

Otago Regional Council meeting 6 August 2014

Attached is the agenda for the next meeting of the Otago Regional Council, which is to be held on Wednesday 6 August commencing at 10.30 am. The venue is the Council Chamber, Regional House, 70 Stafford Street, Dunedin. Members of the public are welcome to attend. Copies of attachments are available from the Committee Secretary (see contact details below) or online at

<http://www.orc.govt.nz/Meetings-Consultations-and-Events/Council-meetings-and-Agendas/>.



Janet Favel
Committee Secretary.

Janet Favel
Committee Secretary
DDI 03 470 7474
Freephone 0800 474 082
Email janet.favel@orc.govt.nz

OTAGO REGIONAL COUNCIL

Agenda for a meeting of the Council to be held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 6 August 2014 commencing at 10.30 am

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:

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Monday 4 August.

CONFIRMATION OF AGENDA

PUBLIC FORUM

MINUTES

Page Nos.

The minutes of the public portion of the meeting held on 25 June 2014, having been circulated, for adoption.

5 - 21

Matters arising from minutes

PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

- Item 1
2014/1086 **Chairperson's Report.** Chair, 31/7/14 22 - 23
- Providing an overview of the Chairperson's activities for the period to 31 July 2014

- Item 2
2014/1084 **Chief Executive's Report.** CE, 30/7/14 24 - 26
- Providing an overview of the Chief Executive's activities for the period to 30 July 2014.

PART B – ITEMS FOR NOTING

- Item 3
2014/1010 **Financial Report.** DCS, 31/7/14 27 - 33
- Providing information in respect of overall Council finances for the twelve months to 30 June 2014.

- Item 4
2014/1069 **Appointment of Plan Change Hearing Commissioners.** DPPRM, 28/7/14 34
- Listing hearing commissioners appointed for Plan Changes 3B (Pomahaka minimum flow), 4B (Groundwater allocation) and 4C Cromwell Terrace aquifer groundwater allocation).

- Item 5
2014/1083 **Documents signed under Council's Seal.** DCS, 30/1/14 35
- Listing documents signed under the Council's seal.

- Item 6 **Reports from Councillors** 36

PART C - MINUTES OF MEETINGS

- Item 7 **Recommendations of the Communications Committee meeting** held on 24 July 2014, for adoption 37 - 39

		Page Nos.
Item 8	Recommendations of the public portion of the Finance and Corporate Committee meeting held on 24 July 2014, for adoption	40 - 45
Item 9	Recommendations of the Policy Committee meeting held on 24 July 2014, for adoption	46 - 48
Item 10	Recommendations of the Regulatory Committee meeting held on 24 July 2014, for adoption	49 - 52
Item 11	Recommendations of the Technical Committee meeting held on 24 July 2014, for adoption	53 - 59

PART D – 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 12	Minutes of the In Committee portion of the Council meeting held on 25 June 2014	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. (S7(2)(h))	S.48(1)(a)(i)
Item 13	Minutes of the In Committee portion of the Finance and Corporate Committee meeting held on 24 July 2014	To protect information which is subject to an obligation of confidence (S7(2)(c))	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 25 June 2014 commencing at 10.44 am

Present:

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

Cr Woodhead welcomed Jane Leahy, newly appointed Director Stakeholder Engagement.

Apologies:

Cr Gerrard Eckhoff
 The apology was accepted on the motion of Crs Kelliher and Kempton.

Leave of Absence:

Cr Sam Neill

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Jane Leahy
Fraser McRae
Gavin Palmer
Sharon de Vries (for Item 3)
Gerard Collings (for Item 5)
Suzanne Watt (for Item 5)
Ramon Strong (for Item 13)
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the public portion of the meeting held on 7 May 2014, having been circulated, were adopted on the motion of Crs Kempton and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

Item 1

2014/0909 **Chairperson's Report.** Chair, 19/6/14

The Chairperson provided an overview of his activities for the period to 18 June 2014. The following items were discussed:

- *Audit and Risk Subcommittee* – it was noted that following consultation with other regional councils, the Chief Executive recommended Mr Dave Benham for the role of chair of the Audit and Risk Subcommittee. Mr Scott advised that the appointment to this role would be reviewed at the end of each triennium. Councillors supported the appointment of Mr Benham, noting that his experience and qualifications would be useful for the role.
- *Meeting with NZ Oil and Gas representatives* – the report was to be corrected to show that Cr Shepherd, not Cr Robertson, had attended this meeting.
- *Mayoral Forum* – in response to a question about frequency of reporting on Mayoral Forum activities, Cr Woodhead advised that he and the Chief Executive would consider how best to report to Councillors on the Forum's activities and meetings. In response to a comment about the economic growth seminar, the Chief Executive explained that this was an item in the Triennial Agreement, and he noted that rural growth should be included in the discussion.
- *Otago Wilding Tree Trust* – the preparation of a report describing the current wilding situation in Otago was noted, and it was considered important for the ORC to have access to this report. Cr Woodhead noted that the report would inform the ORC review of the Pest Management Strategy.

