

## **Council Meeting Wednesday 26 March 2014**

Attached is the agenda for the Council meeting to be held in the Council Chamber, Regional House, 70 Stafford Street, Dunedin on Wednesday 26 March commencing at 1.30 pm.

Meeting agendas and the schedule of Council and Committee meetings to December 2014 are available on the Otago Regional Council website 48 hours before meetings; go to [www.orc.govt.nz/Meetings and Events/Council meetings and Agendas](http://www.orc.govt.nz/Meetings and Events/Council meetings and Agendas).

## OTAGO REGIONAL COUNCIL

**Agenda for a meeting of the Council to be held in the  
Council Chamber, 70 Stafford Street, Dunedin on  
Wednesday 26 March 2014 commencing at 1.30 pm**

**Membership:**

- Cr Stephen Woodhead (Chairperson)
- Cr Gretchen Robertson (Deputy Chairperson)
- Cr Graeme Bell
- Cr Doug Brown
- Cr Louise Croot MNZM
- Cr Michael Deaker
- Cr Gerrard Eckhoff
- Cr Gary Kelliher
- Cr Trevor Kempton
- Cr Sam Neill
- Cr Bryan Scott
- Cr David Shepherd

**Apologies:**

**Leave of Absence:** Cr Kempton - request for leave of absence from  
5 September to 5 October 2014.

**In attendance:**

**Please note that there is an embargo on agenda items until 8.30 am on Monday 24  
March.**

### CONFIRMATION OF AGENDA

### PUBLIC FORUM

Mr Alex Merrilees – Taieri drainage and flood protection targeted rates.

### MINUTES

The minutes of the public portion of the meeting held on 12 February 2014,  
having been circulated, for adoption.

**Page Nos.**

6 - 16

**Matters arising from minutes**
**PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE**

- Item 1 17 - 18  
2014/0737 **Chairperson's Report.** Chair, 20/3/14

Providing an overview of the Chairperson's activities for the period to 20 March 2014.

- Item 2 19 - 20  
2014/0731 **Chief Executive's Report.** CE, 18/3/14

Providing an overview of the Chief Executive's activities for the period to 18 March 2014.

**PART B – RECOMMENDATIONS**

- Item 3 21 - 25  
2014/0734 **Plan Change 6A (Water Quality).** DPPRM, 19/3/14

Proposed Plan Change 6A to the Regional Plan: Water for Otago may now be approved as all appeals have been resolved. Council's seal needs to be affixed and a date set for making the plan change operative. A full copy of Plan Change 6A is circulated with the agenda.

- Item 4 26 - 29  
2014/0735 **Audit and Risk Subcommittee.** CE, 20/3/14

The report requests Council approval for the establishment of an Audit and Risk Subcommittee, and presents the Terms of Reference for adoption.

- Item 5 30 - 31  
2014/0733 **Delegations under the Resource Management Act 1991.**  
DPPRM, 19/3/14

The report recommends altering delegations relating to consent processing provisions under the Resource Management Act.

**PART C – ITEMS FOR NOTING**
**Page Nos.**

Item 6 2014/0736 <b>Otago Marine Protection Planning Forum.</b> DPPRM, 20/3/14  Advising of the decision by the Minister of Conservation on the membership of the Otago Marine Planning Forum.	32 - 33
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## EXCLUSION OF PUBLIC

That the public be excluded from the following part of the proceedings of the meeting.

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

	General subjects to be considered	Reason under LGOIMA for passing this resolution	Grounds under S.48 for the passing of this resolution
Item 15	Minutes of the non public portion of the Council meeting held on 12 February 2014, for adoption	To protect the privacy of natural persons. (S7(2)(a)), and To enable the Council to carry out commercial activities without prejudice or disadvantage. (S7(2)(h))	S.48(1)(a)(i)
Item 16	Minutes of the non public portion of the Finance and Corporate Committee meeting held on 13 March 2014, for adoption	To enable any local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations. (S7(2)(i))	S.48(1)(a)(i)
Item 17	Contractual Issues	To enable the Council to carry out commercial activities without prejudice or disadvantage. (S7(2)(h))	S.48(1)(a)(i)

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 as shown above with respect to each item.

## OTAGO REGIONAL COUNCIL

### Minutes of a meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 12 February 2014 commencing at 1.30 pm

**Present:**

- Cr Stephen Woodhead (Chairperson)
- Cr Gretchen Robertson (Deputy Chairperson)
- Cr Graeme Bell
- Cr Doug Brown
- Cr Louise Croot MNZM
- Cr Michael Deaker
- Cr Gerrard Eckhoff
- Cr Gary Kelliher
- Cr Trevor Kempton
- Cr Sam Neill
- Cr Bryan Scott
- Cr David Shepherd

**In attendance:**

- Peter Bodeker
- Wayne Scott
- Jeff Donaldson
- Fraser McRae
- Gavin Palmer
- Janet Favel

Cr Woodhead noted that the Radio New Zealand reporter was present and was recording the meeting.

#### CONFIRMATION OF AGENDA

Cr Woodhead advised that Items 3 and 3a would be taken together. There were no other changes to the agenda.

#### MINUTES

The minutes of the public portion of the meeting held on 11 December 2013, having been circulated, were adopted on the motion of Crs Robertson and Kelliher.

## Matters arising from minutes

Attention was drawn to the item on page 7 of the minutes relating to terms of reference for the Audit and Risk Committee. The Chief Executive advised that work on the proposed terms of reference would be presented to a future meeting of the Council. There were no other matters arising from the minutes.

## PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

### Item 1

2014/0643 **Chairperson's Report.** Chair, 5/2/14

The report provided an overview of the Chairperson's activities for the period to 5 February 2014. The Chair noted the following points:

- Transport Summit 13/14 March – Cr Woodhead was unable to attend. Cr Kempton as Chair of the Regional Transport Committee would attend in his place, and would also attend the LGNZ National Council meeting on 13 March.
- Cabinet reshuffle – new Minister of Local Government Hon Paula Bennett, new Associate Minister Pesata Sam Lotu-Liga.
- Zones 5 and 6 meeting Invercargill 28 March – Councillors were welcome to attend.

Cr Woodhead advised that he had attended a Port Liaison Group Meeting on 29 January, and noted the upcoming visit on 8 April to observe Port operations. He advised from the Liaison Group meeting that milk and log exports were up, and meat exports were expected to increase; the log yard in Dunedin had been sealed because of ongoing dust issues; and delivery of the new tug was expected on target in the middle of the year.

### Item 2

2014/0631 **Chief Executive's Report.** CE, 31/1/14

The report provided an overview of the Chief Executive's activities for the period to 31 January 2014. Mr Bodeker noted the following points:

- The new organisational structure was now in place and was progressing well. He was pleased to see benefits from the changes that had been made, and to see staff groups working well together. There had been some reorganisation of office accommodation to reflect the new structure.
- Applications for the new position Director Stakeholder Engagement closed on 9 February, and Mr Bodeker was to meet with Mr Graeme Ewing, employment consultant, to review the applications.

- LGNZ Regional CEO activities – Mr Bodeker was a member of two groups:
  - reviewing special interest groups by looking at their status in the eyes of government agencies to ensure they were not too parochial, and how they reported back to the RCEOs’ group;
  - reviewing the provision of environmental data to MfE and whether existing monitoring might be able to fill the gaps left when NIWA and DoC withdrew from some monitoring activities.

Cr Woodhead moved  
Cr Bell seconded

*That the Chairperson’s and Chief Executive’s reports be noted.*

**Motion carried**

**PART B – NOTICE OF MOTION**

**Item 3 Notice of Motion**

Cr Eckhoff submitted a motion “That the Otago Regional Council endorse (in principle) the exploration for oil and gas off the Otago coast”.

Cr Eckhoff moved  
Cr Neill seconded

*That the Otago Regional Council endorse (in principle) the exploration for oil and gas off the Otago coast.*

Cr Eckhoff explained that the purpose of the notice of motion was to give Councillors the opportunity to state their views in public on exploration for oil and gas off the Otago coast. He noted the statement in the legal opinion that by taking a position on this matter, Council or its Councillors might be precluded from being able to take part in future considerations on this matter. Cr Eckhoff considered that the RMA could be used as a flag of convenience to prevent debate on some issues. He had watched issues like Project Hayes and Project Aqua being lost, and considered that it was important that these issues be discussed by Councillors. Cr Eckhoff was disappointed that the discussion had moved from exploration for oil and gas to discussion over whether it could be debated. He quoted the ORC’s Mission Statement “Promoting the sustainable development and enhancement of Otago’s resources”, and queried how that could be achieved if there was no debate. He also noted Goal 4 “Otago’s position on matters significant to our region are understood and appreciated”, and again asked how this could be achieved if matters were not debated. The Council’s objectives were to use resources in a sustainable way, and he considered sharing of knowledge was important. His proposal was about



sharing of knowledge in relation to any strike that was significant for the region.

Cr Eckhoff advised that he had taken advice from two former national politicians and a senior LGNZ politician, and all had expressed surprise at the level of opposition to bringing this notice of motion forward. He considered that the legal opinion from Council's retainer should not stand, and that the matter should be considered by an independent QC. Cr Eckhoff was concerned at the comment in the Chief Executive's report that "as ORC may be required to consider aspects of oil and gas production under a future RMA consideration, taking a position one way or the other may preclude the Council or its Councillors from being able to take part in future considerations on this matter." Cr Eckhoff did not agree that matters of commercial development should not be discussed, and asked what the different was between this case and discussing irrigation schemes. He did not believe that an issue which was not in front of this Council in terms of a resource consent, and not likely to be for 3-5 years, should not be discussed, which he considered was overly cautious.

Cr Robertson stated that she would vote against the motion. She considered that arriving at a position on this issue was unlawful, and agreed with the opinion prepared by the Council's solicitor.

Cr Deaker thanked Crs Eckhoff and Neill for putting this motion forward and respected Cr Eckhoff's motivation for his action. He noted that the ORC was bound by statute, and it was not the Council's role to be involved in abstract debate on major issues. He was personally pleased about the possibility of finding gas off the Otago coast, but did not consider that Council should ignore advice from its solicitor.

Cr Shepherd noted the advice from the Council's solicitor that endorsing this notice of motion would be unlawful.

Cr Scott thanked Crs Eckhoff and Neill for raising the matter, but commented that the discussion was about the Council view, not about individual views. He agreed with the legal view that it would be unlawful for Council to support the notice of motion,

Cr Brown was pleased that this motion had been brought to the Council and agreed with a lot of what Cr Eckhoff had said. He personally supported exploration for oil and gas off the Otago coast, but noted the legal advice received, and considered it would be foolhardy for Council to support the motion given its regulatory responsibilities.

