thereby helping to further improve policy design and accelerate progress on raising wellbeing.

From framework to action

Figure 2 illustrates how wellbeing frameworks fit in with the broader strategic planning process. The current project focuses on the development of a wellbeing monitoring framework for Otago, which is represented by the first column in Figure 2. The Otago Wellbeing Framework is strength-based in that it articulates the collective vision and aspirations of the people of Otago for ‘what good looks like’ in terms of desired wellbeing outcomes.

Identifying *wellbeing priorities*, setting *goals and targets*, developing a *theory of change* and specifying *actions* are then about moving from this collective vision to an overarching strategy to improve wellbeing in the Otago region and are part of the Council’s broader strategic planning. Wellbeing indicators support this process by monitoring the extent to which desired changes in wellbeing outcomes are being achieved, as distinct from input and output measures, which capture information about the means to get to these desired outcomes.

Figure 2 From wellbeing framework to actions



Identifying *wellbeing priorities* reflects the need to focus resources and efforts on the wellbeing areas of greatest need. This prioritisation process does not mean that other wellbeing domains can be lost out of sight, as a system’s approach is vital throughout the policy development process (Box

Draft – September 2022

1), however it provides a clear strategic direction for targeting resources and efforts. To help determine priorities for change, wellbeing indicators provide insight into both specific wellbeing challenges – such as where outcomes for Otago fall behind the rest of New Zealand – as well as unique strengths that can be built on to address these challenges.

Subsequently, setting *goals and targets* is about being clear about the required amount of change that is needed to safeguard collective wellbeing, now and into the future. Subsequently, the *theory of change* articulates existing evidence and beliefs about what drives change with respect to each of the goals and targets. Being transparent about our theories of change is important to enable meaningful discussion about whether there are any crucial elements missing in our change models. It also enables us to validate whether the underlying assumptions about the conditions that need to be in place for the theory of change to work out as intended, hold true in our local context. In turn, this contributes to the selection of a robust and credible set of recommended *actions* to achieve the desired changes in wellbeing outcomes as articulated in the wellbeing framework.

Input and output measures flow from the choice of actions. Inputs capture the resources needed to implement and maintain the actions; outputs represent what is directly built or produced by a particular action or intervention. Linking these outputs back to the intended outcomes (as articulated in the wellbeing framework) enables us to understand whether the actions that were taken have had the desired impact.

The *narrative* ties all of these elements together, by explaining – in plain language – what priorities, goals and targets for wellbeing are and how the proposed actions will translate into better wellbeing outcomes for the people and places of Otago.

Box 2: The use of wellbeing frameworks around the world

Around the world, local, regional and national governments are using wellbeing frameworks to inform their actions and decision-making.

The five ways of working in the Welsh Wellbeing of Future Generations Act

The Well-being of Future Generations (Wales) Act 2015 requires all 48 public bodies in Wales to place seven wellbeing goals - informed by a large-scale public consultation process - at the centre of their decision-making. These seven goals are: a prosperous Wales, a resilient Wales, a more equal Wales, a healthier Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh language, and a globally responsible Wales. The Act makes it clear that each of these goals is as important as the others and that, as much as possible, public bodies must work towards all of them rather than focusing on one or two in isolation.

The Well-being of Future Generations Act does not only specify desired outcomes, but also sets out five ways of working for public bodies to achieve the seven wellbeing goals:

- **Thinking long-term:** Meeting the needs of the present without compromising the ability of future generations to meet their own needs.
- **Integration:** Considering how the public body's wellbeing objectives may impact upon each of the wellbeing goals or on the objectives of other public bodies
- **Involvement:** Involving people with an interest in achieving the wellbeing goals and ensuring that those people reflect the diversity of the area which the body serves
- **Collaboration:** Acting in collaboration with any other person (or different parts of the body itself) that could help the body meet its wellbeing objectives
- **Prevention:** Acting to prevent problems occurring or getting worse to help public bodies meet their objectives

Transparency and accountability are an important part of the Act. This is important because while government reporting on wellbeing outcomes increases transparency and enables the public to better understand the state of play, this remains a very basic and indirect form of

Draft – September 2022

accountability (CPD, 2022). The Welsh model has explicitly tried to strengthen accountability by combining regular outcome reporting with independent oversight.

Under the Wellbeing of Future Generations Act, the Welsh Future Generations Commissioner serves as a guardian for the interests of future generations in Wales and supports the public bodies listed in the Act in working towards achieving the wellbeing goals. For that purpose, the Commissioner may conduct a formal review of the extent to which a public body is meeting its wellbeing objectives and whether the steps that are being taken to meet these objectives are in line with the sustainable development principle (the five ways of working).

There is a statutory duty for public bodies to respond to the Commissioner's recommendations. If a recommendation is not being followed, the public body has to set out why and what alternative course of action they are going to take. In addition, Audit Wales is responsible for assessing the extent to which all 48 public bodies that are subject to the duties of the Act are operating in accordance with the five ways of working when setting their wellbeing objectives and taking steps to meet them (Audit Wales, 2020, So what's different?).

Building Coalitions of Change: The Amsterdam Doughnut Coalition:

When working towards collective wellbeing, collaboration between public bodies, businesses and communities is also essential, as no single person or organisation holds the range of knowledge or controls the range of actions required to arrive at desired outcomes (Karacaoglu, 2021). Wellbeing frameworks can offer the vision and strategic framework that guides that collaboration and brings people together. For example, the city of Amsterdam uses its wellbeing framework to bring together a network of local actors in a so-called 'Doughnut Coalition'.

In April 2020, the City of Amsterdam released its first wellbeing framework, the Amsterdam City Doughnut, based on Kate Raworth's Doughnut Economics model (Raworth, 2017). The Amsterdam City Doughnut reflects on the city's performance through a holistic set of wellbeing outcome indicators. The City Doughnut was put together based on a participatory approach, including seven City Doughnut workshops in diverse neighbourhoods across Amsterdam, to reflect the lived experience of Amsterdam residents. The resulting Doughnut vision and strategy is used to bring together a network of 30 organisations in the Amsterdam Doughnut Coalition, involving citizens' networks alongside government, businesses, and knowledge institutions. Together, these actors work towards city-wide initiatives and co-creation for wellbeing. In this co-creation process, the wellbeing framework describes what 'good' looks like. The framework enables all actors to see where they can add the most value and provides them with data to monitor the progress made (Van Doorninck & Schouten, 2020).

So-called 'Doughnut Deals' are collaboration agreements between two or more participating organisations who work together to jointly address social and environmental issues through an integrated approach. For example, the first Amsterdam Doughnut Deal – 'clever curtains' – is a project that teaches migrant women in Amsterdam who are experiencing financial hardship and have limited access to the labour market to sew thermal curtains. The 'clever curtains' project provides first steps towards employment for the participating women as well as access to a broader community and friends. In turn, it has helped to reduce energy costs and CO2 emissions in the participating neighbourhoods.

Another deal, the 'Denim Deal', is an agreement between the municipality of Amsterdam and 30 parties in the fashion and textile industry. The deal is that textile suppliers, jeans brands and other organisations in the denim supply chain work together to produce 3 million jeans garments containing at least 20 percent recycled textiles by 2023. To enable this, the municipality organises the collection of old denim from Amsterdam residents.

Source: Adapted from OECD (2021), Van Doorninck, & S. Schouten, 2020; Nugent, 2021; www.futuregenerations.wales/about-us/future-generations-act/

1.3 What is wellbeing?

While the government’s purpose of enhancing current and future wellbeing is emphasised in both the Local Government Act and the Resource Management Act, the legislation remains (purposefully) broad about what wellbeing means. This is because what wellbeing looks like for different people and communities can only be determined locally. Nonetheless, at a high-level, different conceptualisations of wellbeing exist and have their own policy implications (Smith, 2019).

A commonly used definition of wellbeing sees it as *the ability of a person to live the kind of life they have reason to value* (Sen, 1993). This approach – usually referred to as the “capabilities approach” – leads to a multidimensional view of wellbeing focused on the core capabilities that are necessary for people to make meaningful choices on how to best live their lives. Examples include the capabilities to be adequately nourished and sheltered, to be able to live in good health, to live in harmony with nature, to be knowledgeable, understand and reason, to have political voice, to engage in fulfilling work, and to enjoy positive relationships with others (e.g., Burchardt & Vizard 2007; Nussbaum 2000). It is argued that core capabilities such as these are universal goods, and that in the absence of them, people cannot reasonably be said to be flourishing.

One of the main alternative approaches to conceptualising wellbeing is to focus instead on peoples’ subjective perceptions of their lives. This neo-utilitarian approach defines wellbeing as ‘good mental states’. One of the appeals of this approach is that it can be seen as being fundamentally democratic and non-paternalistic, valuing people’s direct views on how they themselves think and feel about their lives (Diener et al. 2009). From this perspective, wellbeing is commonly conceptualised as people’s satisfaction with life, the balance between their positive and negative emotions, and/or the extent to which they feel their life is meaningful or worthwhile (e.g., Clark, 2015; Adler & Seligman, 2016). Measures of subjective wellbeing have often been related to the broader characteristics of people’s lives to understand what drives these subjective experiences.

In principle, the capabilities approach to wellbeing and the neo-utilitarian approach are very different. For example, a person with limited meaningful choice in their life – such as a very poor worker in a developing country – who was nonetheless subjectively happy would count as having low wellbeing under the capabilities approach but high wellbeing from a neo-utilitarian perspective. In practice, however, the two approaches generally lead to similar lists of things that are important for wellbeing (Smith, 2019). The capabilities typically identified as important (e.g., health, safety, social relationships, material living standards, healthy environments) turn out to also be the main drivers of life satisfaction and subjective happiness empirically (Boarini et al., 2012). Generally, wellbeing frameworks comprise a combination of both approaches, including both indicators of people’s capabilities to live a good life as well as indicators of their subjective experiences of the lives they are living (Stiglitz, Sen & Fitoussi, 2009; Stiglitz, Fitoussi & Durand, 2019).

1.4 This project: developing an Otago Wellbeing framework

This report describes the development of a wellbeing framework and monitoring strategy that is meaningful to the people in Otago and that enables Otago Regional Council to gain a relevant and timely overview of the wellbeing of Otago’s communities. The purpose of the project is to:

- identify wellbeing issues and trends in Otago which warrant further investigation;
- communicate on wellbeing and wellbeing issues in the region and develop programmes and collaboration where needed;
- review the relevance of Otago’s community outcomes, as set out in the Council’s 2021-2031 Long-Term Plan; and

Draft – September 2022

- provide a basis for reviewing the scope of activities that the Council carries out, to promote the social, economic, cultural and environmental wellbeing of the region's community.

Currently, data limitations mean that existing information on wellbeing for the Otago region cannot provide an up-to-date and comprehensive overview of how the region is doing. Data are not collected at the same time and with the same frequency and therefore cannot offer a true snapshot in time. The data that is available varies from district to district, with only two of Otago's districts (Dunedin City and the Queenstown Lakes District) carrying out regular quality of life surveys. The scale at which data is relevant also varies.

The development of the Otago Wellbeing Framework aims to address these issues by setting out a framework that can guide the collection of wellbeing information in a way that is clearly structured, comprehensive, reliable and meaningful to the people of Otago. The framework will form the basis for a region-wide wellbeing monitoring programme, with wellbeing reports aiming to be released every 3 years (coinciding with year 1 or 2 of the Long-Term Plan) and more targeted reports being released in the intervening 2 years. In addition, the development of a web-based platform will be considered, to provide the public with all the relevant information for understand wellbeing in their region, as a trusted source of information that strengthens public accountability.

The remainder of this report is organized as follows: Section 2 describes the process through which the Otago Wellbeing Framework was developed. It provides an overview of the main domains and dimensions in the framework and explains how the different elements fit together. It then explores how the Otago Wellbeing Framework relates to other relevant frameworks at the national and international level, including the OECD Well-being Framework, the New Zealand Living Standards Framework, and the Big Cities Quality of Life project. Section 3 sets out a measurement approach for the wellbeing framework. This includes a suite of recommended indicators to measure the desired wellbeing outcomes for the Otago region in a robust and meaningful way and an overview of available data sources and identified data gaps. Finally, Section 4 of this report considers next steps, including ways in which the identified data gaps can be addressed.

2 A WELLBEING FRAMEWORK FOR OTAGO

2.1 The process of developing the Otago Wellbeing Framework

To inform the development of the Otago Wellbeing Framework, this project has worked with the people from Otago to define what collective wellbeing means in their region, the domains and dimensions of wellbeing that contribute to that vision, as well as a set of indicators that can measure those outcomes. To develop the initial framework, a series of five workshops were held, bringing together a diverse range of stakeholders including the Otago Regional Council, Otago's mana whenua, Otago's city and district councils, the Southern District Health Board, and other agencies or NGOs involved in community wellbeing in Otago, to identify the domains and dimensions of wellbeing that make up the framework (Box 3). The framework that is described below is the result of this process and will be reviewed over time on the basis of further feedback and experience with using it.

Box 3: Workshop overview

The development of the Otago Wellbeing Framework was guided by a series of five workshops that were held between February and September 2022. The workshops were jointly facilitated by the Otago Regional Council and Kōtātā Insight and were targeted to two groups:

- **Working group.** The working group consisted of a small group of 12 project members from Otago Regional Council and representatives from key stakeholders, including iwi representatives. This included people from Te Ao Marama Inc, Aukaha, the Southern District Health Board, Queenstown Lakes District Council, Waitaki District Council, Clutha District Council, Central Otago District Council, and the Ministry of Social Development.
- **Advisory group.** The advisory group was a larger group of stakeholders whose input and engagement were seen as fundamental for the meaningfulness and legitimacy of the Otago Wellbeing Framework. The advisory group covered a diverse group of community stakeholders to help ensure that the framework would reflect a broad range of interests and needs. This group included the Southern District Health Board, Dunedin City Council, Queenstown Lakes District Council, Clutha District Council, Central Otago District Council, the Ministry of Social Development, the Otago Community Trust, and people representing rural communities, wellbeing at work, and people with disabilities.

Over the course of convening the advisory group, several people were unable to attend but nonetheless asked to be kept in touch and have been offered the chance to provide feedback. This included the Ministry of Primary Industries, the Otago University Students Association, people with expertise in housing, and other representatives of rural communities and people with disabilities.

The workshop sequence was organised as follows:

- The first workshop was held on 2 February 2022 and was focused on the working group members. This initial workshop aimed to clarify the project goals and the suggested process to achieve these goals. In addition, an introductory presentation was provided by Kōtātā Insight on the policy uses of wellbeing data and the rationale for monitoring wellbeing.
- Once the project goals and planning were agreed, a second workshop with the working group was held on 11 April 2022, focusing on defining some of the key

elements in the proposed Otago wellbeing framework.

- On 17 June 2022 a third workshop was held, this time with the broader Advisory group. During this workshop, the Otago Regional Council provided an overview of the project, followed by a presentation from Kōtātā Insight that covered the economics and science of wellbeing and examples of existing wellbeing frameworks, including the OECD and New Zealand Living Standards Frameworks. This then led into a group discussion on the definition of wellbeing to be used in the Otago framework and the outline framework developed in workshop two.
- A fourth workshop was held on 25 June 2022 with the advisory group. This meeting focused on testing the developed draft framework and further defining the outcome domains for the framework.
- A fifth workshop on 9 September 2022, brought the advisory group back together to present the draft framework and to discuss any elements that were missing or needed to be adapted or reframed. In addition, this workshop included a high-level discussion of potential approaches to measure the specified wellbeing dimensions.

The wellbeing framework that has been developed based on these workshops is a living framework rather than a finished product. It will undergo further development and refinement over time along with new insights and experience with using the framework. This initial framework nonetheless marks the important first steps in moving towards a stronger wellbeing approach for the Otago region.

2.2 A Wellbeing Framework for Otago

The core features of the framework

The international literature has defined three features that are fundamental to meaningfully measure wellbeing (Stiglitz, Sen & Fitoussi; 2009; Stiglitz, Fitoussi & Durand, 2019). These three features were widely supported throughout the workshop sessions and formed the starting point for the Otago Wellbeing Framework development. They are:

- **Breadth of scope.** A wellbeing framework must incorporate the full range of outcomes that matter to the people of Otago to provide a balanced picture of ‘what good looks like’ that reflects and resonates with the diverse communities that live in the region.
- **Future focus.** The wellbeing framework must be able to provide a future-focused and intergenerational perspective on wellbeing outcomes. Separate reporting on current wellbeing and its sustainability is fundamental to assess whether maximising the former comes at the cost of compromising the latter (or vice versa).
- **A concern with the distribution of outcomes.** The measurement of wellbeing must go beyond simple averages, as wellbeing in Otago is intrinsically affected by how outcomes are distributed across different people and places. To that end, the Otago wellbeing monitoring programme aims to provide both a regional as well as a district/city perspective on wellbeing outcomes. In addition, it aims to enable breakdowns of wellbeing data for specific groups of interest in the community.

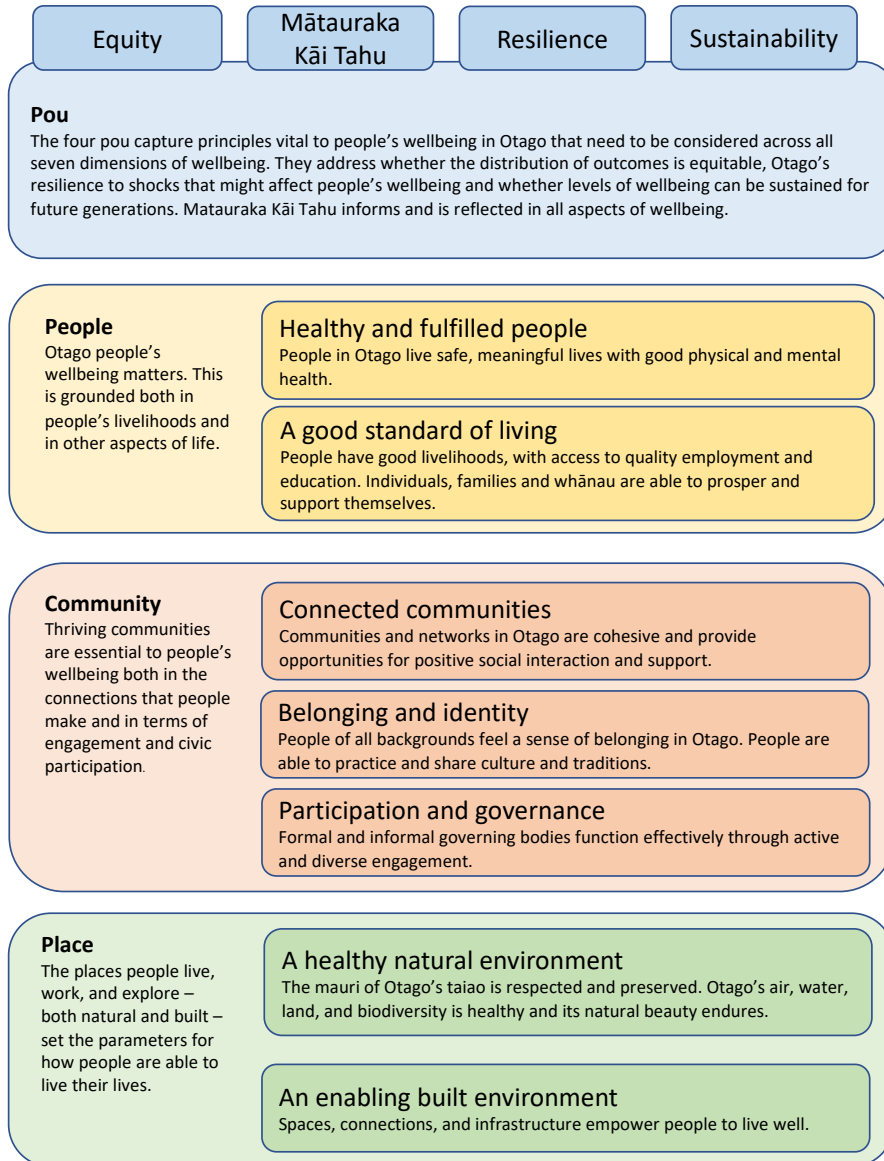
The same three features are also at the heart of the OECD Wellbeing Framework and underpin the New Zealand Living Standards Framework.