Cr Woodhead moved
Cr Deaker seconded

That Mr David Benham be appointed the independent member of the Otago Regional Council Audit and Risk Subcommittee.

Motion carried

Item 2

2014/0889 **Chief Executive's Report.** CE, 11/6/14

The Chief Executive provided an overview of his activities for the period to 11 June 2014.

River Management

Mr Bodeker noted the importance for staff and communities alike to understand the Council's river management role, and it was important to establish the values communities expected of their river systems. He noted that the increasing value of riverbank land, and significant riverbank infrastructure, affected how landowners were prepared to use this land. The expected outcome from the community consultation was that an agreed position on river performance would be established which could result in seeking global consents to undertake river management works. Cr Brown was to discuss with the Chief Executive the need for urgent action on commitments given to the Kakanui/Kauru community, and the severe erosion issues on six properties.

Plan Change 6A

About 100 people were expected to attend the PC6A Stakeholder launch on Friday 27 June. The launch would explain ORC's role in ensuring compliance with all aspects of the Water Plan, particularly in relation to land owners' awareness of the requirements of prohibited and permitted activities. Comment was made that there were water quality problems in the region and these should be addressed now and not left until 2020. Mr Bodeker explained that the vision was to establish a regime which ORC would monitor against, and compliance by at least 2017 would be encouraged. Requirements for Schedule 16 levels and use of Overseer would be enforced in 2020. The incentivisation was that all landowners would have water quality assessment in place prior to 2020.

It was commented that the transition time was now, not after 2020. The existing rules would be enforced now, so that by 2020 the requirements would be met. The deadline of 2020 gave landowners time to understand the outcomes they needed to achieve and how they could budget for this work.

Comment was made that the mediated result on the PC6A hearings should ensure support for the 6A principles. Briefing notes for Councillors giving introductions to the Roadshow meetings were requested.

Tomahawk Lagoon

The meeting was well attended and positive, with a diverse range of interests represented. Options for dealing with the water quality issues were presented, and a response from the community was awaited. It was also noted that a targeted rate could be put in place for those who stood to benefit from any solution to the water quality issues.

Cr Deaker moved
Cr Shepherd seconded

That the Chairperson's and Chief Executive's reports be noted.

Motion carried

PART B – RECOMMENDATIONS

Item 3

2014/0893 **2014/15 Annual Plan Adoption.** DCS, 16/6/14

The Annual Plan as approved by the Finance and Corporate Committee meeting of 4 June was presented for adoption. The full document was circulated separately with the agenda.

Mr Scott pointed out that the changes summarised in the Committee report did not have any effect on the financial provisions. He noted that a 2.49% rate increase was recommended, and there were decreases in the stadium loan repayment, Clean Heat project, and Queenstown Public Transport targeted rates. Mr Scott also noted that bus operators had agreed to continue the student discount.

Councillors commended the Annual Plan process and report, the 2.49% rate increase, which was below the inflation rate, and the decrease in some targeted rates. They were also pleased with the work now being carried out on Plan Changes 6A and 1C, and the significant review of the RPS.

In response to a query Mr Scott explained that Port Otago Ltd, recreational clubs, and iwi would be included in the harbour use investigations.

Cr Woodhead noted a national study into rating resolutions to ensure they complied with legislation.

In response to a question Mr Scott explained that legislation applied a penalty on unpaid rates of 10% every six months. Cr Woodhead noted that the previous penalty date had been brought forward because of confusion generated by the previous payment timetable.

It was suggested that ratepayers needed to be reminded of the importance of the Port Otago dividend in keeping rates down.

Cr Shepherd moved
Cr Deaker seconded

1. That the report be received.

2. *That the 2014/15 Annual Plan, incorporating the recommendations of the Finance and Corporate Committee, be adopted.*

Motion carried

Item 4

2014/0887 **Rating Report to Council and Rates Resolution 2014-15.**

DCS, 17/6/14

The report noted that following the adoption of the 2014/15 Annual Plan, Council was required to adopt a rates resolution to formally set the rates for the 2014/15 financial year. The report provided details of each of the rates to be set, and recommended that Council adopt the rates resolution for the 2014/15 year.