Cr Kempton agreed with much of the preceding comment, and commented that Council's lawyer was in tune with the RMA.

Cr Bell stated that he personally supported oil and gas exploration providing it was carried out with best practice. He appreciated the legal opinion and the views of other Councillors.

Cr Croot agreed with what had been said and noted the Council's regulatory responsibilities. She emphasised that the Council had to take a long term view, and the legal opinion was important.

Cr Neill stated that he had seconded the motion because he believed if it lapsed for want of a seconder, the Council's constituents would be confused. He considered that the debate had not clarified the situation. At election time he had spoken in favour of oil and gas exploration, and would vote in favour of the motion. Cr Neill commented that another lawyer had told him that it would not be hard to provide an opposing opinion.

Cr Kelliher agreed with the forgoing discussion and stated that on the basis of the legal opinion he would not support the motion.

Cr Eckhoff in giving his right of reply expressed his strong disappointment at the level of debate. He thanked Cr Deaker for stating clearly the reasons for his decision, and Cr Neill for his support. Cr Eckhoff commented that legal opinion was just that, and he could have brought another opinion to the contrary. He considered that ratepayers would feel they had been disenfranchised. He believed that exploration was important, and compared the issue under discussion with Council's support of exploration by Glass Earth Ltd. Cr Eckhoff stated that he would pursue the issue with central government and take it to judicial review.

The motion was then put by division:

For: Crs Eckhoff, Neill  
 Against: Crs Bell, Brown, Croot, Kelliher, Kempton, Robertson, Scott, Shepherd, Woodhead  
 Abstained: Cr Deaker

**The motion was lost**

Item 3a

2014/0633 **Matters pertaining to supporting commercial activity and its implication with ORC's regulatory responsibility.** CE, 31/1/14

The report noted that a notice of motion had been received to consider oil and gas exploration, and considered the implications for ORC support for commercial activity. Legal opinion received stated that ORC taking a position on the matter would not be lawful under the Local Government Act Purpose Statement, and taking a position one way or the other could preclude the Council or its Councillors from being able to take part in future considerations of the matter.

Cr Woodhead moved  
Cr Croot seconded

*That the report be noted.*

**Motion carried**

## **PART C – RECOMMENDATIONS**

Item 4

2014/0636 **Submission on the Local Government Act 2002 Amendment Bill (No. 3)**  
DCS, 4/2/14

The report explained that the Local Government Act 2002 Amendment Bill (No 3) was intended to implement the Government's second phase of legislative reform to improve the operation, efficiency and effectiveness of local government. The report sought approval of the Otago Regional Council's submission on the Bill. Mr Scott noted that the issues raised at the Finance and Corporate Committee meeting had been incorporated into the draft submission, and the summary and draft submission were now provided.

Clause 11 of the Bill - Mr Scott explained that requiring a review of delivery of services at the beginning of a triennium, with all councils carrying out their reviews at the same time, was considered inappropriate. It was suggested that it would be more useful to carry out the review as part of LTP preparation.

Clause 29 of the Bill - requirement to produce a separate Long Term Plan consultation document, thereby eliminating the requirement for a summary document. A question was raised as to what this clause was intended to fix. Mr Scott explained that there were currently two documents, one full and one summary, and the proposed document was halfway between the two. The draft submission queried the relevance of the proposed document.

Thanks were extended to staff for their preparation of the submission.

Cr Deaker moved  
Cr Neill seconded

1. *That the report be noted.*
2. *That the submission on the Local Government Act 2002 Amendment Bill (No 3) as attached to Report 2014/0636 be approved.*

**Motion carried**

## Item 5

2014/0594 **Appointments to Committees.** DCS, 16/1/14

The report advised that representation from Otago district councils on the Otago Regional Transport Committee and the Otago Civil Defence Emergency Management Joint Committee had now been advised and recommendations for committee appointments were made.

Cr Bell noted that Cr Stuart Duncan should be added as the CODC alternate appointment on the Regional Transport Committee.

Mr Scott noted a correction to the report which stated that Cr Woodhead had already been appointed as Chair of the CDEM Joint Committee. This appointment had not been made.

Cr Croot moved

Cr Bell seconded

(1) *That the following be appointed to the Otago Regional Transport Committee:*

- *Cr Kate Wilson representing Dunedin City*
- *Deputy Mayor Lyal Cocks representing Queenstown Lakes District, (alternate Cr Alexa Forbes)*
- *Cr Barrie Wills representing Central Otago District, (alternate Cr Stuart Duncan)*
- *Cr Bill Kingan representing Waitaki District*
- *Cr Hamish Anderson representing Clutha District*
- *Mr Jim Harland representing NZ Transport Agency*

(2) *That the following be appointed to the Otago Civil Defence Emergency Management Joint Committee:*

- *Mayor Dave Cull – Dunedin City*
- *Mayor Vanessa Van Uden – Queenstown Lakes District (alternate Deputy Mayor Lyal Cocks)*
- *Mayor Tony Lepper – Central Otago District*
- *Mayor Gary Kircher – Waitaki District*
- *Mayor Bryan Cadogan – Clutha District.*

**Motion carried**

## Item 6

2014/0580 **Delegation under the Otago Regional Council Flood Protection Management Bylaw 2012.** DCS, 4/2/14

The report noted that the Council's Flood Protection Management Bylaw 2012 provided for control and protection of drains, defences against water, and floodways under the control of the Council. For administrative

efficiency, functions under the Bylaw could be delegated to appropriate staff.

Cr Eckhoff noted the reference in the Bylaw to obstruction, and queried whether bridges were regarded as obstructions in law, given that debris could pile up against them. Dr Palmer explained that the term applied only to scheduled drains, not water courses in general, which were dealt with under the RMA.

Cr Scott moved  
Cr Kelliher seconded

*That the delegation of authority under the Otago Regional Council Flood Protection Bylaw 2012 to any of the Director Engineering Hazards & Science, Director Policy Planning and Resource Management, and the Chief Executive, be approved.*

**Motion carried**

#### **PART D – ITEMS FOR NOTING**

Item 7  
2014/0627 **Financial Report.** DCS, 5/2/14

The report provided information in respect of overall Council finances for the six months to 31 December 2013.

Cr Shepherd moved  
Cr Croot seconded

*That the report be received.*

**Motion carried**

Item 8  
2014/0637 **Documents signed under Council's Seal.** DCS, 4/2/14

The report listed documents signed under the Council's Seal.

Cr Shepherd moved  
Cr Croot seconded

*That the report be noted.*

**Motion carried**

Item 9     **Reports from Councillors**

Cr Deaker noted that the scheduled meeting of the Tertiary Precinct Planning Group had been postponed to March.

**PART E - MINUTES OF MEETINGS**

Item 10    **Recommendations of the Communications Committee meeting** held on 29 January 2014, for adoption

Cr Kempton moved  
Cr Kelliher seconded

*That the recommendations of the Communications Committee meeting held on 29 January 2014 be adopted.*

**Motion carried**

Item 11    **Recommendations of the Finance and Corporate Committee meeting** held on 29 January 2014, for adoption

Cr Woodhead noted the reference in the minutes to the Council decision to seek approval from the Remuneration Authority to amend the remuneration model in terms of the proportion of payments to committee chairs and deputy chairs. A response had been received from the Authority and was to be circulated. Mr Scott advised that the request was declined by the Authority, on the basis that there was not a sufficiently robust argument for increased responsibility and therefore increased payment to deputy chairs.

Cr Shepherd moved  
Cr Croot seconded

*That the recommendations of the Finance and Corporate Committee meeting held on 29 January 2014 be adopted.*

**Motion carried**

Item 12    **Recommendations of the Policy Committee meeting** held on 29 January 2014, for adoption

Cr Robertson moved  
Cr Deaker seconded

*That the recommendations of the Policy Committee meeting held on 29 January 2014 be adopted.*

**Motion carried**

- Item 13 **Recommendations of the Regulatory Committee meeting** held on 29 January 2014, for adoption

Cr Neill moved  
Cr Eckhoff seconded

*That the recommendations of the Regulatory Committee meeting held on 29 January 2014 be adopted.*

**Motion carried**

- Item 14 **Recommendations of the Technical Committee meeting** held on 29 January 2014, for adoption

Cr Scott moved  
Cr Bell seconded

*That the recommendations of the Technical Committee meeting held on 29 January 2014 be adopted.*

**Motion carried**

## EXCLUSION OF PUBLIC

Cr Woodhead moved  
Cr Bell seconded

*That the public be excluded from the following part of the proceedings of the meeting.*

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

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
<i>Item 15</i>	<i>Minutes of the non public portion of the Council meeting held on 11 December 2013, for adoption</i>	<i>To protect the privacy of natural persons. (S7(2)(a), and To enable the Council to carry out commercial activities without prejudice or disadvantage. (S7(2)(h)</i>	<i>S.48(1)(a)(i)</i>

*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 as shown above with respect to each item.*

**Motion carried**

Following discussion of Item 15,

Cr Woodhead moved

Cr Bell seconded

*That the meeting resume in open session.*

**Motion carried**

The meeting closed at 2.28 pm.

**Chairperson**



**REPORT**

Document Id: A614695

Report No: 2014/0737

Prepared For: Council

Prepared By: Chairperson

Date: 20/03/2014

**Subject: Chair's Report - March 2014**

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**1. Regional Sector Group**

The sector spent its meeting day strategising, and started with a SWOT analysis of the last three years, which showed how the sector had moved from feeling threatened to having a strong and respected relationship with government departments. There was also the realisation that we were working in a much more co-ordinated way, and had reacted positively to challenges.

This was followed by a presentation from Shamubeel Eaqub, NZIER, who made the case for place-based policies. He explained that prosperity is unevenly shared and some regions were being marginalised. Regions are unique and place-based policy by local councils who understand their communities is required. He showed data that confirmed what we all know, that the population is ageing and the larger cities will continue to grow.

However, there were cases of regions that focused on and leveraged off their strengths and expertise, that delivered growth in incomes and population.

The Environmental Reporting Bill was introduced to the House in February. The purpose of this Bill is to create a national-level environmental reporting system. Key roles are provided for the Minister, the Minister of Statistics, the Government Statistician, and the Parliamentary Commissioner for the Environment. The Bill will provide a national monitoring framework so the condition of, for example freshwater, will be consistently reported.