Conceptualising wellbeing

Figure 3 presents the Otago Wellbeing Framework that has resulted from the workshop series. The diagram provides a high level overview of the main elements of the framework and how they fit together.

Figure 3 The Otago Wellbeing Framework

Wellbeing in Otago means our people and our children are able to lead enjoyable and meaningful lives



Draft – September 2022

At the top of the framework is the definition of wellbeing in Otago, developed in consultation with the workshop participants. This defines wellbeing as follows:

Wellbeing in Otago means our people and our children
are able to lead enjoyable and meaningful lives.

The Otago definition of wellbeing stresses that wellbeing is ultimately experienced by people and that it is intergenerational in nature. It is concerned not only with the wellbeing of the present generation but also of those generations still to come. The definition further locates wellbeing in people's ability to live a life they value, rather than a specific vision of how a person should live. By focusing on both enjoyment and meaning, the definition emphasises that wellbeing is not the same as a narrow definition of happiness but includes deeper and richer aspects of the things that are important to people and which provide purpose and meaning in their lives.

Seven dimensions of wellbeing

At a more detailed level, wellbeing in the Otago framework is described in terms of seven wellbeing dimensions that are grouped under three domains: People, Community, and Place. These three headings reflect that, even though wellbeing is ultimately experienced by people, not everything that is important to people's wellbeing can be reduced to individuals. Our wellbeing is inherently embedded in the social, physical and natural environments that we live in. The Otago wellbeing framework envisages wellbeing as a space defined by the seven outcome dimensions in which people and communities can pursue their own lives. This means that no attempt is made within the Otago wellbeing framework to reduce wellbeing from the seven dimensions to a single metric. While people and communities may need to make trade-offs between one wellbeing outcome and another, these domains are taken to be, in some sense, the basic elements of wellbeing.

People

The people domain captures both material as well as non-material aspects of people's lives. The material dimension refers to people having a good standard of living. The non-material dimension is about people living safe, healthy and meaningful lives.

Having a good standard of living includes having good livelihoods, with access to quality employment and education.

- **Good livelihoods** mean that people are able to prosper and support themselves, their families and whānau, without risks of poverty. Although there are many aspects of wellbeing that cannot be purchased, the material circumstances in which people live and their command over resources are fundamental aspects of current wellbeing. It allows people to satisfy their needs and to pursue other goals that they feel are important to their lives.
- **Having access to quality employment** is important to provide a stable and decent source of income, but also because of its role in shaping people's identity, social networks, skills and self-esteem. Key components of job quality are earnings quality, labour market security, and the quality of the working environment (OECD, 2015a). While having a job promotes mental health and wellbeing, research shows that work of poor quality (e.g., characterised by low levels of control, high job demands, high job insecurity, and/or unfair pay) can be associated with worse mental health outcomes than unemployment (OECD, 2015b; Butterworth et al., 2013). High-quality jobs benefit workers' wellbeing as well as firms' productivity (Saint-Martin et al., 2018). Moreover, longitudinal data from Australia indicates that when parents hold poor quality jobs, their children show higher emotional and behavioural difficulties, even after controlling for income, parent education, family structure and work hours (Strazdins et al., 2010). Ensuring quality employment is therefore essential for workers and their families, as well as for businesses and wider society.
- Similarly, **access to good quality education** has both intrinsic value – as it responds to people's basic aspiration for learning – as well as being instrumental for achieving other

Draft – September 2022

wellbeing outcomes. The capacity to understand and master skills enables people to make informed decisions about their lives and opens up considerable opportunities for people to lead the lives they value (Smith, 2018). A well-established body of research shows how education has a strong positive impact on the material living conditions of people, how more educated people generally have better health, and how education raises civic awareness and fosters political participation (OECD, 2011). Good quality education not only matters for individuals but also at a wider community and societal level. Education and skills are critical in the just transition to more sustainable economic activities and are linked to greater political stability, lower criminality, and stronger social cohesion (OECD, 2011; OECD, 2010).

Healthy and fulfilled people refers to people in Otago living safe and meaningful lives with good physical and mental health.

- Having **good physical and mental health** again are important wellbeing outcomes in and of themselves but are also of instrumental value as they enable people to participate in activities that contribute to their wellbeing. Being healthy has consistently been found to be ranked as one of the most valued aspects of people's lives (OECD, 2011). In addition, people's health status shapes their opportunities to participate in education and paid and unpaid work, to earn an adequate income, and to engage in valuable social and civic activities (OECD, 2011). Good health refers to both how long people live and the quality of their lives. This is closely related to the distinction between measures of mortality and measures of morbidity. It is also important to capture both physical and mental health, as both have a significant contribution to people's overall health status.
- **Being safe** refers to being safe from both victimisation as well as from accidents. Violence and avoidable injuries can, at their most extreme, threaten life itself and in other cases directly reduce the quality of life of the victim. Beyond this, feelings of safety are also important. Even if actual safety risks are low, feeling unsafe can be a major constraint on people's freedom as well as directly lowering wellbeing (Smith, 2018).
- **Being fulfilled** means that people are content with the lives they lead. Considering wellbeing in terms of experienced fulfilment is important to understand how people feel about their lives themselves and how this is related to other dimensions of people's wellbeing. In contrast with more traditional measures of wellbeing, subjective wellbeing measures look at wellbeing as seen through people's own eyes and allows people to express their wellbeing based on what is most important to them.

Community

The social environments that surround us, often referred to as our communities, contribute to our wellbeing in important ways. These are captured under three dimensions in the Otago Wellbeing Framework: Connected communities, Belonging and identity, and Participation and governance.

Connected communities is about communities and networks in Otago being cohesive and providing opportunities for positive social interaction and support. Beyond the intrinsic pleasure that people gain from spending time with others (Kahneman & Krueger, 2006), positive social relationships provide resilience against negative life events, protect us against poor mental and physical health (Box 4) and can support us in our ability to pursue our life goals, for example by helping us to find a job or good housing (Frieling, Krassoi Peach & Cording, 2018). As a result, people with extensive and supportive networks tend to have better health, live longer, and are more likely to be employed (OECD, 2011). In a large region with a relatively low population density, connected communities also captures people's ability to connect to other people and communities and to reach the places that they need to.

Belonging and identity focuses on the importance of people of all backgrounds to feel a sense of belonging in Otago and for people to be able to practice and share culture and traditions. It recognises that the ability to live as who you are, without feeling compelled to adopt another identity to fit in with wider society, is an important aspect of wellbeing, as is having a sense of

Draft – September 2022

belonging and connection to a culture and place (Smith, 2018).

Participation and governance looks at the institutions that are essential to Otago’s wellbeing and the importance for them to function effectively on the basis of widespread engagement. Unfair treatment both undermines people’s control over their lives and lowers wellbeing directly. In contrast, inclusive civic engagement allows people to express their voice and to contribute to the governance of their region and community. In turn, this allows individuals to develop a sense of belonging to their community, a feeling of social inclusion, and to build trust in others and the institutions that surround them (OECD, 2011).

Box 4: Social connectedness and health

Social connectedness – or a lack thereof – has the capacity to get under our skin. A wide body of research highlights the vital importance of social connectedness for our physical and mental health. It has found that a lack of social connectedness predicts early death as much as major health risk behaviours like smoking (Berkman et al., 2000; Cacioppo & Cacioppo, 2018).

Studies show that supportive relationships can help buffer the adverse effects of life’s stressors on health outcomes and can strengthen the immune system (Uchino, 2006). For example, in a study of patients with HIV, those who had less emotional support in the baseline year were found to have fewer helper T-cells¹ in subsequent years to combat the disease (Theorell et al., 1995). Positive social connections also lead to healthier coping styles and better self-regulation (Cohen and Wills, 1985). Experiments show that participants who are exposed to social exclusion are less likely to engage in healthy behaviour, quit sooner on a frustrating task, and are less able to focus their attention (Baumeister et al., 2015). In addition, social connections influence health behaviours through processes of social influence, giving rise to growing interest in social network approaches to health behaviour changes (Hunter et al., 2017).

Social connectedness also plays an important role in protecting against poor mental health. Loneliness is a unique predictor of depression and anxiety (Cacioppo et al., 2006). For children, loneliness and social isolation have persistent and cumulative effects on later mental health outcomes (Qualter et al., 2010). For young adults, family and school connectedness are powerful determinants of their levels of anxiety and psychological distress (Bond et al., 2007). Social relationships also play an important role in protecting older people against depression and cognitive decline (Bennett et al., 2006; Haslam et al., 2014). The size of these effects is considerable: longitudinal research shows that memory loss among older people who were least socially connected worsened at twice the rate over a six-year period compared to those who were most connected (Ertel et al., 2008).

Note: ¹T-cells play a central role in the body’s immune response system.

Source: Adapted from Frieling, Krassoi Peach & Cording, 2018; OECD, 2021.

Place

The Place domain reflects the importance of both the natural as well as the built environment for our wellbeing. Both the natural and built environment fundamentally shape the things we can do and the lives we are able to lead.

A healthy natural environment in the Otago framework means that the mauri of te taiao in Otago is respected and preserved, that Otago’s air, water, land, and biodiversity is healthy and that its natural beauty endures. People’s lives are strongly affected by the quality of the natural environment in which they live. In addition to its life-supporting role, many aspects of the natural environment also play a direct role in influencing people’s current wellbeing by being able to experience the health and beauty of the nature that surrounds us (OECD, 2011).

Draft – September 2022

An empowering built environment also supports wellbeing in fundamental ways. The connectivity, walkability and safety of our built environments influence levels of physical activity, social engagement, mental health, and (perceived) safety (Bird et al., 2018). In the Otago Wellbeing Framework, an empowering built environment therefore is one in which physical spaces, connections and infrastructure empower people to live well. This includes access to high-quality housing. There is a well-established link between poor housing quality and poor physical and mental health outcomes (Howden-Chapman et al., 2021). Poor housing quality also affects environmental performance due to high resource and energy use. Lastly, a further specific concern in New Zealand regarding the built environment is the resilience of physical infrastructure to natural hazards, including earthquakes and floods.

Four cross-cutting pou

Four cross-cutting pou underpin the seven dimensions of wellbeing in the Otago Wellbeing Framework. The four pou are not distinct dimensions of wellbeing but are principles or ways of looking at wellbeing that cut across the seven dimensions. They set out key considerations that should inform both how wellbeing is measured in each outcome area and how measures are interpreted.

Equity

The equity pou reminds us that it is not just the overall level of wellbeing in the Otago population that matters, but also its distribution among groups in the population. Equity means that people and communities have access to the support appropriate to their needs and that this is reflected in the distribution of wellbeing outcomes in Otago. When monitoring wellbeing outcomes, this implies looking at three kinds of inequalities:

- **Horizontal inequalities** assess gaps in wellbeing outcomes between population groups (e.g., between men and women, different ethnic groups, age groups, sub-regions, etc.)
- **Vertical inequalities** look at the size of the gap between those at the top and those at the bottom of the rating scale for a specific dimension (e.g., the income of the richest 20% of individuals compared to that of the poorest 20%)
- **Deprivations** examine the share of the population falling below a given wellbeing threshold, such as the proportion of people below a certain poverty line, the proportion of people with poor health outcomes or the proportion of people who always feel lonely.

Matauraka Kai Tahu

The Matauraka Kai Tahu pou recognises the importance of the knowledge, values and worldviews of Kai Tahu, as mana whenua for the Otago region, across all aspects of wellbeing. It means that the traditional knowledge and values of Kai Tahu inform and are reflected in all aspects of wellbeing. At a practical level it means thinking about outcomes from the perspective of Kai Tahu across all of the seven wellbeing domains and ensuring that outcome measures are available for those aspects of wellbeing that are important to Kai Tahu.

Resilience

The resilience pou looks at the degree to which levels of wellbeing are resilient to potential shocks and whether the wellbeing of people in Otago is unduly vulnerable to natural or manmade hazards. In addition, it captures whether resources are available to respond to and to support recovery from crises when they occur. This means thinking, not just about current outcomes, but about how those outcomes could change in event of a negative shock and considering what is available to communities to help them cope in times of crisis. There may be a tension between resilience and efficiency in that the former prioritises having more resources than are needed in ordinary circumstances in order to improve the collective ability to cope with a crisis.

Sustainability

The sustainability pou reflects the need to balance the wellbeing needs of current generations with

Draft – September 2022

the need to safeguard the wellbeing of future generations to come. It is about being good ancestors, respecting planetary boundaries and ensuring that resources are passed on to future generations in a better state than they were received. While looking after the environment is a fundamental part of sustainability, the concept goes beyond this. Sustainability is fundamentally concerned with intergenerational equity and whether future generations have been left with sufficient resources – of all types – to support their wellbeing.

2.3 Comparison with other frameworks

While the first priority of the Otago Wellbeing Framework is to capture what good looks like for the people of Otago, it is useful to compare the Otago framework with frameworks developed elsewhere. As people share much in common, comparing the Otago framework with other relevant frameworks provides a chance to test whether there is anything identified as important in other wellbeing frameworks that is missing from the Otago framework. Although such a difference does not necessarily imply that the Otago framework needs to change, it does provide a useful check that nothing has been omitted by oversight.

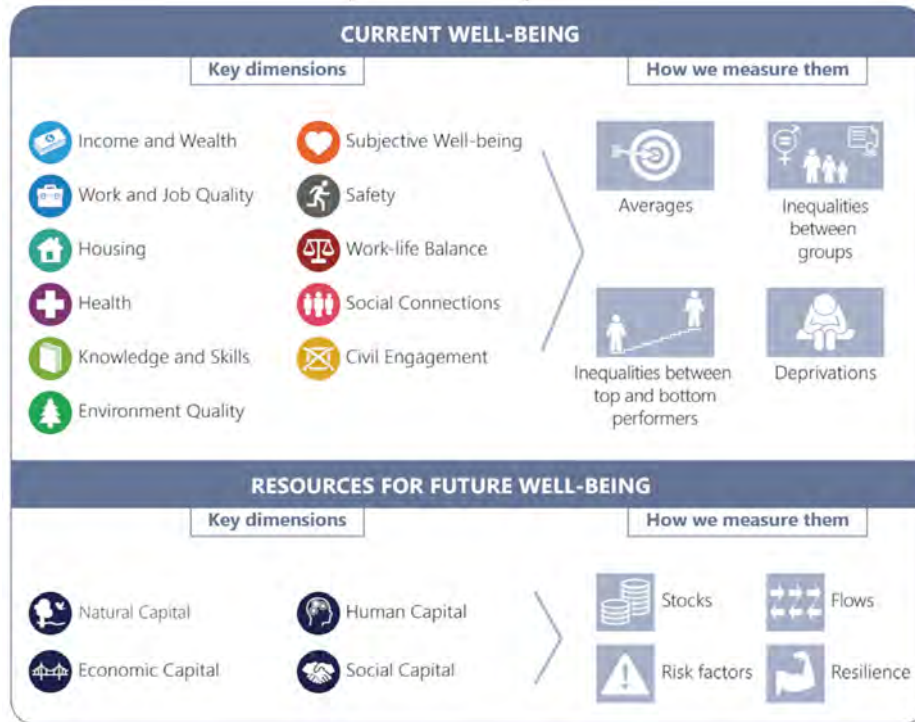
The second advantage of comparing the Otago framework with other frameworks is that there is value in alignment and comparability. This is particularly important for frameworks such as the New Zealand Living Standards Framework, which guides central government spending and decision-making. Although the Otago framework does not need to be the same as the Living Standards Framework, a certain level of alignment between the two frameworks enables wellbeing findings for Otago to be put in a broader national context, as the basis for identifying specific regional wellbeing strengths and weaknesses. Moreover, a clear connection between the Living Standards Framework and the Otago Wellbeing Framework supports multi-level governance in the journey towards greater wellbeing whereby national, regional and local policies and approaches strengthen and support each other.

Lastly, it is useful to compare the Otago Wellbeing Framework with other existing wellbeing monitoring approaches that take place in the region, such as the Big Cities Quality of Life Project, to better understand how findings from the Quality of Life project fit in with the broader Otago Wellbeing Framework.

The OECD Well-being framework

The OECD framework for measuring wellbeing provides the basis for their biennial report on “How’s Life?” for people living in OECD countries. The framework has three core components (Figure 4):

Figure 4 The OECD framework for measuring wellbeing



Source: OECD, 2020

Current wellbeing. The current wellbeing domain in the OECD framework focuses on living conditions at the individual, household and community levels and describes how people experience their lives ‘here and now’. The OECD current wellbeing domain includes 11 dimensions capturing both the material conditions that shape people’s lives as well as broader indicators of their quality of life.

Inequalities. As national averages often mask large inequalities in how different groups of people in the population are doing, the OECD assesses inequalities across all its eleven dimensions of current wellbeing. Similar to our recommendation for the Otago Wellbeing Framework, the OECD analysis focuses on three different types of inequalities: horizontal inequalities (inequalities between groups, such as between men and women or between different age groups), vertical inequalities (assessing the size of the gap between high-and low-scoring individuals or groups), and deprivations (the proportion of the population falling under a certain wellbeing threshold).

Future wellbeing. Four capitals define the resources that are needed to sustain wellbeing over time in the OECD framework. These are natural, human, economic and social capital. Many of these capitals go beyond those ‘owned’ by individuals and are, effectively, public goods. For example, an individual’s beliefs about how much others can be trusted reflects overall norms of trust and collaboration in a country or community. In addition to the four capitals, the OECD framework also identifies several risk and resilience factors that shape future changes in wellbeing. For example, household debt poses risks to future economic prospects, while the inclusiveness of public decision-making in politics can be a protective factor for social capital.

The New Zealand Living Standards Framework

The New Zealand Living Standards Framework (The Treasury, 2021, Figure 5) articulates wellbeing through three broad domains:

Draft – September 2022

Our Individual and Collective Wellbeing. The Individual and Collective Wellbeing domain captures those aspects of life that are important for the wellbeing of individuals, families, whānau and communities in New Zealand. It includes 12 dimensions that are largely comparable to the OECD framework, however several important differences can be noted.