Thanks were expressed to staff for their work in preparing the Annual Plan and the rates resolution.

Cr Shepherd moved
Cr Kelliher seconded

1. *That the report be received.*
2. *That the attached Rating Resolution for the 2014/15 year be adopted.*

Motion carried

Item 5

2014/0892 **Draft Regional Public Transport Plan.** 16/6/14

The report presented for endorsement a draft Regional Public Transport Plan to enable public consultation in accordance with the Local Government Act 2002. The Draft RPTP was separately distributed with the agenda.

Mr Scott noted that following the preparation of the draft RPTP, NZTA had offered some comments and clarification of the national position on some issues. A document detailing the resulting changes to the Plan was circulated to Councillors. It was considered logical to include the changes in the document when it was put out for public consultation. The work by staff to get the Plan to this stage was commended.

A query was raised as to whether the Plan's patronage approach, which simplified routes and improved service frequency, would increase patronage in Dunedin given the city's climate and terrain. It was noted that research into transport models overseas had shown that the patronage approach was effective in increasing patronage. It was suggested that monitoring be

carried out to determine if the patronage approach was working, and good public feedback on the proposals through the consultation process was anticipated.

Mr Scott noted that the commercial routes would be incorporated into PTOM units.

The establishment of a central hub was commended, and the importance of shelter was noted. It was suggested that the hub not be in The Octagon because of congestion there on cruise ship days.

Cr Woodhead suggested the following changes to the Recommendations:

1. Add “..... as amended by comments received from NZTA 20 June 2014,”.
2. “Establish a hearings subcommittee of Cr Sam Neill (Chair) (availability to be confirmed), Cr Michael Deaker, and a DCC representative to hear and consider”

It was noted that Cr Neill was on leave of absence, and Cr Woodhead would approach him to take on the role of chair of the panel.

Cr Deaker moved
Cr Kempton seconded

That the Council

- *Endorse the draft RPTP, as amended by comments received from NZTA 20 June 2014, for public notification.*
- *Delegate to the Director Corporate Services the authority to approve editorial and minor changes to the draft plan before public notification.*
- *Establish a Hearings Subcommittee comprising Cr Sam Neill (Chair) (availability to be confirmed), Cr Michael Deaker, and a DCC representative to hear and consider submissions on the Draft Plan and make recommendations to Council.*

Motion carried

Cr Woodhead thanked staff for their work in preparing this Plan.

PART C – ITEMS FOR NOTING

Item 6
2014/0890 **Financial Report.** DCS, 19/6/14

The report provided information in respect of overall Council finances for the eleven months to 31 May 2014.

Cr Shepherd moved
Cr Croot seconded

That the report be received.

Motion carried

Item 7 **Reports from Councillors**

Cr Bryan Scott – Tomahawk Lagoon

Cr Scott had attended the public meeting held to discuss water quality in the Tomahawk Lagoons. He considered the meeting was positive, and staff had presented the options well. He noted the need to ensure consistency of content between signs, and that the signs were in appropriate locations.

PART D - MINUTES OF MEETINGS

Item 8 **Recommendations of the Communications Committee meeting** held on 4 June 2014, for adoption

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Communications Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 9 **Recommendations of the Finance and Corporate Committee meeting** held on 4 June 2014, for adoption

Cr Shepherd moved
Cr Kelliher seconded

That the recommendations of the Finance and Corporate Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 10 **Recommendations of the Policy Committee meeting** held on 4 June 2014, for adoption

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 11 **Recommendations of the Regulatory Committee meeting** held on 4 June 2014, for adoption

Cr Croot moved
Cr Brown seconded

That the recommendations of the Regulatory Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 12 **Recommendations of the Technical Committee meeting** held on 4 June 2014, for adoption

Cr Scott moved
Cr Brown seconded

That the recommendations of the Technical Committee meeting held on 4 June 2014 be adopted.

Motion carried

PART E – EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Kelliher 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 13</i>	<i>Leith Flood Protection Scheme</i>	<i>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. (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 13,

Cr Woodhead moved
Cr Croot seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 12.15 pm.