In response to this, the regional councils have proposed that we take a leading role in developing and operating an integrated environmental data collection network. Early concepts have the data stored regionally and made available to be used for national environmental reporting; Mr Bodeker is on the working group.

**2. Mayoral Forum**

We met with Mike Sang and Allan Hickford of Ngai Tahu Holdings for an update on their history and plans for the immediate future.

Mr Ross gave an update on the Earthquake Prone Buildings Bill which has not taken into account the scale, affordability and complexity of the issue, particularly for rural New Zealand. The forum agreed to continue working on this issue and prepare to present its concerns at select committee.

Amalgamation of the Rural Fire Authorities in Otago was expected to get National Authority approval in early March. Appointment of Directors and staff were in progress.

The Otago Wilding Tree Trust Deed was signed; ORC is an advisory member, and I signed on Council's behalf.

The Mayors and I also signed the Triennial agreement.

### **3. Otago Te Roopu Taiao**

Agenda topics included an update on progress of the various Council / KTKO work programmes, including the RPS. Good progress was being made which is pleasing to see. Discussion again occurred on the potential to have an acknowledgement of Waitangi Day in Dunedin during the two years that Ngai Tahu celebrations are not in Otago. ORC and DCC have offered to assist.

### **4. Murihiku Te Roopu Taiao**

Mr Bodeker, Cr Kempton and I attended this strategic planning meeting. The intent is to review and streamline the Charter which is the guiding document for this group. ORC are not currently signatories but I would recommend we formalise our relationship once the reviewed document is approved later in the year. It was also agreed to change the meeting agenda to deal with local government Annual Plan process once a year, and focus on cultural issues at the other two meetings.

We also took the chance to catch up with the Environment Southland Chair, Ali Timms and CE, Rob Phillips. Topics included Regional Transport Committees and the Pest Strategy review.

### **5. Other Meetings Attended**

- Student discount trial media met.
- Speight's Brewery redevelopment opening.
- Eugenie Sage visit.
- AgResearch future footprint meetings.



Stephen Woodhead  
**Chairperson**

**REPORT**

Document Id: A614153

Report No: 2014/0731

Prepared For: Council

Prepared By: Chief Executive

Date: 18/03/2014

**Subject: Chief Executive's Report - March 2014**

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**1. LAWA**

The Land and Water Aotearoa (LAWA) website was launched during the week. This website provides a single site for environmental reporting of initially water, but potentially air and other natural features within each regional council area.

Using environmental monitoring site data, water quality trends and status will be reported. The intention for the site is that it will become the single site where the general public will go to find information they can use for determining best recreational options for river use.

ORC will manage the content for its region and to ensure consistency across all regions the Cawthron Institute is moderating content for the whole site.

**2. Regional Sector Group (RSG)**

The first RSG meeting for the year was held in Christchurch. The feature of the meeting was a session with CERA which included a tour around the rebuilding of the centre of Christchurch which is being managed to ensure a mix of commercial, amenity and residential usage. There is rebuilding occurring currently, with central and local government agencies intending to relocate to the city centre.

Also included in the tour was a visit to the port, and a discussion on how the port redevelopment, as well as the earthquake damage, has impacted on port operations. Perhaps the most salient part of the tour was a visit to a relatively new subdivision in the eastern suburbs of Bromley, completely devastated through the effects of liquefaction. While the structural integrity of the houses were mainly unaffected, it was the liquefaction that rendered them uninhabitable.

The role of the Otago Regional Council in ensuring we are vigilant and stoic in identifying and publicising natural hazards to direct land development, and inform residents, is paramount.

**3. Iwi Leaders' Forum**

At the RSG meeting a presentation was made from the Iwi Leaders' Forum discussing water management issues. As with natural hazards, the role for regional councils in identifying and managing water quality and allocation is of great moment as water use is being assessed, and with the current high price for dairy production allowing

consideration of land use in areas previously deemed uneconomic to develop for intensive agriculture.

**4. AgResearch**

The Chair and I continue to meet with AgResearch staff to discuss options for ensuring appropriate levels of AgResearch services are available. ORC has a core of well-trained water, natural hazards, and air quality scientists, but rely on outside assistance, particularly in the area of environmental land management.

**5. Plan Change 6A**

The cross-directorate approach to implementing Plan Change 6A is progressing well. There are many questions being raised by landowners and their advisors. ORC's approach is to limit its interaction until a full plan of implementation and the technical information has been prepared with those affected by the plan change.

Once the technical information has been prepared, briefings for staff will be done to ensure a standard set of information is presented.

**6. Other Activities**

I have met with the Otago Peninsula Biodiversity Trust and various farm groups, as well as spending a day with Kevin Allen observing ORC's dairy farm inspections.



Peter Bodeker  
**Chief Executive**

## REPORT

Document Id: A614525

Report No: 2014/0734  
Prepared For: Council  
Prepared By: Emma Spalding, Policy Analyst and Dale Meredith, Manager Policy  
Date: 19/03/2014

**Subject: Plan Change 6A (Water Quality)**

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### 1. Précis

Proposed Plan Change 6A (Water Quality) to the Regional Plan: Water for Otago (Water Plan) may now be approved as all appeals have been resolved. Council's seal needs to be affixed and a date set for making the plan change operative.

### 2. Background

Plan Change 6A (Water Quality) sets out an effects-based approach to managing discharges to water, with a focus on controlling contaminant discharges rather than the land use activities that create them. Discharge thresholds are set for common contaminants, and discharges within those thresholds are permitted. Land managers have the flexibility to meet the discharge thresholds in the way that best suits their operation.

Proposed Plan Change 6A (Water Quality) was publicly notified on Saturday 31 March 2012. Following the submission and hearing process, the Council publicly notified its decision on the plan change on Saturday 20 April 2013.

Twenty-one appeals were received, and 35 parties joined the appeals under section 274 of the Resource Management Act 1991 (RMA). The appeals were resolved through mediation, approved by Consent Order on 28 February 2014 (attached as Appendix 1).

### 3. Amendments made during mediation

As part of the mediation process, a number of amendments to the plan change were made; however, the basic principles of the plan change remain unchanged. The amendments made during mediation are set out below.

#### 3.1 General

- A change in terminology has been made to reflect the National Policy Statement for Freshwater Management requirements:
  - Schedule 15 'standards' are now **limits and targets**
  - Schedule 16 'discharge limits' are now **permitted activity discharge thresholds**
- Recognition of Kāi Tahu values has been incorporated throughout the plan change.
- Recognition of the coastal marine area has been incorporated where relevant.

### 3.2 Objectives and Policies

- The three objectives are essentially the same, with Objective 7.A.3 clarified so that individuals are responsible for managing their discharges to reduce adverse effects.
- A revised policy requires consideration of the need for and extent of any zone for physical mixing when assessing any consent to discharge contaminants to water (Policy 7.B.6).
- The existing policy requiring a review condition on any consent for discharging a contaminant has been deleted as this is already provided for under the RMA.
- Greater provision for sharing information has been incorporated into Policy 7.D.1, as well as commitment to provide information on the Council website regarding progress towards the objectives and the Schedule 15 limits and targets.
- Policy 7.D.4 sets a maximum consent duration and clarifies that it only applies to restricted discretionary activity consents.
- Policies 7.D.5 and 7.D.6 have been combined into a single policy, which sets out the matters to have regard to when considering any discharge under section 12.C, including the duration of any consent.

### 3.3 Rules

- Clarification that the 12.B rules apply to consented dams.
- Amendment to the prohibited rules (12.C.0) to clarify that they also relate to discharges to the coastal marine area.
- The term ‘sump’ has been replaced with the term ‘soak hole’ in the prohibited rules, as ‘sump’ can include a sealed storage space used to collect waste for disposal, which it was not intended to prohibit discharges to.
- A prohibition has been added relating to overland flow from animal waste system to lakes, rivers, Regionally Significant Wetlands or coastal marine area, and to drains or water races that go to the above (Rule 12.C.0.2(v)).
- Rule 12.C.1.1 (the general discharge rule for permitted activities) has been expanded, and a new Rule 12.C.1.1A has been added. These rules explain how different discharges will be dealt with and where the relevant compliance points are. The rules now include diagrams to illustrate the compliance points. Rule 12.C.1.1 applies now and Rule 12.C.1.1A applies from 1 April 2020.
- The OVERSEER rule (Rule 12.C.1.3) has been amended to increase the nitrogen leaching rate for the Queenstown/Lakes Nitrogen Sensitive Zone from 10 kgN/ha/year to 15 kgN/ha/year.
- The OVERSEER rule has also been amended to exclude certain landholders from the requirement to provide Council with OVERSEER reports or data (if requested) until 1 April 2020. The exclusion applies to landholders for outdoor pork, fruit (excluding grapes), berry and rotational vegetable production. Instead they must keep a record of all inputs into the farm system and evidence that practices complied with the relevant industry good management practices.

- The 12.C.2 rules (restricted discretionary activities) have had time periods added for clarification. The list of matters for discretion in 12.C.2.4 has been amended to include:
  - the location of the discharge
  - the trends in the quality of the receiving water
  - Kāi Tahu values and the use of coastal marine area for contact recreation and seafood gathering
  - the need for and extent of any mixing zone
  - any co-ordination of discharges across multiple landholdings
- Rule 13.2.1.7 regarding erection or placement of single span bridges has been amended to also cover pipes, to prevent any more than 20 metres of bridge on any 250 metre stretch of any lake or river, and to maintain public access over public land.
- Rule 13.2.1.7B regarding crossings has been amended to allow for higher crossings (up to 3.5metres) if the catchment upstream is less than 50 hectares and there is a culvert with a minimum diameter of 1.2 metres.
- Rule 13.5.1.1 has been amended to include provision to notify the Department of Conservation and Fish and Game if bed disturbance work is carried out between 1 May and 30 September inclusive.
- The bed disturbance rules with a sediment plume maximum distance (beyond which there should be no conspicuous change in colour or visual clarity) have been amended to shorten the distance from 250 metres to 200 metres (Rules 13.5.1.1, 13.5.1.3, 13.5.1.4)
- Rule 13.5.1.8B has been amended to delete the reference to having no suitable site for the erection or placement of a structure.

### 3.4 Methods

- Two new methods relating to plan implementation have been introduced.
- Method 15.10.1 (Schedule 15) sets out actions the Council will or may take when water quality fails to meet the Schedule 15 limits and targets.
- Method 15.10.2 (Groundwater) sets out a groundwater programme that Council will maintain, involving investigating water quality in aquifers in Otago, reviewing and setting nitrogen leaching rates, and making any changes to the Water Plan to introduce revised and/or additional nitrogen controls.
- A new table in Schedule 15 has also been added, to record nitrogen concentration limits for specific aquifers, which is to be populated following aquifer studies.