- The Living Standards Framework has added a 12th dimension called ‘cultural capability and belonging’ to capture the important role of culture and identity in New Zealand society.
- In contrast with the OECD framework, the ‘work’ dimension of the Living Standards Framework includes paid as well as unpaid types of work (such as care and volunteering) as both are important for the wellbeing of families and wider society.
- The Living Standards Framework refers to ‘environmental amenity’ rather than ‘environmental quality’ as is done in the OECD framework. The word ‘amenity’ in the Living Standards Framework aims to distinguish the direct role of the environment in promoting wellbeing from its broader role as part of our national wealth.
- Rather than ‘social connectedness’, the Living Standards Framework refers to ‘family and friends’ to emphasise the particular importance of close relationships to the wellbeing of children and young people.
- Lastly, the Living Standards Framework refers to ‘leisure and play’ rather than ‘work-life balance’ in recognition of the importance of play for child wellbeing (The Treasury, 2021).

Our Institutions and Governance. The Institutions and Governance domain in the Living Standards Framework captures the role that institutions and organisations play in facilitating the wellbeing of individuals and collectives, as well as in safeguarding and building our national wealth. Six institutional spheres are defined: whānau, hapu and iwi; families and households; civil society; firms and markets; central and local government; and international connections.

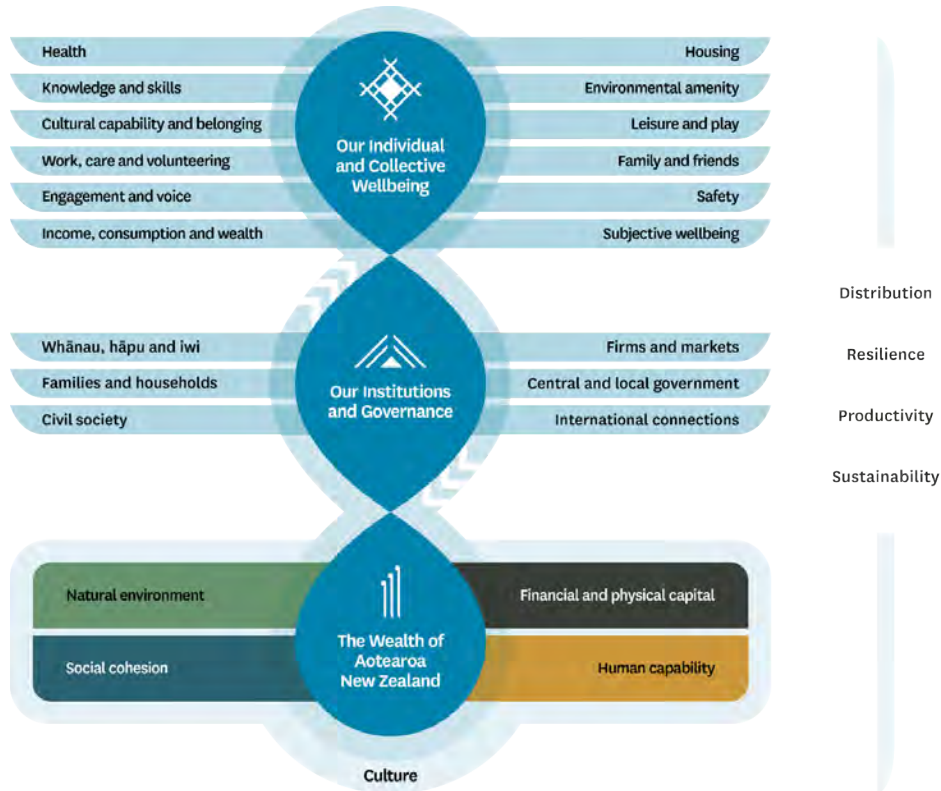
The Wealth of Aotearoa New Zealand. The Wealth of Aotearoa New Zealand captures our overall wealth as a country and whether that wealth is being sustained for future generations. This includes our physical and financial capital as well as social cohesion, human capabilities and the natural environment.

Similar to the ‘pou’ in the Otago Wellbeing Framework, the Living Standards Framework also includes analytical prompts, which are key lenses to analyse wellbeing across the three domains of the framework. The analytical prompts in the Living Standards Framework are: distribution, resilience, productivity and sustainability. Distribution refers to how our aggregate wealth and wellbeing is distributed across time, place and between groups of people. Resilience is about whether individuals, collectives, institutions, organisations and the environment have an ability to adapt to or absorb stresses and shocks. Productivity looks at how effectively our wealth is being used to generate wellbeing and things of economic value. Lastly, sustainability focuses on how well we are safeguarding our national wealth for the benefit of future generations.

Finally, culture forms the foundation of the Living Standards Framework, emphasising that all aspects of our wealth, our institutions and our wellbeing are cultural and that culture is in every part of the framework.

Draft – September 2022

Figure 5 The New Zealand Living Standards Framework



Source: The Treasury, 2021

The Big Cities Quality of Life project

The New Zealand Big Cities Quality of Life Project was initiated over 20 years ago in response to concerns about the impacts of urbanisation on the wellbeing of residents and communities. The project is intended to help inform local government policy and to monitor progress towards social, cultural, environmental and economic wellbeing and is supported by a Quality of Life Survey to help fill key data gaps at a city level. Dunedin has taken part in the Big Cities Quality of Life project since 2003. Topics covered in the survey include:

- Overall quality of life
- Built and natural environment
- Housing
- Transport
- Health and wellbeing
- Crime, safety and local issues
- Community, culture and social networks
- Climate change
- Economic wellbeing
- Council processes

Draft – September 2022

The most recent iteration of the survey has also specifically looked at the wellbeing impacts of Covid-19.

Comparison between wellbeing frameworks

Table 1 provides a comparison of the domains and dimensions that are captured by the four wellbeing frameworks and how they relate. Several observations can be made when comparing the the Otago Wellbeing Framework with the OECD framework, the Living Standards Framework and the dimensions in the Quality of Life Survey:

The ‘Current wellbeing’ dimensions that are captured as part of the OECD framework and the ‘Individual and collective wellbeing’ dimensions in the Living Standards Framework strongly align with the wellbeing domains in the Otago framework. One point of difference is that while work-life balance is captured in the Otago framework in the sense that people *are able* to maintain their social connections, the Otago framework does not explicitly mention work-life balance more generally. Secondly, the Belonging and Identity dimension that is captured as part of the Otago framework, the Living Standards Framework and the Quality of Life survey, does not feature in the OECD framework. This reflects the unique role of culture and identity in the New Zealand context.

Resources for future wellbeing are expressed in the OECD framework in the form of four types of capital. The capital stocks model used by the OECD defines sustainability as a situation where current wellbeing is stable or increasing and the capital stocks (resources) used to produce wellbeing are not decreasing. The Otago Wellbeing Framework does not explicitly define capital stocks as part of its framework. There are two reasons for this. First, the capital stocks model is technical and intended to align directly with economic models. Instead, the main audience for the Otago Wellbeing Framework includes the general public. Framing key resources as capital stocks is likely to hinder rather than aid public communication.

The move away from ‘capital’ wording is consistent with the recent changes that were made to the Living Standards Framework where the word ‘capital’ is now only used for financial and physical capital, which together with human capability, social cohesion and the natural environment are collectively referred to as the ‘wealth’ of Aotearoa New Zealand. This change in language reflects that the natural environment, our human capabilities and our social cohesion are valued for more than their role as factors of economic production.

A second reason for not explicitly including capital stocks in the Otago Wellbeing Framework is because important elements of the so-called ‘capital stocks’ for Otago are best measured at a national level (Smith, 2019). For example, Otago can easily make use of human capital from elsewhere in New Zealand. Similarly, the social capital stock that underpins wellbeing in Otago is as much about norms and values shared at the national level as it is about elements specific to the region. Even the produced and natural capital stocks accessed by the businesses and communities of Otago are broader than the produced and natural capital stocks directly associated with the region. The transport and communications networks for Otago (examples of produced capital) are nested within wider national networks and would be of little value without them. Trying to measure the size of Otago’s ‘capital stocks’ would therefore tell us little about the potential of the region to produce wellbeing nor about its ability to sustain wellbeing over time (Smith, 2019). Instead, the approach taken to assess the wellbeing of future generations in the Otago Wellbeing Framework has been to incorporate two separate ‘pou’ that represent a sustainability and resilience lens and look at wellbeing from a future perspective.

Table 4 A comparison of wellbeing frameworks

OECD Well-being Framework	NZ Living Standards Framework	Otago Wellbeing Framework	Big Cities Quality of Life project
Income and wealth	Income, consumption and wealth	A good standard of living (People)	Economic wellbeing
Work and job quality	Work, care and volunteering		
Knowledge and skills	Knowledge and skills		
Health	Health	Healthy and fulfilled people (People)	Health & Wellbeing
Subjective well-being	Subjective wellbeing		Overall quality of life
Safety	Safety		Crime, Safety & Local issues
Social connections	Family and friends	Connected communities (Community)	Community, Culture & Social networks; Council processes
Civil engagement	Engagement and voice	Participation and governance (Community)	
-	Cultural capability and belonging	Belonging and identity (Community)	
Housing	Housing	An empowering built environment (Place)	Built and natural environment; Transport; Climate change and sustainability
Environmental quality	Environmental amenity	A healthy natural environment (Place)	
Work-life balance	Leisure and play	-	Work-life balance
Social capital	Social cohesion	(See: Community)	(See: Community, Culture and Social networks; Council processes)
Human capital	Human capability	(See: People)	-
Natural capital	Natural environment	(See: Place)	(See: Built and natural environment; Climate change and sustainability)
Economic capital	Financial and physical capital	-	-

3 MEASURING WELLBEING: INDICATORS

The Otago Regional Council wellbeing framework discussed in the previous section provides an outline of what dimensions of wellbeing need to be measured to monitor the wellbeing of the people of Otago. Moving from the framework to a set of indicators to measure the wellbeing is a technical exercise that requires some additional decisions.

It is important that indicators are technically sound and that the process for selecting them is transparent. For this reason, it is useful to select indicators based on formal quality criteria. The first part of this chapter sets out criteria for indicator selection.

In addition to these quality-related criteria, it is also important that data for the indicator is available. The second part of this chapter considers available data sources that could be used for indicators of wellbeing in Otago.

The remainder of this chapter considers each distinct element of the Otago Regional Council wellbeing framework from the perspective of measurement and proposes indicators for each of the elements of the framework consistent with the best available evidence on wellbeing. The proposed indicators are currently in existence and can be collated to form a monitoring system for the wellbeing in Otago. When the existing measures are not sufficient to monitor a framework domain, potential indicators to be developed are outlined.

3.1 Indicator selection criteria

Indicators are statistics that are used to monitor social conditions providing information on progress towards a particular goal or outcome. With that in mind, five core indicator selection criteria are proposed for the Otago Regional Council wellbeing framework. These have been adapted from those used by the OECD in its How's Life report (OECD, 2011) and by MSD in the Social Report (Ministry of Social Development, 2007).

In selecting indicators for the Otago Regional Council wellbeing framework, we want to know that each indicator is:

- directly relevant to the concept being measured,
- comparable with indicators used elsewhere,
- sensitive to policy interventions and amenable to change,
- able to be disaggregated to look at the distribution of outcomes, and
- timely in that it is available without too long a delay and can provide information on changes over time.

A sixth criterion for indicator selection is applied to the suite of indicators as a whole: parsimony. This reflects the fact that, the more indicators that are included, the harder it is to make sense of the overall picture. The purpose of monitoring wellbeing in Otago is to inform decision-making and assess progress. While there is undoubtedly a place for detailed analysis, the indicators identified below for monitoring the Otago Regional Council wellbeing framework are intended as the minimum set that provide the required information.

3.2 Data Sources

Measuring wellbeing outcomes in the Otago region depends crucially on the availability of relevant and timely data. As is the case for other regions of New Zealand, data availability presents a significant challenge. Generally speaking, most of the available data from public accounting focuses on the inputs to producing services (budgets and expenditure) and the outputs from those services (i.e. what goods or services were provided). To effectively monitor wellbeing, information is needed on the outcomes achieved rather than the inputs or outputs.

The range of data sources that provide robust information on the wellbeing outcomes experienced by people is limited in terms of range of outcomes considered, timeliness, and length of time series.

Statistics New Zealand

Statistics New Zealand is the primary source of statistical information for the New Zealand government and holds a wide range of data on a diverse range of different topics. This includes an extensive range of measures of wellbeing outcomes. While information on economic outcomes, population demographics, and the labour market has a relatively long history, since the 2000s Statistics New Zealand has invested significantly in a range of robust measures of other wellbeing outcomes including measures of social contact, trust in others, subjective wellbeing, cultural identity, and perceived safety.

Recent work by Statistics New Zealand to develop a set of measures to monitor wellbeing and sustainability at a national level – Indicators Aotearoa New Zealand – has further focused Statistics New Zealand on identifying and filling any data gaps relating to the measurement of wellbeing. Reflecting these investments, Statistics New Zealand data is the primary source of information on wellbeing outcomes at both the national and local level. However, the information available at the local level is much more limited than at the national level.

The Census

The Census is traditionally the primary source of social, demographic, and economic data at the local level in New Zealand. Because it is designed to capture information on all New Zealand households, the Census can produce detailed information at the regional and local level. This includes information on the distribution of outcomes within a region. However, because of the heavy burden associated with it, the core of the census is basic demographic information, supplemented by a narrow range of potential outcome measures.

Another limitation of census data is that, as it is collected every 5 years, at any given point in time, the most recent census data is likely to be several years old. Although outcome changes are slow, from the perspective of monitoring change over time and identifying turning points the census is limited by the 5-year cycle.

Household Surveys

In New Zealand much of the most useful outcome information at a national level derives from household surveys run by Statistics New Zealand. The Household Economic Survey (HES), Household Labour Force Survey (HLFS), and New Zealand General Social Survey (NZGSS) provide detailed information on household income and expenditure (HES), jobs and earnings (HLFS) and wider social and wellbeing outcomes (NZGSS). All three surveys are crucial sources of information about people, whānau, and households, and the NZGSS is of particular relevance as it is intended to support the monitoring of wellbeing outcomes (Fleischer, Smith, and Viac, 2016). However, all three surveys are sample surveys with a total sample size ranging from 8,500 (NZGSS) through to 30,000 (HLFS).

With a relatively small population of 225,186 in 2018, Otago Regional Council represents under 5 percent of New Zealand's total information. This means that the sample size for Otago from the main household surveys is between about 400 in the NZGSS through to about 1400 in the HLFS. While this is sufficient to provide aggregated information on Otago as a whole, it will limit looking at the distribution of outcomes.

In terms of timeliness, while the HLFS is collected on a quarterly basis, the HES is annual and the NZGSS is undertaken only every second year. This means that while labour market and economic outcomes can be updated fairly regularly, that is not the case for the non-market outcomes for which the NZGSS is the only data source.

Economic Statistics

While the census and household surveys provide most of the information available on outcomes

at an individual level, some key indicators are available from Statistics New Zealand's economic statistics. These include measures calculated from the System of National Accounts (SNA) – which is used to derive GDP – and some measures related to businesses. Although most economic statistics are aggregate (i.e. they relate to places or groups rather than people), a number of important outcome indicators can be derived from them.

From the perspective of measuring wellbeing in the Otago region, the most useful economic statistics relate to regional GDP and the various measures that can be derived from it (regional GDP per capita, productivity).

Population Statistics

Statistics New Zealand's population statistics are derived from census data but adjusted with information from other sources to present a picture of the demographic composition of the New Zealand population. This information is useful in monitoring outcomes at the regional level in two ways. Firstly – and most importantly – population figures serve as the denominator for many other outcomes. For example, to know the risk of criminal victimisation in Otago it is necessary to know, not only how many victimisations there were, but also the number of people in the Otago region. In this sense, population statistics are fundamental to any attempt to measure wellbeing outcomes.

Beyond serving as the denominator when calculating rates for Otago, population statistics also include life tables which provide the basic information from which mean life expectancy is calculated. Since life expectancy is one of the fundamental statistical measures of population health, this represents an important resource for measuring health outcomes.

Environmental Reporting

Although Statistics New Zealand publishes some environmental indicators on its website and updates the System of Environmental Economic Accounting (SEEA), most of the core data on environmental outcomes is not collected by Statistics New Zealand. In fact, environmental outcome measures are collected by a wide range of different organisations – some private and some public – and vary much more in terms of timeliness, scope, and methodology than is the case for economic and social data.

While this partly reflects the fact that environmental outcomes are multi-dimensional in nature (i.e. it is meaningless to develop a single measure encompassing fresh water quality, carbon dioxide emissions, and soil quality), it also reflects the lack of a widely shared over-arching framework for measuring environmental outcomes (Smith, 2018a).

The main sources of data for environmental indicators in New Zealand are the Ministry for the Environment (MfE) data service and the LAWA (Land, Air, Water, Aotearoa) website which presents environmental information drawn from a range of sources including MfE, the Cawthron Institute, Massey University, and New Zealand's regional councils. While both sources have the potential to provide information on environmental outcomes, both also have limits.

The MfE data service has a list of datasets that can be downloaded. All of these will require some processing to convert into meaningful regional indicators. Also, the existing datasets vary in terms of timeframe and coverage, and there is little guidance to the cycle for updating datasets with new information.

The LAWA website has information at the regional level on a number of important environmental outcomes. However, there is no way to download data tables from the LAWA website meaning that obtaining regional data is potentially a laborious exercise in copying from fact sheets by hand. Beyond this, the LAWA data is a subset of the information available via the MfE data service and in some cases does not include the preferred outcome measures.

Administrative data and the Integrated Data Infrastructure (IDI)

The IDI is a linked research dataset managed by Statistics New Zealand that brings together unit

record information from a wide range of different government agencies. The IDI spine, which serves to link individuals in different datasets, is based on a combination of census data, information from the register of births, deaths, and marriages, and visa data on migration. This is used to link information from a wide range of different central government databases including the ministries of Health, Social Development, Education, IRD, Oranga Tamariki, and Justice.

A key strength of the IDI is that – like the census – it covers all New Zealanders. In principle, every New Zealander who accesses a government service will leave a record of that interaction in the IDI if the service is linked to one of the IDI databases. This means that the IDI has strong potential to provide information at a regional level.

Because it is possible to link different databases in the IDI, even if one data source lacks information on which regional a person lives in, it is likely that this information can be identified from another data source. This ability to compare information between data sources is also a strength of the IDI with respect to things such as ethnic breakdowns.

The wide range of government services covered by the IDI is another strength. Because it covers such a wide range of areas that map closely onto wellbeing outcomes – including education, health, justice, and income – the IDI has the potential to provide information on a range of different aspects of wellbeing and to do so in a timely manner.

There are, however, two important limitations to the IDI. The first is related to the nature of the information in the IDI. By and large, most IDI information relates to what government does to a person (i.e. services provided) not the outcomes for the person. The use of IDI data to measure wellbeing outcomes therefore depends crucially on the ability to establish empirically that a particular IDI measure is a good proxy for the underlying wellbeing outcome of interest.

The second main limitation to the use of IDI data to measure wellbeing outcomes at the regional level follows from the first. Significant work is required to create viable outcome measures from IDI data. Currently this work has not been done and, even if an indicator is identified, a process would need to be established around the calculation and release of the measure each time the IDI is updated.

Local Government

Local government bodies have direct responsibility under the Local Government Act (amended in 2019) for promoting economic, social, cultural, and environmental wellbeing outcomes in their area. This gives local governments a direct interest in making best use of their own data to evaluate wellbeing outcomes. In addition, local bodies are directly responsible for much of New Zealand's system of environmental monitoring.

For both these reasons, there is considerable potential to make use of local government data to measure wellbeing outcomes in the Otago region. However, there are also significant limitations to local government data. With the exception of the larger cities, most New Zealand local government bodies are relatively small and have limited resources to commit to measurement.

The focus of any investment in measurement, therefore, tends to be on operational issues and accounting (i.e. inputs and outputs rather than outcomes). In addition, different local bodies may collect different information making comparisons between different parts of New Zealand difficult.

Existing data

In addition to the various sources of raw data, there are two datasets available specifically intended for monitoring wellbeing at the regional level. These are **the Taituarā wellbeing indicators** compiled by Taituarā and the **Infometrics wellbeing dashboard**. Both initiatives are similar in that they bring together existing data from a range of different existing sources (mostly those described in this chapter) to present an accessible tool for looking at wellbeing at a regional or local level.

Both products are potentially useful as sources of data for populating some aspects of the Otago

wellbeing framework. However, they do not serve to fill gaps in the data available in New Zealand. However, they do offer the possibility of doing a significant proportion of the basic data collection and manipulation required to prepare a range of indicators that are available from the Census, economic and environmental statistics, and local government data. From this perspective either would potentially be a useful contribution to monitoring wellbeing in the Otago region.

Ratepayer survey

One possibility for filling some of the gaps in wellbeing measures at the regional level are local body ratepayer surveys. All local bodies in New Zealand carry out a ratepayer survey on an annual basis. These surveys are usually structured around satisfaction with services provided by local government and are not seen as sources of data for understanding outcomes more generally. However, there is significant scope to use ratepayer surveys to fill key gaps in the portfolio of wellbeing statistics available at the local level. The opportunities associated with this are discussed in greater depth in the next section of this report (filling data gaps).

3.3 Proposed Measures

This section of the report identifies a proposed set of outcome measures to monitor the Otago Regional Council’s wellbeing framework. Each of the seven dimensions of the outcome framework is addressed in turn in a separate subsection.

Two sets of indicators are provided for each dimension. The first set lists measures that are currently available and which can be reported on immediately. For each of these there is a description of the indicator, the data source, and the rationale for its inclusion. The second set of indicators identifies measures for which there is not currently a data source able to provide information on Otago Regional Council. For this set of indicators, there is a description of the proposed measure, a discussion of potential options for obtaining the data, and the rationale for its inclusion.

Four cross-cutting pou underpin the seven dimensions of wellbeing in the Otago Wellbeing Framework. The four pou are not distinct dimensions of wellbeing but are principles or ways of looking at wellbeing that cut across the seven dimensions. Indicators that reflect the four pou, equity, Mātauraka / Kāi Tahu, resilience and sustainability, will be identified within the indicators for each dimension where possible. However, most effort has been focused on the pou most amenable to measurement – equity and sustainability - as

People

Otago people’s wellbeing matters. This is grounded both in people’s livelihoods and in other aspects of life.

The people domain captures both material as well as non-material aspects of people’s lives.

Healthy and fulfilled people

People in Otago live safe, meaningful lives with good physical and mental health.

Table 1. Available Indicators - Healthy, safe and happy people

Indicator	Rationale	Data Source
Life expectancy	Headline indicator of health status	Statistics New Zealand Subnational period life tables

Victimisations per 100,000 people (violent and burglaries)	Headline indicator of safety	Police data and statistics: victimisation-time-and-place and Statistics New Zealand NZ.stat population estimates and projections
Mean life satisfaction score	Standard headline indicator of subjective wellbeing.	Statistics New Zealand Wellbeing statistics 2018
Mean sense of purpose in life	Complementary indicator of overall wellbeing.	Statistics New Zealand Wellbeing statistics 2018
<i>Pou - Equity</i>		
Māori/non-Māori gap in life expectancy	Indicator of distribution of health outcomes	Statistics New Zealand Subnational period life tables
Gender gap in life expectancy	Indicator of distribution of health outcomes	Statistics New Zealand Subnational period life tables
Māori /non-Māori gap in mean life satisfaction	Indicator of distribution in overall wellbeing.	Statistics New Zealand Wellbeing statistics 2018
Gender gap in mean life satisfaction	Indicator of distribution in overall wellbeing.	Statistics New Zealand Wellbeing statistics 2018

Table 2. Indicators to be developed - Healthy, safe and happy people

Indicator	Rationale	Data Source
Proportion of day with net positive affect.	Affect (experienced wellbeing) measures can be used to link place and activity to wellbeing in a way that is impossible for life satisfaction measures.	Currently not available. Could be collected via mobile app.
Māori/non-Māori gap	Distributional measures of victimisation are	May be obtainable from

and gender gap in victimisation rate (equity)	desirable (Equity)	police data but would require some work to produce
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A good standard of living

People have good livelihoods, with access to quality employment and education. Individuals, families and whānau are able to prosper and support themselves.

Table 1. Available Indicators - A good standard of living

Indicator	Rationale	Data Source
Regional real GDP per capita	Headline indicator of regional incomes	Statistics New Zealand infoshare
Real median hourly earnings	Headline indicator of the return to work	Statistics New Zealand dot.stat incomes
Employment rate	Headline indicator of access to employment	Statistics New Zealand inforshare HLFS Ann Dec
Unemployment rate	Supplementary indicator of access to employment	Statistics New Zealand inforshare HLFS Ann Dec
Labour force participation rate	Headline measure of the size of Otago region’s human capital stock	Statistics New Zealand inforshare HLFS
Proportion of 15 to 24 year-olds Not in Education, Employment, or Training (NEET)	Supplementary measure of young people not developing or using human capital	Statistics New Zealand infoshare
Percentage of households spending more than 30% of income on housing	Headline indicator of housing affordability	MBIE, Housing Affordability measures, derived
School leavers with NCEA level 2 and above	Headline measure of the flow of formal educational attainment	Education counts: indicators - region

School entrants with prior ECE	Headline measure of school readiness	Education counts: statistics - ECE (Dec year)
Students in tertiary education as a proportion of the population	Headline measure of flow of formal educational attainment	Education counts: statistics - ECE (2017)
<i>Pou - Equity</i>		
Median hourly earnings as a percentage of mean hourly earnings	Headline indicator of distribution in incomes	Statistics New Zealand dot.stat incomes
Māori median hourly earnings as a percentage of non-Māori median hourly earnings	Supplementary indicator of distribution in incomes	Statistics New Zealand dot.stat incomes
Female median hourly earnings as a percentage of male median hourly earnings	Female median hourly earnings as a percentage of male median hourly earnings	Statistics New Zealand dot.stat incomes
Male NCEA level 2 attainment rate as a percentage of female	Indicator of the distribution of knowledge outcomes	Statistics New Zealand infoshare
Māori NCEA level 2 attainment rate as a percentage of non-Māori.	Indicator of the distribution of knowledge outcomes	Statistics New Zealand infoshare

Table 2. Indicators to be developed - A good standard of living

Indicator	Rationale	Data Source
Good quality jobs? Perhaps job satisfaction from the GSS?		

Community

Thriving communities are essential to people’s wellbeing both in the connections that people make and in terms of engagement and civic participation.

The community domain is captured in three dimensions: connected communities, belonging and identity and, participation and governance.

Connected communities

Communities and networks in Otago are cohesive and provide opportunities for positive social interaction and support.

Table 5. Available Indicators - Connected communities

Indicator	Rationale	Data Source
Mean loneliness score	A potential headline measure of connectedness	Statistics New Zealand Wellbeing statistics 2018

Table 6. Indicators to be developed - Connected communities

Indicator	Rationale	Data Source
Any available possible indicator here?		

Belonging and identity

People of all backgrounds fell a sense of belonging in Otago. People are able to practice a share culture and traditions.

Table 5. Available Indicators - Belonging and Identity

Indicator	Rationale	Data Source
Proportion of the population reporting it easy or very easy to express their identity	Best available indicator for individual and shared identity	Statistics New Zealand Wellbeing statistics 2018
<i>Pou – Matauraka Kai Tahu</i>		
Proportion of the Otago population speaking Te Reo	Indicator of shared identity and belonging	Derived from Census data

Proportion of Otago Māori population speaking Te Reo	Indicator of Māori identity and of the intergenerational sustainability of Te Reo Māori.	Derived from Census data
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Table 6. Indicators to be developed - Belonging and Identity

Indicator	Rationale	Data Source
Proportion of the population reporting experience of discrimination in the last 12 months	Indicator of the distribution of identity related outcomes	Question is in the NZGSS but distribution not possible at the regional level due to sample size.
Māori/non- Māori gap in the proportion of the population reporting it easy or very easy to express identity	Indicator of the distribution of identity related outcomes	Question is in the NZGSS but distribution not possible at the regional level due to sample size.

Participation and governance

Formal and informal governing bodies function effectively through active and diverse engagement.

Table 5. Available Indicators - Participation and governance

Indicator	Rationale	Data Source
Voter turnout rate in last local body elections	Headline indicator of confidence in democratic institutions	DIA, local body election statistics, 2016
Mean trust in health, education, and policy institutions	Headline indicator of trust in service delivery institutions	Statistics New Zealand Wellbeing statistics 2018
Mean generalised trust	Indicator of the level of social capital in the community.	Statistics New Zealand Wellbeing statistics 2018

Table 6. Indicators to be developed - Participation and governance

Indicator	Rationale	Data Source
Mean expectation of voice in decision-making	Gives a direct measure of resident views on leadership from a procedural perspective.	Not available but standard questions exist (OECD, 2017b, qn C5)
Māori/non-Māori gap in institutional trust (equity)	Measures of distribution of confidence in leadership	Could be calculate from Statistics New Zealand NZGSS questions but sample size is currently too small.
Gender gap in institutional trust (equity)	Measures of distribution of confidence in leadership	Could be calculate from Statistics New Zealand NZGSS questions but sample size is currently too small.

Place

The places people live, work, and explore – both natural and built – set the parameters for how people are able to live their lives.

A healthy natural environment

The mauri of Otago’s taiao is respected and preserved. Otago’s air, water, land, and biodiversity is healthy and its natural beauty endures.

Table 5. Available Indicators - A healthy natural environment

Indicator	Rationale	Data Source
Mean PM10 concentration in micrograms per cubic meter	Headline measure of air quality used in MfE/Statistics New Zealand environmental reporting.	MfE data service. Some calculation required.
River water quality: macroinvertebrate community index	Potential headline measure of water quality used in MfE/Statistics New Zealand environmental reporting.	MfE data service. Some calculation required.
<i>Pou - Sustainability</i>		

CO2 emissions per capita	Headline measure of atmospheric outcomes relating to climate change and an indicator of the sustainability of outcomes. Infometrics
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Table 6. Indicators to be developed - A healthy natural environment

Indicator	Rationale	Data Source
Biodiversity	A headline measure of the land dimension is required. A measure of indigenous species abundance would be appropriate. (pou - sustainability)	None currently available.

An enabling built environment

Spaces, connections, and infrastructure empowers people to live well.

Table 5. Available Indicators - An empowering built environment

Indicator	Rationale	Data Source
Percentage of households spending more than 30% of income on housing	Headline indicator of housing affordability	MBIE, Housing Affordability measures, derived
Percentage of the population reporting that their dwelling is cold sometimes or most of the time	Headline indicator of housing quality	Statistics New Zealand Wellbeing statistics 2018

Table 6. Indicators to be developed - An empowering built environment

Indicator	Rationale	Data Source
Household crowding	An important dimension of housing not captured by existing indicators.	Potentially available from Census data and possibly from Infometrics. Statistics New Zealand measure not updated since 2011.
Shared spaces	The quality of shared spaces is a key	Not available from existing data sources and not clear

	aspect of place.	what the measure might ne.
	Resilience of natural infrastructure to natural hazards (pou - resilience) – any indicator to develop?	

4 FILLING DATA GAPS

Otago faces data gaps with respect to reporting on wellbeing outcomes. Filling these must be a key priority for the monitoring of wellbeing in the region. Broadly speaking, there are four approaches to filling the data gaps. These are:

- Lobbying central government to improve official data collected by Statistics New Zealand
- Further analysis of existing data in the IDI to build synthetic measures of wellbeing outcomes
- Better use of existing data by coordinating within and between local government agencies
- Collecting new data at the local level.

Statistics New Zealand data

Many of the existing data gaps relate to wellbeing outcomes already measured at the national level through the NZGSS. Gaps remain at the regional level despite this because of the small sample size and low periodicity of this survey. Two changes to the NZGSS would go a long way to addressing the needs of Otago and other regions in New Zealand with respect to wellbeing measures.

First, if the NZGSS were conducted on an annual basis instead of every second year it would be possible to provide meaningful regional information by using a three-year rolling average for reporting. This would boost the expected sample for Otago from about 400 respondents to about 1200, which would allow for some limited distributional analysis. This might allow for some reporting headline averages for the larger 4 district councils in Otago, but would probably still be too small to report on outcomes for Clutha.

Directly increasing the NZGSS sample size to roughly the level of the Household Labour Force Survey (about 30,000 households) would have a similar, but slightly larger impact on the sample size at the regional level. If the sample size were increased and the survey moved to an annual basis, the impact would be transformative in terms of the ability to monitor wellbeing outcomes at the regional level. Although these changes would have a significant cost, this could be partially offset by streamlining the NZGSS to remove low value questions (of which there are a number) and to refocus the survey on a narrower range of core wellbeing measures. There is some support for this across central government agencies and some scoping work has been done with respect to the case for such a change (Smith, 2018b).

Analysis of IDI data

As discussed previously, there is significant potential to develop outcome measures from administrative data in the IDI. Such an approach would have two elements. The first of these would involve a research programme to construct synthetic wellbeing outcome measures in the IDI by calibrating administrative data against wellbeing measures from the NZGSS. As discussed above, the survey samples are currently too small to allow for regional reporting, but they can be used to validate measures constructed from administrative data. The use of survey data for validation ensures that indicators constructed from administrative data – which primarily captures service use – reflect achieved wellbeing outcomes.

The second element of using IDI data would be to establish a process for regularly updating and publishing the synthetic indicators. This would require an agency with access to the IDI to update and re-run code in the IDI each year to output the relevant indicators.

While the research component of this approach would have some costs associated with it, these would only be one-off. Once the analysis was complete and synthetic indicators identified, the cost of updating the indicators annually would be low.

Existing data

Some data already exists within local government that could be better deployed to help fill data

gaps. Although much of the information available to local government relates to inputs and outputs rather than outcomes, local government does hold significant information relating to the environment. In fact, regional councils are one of the main sources of information in New Zealand on environmental outcomes. It should be relatively straight-forward, therefore, to meet some of the most significant data gaps in the Otago wellbeing framework relating to environmental outcomes.

Key steps would be to carry out a stocktake of what information is available across local agencies. Once this was completed it would be possible to identify relevant indicators and organise a process for regularly providing this information in a common format to the institution responsible for reporting against the Otago Regional Council Wellbeing Framework.

Collecting new data

It would be possible to use existing ratepayer surveys to fill gaps in outcome measures at a local level. This would require the development of a short form survey module that could be folded into a ratepayers' survey or form the basis of a low-cost standalone survey. Ideally such a tool would need to collect information on wellbeing outcomes in a way that was:

- *Flexible* so that it could be used in a regular monitoring survey, but also adapted to other contexts such as a small-scale evaluation of a community initiative
- *Statistically robust* and grounded in the best available science on the measurement of wellbeing
- *Comparable* with information on other places in New Zealand and on New Zealand as a whole
- *Complementary* to existing information available to agencies in Otago from other sources including its own data and the IDI
- *Connected* to information on place and activity;
- *Affordable* within the context of Otago;
- *Reflective* of the wellbeing outcomes and values that matter to the people of Otago.

This would involve developing a short multi-mode survey instrument that filled the main data gaps relating to wellbeing that cannot be covered from existing Statistics New Zealand IDI or survey data. The instrument would consist of a set of standard questions comparable to those used to collect national data in the NZGSS. These questions would be multi-mode in that they could be implemented in a number of different ways, including a regular rate-payer's survey, through an app for a mobile device or as part of service delivery.

The questions would cover most of the main data gaps at the regional level relating to wellbeing, including measures of:

- Peoples' subjective assessment of their overall wellbeing (life satisfaction)
- Interpersonal and potentially institutional trust
- Identity, belonging, and experienced discrimination
- Perceived environmental quality
- Perceived safety
- Housing quality

Standard measures for all of these outcomes exist and developing and testing a short survey instrument is relatively straight-forward. Once developed the instrument would be fully documented and could be used easily in a wide range of different contexts. Documentation would include not only the question instrument itself, but also instructions for use of the instrument in different contexts, information on the output dataset format, and a standard reporting template. This documentation would allow for the wellbeing survey instrument to be passed onto a potential data collector with relatively little specialist knowledge on the part of the commissioning

agency and still allow a high confidence in the quality and comparability of the results to be retained.