### 3.5 Schedules

- As mentioned, Schedule 15 ‘standards’ are now called ‘limits’ and ‘targets’.
- Table 15.1 has been amended to clarify the algae description, and also include references to freshwater fish and invertebrates in the contaminant effect column.
- The description for Table 15.2 has been amended to clarify when the limits are considered to be achieved.

- Table 15.2.3 has been amended to increase the contaminant concentration limits for Nitrate-nitrite nitrogen and *E. coli* in Receiving Water Group 3, to reflect the existing good water quality in these areas. Consequently, the date for the Matukituki has been changed to 31 March 2012 for these two contaminants.
- Schedule 16 'limits' are now called 'thresholds'.

### 3.6 Glossary

- A new definition of 'conspicuous change in visual clarity' has been added: "a visual change in water clarity of more than 40%"
- Amendments made to definitions of 'bore', 'industrial or trade premises' and 'wetland':
  - Bore excludes other monitoring devices used for water sampling purposes.
  - Industrial or trade premises includes any structure associated with electricity generation.
  - Wetland excludes any wetland constructed for the purpose of water quality management.

### 4. Minor and consequential changes

Clause 16(2), Schedule 1 of the RMA provides for the amendment of a proposed plan, without formality, where such an alteration is of minor effect.

Minor and consequential changes that have been made are attached as Appendix 2.

### 5. Approval of plan change and next steps

A full copy of Plan Change 6A (Water Quality) is attached as Appendix 3.

The Council can now approve the plan change, in accordance with clause 17(1), Schedule 1 of the RMA. This is given effect by affixing Council's seal to the plan (clause 17(3)).

The Council must set a date from which the plan change becomes operative and publicly notify the operative plan at least five working days before this date (clause 20(2)).

It is proposed to make the plan change operative from Thursday, 1 May 2014, and to publicly notify this date on Saturday, 19 April 2014.

### 6. Implementation

A Council-wide implementation team has been established to implement the plan change, managed by the Manager Community Liaison and Education, Nicola McGrouther.



## **7. Recommendations**

That the Council:

- (i) Approve minor changes made to Proposed Plan Change 6A under Clause 16(2) of the First Schedule of the Resource Management Act 1991, attached to this report as Appendix 2; and
- (ii) Approve Plan Change 6A (Water Quality) to the Regional Plan: Water for Otago, attached to this report as Appendix 3; and
- (iii) Affix Council's seal to Plan Change 6A (Water Quality) to the Regional Plan: Water for Otago; and
- (iv) Make Plan Change 6A (Water Quality) to the Regional Plan: Water for Otago operative on Thursday, 1 May 2014 and publicly notify that date on Saturday, 19 April 2014.

**Fraser McRae**  
**Director Policy, Planning and Resource Management**

**REPORT**

Document Id: A614622  
Report No: 2014/0735  
Prepared For: Council  
Prepared By: Chief Executive  
Date: 20/03/2014

**Subject: Audit & Risk Subcommittee**

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Previous discussions of Council and a provision in the Terms of Reference of the Finance and Corporate Committee allow for the establishment of an Audit and Risk Committee.

The purpose of an Audit and Risk Committee is to allow an appropriate level of considerations by ORC's governors over aspects of the operational systems of the Council, to deliver good audit and risk practice.

Audit and Risk Committees are sometimes assumed to focus solely on financial matters, however this is not the intended focus of the proposed Audit and Risk function for ORC.

It is proposed that ORC establish an Audit and Risk function structured as a subcommittee of the Finance and Corporate Committee of ORC. The Audit and Risk Subcommittee will have a membership of councillors with the power to co-opt both additional councillors and non-Council experts to assist it. It is to be chaired by an independent and its meetings will be open to all non-member councillors to attend in an observer capacity.

The Terms of Reference for the subcommittee is detailed below:

The establishment of the Audit and Risk Subcommittee does not remove or replace other legal means councillors have to address matters they deem require consideration.

**Recommendation**

1. That the Audit and Risk Subcommittee of Finance and Corporate Committee be established.
2. That the Terms of Reference as appended be adopted for the subcommittee.



Peter Bodeker  
**Chief Executive**

## Otago Regional Council Audit & Risk Subcommittee

### Terms of Reference

#### 1.0 Purpose of Audit and Risk Subcommittee

- 1.1 The Otago Regional Council (ORC) Audit and Risk Subcommittee is a subcommittee of the Finance and Corporate Committee.
- 1.2 The primary purpose of the Audit and Risk Subcommittee (the Subcommittee) is to assist the ORC in fulfilling governance responsibilities relating to the management systems, financial, legislative, health and safety, and reporting practices of the ORC.
- 1.3 The principal roles of the Subcommittee are to:
  - a) Assist ORC in fulfilling its governance responsibilities relating to the accounting and financial reporting practices, and the internal controls, compliance and financial risk management practices;
  - b) Ensuring that the risks facing ORC are identified and the potential impacts are assessed;
  - c) Ensuring that the identified risks are managed and necessary controls are built into business processes;
  - d) Serve as an independent and objective party to review the financial information presented by management.

#### 2.0 Membership and Quorum

- a) The Subcommittee shall consist of the Chair, Deputy Chair, Chair Finance and Corporate Committee, and an independent member who shall be the Subcommittee Chair. Other Councillors may attend meetings of the Audit and Risk Subcommittee as observers.
- b) The Subcommittee has the ability to co-opt members.
- c) The quorum shall be three.

#### 3.0 Attendance at Meetings

- a) Unless otherwise requested, the Chief Executive and the Director Corporate Services are to attend meetings.
- b) Other parties may be invited to attend by the Subcommittee to assist the Subcommittee in its work.
- c) There shall be at least one meeting per year, or part thereof, where the external Auditors shall attend.
- d) External Auditors (or internal Auditors) may request a special meeting if they consider this to be necessary.

#### 4. Delegated Powers

The Subcommittee is authorised by the Council through the Finance and Corporate Committee to:

- a) Review matters within its Terms of Reference;
- b) Seek information that it requires from the Chief Executive who is required to co-operate with appropriate requests made by the Subcommittee;
- c) Request access to outside legal or independent professional advice should it consider this necessary; such advisors may attend meetings if so requested;
- d) Undertake other such matters of a financial nature that the Subcommittee may from time to time deem important; and
- e) Make recommendations to the Finance and Corporate Committee.

#### 5. Responsibilities

Responsibilities of the Subcommittee shall include:

##### **Audit and Reporting**

- a) Review the external auditor's management letter including ensuring that management's responses are adequate.
- b) Consider any matters referred to it by an internal audit function.
- c) Consider any changes in accounting policies, standards or reporting requirements requiring Council approval.
- d) Satisfy itself about the existence and quality of cost-effective internal control systems, and the proper application of procedures.
- e) Review the draft financial statements and groups of activities prior to being furnished to Council for adoption as part of the annual report.
- f) Consider other matters referred to the Subcommittee by the Council.

##### **Financial Risk Management**

- a) Maintain overview of contingent liabilities.
- b) Consider matters relating to the strategy for the establishment of rates.
- c) Maintain an overview of financial reserves.

**Investment**

- a) Review the performance of the investment portfolio, annually.
- b) Receive and review reports on the performance of Council's commercial activities.

**Strategic Council Performance Management**

- a) Review the results of measurements undertaken during the year of progress towards the achievement of Annual Plan targets (such measures are subject to audit under the Local Government Act).
- b) By request of Council, review the cost effectiveness of major programmes in delivering ORC's contribution to Annual Plan targets.
- c) Set criteria and review budgets, early in the budget cycle, to understand the reasons behind budget decisions to ensure that proposals going forward into the budget have been systematically and rigorously analysed, and to make recommendations.
- d) Review the integrity of data collection, processing and application.

**Insurance and Disaster Recovery**

Review insurance and disaster recovery matters.

**Project management**

Review project management procedures.

**Health & Safety**

- a) Review the Council's adherence to its Health & Safety Policy.

**Legal Requirements**

- a) Receive annually a report of the legislation the Council is required to operate under and/or enact.
- b) Review the Council's adherence to the legislation that affects Council.

**Other**

The Subcommittee may review other matters they consider relevant.

**6. Reporting Procedures**

- a) The Subcommittee shall be accountable to the Finance and Corporate Subcommittee, in relation to the Subcommittee's activities and responsibilities.
- b) The Subcommittee shall conduct an annual review of its work and the Terms of Reference and the Chairperson shall make a report to the Finance and Corporate Subcommittee at the end of each financial year.

## REPORT

Document Id: A614450  
 Report No: 2014/0733  
 Prepared For: Council  
 Prepared By: Director Policy Planning and Resource Management  
 Date: 19 March 2014

**Subject: Delegations under the Resource Management Act 1991**

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### 1. Précis

This report recommends altering delegations relating to consent processing provisions under the Resource Management Act.

### 2. Background

Report 2013/1194 Delegations under the Resource Management Act 1991, Mining Act 1971, Crown Minerals Act 1991, the Building Act 2004, the Water Measuring Regulations, Council's Bylaws and other enactments dated 3 December 2013 amended delegations as a result of staff restructure.

As a result of practice, several machinery decisions involved in consent processing are unnecessarily limited to the Chief Executive Officer (CEO), Director Policy Planning and Resource Management (DPPRM), Manager Consents (MC), and Resource Manager Procedures and Protocols RMPP. These particular decisions require two of the four identified officers.

Consent processing is very time critical – limited to 20 days, and any unapproved extensions of time result in refund payments to applicants.

Ensuring the times are adhered to requires ready access to delegated decision makers and accordingly it is proposed to increase this pool to include the Principal Consent Officer (PCO). The PCO already has some delegation for decisions within consent application processing.

### 3. Change to delegations

It is proposed to include the Principal Consent Officer in the pool of identified positions under the Resource Management Act, being Sections 37(1), 37(2), 42A, 42A(5), 43A, 92(2), 95, 95A-C, 95F, 99 [deciding who to attend prehearing], 99A, 100, 102, 103, 104, 104A-D, 104F, 105, 107, 108, 108A, 109, 110, 124, 127, 128, 130, 131, 132, 136(1), 136(2)(a), 136(2)(b), 136(4), 137(3)-(7), 138, 357, 357A, 357B, and 417.

This amendment will alter the text

from: Any two of MC, RMPP, DPPRM, CE

to: Any two of MC, RMPP, PCO, DPPRM, CE.

**4. Conclusion**

Increasing the pool of officers having delegation for decision making relating to consent processing under the Resource Management Act will ensure compliance with processing timelines.

**5. Recommendation**

That Council approve the amendment of delegations under the Resource Management Act to include the Principal Consent Officers into the pool under Sections 37(1), 37(2), 42A, 42A(5), 43A, 92(2), 95, 95A-C, 95F, 99 [deciding who to attend prehearing], 99A, 100, 102, 103, 104, 104A-D, 104F, 105, 107, 108, 108A, 109, 110, 124, 127, 128, 130, 131, 132, 136(1), 136(2)(a), 136(2)(b), 136(4), 137(3)-(7), 138, 357, 357A, 357B, and 417.

Fraser McRae

**Director Policy Planning and Resource Management**

**REPORT**

Document Id: A614689  
Report No: 2014/0736  
Prepared For: Council  
Prepared By: Director Policy Planning and Resource Management  
Date: 20/03/2014

**Subject: Otago Marine Protection Planning Forum**

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**1. Précis**

The Minister of Conservation invited nominations to the Otago Marine Protection Planning Forum, and submissions closed on 22 November 2013.

The Policy Committee, on 20 November 2013, considered Report 2013/1163 and determined to nominate the Director of Policy Planning and Resource Management for appointment to the Forum.

**2. Department of Conservation response**

On 13 March 2014, the Department informed Council the application [*sic*] was unsuccessful. The letter goes on to invite Council to participate in opportunities that the Forum will provide; opportunities include open sessions and an online interactive geospatial tool (refer attached letter).

**3. Recommendation**

That the report be noted.

Fraser McRae  
**Director Policy Planning and Resource Management**





DOCDM-1371150

13 March 2014

James McRae  
70 Stafford St  
Dunedin 9054

fraser.mcrae@orc.govt.nz

Dear James

### Otago Marine Protection Planning Forum application

Thank you for submitting an application for the Forum membership. We received a large number of high quality applications for the available positions on the Forum and I regret to advise your application was not successful. The selection committee appreciates the time you invested in developing your application.

The Department of Conservation and the Ministry of Primary Industries will be supporting the Forum. One of the support teams will be an Officials Group that will inform and guide the Forum. Your participation in this Group is invited. Please note that members of the officials group are not entitled to payment of fees and reimbursement of expenses.

In addition to involvement in the Officials Group, the Forum will provide a number of opportunities for participation, including; open sessions; an online interactive geospatial tool; and the opportunity to comment on options. I encourage the Otago Regional Council to make use of these opportunities to contribute to the work of the Forum.

Thank you again for your interest in the Otago Marine Forum.

Kind regards

Marie Long  
Manager, Planning and Permissions

## REPORT

Document Id: A610542  
 Report No: 2014/0707  
 Prepared For: Council  
 Prepared By: Finance Manager  
 Date: 20 March 2014

**Subject: Financial Report to 28 February 2014**

The following information is provided in respect of the overall Council finances for the eight months to 28 February 2014.

### 1. Activity Expenditure

Expenditure for the Council's activities, including capital expenditure and internal charges, is summarised as follows:

		<b>Annual Budget \$000's</b>	<b>YTD Budget \$000's</b>	<b>YTD Actual \$000's</b>	<b>Variance (unfav) \$000's</b>
Air Quality	Note 1	1,452	973	637	336
Bio-Security		2,082	1,401	1,349	52
Coast		339	227	144	83
Dam Safety		368	245	256	(11)
Emergency management		378	255	186	69
Environmental Incident response		631	423	496	(73)
Flood protection & control works	Note 2	8,613	5,709	4,307	1,402
Governance & Community		3,995	2,703	2,701	2
Regional Policy Statement	Note 3	498	319	415	(96)
Rivers & Waterway Management		1,088	727	620	107
Natural hazards	Note 4	1,395	935	610	325
Transport		8,606	5,714	5,683	31
Water	Note 5	8,913	5,322	4,693	629
		<b>38,358</b>	24,953	22,097	2,856

Full reporting of project variances within the above activities will be reflected within the Eight Month Review to 28 February 2014 reported to the Finance and Corporate Committee.

For the purposes of this report, significant variances only are commented upon in the notes below.

**Note 1 Air Quality**

The prime reason for this variance is lower than budgeted expenditure in the Clean Air Initiative project, reflecting a lower level of activity undertaken in the project than was provided for in the budget.

**Note 2 Flood protection and control works**

The prime reason for this variance is lower than budgeted expenditure in the Leith flood protection project. This largely reflects a timing difference in that the level of activity undertaken in the project to date, amounting to \$2,678,000, is \$1,150,000 less than was provided for in the budget.

**Note 3 Regional Policy Statement**

The Regional Policy Statement is showing an unfavourable variance of \$96,000. However work budgeted within the Regional Plan – Hazards project has been incorporated within the Regional Policy Statement project. The combined project variance is minimal at 3.9%.

**Note 4 Natural Hazards**

The Regional Plan – Hazards project has a year-to-date budget of \$113,000, however no costs have been incurred under this project as the work envisaged to be performed under this plan now forms part of the Regional Policy Statement.

The remaining portion of the favourable variance in this activity is largely a result of the diversion of resources from that budgeted, to projects outside the Natural Hazards activity.

**Note 5 Water**

This activity comprises 17 projects with a net favourable variance of \$629,000 or 12% of budget. Comment is provided on only the most significant variances.

The most significant *favourable* variance is the Consent Processing – Water Project, with a variance of \$221,000 compared to the budget of \$731,000. The major component of the project cost and variance is staff time, reflecting a lower level of consent activity demanded from that provided for in the budget.

The most significant *unfavourable* variance is the Regional Plan – Water project with an unfavourable variance of \$126,000 compared to the budget of \$647,000. The variance primarily reflects additional minimum flow and groundwater work, 6A appeals and legal fees.

**2. Income Statement and Balance Sheet**

An Income Statement for the eight months to 28 February 2014 and a Balance Sheet as at 28 February 2014 are attached.

**3. Recommendation**  
That this report be received.

R W Scott  
**Director Corporate Services**

**Otago Regional Council**  
**Income Statement**  
**For the Eight Months to 28 February 2014**

		<b>Annual Budget \$000's</b>	<b>YTD Budget \$000's</b>	<b>YTD Actual \$000's</b>	<b>Variance (unfav) \$000's</b>
<b>Income:</b>					
Rate income		15,632	10,421	10,433	12
Grant and subsidy income	Note 1	4,284	2,891	3,320	429
Interest received	Note 2	1,918	1,278	1,586	308
Other income	Note 3	4,914	3,276	2,947	(329)
Dividend income	Note 4	7,200	4,800	4,800	-
Rental income		903	602	677	75
Gain in value of investment Property	Note 5	241	-	-	-
Other gains	Note 6	-	-	345	345
<b>Total Income</b>		<b>35,092</b>	<b>23,268</b>	<b>24,108</b>	<b>840</b>
<b>Less Expenditure:</b>					
Operating expenses		29,205	18,890	18,690	200
Finance costs		555	370	334	36
Depreciation expense		1,341	894	825	69
<b>Total Expenditure</b>		<b>31,101</b>	<b>20,154</b>	<b>19,849</b>	<b>305</b>
<b>Surplus</b>		<b>3,991</b>	<b>3,114</b>	<b>4,259</b>	<b>1,145</b>

**Note 1 – Grant and Subsidy Income**

The prime cause of this favourable variance is a variance of \$297,000 within the Dunedin passenger transport project. The actual level of subsidy received in respect of bus contracts is greater than that budgeted, as the budget was set at a lower than normal level reflecting the uncertainty of subsidy revenue at that time. The impact of the increased revenue will be a lower drawing on transport reserves than budgeted.

**Note 2 – Interest Received**

The favourable variance is mainly due to a higher level of investments held in interest bearing financial instruments than anticipated in the budget.

**Note 3 – Other Income**

This variance comprises a net *unfavourable* variance of \$831,000 in respect of operational activity projects, offset by a net *favourable* variance of \$502,000 in non-operational cost centres.

The majority of the unfavourable variances are due to a lower level of activity in the projects compared to budgets, with a consequential reduction in revenue.

The major non-operational favourable variances include additional rate penalty income over the nominal budgeted amount and an unbudgeted surplus on asset disposals.

**Note 4 – Dividend Income**

Dividend Income comprises an accrual of eight months of the current year annual dividend expected from Port Otago Limited. It is noted that \$1.9 million of the expected income was received in September 2013 by way of a final dividend for the June 2013 year, and the first interim dividend for the current year of \$2.5 million was received in February 2014.

**Note 5 – Gain in the value of Investment Property**

Investment Property is revalued annually at 30 June. Accordingly the year to date budget and actual gain are reported as nil amounts to 28 February 2014.

**Note 6 – Other Gains**

The year to date gains recorded to 28 February 2014 are an increase in the value of the BNZ managed Investment Portfolio of \$268,000 and a gain of \$77,000 in respect of the Mark to Market valuation of the interest rate swap associated with the BNZ loan.

## Otago Regional Council

 Balance Sheet  
 As at 28 February 2014

		28 February 2014 \$000's	30 June 2013 \$000's
<b>Public Equity</b>			
Public equity		138,520	143,186
Available-for-sale revaluation reserve	Note 1	341,264	341,264
Asset revaluation reserve		7,485	7,485
Asset replacement reserve		4,776	4,633
Building reserve	Note 2	5,135	-
Emergency response reserve		3,517	3,425
Irrigation grants reserve		402	206
Kuriwao endowment reserve		5,960	5,500
		<b>507,059</b>	<b>505,699</b>
<b>Current Liabilities</b>			
BNZ Loan	Note 3	10,000	10,000
Accounts payable and accruals		4,641	6,624
Other financial instruments		61	138
Revenue in advance	Note 4	5,301	-
		<b>19,942</b>	<b>16,762</b>
<b>Total Equity and Liabilities</b>		<b>527,062</b>	<b>522,461</b>
<b>Non-Current Assets</b>			
Operating assets		79,390	80,196
Intangible assets		1,787	1,893
Investment Property		9,546	9,546
Deferred tax asset		171	98
Shares in Port Otago Ltd	Note 1	361,264	361,264
		<b>452,158</b>	<b>452,997</b>
<b>Current Assets</b>			
Cash and cash equivalents	Note 5	1,992	1,893
Other financial assets	Note 5	67,954	62,869
Receivables		4,113	4,137
Other current assets		60	180
Inventories – stock and property held for sale		385	385
Dividends Receivable		400	-
		<b>74,904</b>	<b>69,464</b>
<b>Total Assets</b>		<b>527,062</b>	<b>522,461</b>

**Note 1 – Available-for-Sale Revaluation Reserve and Shares in Port Otago Ltd**

The Shares in Port Otago Ltd are included at the June 2013 valuation, and the available-for-sale revaluation reserve reflects the revaluation amount of the shares.