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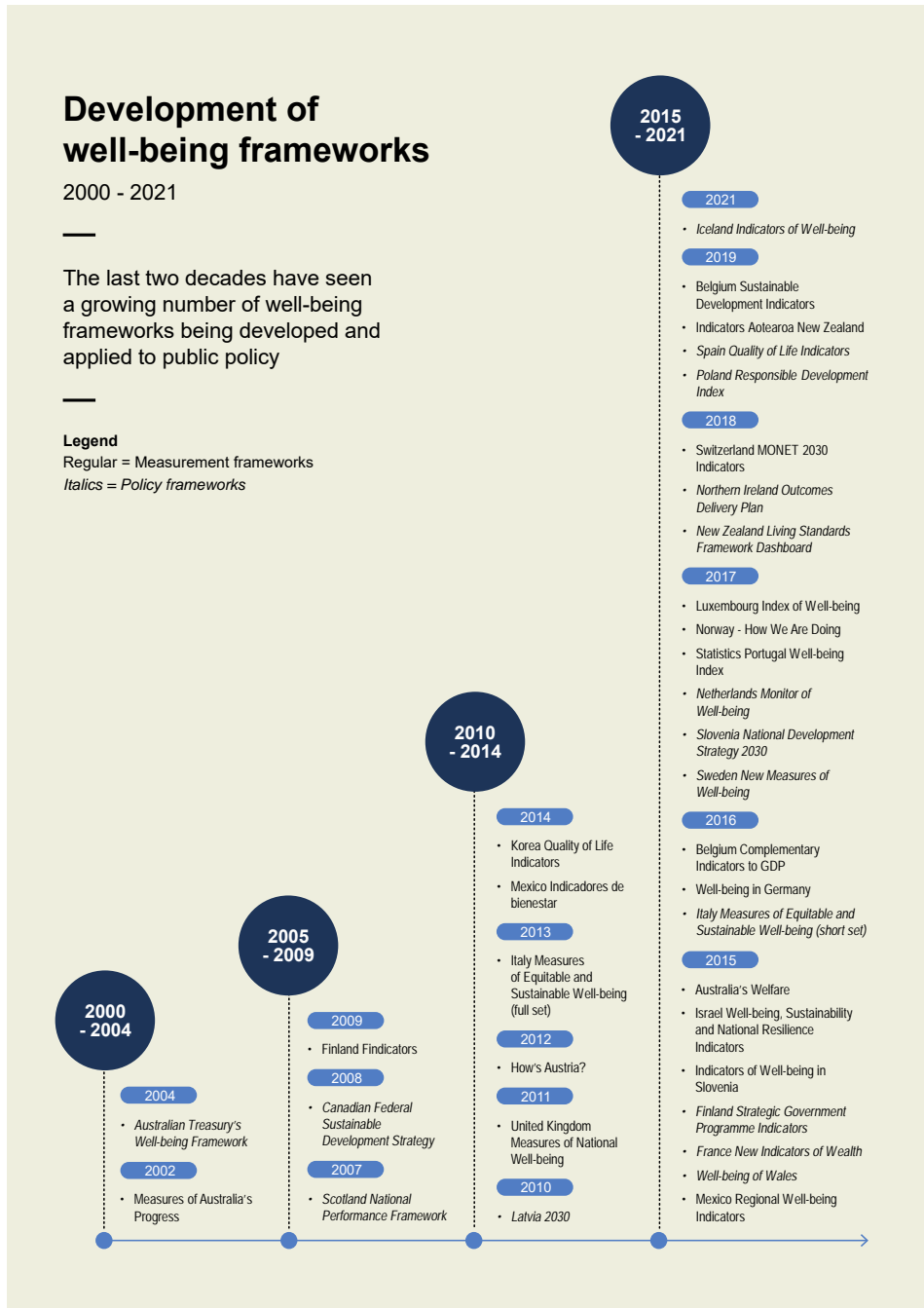
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ANNEX 1

Figure 1 The growing number of wellbeing frameworks being developed internationally



Source: OECD (2021)

8.9. Budgeting for Operational Deficits

Prepared for:	Council
Report No.	CS2257
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Corporate Services
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	28 September 2022

PURPOSE

- [1] The report was referred to Council at the 21 September 2022 Audit and Risk Subcommittee meeting. The report provides clarity on steps to take to end the practice of budgeting for operational deficits.

EXECUTIVE SUMMARY

- [2] In the audit of the 2020-21 Annual Report and Audit Plan for the 2021-22 Annual Report Council's auditor, Deloitte, raised the issue of Council's ongoing operating deficits. They noted that these deficits were both budgeted and unbudgeted.
- [3] Council's Long-term Plans (LTP) typically budget for deficits in the first 3 years of the 10-year LTP planning cycle. These deficits are usually largest in year 1 as new initiatives are initiated and the deficits decrease over time to achieve surplus in year 3 or 4 of the LTP cycle. Surpluses are then forecast to continue and increase over the remainder of the 10 years of the LTP.
- [4] Annual Plans for years 2 and 3 of each LTP cycle are often adjusted to increase deficits over and above the level set in the LTP. The new LTP cycle begins from year 4 and resets that year's operational surplus / deficit. This replanning typically results in year 2 and 3 deficits increasing and planned year 4 surpluses reverting to year 1 deficits in the new LTP.
- [5] On top of adjustments to annual plans and LTPs, actual deficits also can vary from these budgeted amounts due to lower income or unbudgeted expenditure being realised during the financial year. Further to this, some of these unbudgeted deficits require further planned deficit increases in following years.
- [6] Historically, the largest variance to planned operational deficits occurs in year 3 of the LTP cycle. These changes then tend to have a follow-on impact into the next LTP cycle. As a result, Council has not achieved any of the operational surplus envisaged over the previous two LTP cycles.
- [7] The actual deficit in the first 3 years of the 2018-21 LTP cycle (financial years 2016-18) was \$11.5 million greater than initially set in the LTP. Of this, \$4.8 million was due to adjustments in the year 2 and 3 annual plans, and \$6.7m was due to unbudgeted activity.
-

- [8] The ongoing use of deficits to fund operational expenditure means funding is required from reserves to meet the shortfall. If planned surpluses are not achieved in subsequent years these deficits will be retained or grow in the reserves. This will place the onus on future ratepayers to pay for historic expenditure and limit service delivery improvements in future years.
- [9] The use of reserves to establish activities and to fund some operational activity i.e., one-offs may be financially prudent; however, ongoing funding of operational expenditure via deficits/reserves is not sustainable and discipline needs to be maintained to ensure future planned surpluses are achieved.
- [10] Use of reserves to fund unbudgeted expenditure once a financial year has started may also be financially prudent. Consideration should be given to the impact of this unbudgeted expenditure on future years and whether deficit should be recovered in subsequent years rates.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.

BACKGROUND

- [11] At the 12 May 2022 meeting the Audit and Risk Subcommittee requested:
“A report be brought to the Finance Committee to provide clarity on steps to take to end the practice of budgeting for operational deficits.”
- [12] The action register for the 11 August 2022 Audit and Risk Subcommittee noted staff were considering whether a paper was the best way for Council to discuss this matter and a workshop may be more appropriate and useful.
- [13] This was discussed at the 11 August Audit and Risk Subcommittee meeting and a paper was requested for the 21 September 2022 extraordinary Audit and Risk Subcommittee meeting.
- [14] Operational deficits are budgeted via the LTP and annual plan processes. Actual deficits may vary from the budgeted amounts if unbudgeted revenue or expenditure variances occur once the financial year has commenced.
- [15] Operational deficits occur in a year that operational revenue from rates, grants, fees and charges and other income is not sufficient to meet the operational expenditure in that same financial year.
- [16] Under section 100(1) of the Local Government Act 2002, local authorities must ensure that each year’s projected operating revenues are set at a level sufficient to meet that year’s projected operating expenses.
- [17] Section 100(2) allows projected operating revenues to be set at a different level to subsection (1) if Council resolves that it is financially prudent to so.

DISCUSSION

- [18] Operating surplus / deficits over the last 6 years (this covers the first 3 years of the last 2 LTP cycles):

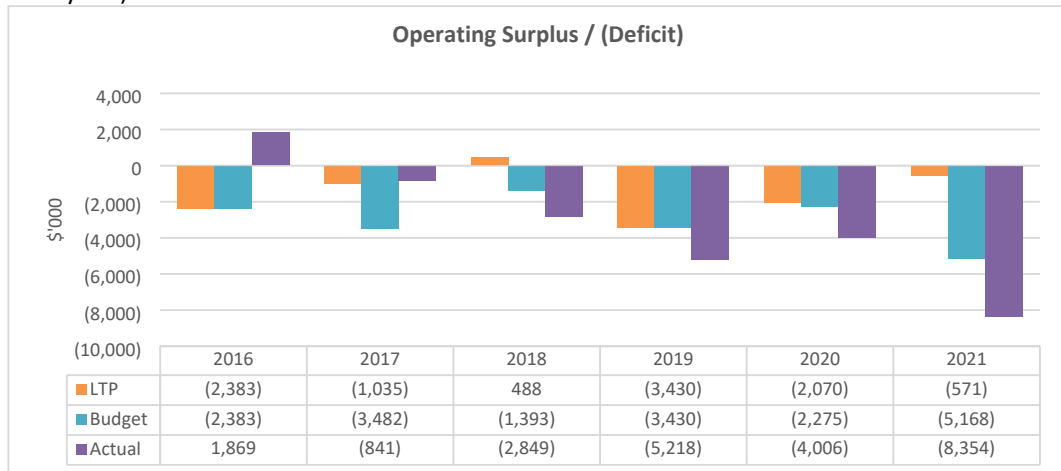


Figure 1: Operating Surplus / Deficit

- [19] The above 6-year surplus / deficit data can be grouped into the 2 LTP cycles:

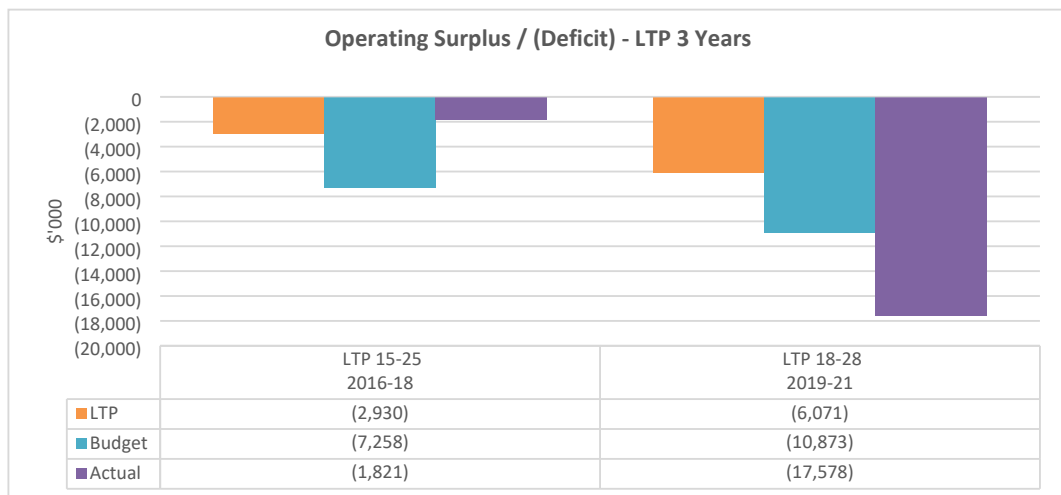


Figure 2: Operating Surplus / Deficit – LTP 3 Years

- [20] Figure 2 shows the LTP 2015-25 cycle included adjustments to the LTP deficits but overall, the actual deficits were lower, and over the 3-year period, the actual deficit achieved was \$1.1 million better than the LTP.
- [21] The LTP 2018-21 cycle also included adjustments to those set in the LTP however, unlike 2015-25 these did not net out over the 3-year period and overall deficits were \$11.5 million worse than the LTP.
- [22] Most of these adjustments, both budgeted and unbudgeted, occurred in year 3 of each LTP cycle.

[23] Operational deficits are funded from reserves.

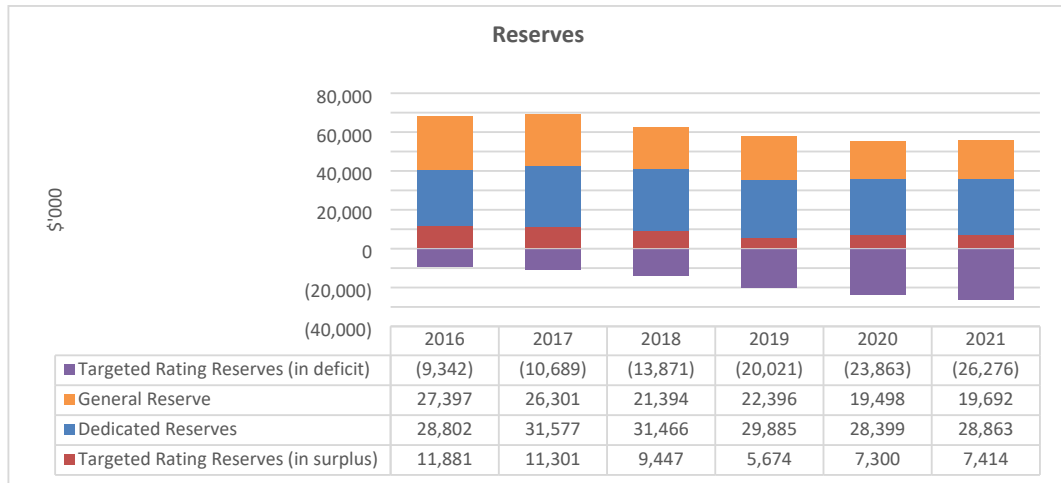


Figure 3: Reserves

[24] Figure 3 shows the breakdown of reserves over the last 6 years. Dedicated reserves have remained consistent over that period. Targeted rate reserves have declined from \$2.5 million in surplus to \$18.9 million in deficit. General reserves have also decreased, from \$27.4 million to \$19.7 million.

[25] The reserves need to be reconciled back to financial assets (cash and the managed fund) to show Council’s reserve position on a cash basis.

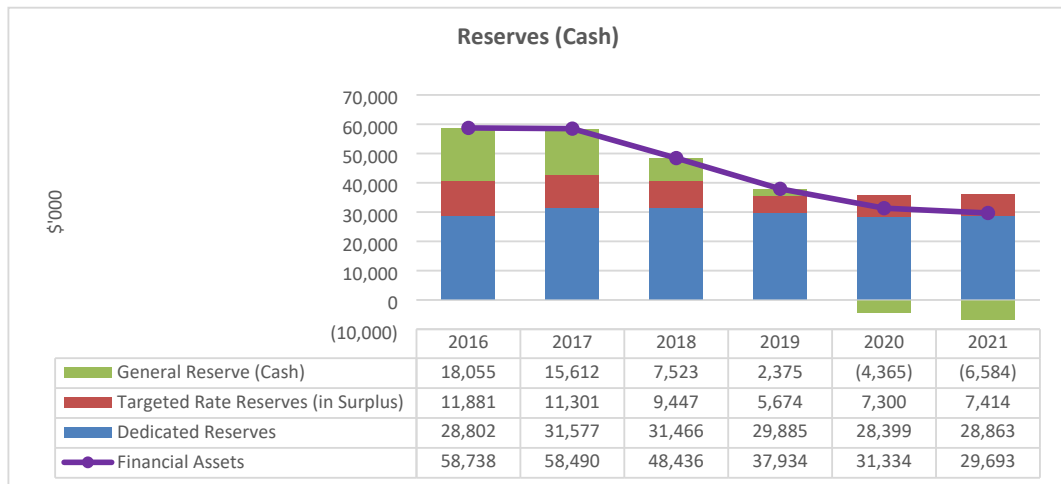


Figure 4: Reserves (Cash)

[26] Figure 4 shows that over the last 6 years, financial assets decreased from \$58.7 million to \$29.7 million. On a cash basis the general reserve has decreased from \$18.1million to a deficit of \$6.6 million.

[27] Details of dedicated reserves are shown below:

Dedicated Reserves	2016	2017	2018	2019	2020	2021
Asset Replacement	5,987	5,820	6,070	5,034	3,756	2,937

Building	10,997	13,614	13,248	13,105	13,440	13,573
Emergency Response	3,891	4,033	4,182	4,325	3,901	4,476
Kuriwao	6,271	6,361	6,432	6,472	6,397	6,962
Water Mgt	1,433	1,427	1,039	875	897	906
Environmental Enhancement	223	322	495	74	8	9
Total Dedicated Reserves	28,802	31,577	31,466	29,885	28,399	28,863

Table 5: Dedicated Reserves

[28] Details of targeted rate reserves are shown below:

Targeted Rating Reserves	2016	2017	2018	2019	2020	2021
M 1 River Mgt - Dunedin	2,017	1,955	1,768	1,479	1,462	1,380
M 2 River Mgt - Clutha	163	157	112	38	183	183
M 3 River Mgt - Central	321	398	387	395	460	434
M 4 River Mgt - Wakatipu	636	707	753	684	745	707
M 5 River Mgt - Wanaka	366	423	505	571	571	(274)
M 6 River Mgt - Waitaki	(30)	6	143	222	512	529
E 1 Emergency Management			(140)	(63)	(669)	(434)
F 1 Alex Flood Protection	661	438	306	231	146	56
F 2 Leith Flood Protection	(7,890)	(9,423)	(11,925)	(14,665)	(15,734)	(14,976)
F 3 Lower Clutha Flood & Drainage	226	142	(149)	(197)	(101)	(687)
F 4 Lower Taieri Flood	753	1,008	1,060	632	955	1,337
F 5 West Taieri Drainage	(1,053)	(1,016)	(1,577)	(1,844)	(1,926)	(1,909)
F 6 East Taieri Drainage	489	582	386	199	346	454
F 7 Toko	145	155	155	150	244	243
F 8 Shotover River SRA	(270)	(67)	57	133	204	249
Stoney Creek	133	138	143	148	152	154
M 7 Lower Waitaki River Control	(8)	(19)	(17)	(9)	4	(6)
A 2 Clean Heat Clean Air	487	413	350	209	47	0
T 2 PT Dunedin	5,423	4,779	2,930	(2,539)	(4,504)	(6,489)
T 2 PT Wakatipu	61	(35)	83	(188)	(359)	(843)
W 3 Compliance Dairy	(39)	(75)	25	74	80	74
W 3 Lake Hayes				(372)	(365)	(369)
L 7 Wilding Pines			(63)	(144)	(205)	(289)
W 3 Rural Water Quality	(52)	(54)	284	509	1,189	1,614
Total Targeted Rating Reserves	2,539	612	(4,424)	(14,347)	(16,563)	(18,862)

Table 6: Targeted Rating Reserves

CONSIDERATIONS

Strategic Framework and Policy Considerations

[29] Operational deficits and the use of reserves are outlined in the Financial Strategy, Long-Term Plans and Annual Plans.

Financial Considerations

[30] This paper outlines the financial considerations regarding operational deficits.

Significance and Engagement

[31] There are no significance and engagement considerations.

Legislative and Risk Considerations

[32] The requirement to balance the budget is outlined in Section 100 of the Local Government Act 2002.

- [33] This paper outlines the risk considerations regarding the ongoing budgeting and use of operational deficits.

Climate Change Considerations

- [34] There are no climate change considerations.

Communications Considerations

- [35] There are no communications considerations.

ATTACHMENTS

Nil

8.10. Report to Council from Chair of Audit and Risk Subcommittee - September 2022

Prepared for: Council
Report No. GOV2260
Activity: Governance Report
Endorsed by: Cr Hilary Calvert, Chairperson Audit and Risk Subcommittee
Date: 28 September 2022

PURPOSE

- [1] The Terms of Reference of the Audit and Risk Subcommittee require the Subcommittee to conduct an annual review of its work and for the Chairperson to provide a report to Council at the end of each financial year. Cr Calvert, Chairperson of the Audit and Risk Subcommittee, has provided the attached end of triennium report.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.

ATTACHMENTS

1. Report to Council from Chair of Audit and Risk Subcommittee September 2022 [8.10.1 - 3 pages]

Report to Council from Chair of Audit and Risk Subcommittee September 2022

“The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt.”

So said Cicero, born 106 BC.

It is with pleasure I reflect on the achievements of the Audit and Risk Subcommittee for the three years ending September 2022.

When the subcommittee first met at the beginning of the triennium the committee had fallen into a pattern of going through the motions of meeting 3 to 4 times per year and being presented with a series of pro forma type reports.

This may have dealt with the basics of the audit function of the subcommittee. However, the audit function needs to have a critical eye lent to it from time to time.

Luckily the staff were working in the background to ensure that so far as possible the proper safeguards were happening.

But we could do better. And we did.