**Note 2 – Building Reserve**

In accordance with the Annual Plan 2013/2014, this interest bearing reserve was created on 1 July 2013 by the transfer of \$5.0 million from public equity. The purpose of the reserve is to set aside funding for a new head office for the Council.

**Note 3 – Bank Loan**

The term loan reflects external borrowing of \$10 million drawn from the Bank of New Zealand to fund part of the Council's contribution to the Forsyth Barr Stadium.

The term loan facility termination date is 30 June 2014.

**Note 4 – Revenue in Advance**

Revenue in advance includes the portion of rating income invoiced in September 2013 that will be reflected as revenue over the remaining four months of the financial year.

**Note 5 – Cash and Cash Equivalents and Other Financial Assets**

Funds surplus to the Council's immediate and short term requirements are managed on Council's behalf by the BNZ. An Investment Portfolio and term deposits with durations of 4-12 months are included in the classification Other Financial Assets. Current bank balances and term deposits with durations of less than 4 months are included in Cash and Cash Equivalents.



## REPORT

Document Id: A614734  
 Report No: 2014/0738  
 Prepared For: Council  
 Prepared By: Director Corporate Services  
 Date: 20 March 2014

**Subject: Documents signed under Council's Seal**

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### 1. Précis

To inform the Council of delegations which have been exercised.

### 2. Documents signed under the Council's Seal

- Deed of Indemnity between Brian Leslie McCombe and Judith Anne Justice, and the Otago Regional Council (indemnifying the owners against any liability or loss they may incur as a result of the installation, Maintenance, use or removal of the temporary footbridge over the Water of Leith, and public access over 103 St David Street associated with the use of the temporary footbridge).
- Certificate under S417 of the Resource Management Act 1991 – R W Naylor and D J Gibson, Spennymoor Trust, for Water Race No. 1108, Blacks Registry.
- Certificate under S417 of the Resource Management Act 1991 – J C and D J Andrew and R Macassey, D J Andrew Family Trust, for Water Race No. 4943, Naseby Registry.
- Certificate under S417 of the Resource Management Act 1991 – J C and D J Andrew and R Macassey, D J Andrew Family Trust, for Water Race No. 9083, Cromwell Registry.
- Certificate under S417 of the Resource Management Act 1991 – G A and J M Anderson and D and F L Andrews, for Water Race No 2270, Cromwell Registry.
- Certificate under S417 of the Resource Management Act 1991 – R W and A J Naylor for Water Races 172, 178 and 184, Blacks Registry.
- Certificate under S417 of the Resource Management Act 1991 – R W and A J Naylor, for Water Race No 1191, Blacks Registry.
- Certificate under S417 of the Resource Management Act 1991 – R W and A J Naylor, Water Race No 1108, Blacks Registry.
- Certificate under S417 of the Resource Management Act 1991 – R J and J N Scott and GCA Legal Trustee 2012 Ltd for Water Race No 6150, Naseby Registry.
- Certificate under S417 of the Resource Management Act 1991 – Stringer Farms Ltd for Water Race No 5137N, Naseby Registry.

**3. Recommendation**

That the report be noted.

R W Scott

**Director Corporate Services**

## **Report back from Councillors**

Report Back from Councillor Kempton

1. Inaugural Meeting of Regional Transport Committee – 13 February.

- New Committee. Only Clutha District and ORC (Cr Bell) with previous RTC experience. Main agenda items
  - Committee initiation
  - Input into the new Government policy statement
  - NZTA early investment signals
  - Submission on FAR review
  - Proposed collaboration with Southland on regional land transport planning.
- Primary objective for Committee is to have a new RLTP published by 31 July 2015. A challenge with the new GPS not yet issued and with FAR and 'One Network' classification system fundamental to planning some distance from finalisation.
- Current investment signals (subject to update) include
  - An emphasis on network integration and productivity – Getting more out of what we have.
  - 'Fit for Purpose' – Unifying standards and justifying service levels and where necessary modifying customer expectation. Value for money in maintenance and operation
  - Extending 'fit for purpose' philosophies into public transport through PTOM
  - Optimising urban networks through better coordination of modes
  - 50Max programme
  - Network resilience to high impact events
  - Safety
- The proposition for Southland and Otago RTCs to collaborate to produce one regional plan was well supported. Subsequent plans have been made to hold a joint meeting in Gore on 3 April with a view to flesh out and agree a common proposition to be put to both Councils for approval.

2. LGNZ Transport Summit – Wellington, 13 March 2014. (In conjunction with Rural and Provincial sector group meeting.)

- Agenda included:
  - Contextual overview on current roading reviews – Malcolm Alexander LGNZ
  - "Economic value of Rural Roads" Ganesh Nana, BERL
  - FAR, ONRC and NLTP. "Bringing it all together" - Geoff Dangerfield NZTA
  - Panel Discussion.
- Predictably, NZTA gave the very clear message that the pie is not getting any larger while there were a range of TLAs protesting the end of the world as they know it. NZTA intend simplifying the FAR regime with much less customising. Overall 75% of RCAs can expect a

reduction in overall FAR with 25% which have extreme network affordability issues receiving a lift.

- It appeared that while LGNZ may have some influence in the margins, NZTA appear to be applying the FAR and ONRC programmes as elements in the move to increase the efficiency of maintenance and operations in TLAs and to set the bar higher for new capital projects. Some progress has been made in this respect on the State Highway network and NZTA are keen to extend it. Fortunately they are not prescribing how this might be achieved leaving room for innovation.
- One point which came out of the panel discussion was that it is very difficult to pin down the impact of FAR without the ONRC being finalised; I think with some justification.
- NZTA talks of a focus on journeys and on customer experience and expectation. TLAs are looking for prescription around ONRC. NZTA still have some work through regional workshops to improve understanding in these areas.
- There was limited discussion around the future validity of transport funding through excise duties and RUC. Difficulties are beginning to emerge.

3. Workshop on ONRC and Safety at NZTA – 17 March.

- Part 1. Attended by the ORC transport team and regional (Otago and Southland) TLA roading staff. Involved working through a process designed to stimulate TLA feedback on the ONRC process, align thinking around the customer experience philosophy and start conversations around the validity of current standards.
- Part 2. ORC study on the causes of road accidents across Otago and Southland was presented by Elle Flinn. It was very comprehensive and will be useful in informing decisions by TLAs as they build their LTPs.

Report Prepared: TJK

Date: 20 March 2014

**OTAGO REGIONAL COUNCIL**

**Minutes of a meeting of the Communications Committee held  
in the Council Chamber, 70 Stafford Street, Dunedin on  
Thursday 13 March 2014 commencing at 11.42 am**

In the absence of the Communications Committee Chair and Deputy Chair, the Chief Executive recommended that Cr Deaker be appointed to chair the meeting.

Cr Woodhead moved  
Cr Shepherd seconded

*That Cr Michael Deaker chair the 13 March 2014 meeting of the Communications Committee.*

**Motion carried**

**Present:**

- Cr Michael Deaker** (Chairperson)
- Cr Doug Brown**
- Cr Louise Croot MNZM**
- Cr Gerrard Eckhoff**
- Cr Gary Kelliher**
- Cr Sam Neill**
- Cr Gretchen Robertson**
- Cr Bryan Scott** (to 11.48 am)
- Cr David Shepherd**
- Cr Stephen Woodhead**

**Apologies:**

- Cr Graeme Bell**
- Cr Trevor Kempton**

The apologies were accepted on the motion of Crs Deaker and Croot.

**In attendance:**

- Peter Bodeker**
- Wayne Scott**
- Jeff Donaldson**
- Fraser McRae**
- Gavin Palmer**
- Peter Taylor**
- Nicola McGrouther**
- Rob Schick**
- Janet Favel**

## CONFIRMATION OF AGENDA

There were no changes to the agenda.

## MINUTES

The minutes of the meeting held on 29 January 2014, having been circulated, were adopted on the motion of Crs Woodhead and Kelliher.

## Matters arising from minutes

There were no matters arising from the minutes.

## ITEMS FOR NOTING

### Item 1

2014/0694 **Report on Community Liaison and Education February 2014.**  
CE, 27/2/14

The report provided an update on Plan Change 6A implementation and catchment programme progress. Nic and rob in attendance.

Cr Scott left the meeting at 11.48 am.

Ms McGrouther explained in response to a question that staff visited properties where landholders proposing dairy conversions had contacted the Council and requested an assessment. Dairy companies were asked to encourage farmers proposing dairy conversions to ask ORC for an assessment. Mr Donaldson advised that at the start of each season dairy companies notified ORC staff of recent conversions, but that was after the event. Advice of dairy conversions was also provided by field staff who were working around the region.

Mr Bodeker explained that at this stage of the PC6A process the philosophy of the Community Liaison and Education Team and the Communications Team was gathering of data. Once all the necessary information was available, it would be communicated to members of the public. He appreciated that this could cause some frustration, but considered that it was important to have consistent information available for publicising at the same time. He noted that the Judge's decision on 6A appeals had only recently been released.

A question was raised as to whether the appropriate technology was available to landholders to enable them to meet their 6A obligations. Mr Bodeker stated that he was confident that there were tools to measure the requirement for an individual farm or forest to meet 6A. He commented that

Overseer was selected because it was available and reliable, and had scientific validity.

Cr Deaker moved  
Cr Woodhead seconded

*That the report be received.*

**Motion carried**

Item 2

2014/0683 **Report on Communications and Media Activity February 2014.**

CE, 26/2/14

The report provided an update on Council communications and media activity carried out during February 2014.

Mr Taylor advised in response to a question that the Council had a policy in place, based on a set of guidelines and criteria, for the use of social media. Twitter was used for public events, media releases, and news items, and only authorised staff were able to use it. The service provided credible and consistent corporate messages that aligned with the messages on the website. The same process would operate for the Facebook page being developed. Mr Taylor confirmed that all information on social media linked back to source material, and all communication channels were integrated.

A policy on media relations for Councillors would be presented to a Council workshop.