We have engaged in the audit function of the subcommittee, including overseeing the updating of various policies and procedures and having a better oversight of anything which was missing or overdue for updating.

We have drawn to the Council’s attention the note from our auditor that we need to balance our books: we have been warned that we will have a black mark against our audit if we go into deficit for the 5th year running. Our auditor has highlighted that not only did we post a deficit of \$8.4 million in 2021, which was approximately 30% of the total rates received, but that \$3.2million of that deficit was unbudgeted. The draft audit for 2022 does not paint a better picture.

The risk part of our function has taken the most time. When we began, we had a risk register created by staff which flagged over 20 items as being rated at least medium risk. The bulk of the risks described as most extreme were the risks that one way or another the councillors would fail to do their job properly and thereby create risk for the organisation.

We have with the help of an independent facilitator now created a refreshed risk register that more accurately describes our risks. We have instigated a system to work through the highest risks to understand them and reduce them to a level which is acceptable. The subcommittee will also continue to work through the balance of the risks to ensure they are properly categorised and understood. As we have been working through the register, we have been able to do or arrange to do the work required to reduce risks, for the most part as a result of a commitment on behalf of our able staff members.

Highlights of the last 3 years have been:

- Working through our health and safety policies to reduce any risks and improve safety measures including:
 1. Finding and acknowledging our anti-bullying policy needs to go further than an assurance from our previous CE that we have zero tolerance to bullying.
 2. Ensuring all our passenger vehicles have GPS.
 3. Updating our whistle blower policy.
- Working towards better resolution-making of Council so that resolutions accurately reflect the will of the Council in a way which the staff can carry out.
- Working towards more transparent reporting of the operations of Council to councillors and to ratepayers.
- Understanding how we deal with management of contracts and how we can do better in this area.
- Taking part in advising the Council to join the Local Government Funding Agency with the consequent interest savings which this involved.

Under the Work in Progress category are:

- Achieving a way of ensuring that we do not overspend the budget, thereby having our annual and long-term plans accurately reflect what ratepayers' money is actually spent on. And before that, not budgeting for a deficit in the first 3 years of the 10-year plan pretending to ourselves that we will not budget deficits again in the LTP in 3 years' time, thereby setting ourselves up for a continuous set of deficits.
- Receiving the right amount and substance of advice to enable councillors to make good decisions based on sound advice.
- Working through the risk register on a revolving basis to have the register accurately portray the risks faced by the organisation and to bring to the attention of the Council the level of risk to test whether it is an appropriate level for an organisation such as the Otago Regional Council to choose.
- Understanding how we deal with management of contracts and how we can improve the robustness of the processes involved.
- Embed tracking of recommendations and actions which come from external reviews to ensure timely action is being taken.
- Refresh Delegations Manual to ensure robust processes and councillor involvement in non-routine planning decisions and expenditure.

Work not yet begun but which needs to be addressed.

- Establishing clear guidelines around how procurement and management of contracts should happen when these are with Mana Whenua.
- Having robust procedures and reporting on the Reserve funds and looking into how they work and indeed whether they are the best way of dealing with targeted rating streams. This could mean setting up standing working parties for each reserve fund.
- Establish a routine programme of internal audits assessing our own compliance with our policies and procedures as is usual in a Council setting.
- Having Councillors and staff understand the importance of spending being not only within budget but spent on authorised items.

- Creating a mechanism for looking into and reducing cost overruns and improving processes around planning decisions, for example by consulting and mediating earlier in the planning process to avoid contested and appealed hearings where possible.
- Establishing and maintaining a register of risks around planning and legal issues.
- Review of how our spending on engagement and consultation with mana whenua is achieving our responsibilities bearing in mind that we have been advised on various occasions that we are not meeting the needs of mana whenua. This is a clear and pressing issue since our rate payers would be expecting better, and our previous CE has apparently put the costs of our current attempts at engagement and consultation with mana whenua as in the vicinity of \$1 million.
- Reporting on contracts where we are contracting to deliver services with one party, for example a government agency, and contracting with another party to deliver these services on our behalf. These have additional risks and would properly have particular scrutiny by the Audit and Risk Subcommittee.

In all these processes the staff have done the heavy lifting in moving forward to best practice methods and information sharing. Our interim CE Dr Borren with his understanding and concern for financial issues has been extremely useful in moving the work of this subcommittee forward to create a fit for purpose environment.

Last but not least I thank the members of the Audit and Risk Subcommittee, particularly our independent member Andrew Douglas who has been my de facto deputy during this triennium.



Cr Hilary Calvert
Chair Audit and Risk Subcommittee

Report to Council from Chair of Audit and Risk Subcommittee September 2022

“The budget should be balanced, the Treasury should be refilled, public debt should be reduced, the arrogance of officialdom should be tempered and controlled, and the assistance to foreign lands should be curtailed lest Rome become bankrupt.”

So said Cicero, born 106 BC.

It is with pleasure I reflect on the achievements of the Audit and Risk Subcommittee for the three years ending September 2022.

When the subcommittee first met at the beginning of the triennium the committee had fallen into a pattern of going through the motions of meeting 3 to 4 times per year and being presented with a series of pro forma type reports.

This may have dealt with the basics of the audit function of the subcommittee. However, the audit function needs to have a critical eye lent to it from time to time.

Luckily the staff were working in the background to ensure that so far as possible the proper safeguards were happening.

But we could do better. And we did.

We have engaged in the audit function of the subcommittee, including overseeing the updating of various policies and procedures and having a better oversight of anything which was missing or overdue for updating.

We have drawn to the Council’s attention the note from our auditor that we need to balance our books: we have been warned that we will have a black mark against our audit if we go into deficit for the 5th year running. Our auditor has highlighted that not only did we post a deficit of \$8.4 million in 2021, which was approximately 30% of the total rates received, but that \$3.2million of that deficit was unbudgeted. The draft audit for 2022 does not paint a better picture.

The risk part of our function has taken the most time. When we began, we had a risk register created by staff which flagged over 20 items as being rated at least medium risk. The bulk of the risks described as most extreme were the risks that one way or another the councillors would fail to do their job properly and thereby create risk for the organisation.

We have with the help of an independent facilitator now created a refreshed risk register that more accurately describes our risks. We have instigated a system to work through the highest risks to understand them and reduce them to a level which is acceptable. The subcommittee will also continue to work through the balance of the risks to ensure they are properly categorised and understood. As we have been working through the register, we have been able to do or arrange to do the work required to reduce risks, for the most part as a result of a commitment on behalf of our able staff members.

Highlights of the last 3 years have been:

- Working through our health and safety policies to reduce any risks and improve safety measures including:
 1. Finding and acknowledging our anti-bullying policy needs to go further than an assurance from our previous CE that we have zero tolerance to bullying.
 2. Ensuring all our passenger vehicles have GPS.
 3. Updating our whistle blower policy.
- Working towards better resolution-making of Council so that resolutions accurately reflect the will of the Council in a way which the staff can carry out.
- Working towards more transparent reporting of the operations of Council to councillors and to ratepayers.
- Understanding how we deal with management of contracts and how we can do better in this area.
- Taking part in advising the Council to join the Local Government Funding Agency with the consequent interest savings which this involved.

Under the Work in Progress category are:

- Achieving a way of ensuring that we do not overspend the budget, thereby having our annual and long-term plans accurately reflect what ratepayers' money is actually spent on. And before that, not budgeting for a deficit in the first 3 years of the 10-year plan pretending to ourselves that we will not budget deficits again in the LTP in 3 years' time, thereby setting ourselves up for a continuous set of deficits.
- Receiving the right amount and substance of advice to enable councillors to make good decisions based on sound advice.
- Working through the risk register on a revolving basis to have the register accurately portray the risks faced by the organisation and to bring to the attention of the Council the level of risk to test whether it is an appropriate level for an organisation such as the Otago Regional Council to choose.
- Understanding how we deal with management of contracts and how we can improve the robustness of the processes involved.
- Embed tracking of recommendations and actions which come from external reviews to ensure timely action is being taken.
- Refresh Delegations Manual to ensure robust processes and councillor involvement in non-routine planning decisions and expenditure.

Work not yet begun but which needs to be addressed.

- Establishing clear guidelines around how procurement and management of contracts should happen when these are with Mana Whenua.
- Having robust procedures and reporting on the Reserve funds and looking into how they work and indeed whether they are the best way of dealing with targeted rating streams. This could mean setting up standing working parties for each reserve fund.
- Establish a routine programme of internal audits assessing our own compliance with our policies and procedures as is usual in a Council setting.
- Having Councillors and staff understand the importance of spending being not only within budget but spent on authorised items.

- Creating a mechanism for looking into and reducing cost overruns and improving processes around planning decisions, for example by consulting and mediating earlier in the planning process to avoid contested and appealed hearings where possible.
- Establishing and maintaining a register of risks around planning and legal issues.
- Review of how our spending on engagement and consultation with mana whenua is achieving our responsibilities bearing in mind that we have been advised on various occasions that we are not meeting the needs of mana whenua. This is a clear and pressing issue since our rate payers would be expecting better, and our previous CE has apparently put the costs of our current attempts at engagement and consultation with mana whenua as in the vicinity of \$1 million.
- Reporting on contracts where we are contracting to deliver services with one party, for example a government agency, and contracting with another party to deliver these services on our behalf. These have additional risks and would properly have particular scrutiny by the Audit and Risk Subcommittee.

In all these processes the staff have done the heavy lifting in moving forward to best practice methods and information sharing. Our interim CE Dr Borren with his understanding and concern for financial issues has been extremely useful in moving the work of this subcommittee forward to create a fit for purpose environment.

Last but not least I thank the members of the Audit and Risk Subcommittee, particularly our independent member Andrew Douglas who has been my de facto deputy during this triennium.



Cr Hilary Calvert
Chair Audit and Risk Subcommittee

8.11. Interregnum Delegations

Prepared for:	Council
Report No.	GOV2257
Activity:	Governance Report
Author:	Amanda Vercoe, General Manager Governance, Culture and Customer
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer
Date:	28 September 2022

PURPOSE

- [1] To provide delegated authority for the interregnum period of Council.

EXECUTIVE SUMMARY

- [2] The interregnum period is the period between the discharge of the Council and the swearing in of the new Council. It is anticipated that this will occur between 14 October (the day after the official results are likely to be declared) and 19 October 2022 (the intended date of the inaugural Council meeting).
- [3] This report recommends a series of time limited delegations be made for this period, to ensure urgent business of Council can continue.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Agrees** that from the day following the Electoral Officer's declaration, until the new Council is sworn in, the Chief Executive is authorised to make decisions in respect of urgent matters. All decisions made under this delegation will be reported to the first ordinary meeting of the new Council.
- 3) **Approves** the recommendation of the Strategy and Planning Committee for the Land and Water Regional Plan Governance Group to remain constituted in the interregnum period in order to continue with this critical work programme.
- 4) **Appoints** Andrew Noone and Gretchen Robertson to the LWRP Group in the interregnum period until the incoming council has made decisions on group membership.
- 5) **Approves** appointments by the Strategy and Planning Committee, including covering the interregnum period, for each topic below (acting as sponsors and attending key stakeholder discussions) for the duration of this region-wide consultation phase (with a likely mid-November 2022 conclusion), as follows:
 - **Environmental flows/levels:** Kate Wilson and Gretchen Robertson
 - **Taking and use of water:** Gretchen Robertson and Kate Wilson
 - **Damming and diversion:** Hilary Calvert and Kevin Malcolm
 - **Agricultural discharges:** Kevin Malcolm and Bryan Scott

- **Activities on the beds or margins of lakes, wetlands or rivers:** Michael Laws and Alexa Forbes
- **Other discharges:** Bryan Scott and Carmen Hope
- **Landfills and cemeteries:** Michael Deaker and Garry Kelliher
- **Stormwater & wastewater discharges:** Bryan Scott and Carmen Hope
- **Land use:** Garry Kelliher and Alexa Forbes
- (Andrew Noone – floating ‘back-up’)

BACKGROUND

- [4] Under the Local Electoral Act, candidates who are declared to be elected come into office the day after the official election results are announced (likely to be 14 October 2022). Under the Local Government Act a person may not act as a member of a local authority until they have made their declaration at the inaugural Council meeting (likely to be 19 October 2022). This leaves a gap, where the existing Council has been discharged, and the new Council cannot yet act. It is recommended to put in place time bound delegations during this period, so that urgent business of council arising can continue.

DISCUSSION

- [5] As above.

OPTIONS

- [6] Council can choose to put delegations in place, or not.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [7] Not applicable.

Financial Considerations

- [8] Not applicable.

Significance and Engagement

- [9] Not applicable.

Legislative and Risk Considerations

- [10] Council has the ability to delegate under the Local Government Act.

Climate Change Considerations

- [11] Not applicable.

Communications Considerations

- [12] Not applicable.

NEXT STEPS

- [13] If agreed, the delegations will be in place if needed over the interregnum period.

ATTACHMENTS

Nil

8.12. Documents Signed Under Council Seal

Prepared for: Council
Report No. GOV2258
Activity: Governance Report
Author: Dianne Railton, Governance Support Officer
Endorsed by: Amanda Vercoe, General Manager Governance, Culture and Customer
Date: 28 September 2022

PURPOSE

- [1] To inform the Council of delegations which have been exercised during the period 29 June 2022 through 28 September 2022.

Date of application of seal	Description
29/06/2022	Deed of Agreement for Private Development: Gladstone Family Trust/Dunedin City Council/ORC/Gwenyth Freda Logan as executor of the Estate of Arthur Irwin Logan (Landowner). 77 Chain Hill Road Taieri.
29/06/2022	Deed of Variation and Renewal of Lease – Philip Laing House – Sixth Floor. Landlord: Philip Laing House Limited, Tenant: ORC.
29/06/2022	Deed of Variation and Renewal of Lease – Philip Laing House – Second Floor. Landlord: Philip Laing House Limited, Tenant: ORC.
29/06/2022	Deed of Lease – 54 Silverton Street, Palmerston. Landlord: Waitaki District Council, Tenant: ORC.
29/06/2022	Plan Change 1 to the Regional Plan: Waste for Otago. Plan Change 1 to the Regional Plan: Waste for Otago is deemed to be operative on Saturday 9 July 2022.
29/06/2022	This is a true and correct copy of the Regional Plan: Waste for Otago. This copy of the Regional Plan: Waste for Otago is deemed to be operative on Saturday 9 July 2022.
05/08/2022	Flood Protection ByLaw 2022.
10/08/2022	Deed of Guarantee of Lease – Rowmata Trustee Limited / Richard Horne and Ruth Horne (152 Riverbank Road, Henley) / and ORC.
24/08/2022	Warrant application for ORC Engineering - Rahui Reeves, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Hamish John Munro, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Pamela Louise Wilson, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Brett Alexander Paterson, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Alison Weaver, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Dawie Chris Sutton, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control

	Act 1941.
24/08/2022	Warrant application for ORC Engineering - Gary Michael Bayne, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Daniel James Allan King, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering - Scott William Liddell, warranted under the Local Government Act 2002 and the Soil Conservation and Rivers Control Act 1941.
24/08/2022	Warrant application for ORC Engineering – Rahui Reeves, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Hamish John Munro, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Pamela Louise Wilson, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Brett Alexander Paterson, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Alison Weaver, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Dawie Chris Sutton, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Gary Michael Bayne, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Daniel James Allan King, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Scott William Liddell, warranted under the Local Government Act 2002 and the ORC Flood Protection Bylaw.
24/08/2022	Warrant application for ORC Engineering – Rahui Reeves, warranted under the Local Government Act 2002 and the Land Drainage Act 1908.
24/08/2022	Warrant application for ORC Engineering – Hamish John Munro, warranted under the Local Government Act 2002 and the Land Drainage Act 1908.
24/08/2022	Warrant application for ORC Engineering – Pamela Louise Wilson, warranted under the Local Government Act 2002 and the Land Drainage Act 1908.
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24/08/2022	Warrant application for ORC Engineering – Daniel James Allan King, warranted under the Local Government Act 2002 and the Land Drainage Act 1908.
24/08/2022	Warrant application for ORC Engineering – Scott William Liddell, warranted under the Local Government Act 2002 and the Land Drainage Act 1908.
24/08/2022	Plan Change 8 to the Regional Plan: Water for Otago – is deemed to be operative on Saturday, 3 September 2022.
24/08/2022	Plan Change 8 Regional Plan: Water for Otago as at Saturday, 3 September 2022.

RECOMMENDATION

That the Council:

- 1) **Notes this report.**

8.13. Acknowledgement of Retiring Councillors

Prepared for:	Council
Report No.	GOV2249
Activity:	Governance Report
Author:	Liz Spector, Governance Support Officer
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer
Date:	28 September 2022

PURPOSE

- [1] At the end of this triennium, Councillor Michael Deaker and Councillor Hilary Calvert are retiring. This report records its thanks for the service to the Otago Regional Council given by the Councillors and provides the Chair the opportunity to express the Council's appreciation for the 21 years served by Cr Michael Deaker and the three years served by Cr Hilary Calvert.
- [2] Chair Andrew Noone will present a certificate of thanks to each retiring member.

EXECUTIVE SUMMARY

- [3] Cr Michael Deaker was first elected to the Otago Regional Council in 2001 and has served 7 consecutive terms. Cr Deaker has chaired or co-chaired many committees throughout his tenure including:
 - Chair - Policy and Resource Planning Committee, 2004 – 2010
 - Chair – Policy and Submissions Committee, 2010 – 2013
 - Deputy Chair – Policy Committee, 2013 – 2016
 - Chair – Communications Committee, 2016 – 2019
 - Co-Chair – Governance, Communications and Engagement Committee, 2019 – 2022
- [4] Cr Hilary Calvert was elected to the Otago Regional Council in 2019. During her tenure, she served as Co-Chair of the Finance Committee and Chair of the Audit and Risk Subcommittee.

RECOMMENDATION

That the Council:

- 1) **Records** its sincere thanks to Cr Michael Deaker for the dedicated and conscientious service he has given to the Otago Region as a member of the Otago Regional Council for the 21-year period 2001 – 2022.
- 2) **Records** its sincere thanks to Cr Hilary Calvert for the dedicated and conscientious service she has given to the Otago Region as a member of the Otago Regional Council for the three-year period 2019 – 2022.

ATTACHMENTS

Nil

9.1. Recommendations of the Strategy and Planning Committee**Resolution**

That the Council adopts the resolutions of the 24 August 2022 Strategy and Planning Committee.

Report	Resolution	Resolution #	Mover/Seconder
LWRP Governance Group Report Update	<ol style="list-style-type: none"> Notes the 15 August 2022 project update report from LWRP Governance Group. Resolves for the Land and Water Regional Plan Governance Group to remain constituted in the interregnum period (commencing 8 October) in order to continue with this critical work programme. Appoints Andrew Noone and Gretchen Robertson to the Group in the interregnum period until the incoming council has made decisions on group membership. 	SP22-127	Cr Wilson / Cr Malcolm
Overview of Approach for Future LWRP Consultation Stages	<ol style="list-style-type: none"> Notes this report. Adopts the refinement to the FMU consultation which includes a third (final) round of consultation which will be designed to present a preferred option and to discuss implementation and transition. 	SP22-128	Cr Malcolm / Cr Scott
Overview of Approach for Future LWRP Consultation Stages	<ol style="list-style-type: none"> Nominates 3 Councillors (Cr Kate Wilson, Cr Kevin Malcolm and Cr Bryan Scott) and 1 LWRP Governance Group member (Mr Edward Ellison) to work together with ORC staff to develop the consultation material and tools for the remaining stages of FMU community consultation, and Cr Michael Deaker be back-up if required. Adopts the approach to consulting with key stakeholders on topics to develop region-wide provisions. 	SP22-129	Cr Malcolm / Cr Noone
Overview of Approach for Future LWRP Consultation Stages	<ol style="list-style-type: none"> Make appointments, including covering the interregnum period, for each topic (acting 		

	<p>as sponsors and attending key stakeholder discussions) for the duration of this region-wide consultation phase (with a likely mid-November 2022 conclusion), as follows:</p> <ol style="list-style-type: none"> 1) Environmental flows/levels: Kate Wilson and Gretchen Robertson 2) Taking and use of water: Gretchen Robertson and Kate Wilson 3) Damming and diversion: Hilary Calvert and Kevin Malcolm 4) Agricultural discharges: Kevin Malcolm and Bryan Scott 5) Activities on the beds or margins of lakes, wetlands or rivers: Michael Laws and Alexa Forbes 6) Other discharges: Bryan Scott and Carmen Hope 7) Landfills and cemeteries: Michael Deaker and Garry Kelliher 8) Stormwater & wastewater discharges: Bryan Scott and Carmen Hope 9) Land use: Garry Kelliher and Alexa Forbes <p>(Andrew Noone – floating 'back-up')</p>		
LWRP Timelines	<ol style="list-style-type: none"> 1. Notes this report. 2. Confirms the current timeline for developing the proposed Land and Water Regional Plan for Otago, to achieve public notification by 31 December 2023. 	SP22-131	Cr Wilson / Cr Hope

9.2. Recommendations of the Regulatory Committee**Resolution**

That the Council adopts the resolutions of the 15 September 2022 Regulatory Committee.

Report	Resolution	Res#	Mover/ Seconder
Review of Consent Fee Support Policy	<ol style="list-style-type: none"> 1. Notes this report. 2. Adopts the recommended changes to the Resource Consent Fees Support Policy being: <ol style="list-style-type: none"> a. An amendment that allows individuals to access the fund provided they meet all other criteria and there is no commercial advantage obtained from the project. b. An amendment to enable projects to claim for ongoing compliance costs provided the consent maintains a fully compliant audit grade. 3. Notes that the adopted Policy changes will be referred to full Council for final approval. 4. Requests that staff undertake a further assessment of the fund and report back to Council at the end of the 2022/2023 year. 	REG22-105	Cr Scott / Cr Malcolm
Regulatory Group - Quarterly Activity Report	<ol style="list-style-type: none"> 1. Notes the Quarterly Update Report from the Regulatory Group. 2. Recommends adoption of the proposed changes to the RMA Compliance and Enforcement Policy included as Attachment 2. 3. Notes that the RMA Compliance and Enforcement Policy will be referred to full Council for formal adoption. 	REG22-106	Cr Wilson / Cr Calvert
Intensive Winter Grazing Update	<ol style="list-style-type: none"> 1. Notes this report on Intensive Winter Grazing. 	REG22-107	Cr Noone / Cr Calvert

9.3. Recommendations of the Governance, Communications and Engagement Committee Resolution

That the Council adopt the resolutions of the 15 September 2022 Governance, Communications, and Engagement Committee.

Report	Resolution	Res#	Mover/ Seconder
Community Survey 2022 – Methodology for Reporting Results	<ol style="list-style-type: none"> 1. Notes this report. 2. Adopts the following methodology for the reporting of the ORC 2022 Community Survey results: 1 - 3 Negative / 4 - 6 Neutral / 7 - 10 Positive. 3. Notes that the results of the 2022 survey will be reported to Council in December 2022. 4. Notes that should a change be made to the reporting methodology, the 2021 results will be recast to ensure consistent analysis of results for the purpose of benchmarking. 	GCE22-108	Cr Robertson / Cr Calvert
ORC – Approach to Engagement	<ol style="list-style-type: none"> 1. Notes this report. 2. Asks the Chief Executive to develop a draft community engagement framework and implementation plan (or similar) which develops an ORC approach to engagement for council consideration by 9 December 2022 and provided a funding mechanism in time for consultation in 23/24 Annual Plan. 3. Notes that a framework and implementation plan would be a mechanism for ORC to organise itself internally, and resource our engagement appropriately, and develop a way to measure and evaluate our approach as an organisation. 4. Notes operational engagement tools such as the establishment of liaison 	GCE22-109	Cr Calvert / Cr Wilson

	<p>groups would then be considered within the agreed strategic approach and council's implementation plan.</p> <p>5. Requests a workshop with Councillors on the draft community engagement framework shall be set by the CEO before December 2022.</p>		
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10.1. Chairperson's Report

Prepared for: Council
Activity: Governance Report
Endorsed by: Cr Andrew Noone, Chairperson
Date: 28 September 2022

CHAIR'S REPORT – END OF TRIENNIEUM**MEETINGS ATTENDED**

Organisation/Person	Purpose
Federated Farmers	General discussion on progress of Regional Policy Statement, land/water plan & winter grazing consents
Otago Daily Times	Meeting with ODT Chief Executive and Chief Editor
Island Park Golf Club	To discuss stormwater flooding
Orokonui Ecosanctuary	To discuss future educational opportunities
Jeff Wilson <i>Roxburgh</i>	To discuss small hydro generation schemes
WAI Wanaka	To catch up on their work programme & discuss future workspace requirements
Wanaka Catchment Group <i>(members include 15 out of 17 large farm properties around Lake Wanaka, plus a vineyard)</i>	To discuss upcoming projects, mainly fencing waterways and riparian planting
Farewell for Janice Coldicott	PA for the Chair/CEO who gave 25 years of service
Induction session for new staff	Talked about our role as governance vs. staff (operational) role

REFLECTIONS ON 2019-2022**Mana to Mana**

- Partnership began with a hui at the Ōtākou Marae in October 2019
 - Two Iwi representatives were appointed to the Strategy and Planning Committee
 - Partnership funding for Aukaha and Te Ao Marama was embedded in the Long-term Plan 2021-31
 - A partnership approach was agreed for both the Regional Policy Statement and Land Water Regional Plan
 - Discussions were held on the direction for Te Mana o Te Wai
 - Development of He Mahi Rau Rika (the work of a hundred hands), which is a new policy for engagement
 - All Councillors are now members of Mana to Mana, and also the Southland Runaka
-

- Refreshed Terms of Reference were signed
- Quarterly meetings were held during the triennium, including a meeting at Puketeraki Marae
- Commitment to bicultural competency learning has been made for Councillors as part of the new triennium

Mayoral Forum

The Mayoral Forum is about relationships, firstly through contact with each other and secondly as a group with contact with Ministers, local MPs, Iwi, Government department leaders and others who are connected to our areas of interest.

The Mayoral Forum is supported by the Otago Chief Executives Forum, where the Chief Executives identify and escalate strategic issues and opportunities for collaboration, and report back on actions and work programmes.

At the last meeting of the triennium, the Forum took the opportunity to look back on what we achieved as a collective; equally we spent time looking forward. This process was facilitated by Megan Courtney of Inspiring Communities. Leading up to the Forum, Megan circulated a survey for members to complete, which provided focus on the day and ensured major issues and opportunities were highlighted.

Looking forward, areas of common interest included:

- Speaking as one on an Otago/Southland basis
- Resource Management Act reforms
- Climate change
- Worker shortages
- The future for local government
- Continuing to work together to identify regional solutions for waste

South Island Regional Sector Governance Group (SIRSGG)

Co-ordinated by Environment Canterbury, the SIRSGG has been meeting every 4-6 months for the last two years. Members are Environment Canterbury, Environment Southland, West Coast Regional Council and Otago Regional Council.

The group has been a useful forum to share and discuss issues and opportunities covering the South Island Takiwa (Ngai Tahu tribal area). I see real value in this group being able to speak with one voice as there are topics that set us apart from the Regional Sector (national body), such as the Takiwa perspective, when engaging with the wider Regional Sector.

Regional Sector Group (RSG)

During the triennium, the RSG received regular updates on Government reforms and the work LGNZ were doing to inform Ministers about RSG concerns, particularly that the sector was being asked to do more without additional resource support. Other topics pursued were the proposal from the sector to Central Government for co-investment in flood protection schemes, working with Iwi, and transport, with a focus on decarbonisation.

Otago Civil Defence Emergency Management (CDEM) - Joint Committee

The COVID-19 lock down and red traffic light settings took CDEM, and New Zealand, into a whole new space as the pandemic took hold in March 2020. As we move towards the new normal, being nimble with the ability to adapt, and building resilience into our everyday

systems, have been key learnings. Working with communities across the region to help strengthen resilience is currently a focus for CDEM. Outside of COVID-19, there were a number of activations across the region where CDEM have responded, mainly due to weather events.

Public Transport

The Otago Regional Council have a role and responsibility to provide public transport planning and delivery, as well as regional land transport planning. We are at a critical juncture post COVID-19 restrictions, with a driver shortage meaning a reduced timetable has been introduced for both the Queenstown and Dunedin services. Despite the reduced service, reliability is still an issue, particularly in Queenstown.

I believe everyone is looking for the same outcomes from public transport, with the goal of providing an affordable, accessible, convenient, reliable, and sustainable service. Both Mayor Boulton, from Queenstown Lakes District Council, and Mayor Hawkins, from Dunedin City Council, have made it clear they want greater integration of public transport. There are business case processes underway for both Dunedin and Queenstown to complement mode shift aspirations and improve transportation planning.

REGIONAL TOUR AND ANNUAL LGNZ CONFERENCE

Cr Alexa Forbes attended the Local Government July 2022 – Regional Tour and Annual LGNZ Conference as an ORC representative. A copy of Cr Forbes informative report 'A week with Local Government – July 2022' is attached (Attachment 1).

RECOMMENDATIONS TO THE INCOMING COUNCIL

- That a joint vision be developed between Otago Regional Council, Queenstown Lakes District Council and Dunedin City Council to define the direction of future public transport services, and that consideration be given to a co-governance structure, such as a Public Transport Committee, to set strategic and operational direction and monitor how it is implemented.
- That consideration be given to Otago Regional Council becoming a living wage council.
- That urgent priority be given to the development of a policy framework for river and gravel management. This includes consent applications for global consents and the Environmental Management Plan. Climate change is causing significant risk in these environments.
- That briefings are held on Resource Management Act purpose and principles.
- That a workshop be held on what good meeting processes look like, and for these to be implemented.
- That consideration be given to a new committee structure, to provide better alignment with work activities. Proposed structure:
 - Regional Leadership: governance and engagement, regional planning, regulatory
 - Environment: land and water, biodiversity and biosecurity, air
 - Safety and Resilience: climate change and hazards, flood protection, drainage and river management, emergency management
 - Transport: regional land transport and public transport

CORRESPONDENCE

- Progress on controlling Wilding Conifers: letter from ORC Chair to Otago Mayors
- Public Transport: letter from ORC Chair to Hon Michael Wood - Minister of Transport and Minister of Immigration
- Bus Accident: letter in response from ORC Chair to Christine Garey

RECOMMENDATION

That the Council:

- 1) **Notes this report.**

ATTACHMENTS

1. A week with Local Government (Cr Forbes) [**10.1.1** - 8 pages]
2. Letter to Christine Garey - Bus Accident [**10.1.2** - 5 pages]
3. Letter to MP Michael Wood - Public Transport [**10.1.3** - 1 page]
4. Letter to Otago Mayors - Progress on Controlling Wilding Conifers [**10.1.4** - 1 page]

A week with Local Government – July 2022

Alexa Forbes, ORC representative

The regional tour and the annual LGNZ conference - what was learned.

Lake Taupō project



I learned that you can work together with government, iwi and a committed community to protect a great lake and change the landuse around it to do so – even with the knowledge that it will be decades before real improvement is demonstrated. I talked to several involved parties to develop the following case study which might be useful to us at ORC at some point. The Waikato Regional Council worked with several partners to understand degradation to Lake Taupō and the steps taken to cap-and-trade nitrogen. This has resulted in the disappearance of almost all dairy farming around the lake, new land uses and the knowledge that with a 60 year journey for water from land to lake, the issues will get worse before they get better. This project has included a precedent setting transfer of environmental monitoring to Tūwharetoa Māori Trust Board.

Protecting Lake Taupō - case study

Ngā mihi mahana to Waikato Regional Councillor and Crown Appointee to the Waikato River Authority, Stu Kneebone, for an indepth and inspiring chat about the project. Ngā mihi anō to Horizons regional councillor Wiremu Te Awe Awe for sharing his long and considered perspective.

Eutrophication (when water degrades through a build up of nutrients) of Lake Taupō was identified in the 1950's and 60's. By the 1990s the science was compelling, but it was hard to convince the public that something was wrong when the lake looked so good.

However, Waikato Regional Council and several partners including government, local government, iwi and a local trust, worked together to understand and address the degradation of Lake Taupō. To maintain water quality, it was agreed the manageable load of nitrogen had to be reduced by 20 percent and both urban and rural sources had to be addressed. This of course led to years of debate and Environment Court challenge, but the end result was the introduction of a nitrogen 'cap and trade' scheme. As a result, stock numbers have been heavily reduced (almost all cow dairy farming around the lake has gone), new land uses have emerged including sheep dairy, eco beef farming, and geothermal powered greenhouses, and promising signs in water quality cautiously noted. Near shore effects of urban discharges are also managed. All involved know that a 60 year water age means some issues are locked in for that time so lake quality may get worse before improving. A full restoration plan is sadly, too big a stretch. Setting up the [project](#) in the late 1990s, there were two defined objectives:

1. New policies for land use and sewage treatment,

2. Remove 170 tonnes of nitrogen in the catchment by 2018.

Part of achieving these goals has been a precedent setting transfer of environmental monitoring to Tūwharetoa Māori Trust Board. Farming is now by consent. This was inconceivable 2 decades ago. The timeline of this project bringing together all the necessary parties, is a [fascinating read](#).

Managing diffuse pollutions is a huge challenge anywhere in the world, but this collaborative has succeeded in using markets and landuse controls to come up with a mechanism to successfully reduce the nitrogen load. It's taken 15 years to get where it is today – around 70 years since problems with the lake were first identified. It's also taken more than \$80m of public money – and this is only the end of the beginning of the story. There will be decades of work, collaboration and monitoring – all expensive and requiring ongoing public and private commitment. Well worth watching the video telling the story [here](#).

Kei te ora te wai

kei te ora te whenua

kei te ora ngā tangata

Rangipo Power station visit



A discussion on how possible it would be to build such a power station in today's legislative and social environment was informing. The biggest hurdle according to these people would more likely be the mixing of different waters than the tunneling or dam building – this sounds ominous for the Lake Onslow project.

Tuaropaki Trust visit



The Tuaropaki Trust was established when 297 families amalgamated their land in the 1950s to drive sustainable prosperity for their whānau. An inspiring story and again we see collaboration driving real solutions to wicked problems.

<https://tuaropaki.com/our-story/>.



The Trust and Mercury Energy harness geothermal power for green houses, the Miraka milk factory and a hydrogen plant. We visited the plant and also the Ngaire George Sustainability Centre - built around the philosophy of minimising business impact on te taiao. The hydrogen plant is technologically amazing, and scalable, basically fits in a container, but I was more excited by the vast windrow worm farms that turn waste from the dairy and veggie growing operations into compost.

Maui Milk



A visit to the sheep dairy producers, Maui Milk Waikino Station demonstrated a lighter footprint for a dairy company. This station on the Western shores of Lake Taupō is also home base for a sheep genetics programme. Maui milk produces milk within the rules and is committed to protecting Lake Taupō water quality. <https://www.maui-milk.co.nz/our-story/>

Snow Country Gardens



Checking out the brussel sprouts at Snow Country Gardens.

Bruce Rollinson of Snow Country Gardens in Ohakune talked to us about the issues of being a family business farmer - all costs up front in the spring without a real understanding of what the later payouts might be. Difficult business model made harder by increasing regulations.

LGNZ conference in Palmerston North, Te Papaioea. We were greeted with a protest, but there was plenty to be learned:



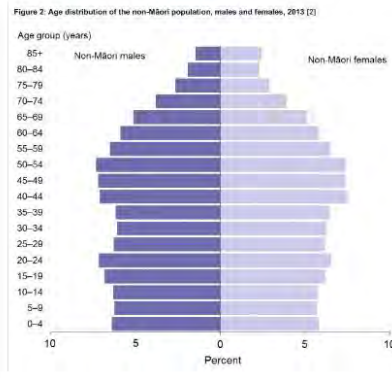
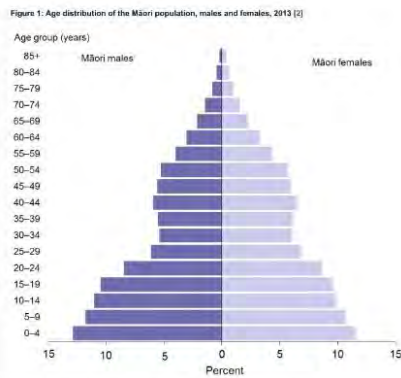
The future envisaged by Local Government NZ centres around Iwi collaboration, and empowering young elected members. That resilience is everything, communities need to be engaged, because things are getting harder, not easier. That Māori are taking their place in local government.

Keynote Speaker Melissa Clark-Renolds



We can't predict the future, whatever we predict will be wrong. Imagine trying to imagine in 1960 how we live today. We would have had no reference points to think about sitting in our living room as we attended meetings with people dispersed across the globe...enabled by a piece of glass and a whole lot of magic called the internet.

2 different Populations



The above graph shows New Zealand's rapidly shifting demographic. This was reflected in the themes of the conference.

Mokopuna decisionmaking and reimagining Local Government

A key theme at the conference was the importance of Mokopuna decisionmaking. This is how the Young Elected Members (YEM) group describe and humanise the shift from short term thinking to long term. It's about making decisions first and foremost for the benefit of future generations. Environment Canterbury Cr Lan Pham said moving the focus from suppressing rates and maximising returns to making decisions that will benefit the coming generations is where it starts. The YEM urged us to change by design, not by disaster.

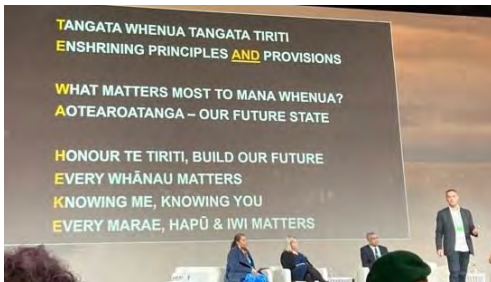
A presentation from [Adam Lent of New Local](#) said solutions to big problems are to be found in the community, not inside the council institution and that a cultural shift is needed to get councils outside to collaborate with and empower communities. This, he said, leads to better decisions and enhanced legitimacy of councils. In turn that creates healthier, engaged and empowered communities.