Mr Taylor further explained that Facebook posts would be more story orientated and would link into the website. He was pleased with the number of followers on Twitter, with Tweets being equally positive and negative. He commented that where people sent Tweets in relation to buses, for example a bus being late, it was important that they give their location so that their complaint could be addressed.

Councillors were impressed by the number of visits to the website, being 26,859 for the month, and noted the importance of keeping the information up to date. Mr Taylor anticipated that the Council's use of social media would increase, and noted examples of Youtube videos showing for example how to test for water quality. It was suggested that an ORC TED (short lectures/ demonstrations) could be set up.



Cr Kelliher moved  
Cr Croot seconded

*That the report be received.*

**Motion carried**

Item 3

2014/0697 **Report on Customer Services Activity February 2014.** CE, 24/2/14

The report provided an update on Customer Services Activity for February 2014, including staff training, participation in University Orientation Week, and Subject Pods.

The presence of staff at Orientation Week to provide information to students on bus services and student concessions was commended, with a very good uptake resulting.

Cr Deaker moved  
Cr Neill seconded

*That the report be received.*

**Motion carried**

The meeting closed at 12.11 pm

**Chairperson**

## OTAGO REGIONAL COUNCIL

### Minutes of a meeting of the Finance and Corporate Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Thursday 13 March 2014 commencing at 9.00 am

**Present:**

- Cr David Shepherd** (Chairperson)
- Cr Gary Kelliher** (Deputy Chairperson)
- Cr Doug Brown**
- Cr Louise Croot MNZM**
- Cr Michael Deaker**
- Cr Gerrard Eckhoff**
- Cr Sam Neill**
- Cr Gretchen Robertson**
- Cr Bryan Scott**
- Cr Stephen Woodhead**

**Apologies:**

- Cr Graeme Bell**
- Cr Trevor Kempton**

The apologies were accepted on the motion of Crs Neill and Croot.

**In attendance:**

- Peter Bodeker**
- Wayne Scott**
- Jeff Donaldson**
- Fraser McRae**
- Gavin Palmer**
- Jane Turnbull, Suzanne Watt** (for Item 1)
- Gerard Collings** (for Items 1 and 4)
- Janet Favel**

#### CONFIRMATION OF AGENDA

There were no changes to the agenda.

#### PUBLIC FORUM

*Judith Hewitt - Corstorphine resident*

Ms Hewitt requested that the Corstorphine bus service be changed back to the pre-July 2013 route. Corstorphine residents had to get two buses, and pay two bus fares, to get into The Octagon. She wanted the service via Wakari and Moana Pool to be reinstated.

*Peter Dowden – Bus Go Dunedin*

Mr Dowden explained that Bus Go was set up to promote public transport in Dunedin. Corstorphine residents were unanimous in wanting to revert to the pre-July 2013 route. He acknowledged that the improvements that the ORC had introduced last year were done in good faith and also acknowledged Council's willingness to see where they had gone wrong. Mr Dowden noted that research by Lynley Hood showed a drop-off in the number of passengers and an increase in the number of complaints with the changed route. He believed the original route was efficient but the alternative routes added in July 2013 were inefficient and confusing. Mr Dowden also commented that arterial roads were strong enough for heavy traffic, eg buses, but residential streets were not. He considered it would be practical to combine roading and public transport responsibilities in one council department.

Mr Dowden considered that The Octagon was no longer a meaningful terminus and requested that consideration be given to extending the route to finish closer to the inner city supermarkets, university and hospital.

Cr Scott noted the three options in the report to Council which all included returning the Corstorphine service to the pre-July 2013 route. Mr Dowden stated that he would be happy with that if the terminus was moved to the city centre, and the same level of resources was provided.

## MINUTES

The minutes of the meeting held on 29 January 2014, having been circulated, were adopted on the motion of Crs Woodhead and Croot.

### Matters arising from minutes

There were no matters arising from the minutes.

## PART A - RECOMMENDATIONS

### Item 1

#### 2014/0688 **Expiring Contracts and Corstorphine Services.** DCS, 26/2/14

The report noted that in order to ensure continuity of services and to obtain the necessary NZTA approval for changes to two Corstorphine bus services, Council needed to decide whether or not to proceed with any or all of the service improvements proposed. Options were included in the report, and it was noted that NZTA approval was required for whichever option was adopted. The meeting noted the presentations during the Public Forum which requested that the Corstorphine pre-July 2013 service be reinstated.

All three options presented in the report included changes to the Corstorphine services. There was general agreement that Option A was

ideal but too expensive. Option C (changes to Corstorphine, Waverley, Garden Village, and Roslyn services) was favoured, but it was noted that there would be a 12 month delay in implementing the changes to the Garden Village and Port Chalmers services. Attention was drawn to the upcoming strategic review of transport, and the Council's responsibilities regarding its rating obligations.

It was noted that following the ORC presence at Orientation Week, student public transport patronage had increased, and care should be taken that contract variations did not impact adversely on this change in patronage.

Comment was made that some of the proposed changes were interim solutions, and that the review required by NZTA still had to be undertaken. The concept of hubbing should also be addressed.

Cr Scott moved  
Cr Deaker seconded

- (1) *That the report be received.*
- (2) *That the Council negotiate extensions and variations to the contracts expiring 30 June 2014 including the variations to the Waverley, Garden Village, and Roslyn services and the variations to the Corstorphine contract as presented to the Council workshop on 29 January 2014 – option (c).*

**Motion carried**

Cr Woodhead advised that a request had been received from the Chair of the Peninsula Community Board to speak at the Public Forum about Peninsula routes. It had been suggested that Mr Bodeker and Councillors meet with the Community Board to discuss the decision made today and plans for public transport in the Peninsula area. Comment was also made that submissions could be made through the Annual Plan process.

Item 2  
2014/0677 **2014/15 Draft Annual Plan.** DCS, 24/2/14

The proposed 2014/15 Draft Annual Plan was submitted for consideration and approval for consultation. The Draft Plan was circulated with the agenda. A Summary of Proposal representing the key items from the full document had also been prepared.

Councillors were pleased to note that the general rate increase had been kept to 2.49%. It was pointed out that targeted rates provided a significant portion of rate income. The meeting was also pleased to note that the loan repayment on the Council's stadium contribution would be made in the 2014/15 year.

Councillors thanked Mr Scott and his staff for their work in preparing the Draft Annual Plan document.

A query was raised about the inclusion of biodiversity work, and it was suggested that a stocktake be undertaken of biodiversity projects previously approved by Council. Gaps in earlier work including a regional overview of ecosystems and estuaries could also be identified.

The final repayment of the stadium loan was noted. Mr Scott explained that there was a considerable interest saving by reducing the initial loan term from 15 to seven years, made possible in part by the tax saving.

Councillors commented favourably on the fact that less than one-third of all Council's costs was funded directly by ratepayers. However it was noted that other revenue sources and funding for contingencies and disaster management needed to be secure.

Cr Woodhead moved  
Cr Neill seconded

1. *That the 2014/15 Draft Annual Plan be approved for public consultation subject to any minor editorial amendments.*
2. *That public submissions be open until 2 May 2014.*
3. *That hearings be held during the week beginning 12 May 2014.*

Cr Woodhead suggested that the Annual Plan Hearing subcommittee comprise Crs Shepherd, Kelliher, Robertson and Woodhead. Cr Croot advised that she was unavailable for the hearings week. Cr Woodhead was to approach Cr Bell and Cr Eckhoff advised that he could be available if necessary.

Cr Woodhead moved  
Cr Neill seconded

4. *That a hearing subcommittee comprising Crs Shepherd, Kelliher, Robertson, Woodhead and either Cr Bell or Cr Eckhoff consider all submissions received, and make recommendations.*

**Motion carried**

## **PART B – ITEMS FOR NOTING**

Item 3

2014/0689 **Executive Report on Progress.** DCS, 26/2/14

The report described significant activities carried out by the Finance and Corporate sections since the last meeting of the Committee.

It was noted that a new rating system, 'Pathway', would replace the previous system. This system was also used by Dunedin City and Clutha District Councils.

In response to a question Mr Scott advised that the Cromwell depot was an operational depot which provided for the storage of vehicles and poisons, and had office space in one room, which meant it was not feasible to rent out part of the facility to other users. There was some provision for expansion of staffing.

Cr Croot moved  
Cr Eckhoff seconded

1. *That the report be received.*
2. *That the payments and investments summarised in the table above and detailed in the tabled schedule, totalling \$2,548,242.99, be endorsed.*

**Motion carried**

**PART C - EXCLUSION OF PUBLIC**

Cr Shepherd moved  
Cr Woodhead seconded

*That the public be excluded from the following part of the proceedings of the meeting.*

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

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
<i>Item 4</i>	<i>Passenger Transport Operational Matters</i>	<i>To enable any local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations. LGOIMA S7(2)(i)</i>	<i>S.48(1)(a)(i)</i>

*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 as shown above with respect to each item.*

Following discussion of Item 4,

Cr Shepherd moved  
Cr Kelliher seconded

*That the meeting resume in open session.*

**Motion carried**

The meeting closed at 10.15 am.

**Chairperson**

## OTAGO REGIONAL COUNCIL

### Minutes of a meeting of the Policy Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Thursday 13 March 2014 commencing at 10.38 am

**Present:**

- Cr Gretchen Robertson (Chairperson)
- Cr Michael Deaker (Deputy Chairperson)
- Cr Graeme Bell
- Cr Doug Brown
- Cr Louise Croot MNZM
- Cr Gerrard Eckhoff
- Cr Gary Kelliher
- Cr Sam Neill
- Cr Bryan Scott
- Cr David Shepherd
- Cr Stephen Woodhead

**Apologies:**

- Cr Graeme Bell
- Cr Trevor Kempton

The apologies were accepted on the motion of Crs Croot and Shepherd.

**In attendance:**

- Peter Bodeker
- Wayne Scott
- Jeff Donaldson
- Fraser McRae
- Gavin Palmer
- Janet Favel

#### CONFIRMATION OF AGENDA

There were no changes to the agenda.

#### MINUTES

The minutes of the meeting held on 29 January 2014, having been circulated, were adopted on the motion of Crs Kelliher and Neill.



**Matters arising from minutes**

In response to a question from Cr Eckhoff relating to different national and ORC water quality standards, Mr McRae explained that there had to be compliance with the more restrictive of any two standards.

There were no other matters arising from the minutes.

**ITEMS FOR NOTING**

## Item 1

2014/0684 **Director's Report on Progress.** DPPRM, 28/2/14

The report gave an overview of significant activities undertaken by the Policy, Consents and Transport sections.

The meeting noted that because of flood hazard risk Council had submitted in opposition to the application by Invermark Investments Ltd to the DCC for consent to subdivide a coastal block of land at Waitati. Mr McRae explained that ORC considered there was not sufficient integrity in the original application, and noted that the applicant was undertaking further assessment of the hazards and would provide this information to ORC and DCC.

Concern was expressed at clashes between field days and Council workshop days, and it was also requested that more notice of field days be given. Mr McRae noted this comment. He advised that there was good exchange of information at the Benger aquifer meeting, and noted the possibility that management of the aquifer might be divided according to where water came from.

Cr Croot moved  
Cr Shepherd seconded

*That the report be noted.*

**Motion carried**

The meeting closed at 10.47 am.

**Chairperson**

**OTAGO REGIONAL COUNCIL****Minutes of a meeting of the Regulatory Committee held in the  
Council Chamber, 70 Stafford Street, Dunedin on Thursday  
13 March 2014 commencing at 10.48 am**

**Present:** Cr Sam Neill (Chairperson)  
Cr Gerrard Eckhoff (Deputy Chairperson)  
Cr Michael Deaker  
Cr Gary Kelliher  
Cr Gretchen Robertson  
Cr Bryan Scott  
Cr David Shepherd  
Cr Stephen Woodhead

**Apologies:** Cr Graeme Bell  
Cr Trevor Kempton  
The apologies were accepted on the motion of Crs  
Kelliher and Eckhoff.

**In attendance:** Peter Bodeker  
Wayne Scott  
Jeff Donaldson  
Fraser McRae  
Gavin Palmer  
Janet Favel

**CONFIRMATION OF AGENDA**

There were no changes to the agenda.

**MINUTES**

The minutes of the meeting held on 29 January 2014, having been circulated, were adopted on the motion of Crs Croot and Woodhead.

**Matters arising from minutes**

There were no matters arising from the minutes.

## ITEMS FOR NOTING

Item 1

2014/0684 **Update on Building Act dam safety scheme.** DEHS, 3/3/14

The report noted that the scheme was due to commence on 1 July 2014, but that delays might be caused by further changes to the scheme by the government. The report also detailed collaborative work by regional authorities. Dr Palmer commented that the Council's Annual Plan estimates were predicated on a 1 July start. There were problems with variability in regional councils' preparedness for the commencement, and with the integrity of the scheme, referring to auditing of the work of "recognised engineers".

Councillors commended staff for their work to date on the regional council response to the dam safety scheme.

In response to a query Dr Palmer explained that a "recognised engineer" had to meet requirements in relation to the Building Act and supporting regulations, be a chartered engineer with skills in dam safety, and be assessed by IPENZ. A Category B "recognised engineer" would be a chartered engineer with general civil engineering experience.

Cr Woodhead moved

Cr Croot seconded

*That the report be noted.*

**Motion carried**

Item 2

2014/0661 **Biosecurity and RMA Report.** DEMO, 25/2/14

The report detailed water, air, pest, and contaminated site environmental monitoring and incidents for the period 1 January to 14 February 2014.

Mr Donaldson advised in response to a question that the percentage of water metered takes was still quite low, and there were various reasons for this, including a lack of people available to carry out the verification process. In total there were 1600 takes to be metered; so far 200 had been cancelled by the consent holder because they were not used, or lapsed due to inactivity, and it was expected that more would be cancelled.

In response to a question about the standard of water measuring structures being installed, Mr Donaldson explained that ORC verified the information being supplied by consent holders, not the structures. Council was satisfied with the structures being installed by suppliers and verifiers.

It was noted that Oceana Gold had determined the mine would cease operating in 2017, not 2020, and there was concern that because of this earlier termination date the dam maintenance might not be so thorough. Mr Donaldson advised that one staff member was specialising on Oceana Gold issues, with other staff assistance as required. He also noted that there was a rigid bond in place to manage mitigation.

A question was raised about advice to boat owners of the need to be vigilant with respect to marine pests, and whether random inspections of boats were carried out. Mr Donaldson advised that Environmental Monitoring and Operations staff were not qualified to dive and inspect vessels, but NIWA carried out annual inspections of structures in the harbour basin and reported back to ORC. Some boat owners carried out work on their boats when they received the advice, but ORC had not instructed any boats to be cleaned. Larger ships were managed by their own regulations, but smaller ships were a bigger risk.

In relation to plant pests, Mr Donaldson advised that lagarosiphon was entering Lake Wanaka from Bullock Creek, and this source was to be removed. The work was supported by Guardians of Lake Wanaka and the Community Board.

The rabbit control programme was discussed. Mr Donaldson explained that the rabbit programme being planned with the contracting arm was working well, and it was possible that other operators could also be involved and use the Council's equipment. It would be difficult to source sufficient carrots for the poisoning programme, and consideration was given to the reinstatement of oat poisoning, which would give opportunities for two poisoning seasons during the year. He commented that an oat poisoning operation in the Queensberry area had resulted in a 95+% kill.

The summary of incident complaints was noted:

- Air quality - 89 complaints received, the majority relating to domestic chimneys.
- Odour – Mr Donaldson noted that some complaints related to the landfill. He also commented that CODC was changing to a fortnightly rubbish collection, which could impact on air quality. Council would work with CODC and the community to advise on best practice.

Cr Scott moved

Cr Croot seconded

*That the report be noted.*

**Motion carried**

Item 3  
2014/0674

**Consent processing, consent administration and Building Control Authority update.** DPPRM, 24/2/14

The report detailed consent processing, consent administration and building control authority activity for the period 18 January to 21 February 2014.

Mr McRae was to check the reference to RM13.433 Clutha District Council limited notified application, and the reason for the delay in the hearing of application RM13.215 Queenstown Lakes District Council.

Cr Woodhead moved  
Cr Croot seconded

*That the report be noted.*

**Motion carried**

Item 4  
2014/0673

**RMA, Biosecurity Act and Building Act Enforcement Activities.**  
DPPRM, 24/2/14

The report detailed Resource Management Act 1991, Biosecurity Act 1993 and Building Act 2004 enforcement activities undertaken by the Otago Regional Council for the period 14 January to 24 February 2014.

Cr Croot moved  
Cr Deaker seconded

*That the report be noted.*

**Motion carried**

Item 5  
2014/0696

**Appointment of hearing commissioners.** DPPRM, 28/2/14

The report listed hearing commissioner appointments for the period to 28 February 2014.

Cr Croot moved  
Cr Woodhead seconded

*That the report be noted.*

**Motion carried**

The meeting closed at 11.17 am.

**Chairperson**

**OTAGO REGIONAL COUNCIL****Minutes of a meeting of the Technical Committee held in  
the Council Chamber, 70 Stafford Street, Dunedin on  
Thursday 13 March 2014 commencing at 11.20 am**

**Present:**

**Cr Bryan Scott** (Chairperson)  
**Cr Doug Brown** (Deputy Chairperson)  
**Cr Louise Croot MNZM**  
**Cr Michael Deaker**  
**Cr Gerrard Eckhoff**  
**Cr Gary Kelliher**  
**Cr Sam Neill**  
**Cr Gretchen Robertson**  
**Cr David Shepherd**  
**Cr Stephen Woodhead**

**Apologies:**

**Cr Graeme Bell**  
**Cr Trevor Kempton**  
The apologies were accepted on the motion of Crs Scott and Shepherd.

**In attendance:**

**Peter Bodeker**  
**Wayne Scott**  
**Jeff Donaldson**  
**Fraser McRae**  
**Gavin Palmer**  
**Janet Favel**

**CONFIRMATION OF AGENDA**

There were no changes to the agenda.

**MINUTES**

The minutes of the meeting held on 29 January 2014, having been circulated, were adopted on the motion of Crs Scott and Croot.

**Matters arising from minutes**

There were no matters arising from the minutes.

## ITEMS FOR NOTING

Item 1

2014/0676 **Director's Report on Progress.** DEHS, 2/3/14

The report described progress with Council's flood protection, land drainage and river management programmes, and the management of natural hazards and civil defence and emergency management, and provided an overview of significant activities undertaken by the Resource Science Unit.

The following issues were discussed further:

- Kakanui River erosion protection work – Dr Palmer advised that when the leadership and internal resourcing of the local group recently formed had been determined, a meeting would be arranged, and the group's scope and terms of reference would be discussed.
- Upper Taieri River – Mr Donaldson advised that Environmental Monitoring & Operations and Science staff had worked together on the continuing high bacteria levels in the upper Taieri River, and had taken a broader look at swales and creeks. There was good support from the farming community.
- Launch of LAWA (Land and Water Aotearoa) website – Mr Bodeker advised in response to a question that ORC would assist in publicising the website by a press release, and would feature it on the ORC website. It was noted that the content of the LAWA website would be managed at regional council level and the Communications Manager would ensure the ORC's section was topical and of high quality. The site would provide good information on water quality in Otago.
- Bacteria in the Manuherikia River - Dr Palmer advised that the location of the bacteria meant it could not be attributed to local dairy activity.
- MfE report on NES for air quality – Dr Palmer advised that this was a one off report based on the end of the 2013 compliance period.
- Monitoring bores in South Dunedin – Dr Palmer was to report back on:
  - location of the bores, and whether they were long term sites,
  - the SOE report referred to,
  - whether these were additional bores to those used to investigate seawater incursion as reported in November 2011.
- Number of visits to the alpine fault information on the ORC website (see report 2014/0683 to Communications Committee) – there was concern that the information might create anxiety. Dr Palmer stated that he was not aware that any specific work the Council was doing would give rise to this increase in visits, which could result from school or university work.
- Works on St David Street to Union Street reach of the Water of Leith – Dr Palmer noted timing issues which were largely attributable to the late requirement by the University that the existing footbridge not be removed until a replacement bridge was in place. This was not



allowed for in the budget and was regarded as a contingency item. The cost included regulatory approvals from ORC and DCC, expert professional engineering advice, and the large span of the temporary bridge. Dr Palmer advised that staff had not foreseen the need for a temporary footbridge given that there was alternative access nearby, and the works were of short duration. Dr Palmer advised that the work was within budget, as there had been some variations to the work which had reduced the cost. Based on current forecasts of future costs, Dr Palmer did not expect that the contingency fund would be fully expended.

- Moisture content of firewood – the suggestion was made that wood merchants be required to certify the moisture content of their wood. Dry firewood would have a significant impact on air quality.

Cr Shepherd moved  
Cr Neill seconded

*That the report be noted.*

**Motion carried**

The meeting closed at 11.40 am

**Chairperson**