[Waitaki Deputy Mayor Melanie Tavendale](#) told us that a large percentage of Oamaru residents are Pasifika - a surprise to most in the room. She was concerned about central government's top down approach and echoed Adam Lent's comments saying that councils were well aware of their own problems and didn't need central government to tell them what they were.

Looking towards reform, there were discussions about Māori and Pasifika businesses being locked out of the supply chain discussions - they just don't make the lists of preferred suppliers - why not?, about co-governance, what is it, how will it work? Far North District Councillor Moko Tepania (Te Rarawa and Ngāti Kahu ki Whangaroa) posed succinct questions to think about - start with self, how do you see partnership? how do you act as a partner? What do you know about the land you are on?

Local Government Minister Nanaia Mahuta told us she's hearing messages of 'too much, too fast' but is unapologetic saying a perfect storm of issues means we need to move fast and decisively. She was referring to the vast array of reforms this government is bringing. She talked about changing up decisionmaking and bringing much more diversity and collaboration to the table.

She too talked of 'mokopuna decisionmaking' and the need to be good ancestors. She noted the 'gentle tikanga' of the local iwi Rangitane and championed it. Speakers during this segment talked about 'more inclusive narratives', 'strength based alliances', the need for communities to see well functioning local government with high quality, well supported governors. There were conversations about putting Te Ao Māori at the centre, embedded in all work - probably not a bad idea given the demographic shifts coming up - and ensuring Te Tiriti obligations are strictly adhered to. LG needs new ways of funding, it needs to stay local but to find collaborative advantage, and to recognise that NZ has culturally unique citizens. There needs to be a rethink of systems and design to take on the massive challenges we face..



I listened to the speakers (pictured here is Meihana Durie) - they delivered inspiring messages, but I worried about the reality of the trendlines that are taking us in the other direction - away from collaborative, diverse conversations and towards a divergent, polarised and increasingly inequitable future. I know a 'strength based

approach' underpins this work, but reversing this trend is more likely to need strict plans and frameworks - guess I'll need to cross my fingers until the reform report document comes out.

We are called to be architects of the future, not its victims. - Buckminster Fuller

With fellow RTC member Alan Baird - ready for an e-scooter tour



Micro mobility - in our case, e-scooters. Despite the weather, we managed an exploration of the local tracks and trails on an excellent [Beam Scooter](#). Cr Alan Baird from Environment Southland who works with me on our combined Regional Transport committee was also up for the ride. Scooters were fun, the trails were fabulous, but cycle paths were generally lanes painted on roads which is mostly ok, until you come to roundabouts and speedy intersections, then not so good. We most certainly need to invest in mobility infrastructure - nationwide - if we are to make scootering, biking and walking safe for most ages. Otherwise, scooting about is a quick and efficient way to quickly move relatively short distances.

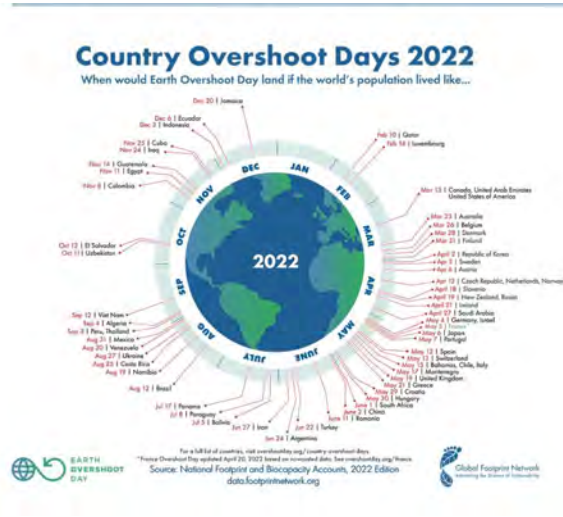


Environmental well being - another conference theme:

Environment minister David Parker gave a fulsome overview of where he's getting to with RMA reform. He assured us he was closely following the [Randerson Report](#) and reminded us that a copy of that report was sent to every single councillor in NZ, so it should be well understood where we are going. Three acts will replace the RMA. The exposure draft of the [Natural and](#)

[Built Environments Act](#) is out and there's more info about the Spatial Planning Act and the draft Climate Adaption Act [here](#).

A panel discussion included Cr Rachel Keedwell, Chair Horizons Regional Council and focused on the fact that we in New Zealand are living far beyond the capacity of Earth to support us and Local Government doesn't have the agility to respond - maybe the community doesn't either. Rachel reminded us that Earth Overshoot day (the day we exhausted our annual ecological budget) was upon us - we actually reached it on



April 19 along with Russia, according to [this report](#).

We were reminded that climate action needs to be just - and often innovative tech solutions are not. This in response to the Chief Executive of Toyota NZ telling us that policy makers need to listen to business because without business, nothing will happen. We were also reminded that if we were to take the actions we needed to take, we would be voted out. Quite the conundrum. The not-very-good answer was to focus on legacy rather than re-election. In an attempt to do this, Horizons has set up a Climate Action Joint Committee designed to take climate change seriously - but they're finding that it's very difficult to get on the ground action.

So an inspiring and depressing event. But as our last keynote speaker told us, resilience is everything and humans are a highly resilient species if they consider [3 specific things](#). Suffice to say there was plenty of food for thought and a reminder that lots of change is coming at us - demographic change, climate change, tech change, reforms and others. Strap in and keep up with the most open mind you can muster as we build towards a hopefully better future in true partnership with iwi was my takeaway.



To finish on a cheery, resilient note, **a pimms with Pim** and Waikato Regional Councillor, Jennifer Nickel. Pim Borren is the Interim Chief Exec of ORC and it was a pleasure to attend conference with him.

If you'd like a more easily shareable version of this report:

<https://www.alexaforbes.blog/post/local-government-conference-2022-what-was-learned>



From the Office of the Chairperson

Our Ref: A1684700

29 August 2022

Christine Garey
BY EMAIL: Christine.garey@dcc.govt.nz

Dear Christine

Re: Bus Accident

This letter is a response to your email and attached complaint sent to myself as Chair, Cr Forbes and interim CE Pim Borren, about the Portobello Road, Macandrew Bay bus incident.

In terms of the "duty of care" question you raise, the following were the steps taken:

- 1) Immediately after the incident ORC was called by the operator (Ritchies).
- 2) Ritchies advised that one student was injured.
- 3) On the same day, staff called the Police and were advised of only one injury.
- 4) Staff contacted the affected mother on the day of the incident, offering their and Ritchies support.
- 5) The parent was again contacted one week later by the Manager Transport to check on the health of the young man.
- 6) The mother confirmed he was on the mend and recovering.
- 7) Support from ORC was again offered to the family.
- 8) Subsequently a second student was identified through third parties (conversations between you and I).
- 9) The Transport Manager attempted to contact the second parent via a provided phone number without success, (you provided the cell phone number and I passed it onto the Transport Manager).

The contracts ORC has with both Ritchies and Go Bus state there is a requirement to provide duty of care to their passengers.

Although ORC does not have a documented policy, the actions followed clearly demonstrate that they felt they had such a duty. There will be a documented set of procedures adopted to reflect steps taken above.

Kind regards,
Andrew

A handwritten signature in black ink that reads "Andrew Noone".

Andrew Noone
Chairperson
027 430 1727
Andrew.noone@orc.govt.nz

A handwritten signature in black ink that reads "Pim Borren".

Pim Borren
Interim CE

For our future

70 Stafford St, Private Bag 1954, Dunedin 9054 | ph (03) 474 0827 or 0800 474 082 | www.orc.govt.nz

Bus Accident

Context

This matter came to my attention personally from the mother of a second boy hurt in the bus accident. I will call her J (*name withheld until required – I am confident she will give permission for their names to be made available at an appropriate time*).

J is a busy, single parent with two children at home, including a son who is Year 11 at Bayfield High School. She is a very caring mother who is naturally concerned at what happened but neither she, nor her son have had a direct voice in this matter - they should have had.

While she had volunteered much of this information to me at the time of the accident, I had not written it down. After contacting the ORC in my personal capacity, around their duty of care to this family, I realised there was a mismatch in the information the ORC had and that I had.

ORC believed only one passenger had been hurt – that boy was taken to hospital. However, I am led to believe there were more, possibly up to half a dozen injured to varying degrees. The only one this young man knew the name of though, was 'Jack from Harwood.' I can only relate this family's story – it is up to ORC to address the matter of others who might have been injured. The duty care to passengers following an accident was not evident for this family at the time of the accident or since – they have been let down.

I subsequently sat down with J on the 5th August and asked her tell me again in detail, what she knew from her son's perspective of the accident and this time I took notes as follows. All of this information is from J who had it recounted to her by her son. She rechecked several details with him to ensure the account was accurate.

How the mother heard her son was injured

The first J knew of her son being in an accident was that afternoon after school when he arrived home around 4pm. Her phone had not been working that day (*I know this as she advised me from another phone earlier in the day*). School could not therefore get hold of her and for some reason they did not call the alternative emergency number. Her son spent the day in the sickbay at school, following the accident. The issue of school not exercising their duty of care is something J will raise with them. I include it here for completeness.

The aftermath

After recounting the accident to her after 4pm that day at home, her son became faint she said and 'ended up on the floor in a heap'. He had an 'egg on his head' just above his hairline, he felt sick, had a bad headache and also had a sore arm the next day.

She spoke to the local doctor shortly after 4pm and was told her son had concussion. The doctor told her to keep him at home the next day, a Friday and

let him rest and sleep. This meant she was unable to go to work which meant a loss of wages (she works casually so there is no sick leave or annual leave).

Her son recovered from his physical injuries but I understand he has been left feeling anxious about travelling on the bus and refuses to catch the bus to school following the accident - his mother now has to drive him to and from school. This has had an impact, as her work is on the Peninsula.

She had a call from the ORC several weeks after the accident and only after I phoned the Chair of ORC several times to ask that the matter be followed up. J was at work at the time she received the call, so her phone was on silent and she did not answer the call. By the time she saw the missed call, it was after 5pm and she didn't recognise the number. When she finally listened to the message, life had got busy with Covid complications in her family, and she did not phone back.

The call was from a Doug Rogers, from the ORC - he did leave a message but did not follow up further it seems. My expectation was that the ORC would phone her until they made contact with J. I expected them to try several times at least, maybe text. Andrew Noone had my number and ORC staff could have called me, if they could not reach her directly. I don't believe ORC tried hard enough - the onus was on them to call. She didn't hear from the bus company and was not rung as part of the investigation, despite her phone number being passed on to the Police.

To their credit the ORC/bus company did wrap care around the young man who was hurt most severely and hospitalised and his family. However, at the scene of the accident, no one seemed aware that others were injured - J understands that the other students were not checked out by the ambulance officers. The students, including this woman's son, were left by the Edgar Centre to walk to Bayfield.

The bus ride

On the day of the bus accident - her son caught the bus from Broad Bay about 7.55am, as he usually does to get to Bayfield High School. I am led to believe the bus did not stop to pick up passengers that morning in Macandrew Bay. This is relevant from a speed perspective.

The accident happened at the raised pedestrian platform (aka 'speed bump') nearest the city, around the bend from the village and just before the boat club. It is located in a well defined 40kmph zone, there were temporary 30 kmph signs in place in the area. I travel the route regularly and had done so on the day and recall the road cones and 30 kmph signs in place, as well as the tall and very visible 25 kmph signs at each speed bump.

J's son's account of what happened

When his mother asked him around 4pm on the day of the accident what happened - his first comment was 'the bus was speeding, Mum'. She said her son is very aware of speed and will often check she's driving under the speed

limit. So this is a young person conscious of speed limits and the speed vehicles are travelling at.

He also said:

'It hit the speed bump'

'It was really loud – there was a big bang when the bus hit it'

Then he couldn't remember what happened immediately after that.

His mother asked 'Did you get knocked out?' He replied 'I think so'.

The next thing he remembered was the police officer who was travelling on the bus, flashing his badge to identify himself and the boy remembers then seeing the boy who was badly hurt, lying in the stair well on *his* bag.

He also said 'the bus never slowed down to go over the speed bump'.

The students were eventually let off by the Edgar Centre to walk to school, 'not feeling very well'. He stayed in the sickbay for the rest of the day, his mother unaware of the accident or her son's injuries.

His mother saw the police officer who was a passenger on the bus, in the local community a few days after the accident and asked him what had happened to her son because she wanted to understand that. No one had phoned her from the bus company/ORC/school to explain what had happened. The police officer said her son would have 'hit the roof of the bus' and that would have been how he got his injuries.

(Please note that I have passed this information regarding the accident to DCC staff as I consider it an operational matter to be pursued between DCC/Police/ORC as to the cause and robustness of the Police investigation. I was concerned though, that a newspaper article was referenced - hardly a reliable source of information! And yet DCC technical staff, who are a reliable source of information, were not interviewed! However, I have included these notes for completeness).

My contact with ORC

I have had several conversations with Chairman Andrew Noone and Clr Alexa Forbes on this matter, including around the duty of care. As yet I have not had an adequate response around the duty of care, though I appreciate Clr Forbes following through on this as far as she was able.

Specifically I wish to know:

1. What are the ORC expectations around the bus company's duty of care to passengers?
2. What policy does the bus company have in place regarding care of the passengers following an accident?
3. What guidelines are there to ensure all those injured are assessed? *It occurs to me in this instance teenage boys are unlikely to make a fuss and some injuries such as concussion are not immediately obvious.)*
4. What guidelines are there for following up with injured or in case of young people, with their families?
5. What changes will be made to the policy as a result of this accident?

I look forward to the matter of the duty of care being addressed and responded to. If the only way to do this, is to register this as a complaint, then please consider this a complaint.

Christine Garey
10th August 2022
0274 478 876

***Disclaimer:** I have recorded this information as accurately as possible to give voice to J and her son's concerns but am quite prepared to stand corrected, on any matters of fact.*



From the Office of the Chairperson

Our Ref: A1691190

13 September 2022

MP Michael Wood
BY EMAIL: Michael.Wood@parliament.govt.nz

Dear Minister Wood

Re: Public Transport

I'm writing to you as both Minister of Transport and Minister Immigration.

Through our contracted Public Transport services, the Otago Regional Council are having ongoing challenges and difficulties with providing reliable services because of the lack of bus drivers. We accept this bus driver shortage is a nationwide problem and in fact the driver shortage issue goes well beyond our shores. We are currently operating a reduced timetable.

ORC is committed to significantly investing in Public Transport as flagged in our Long-Term Plan, we are wanting to improve services to meet our communities' needs particularly in relation to reliability and convenience. We have also committed to a decarbonised bus fleet, with the first electric bus being introduced from October 2023.

We appreciate your efforts and commitment to reforming PT, with the introduction of the new Sustainable Public Transport Framework.

We have received feedback from our PT contractors about the need to review the Waka Kotahi 'price adjustment index' considering the current rate of inflation.

Historically, the reliance on migrant workers has now caught up on us as many of those workers haven't returned to NZ. This is a major issue for the Queenstown Lakes District economy, and it not only relates to bus drivers.

Any additional incentives to address the bus driver shortage from an immigration perspective would be much appreciated.

Yours sincerely

A handwritten signature in black ink that reads "Andrew Noone".

Andrew Noone
Chairperson
027 430 1727
Andrew.noone@orc.govt.nz

For our future

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From the Office of the Chairperson

Our Ref: A1678500

15 August 2022

The Mayor for:
Clutha District Council
Central Otago District Council
Dunedin City Council
Queenstown Lakes District Council
Waitaki District Council

Dear Otago Mayors

Progress on controlling Wilding Conifers

The Otago Regional Council continues to support Wilding Conifer control works across Otago, particularly in Central Otago and the Queenstown Lakes District.

The Whakatipu and Central Otago Wilding Conifer Control Groups are community “not for profit” organisations doing great work, focused on protecting vast areas of Otago’s landscape from the spread of wilding conifers.

Wilding conifers have major implications on landscape values, water yield, native biodiversity and can increase fire risk.

With close to 6 million dollars of additional Jobs for Nature funding being allocated over the next 2 to 3 years, tens of thousands of hectares are being targeted by various control methods. For this project, the Otago Regional Council is the lead entity and has a funding agreement with Biosecurity New Zealand.

City and District Councils play a vital role through their policy plans to ensure wilding conifers don’t further invade our regional landscape. Giving greater effect to Otago Regional Council’s policies for control of wilding conifers will ensure an even more successful outcome in the future.

Kind regards

A handwritten signature in black ink that reads "Andrew Noone".

Cr Andrew Noone
Chairperson



10.2. Chief Executive's Report

Prepared for: Council
Activity: Governance Report
Endorsed by: Pim Borren, Interim Chief Executive
Date: 28 September 2022

- [1] The end of a triennium is always a good time for reflection. I will leave most of that opportunity for the Chair Andrew Noone, given my short time here as interim CE.
- [2] There is a lot of work needed over the next three years. ORC has an excellent staff culture and many talented staff. However, there are areas of our work programme where we simply haven't made sufficient progress. Most importantly we need to do a much better job of being customer facing. And our customers are our communities and the ratepayers who we are accountable to.
- [3] There have been too many distractions and we simply haven't focused sufficiently on our core business. This is as true for our provision of public transport as it is for clarity around the settings for improvement of our waterways. We have not been timely in our decision making or our progress in terms of collecting and collating the science. We have had some growing pains and we have not managed our budgets as well as I would expect.
- [4] Notwithstanding the above comments, there are also good news stories. We need to communicate those more effectively. Our improvements in environmental monitoring and data collecting (and ultimately sharing) have made huge strides forward. We are improving our compliance processes and slowly but surely, we are holding people to their consent conditions as you would expect.
- [5] There has been a significant improvement in the relationship and trust between management and governance. This is ongoing but it augers well for the new triennium. It is my role as an interim CE to help lay the foundations for the next three years and I am enjoying that challenge and appreciating the support I am receiving from both Council members and from the Executive team. My role is to act as a bridge between the two.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.

ATTACHMENTS

Nil

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\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>Minutes of the 24 August 2022 public excluded Council Meeting</i>	<p>Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons;</p> <p>Section 7(2)(b)(ii) To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities;</p> <p>Section 7(2)(i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	
<i>Minutes of the 29 August 2022 Extraordinary public excluded Council Meeting</i>	<p>Section 7(2)(g) To maintain legal professional privilege.</p>	
<i>Minutes of the 15 August 2022 Council Meeting</i>	<p>Section 7(2)(g) To maintain legal professional privilege.</p> <p>Section 7(2)(i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	
<i>3.1 Public Transport Solutions</i>	<p>7(2)(b)(ii) - To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section</p> <p>Section 7(2)(h) - To enable any local authority holding the information to carry out, without prejudice or</p>	<p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of</p>

	<p>disadvantage, commercial activities – Section 7(2)(i) - To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p><i>3.2 Process for Appointing a Permanent Chief Executive</i></p>	<p>Section 7(2)(h) - To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. Section 7(2)(i) - To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are shown above