Chairperson

Rating Resolution for Adoption

That in accordance with the provisions of the Local Government (Rating) Act 2002, the Otago Regional Council 2014/2015 Annual Plan, and all other power or authorities in that behalf enabling it, the Otago Regional Council sets the following rates for the period commencing on the 1st day of July 2014 and ending on the 30th day of June 2015, namely:

1. General Rates

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 made on every rating unit within the Otago region, assessed as a fixed amount of \$13.76 per rating unit. Revenue sought from the Uniform Annual General Charge amounts to \$1,445,133.

A general rate set under sections 13 and 14 of the Local Government (Rating) Act 2002 made on every rating unit within the Otago region, assessed differentially on the rateable capital value of all rateable land situated within the territorial authority districts as detailed below:

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago	0.007259	508,530
Clutha	0.007574	468,848
Dunedin	0.009179	1,798,973
Queenstown Lakes	0.007161	1,215,729
Waitaki	0.007380	343,318
Total		4,335,398

2. Forsyth Barr Stadium Rates

For the purpose of providing for this Council's contribution to the Forsyth Barr Stadium, targeted rates rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, made on every rating unit within the territorial authority districts, as follows:

A targeted uniform rate made on every rateable unit within the Otago region, assessed differentially on rating units situated within the territorial authority districts as detailed below:

District	Rate \$ Per rating unit	Revenue Sought \$
Central Otago	2.11	26,025
Clutha	2.69	26,454
Dunedin	3.64	184,234
Queenstown Lakes	2.50	54,183
Waitaki	2.41	25,354
Total		316,250

A targeted rate made on every rateable unit within the Otago region, assessed differentially on the rateable capital value of all rateable land situated within each territorial authority districts as detailed below:

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago	0.000372	26,025
Clutha	0.000428	26,454
Dunedin	0.000940	184,234
Queenstown Lakes	0.000319	54,183
Waitaki	0.000545	25,354
Total		316,250

3. River Management Rates

3.1 Territorial Authority Districts

For the purpose of providing for maintenance and enhancement works of waterways within the Otago region, a targeted rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, made on every rating unit, assessed differentially on the rateable capital value of all rateable land situated within the territorial authority districts and the Wakatipu and Wanaka River Management rating districts, as detailed below:

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago District	0.002545	178,250
Clutha District	0.003437	212,750
Dunedin City	0.000880	172,500
Waitaki District	0.003402	158,240
Wakatipu River Management Rating District	0.002531	287,500
Wanaka River Management Rating District	0.003420	192,050
Total		1,201,290

3.2 Lower Waitaki Rating Area

For the purpose of providing for maintenance and enhancement works of waterways within the Lower Waitaki Rating Area, a targeted rate set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on every rating unit within the rating area, assessed differentially on the rateable capital value of all rateable land within the classifications as detailed below:

Lower Waitaki Rating Area		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.160668	117,322
B	0.080325	71,785
Total		189,107

4. Flood Protection and Drainage Scheme Rates

4.1 Lower Clutha, Tokomairiro and Lower Taieri Schemes

For the purpose of providing for the maintenance and improvement of works, in the river and drainage schemes listed below, a targeted rate set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on every rating unit within the scheme area, assessed differentially on the rateable capital value of all rateable land within the scheme classifications as detailed below.

The targeted rates set below are the cents in the dollar on the rateable capital value of rateable land situated within each classification.

Lower Clutha Flood Protection & Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.483654	71,665
B	0.192039	94,631
C	0.181371	224,161
D	0.113801	38,885
E	0.060456	31,150
F	0.007113	16,831
U1	0.192051	2,073
U2	0.064014	100,234
U3	0.014224	5,491
U4	0.010669	26,438
Total		611,559

Tokomairiro Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.034074	3,346
B	0.025556	5,734
C	0.020445	7,286
D	0.015333	10,130
E	0.008519	4,880
F	0.003409	7,136
U1	0.005111	13,238
Total		51,750

Lower Taieri Flood Protection Scheme					
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$	Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
WF1	0.194087	358,995	EF4	0.088363	6,433
WF2	0.114843	269,463	EF5	0.002456	1,148
WF3	0.001824	169	EF6	0.108604	976
WF4	0.002827	121	EF7	0.001493	436
WF5	0.000329	1	EF8	0.001410	18,064
WF6	0.000331	3	EF9	0.000654	921
WF7	0.000247	1	EF10	0.000814	953
WF8	0.013645	729	EF12	0.128389	1,235
WF9	0.000128	1	EF13	0.128466	2,052
EF1	0.104605	17,257			
EF2	0.109423	25,593			
EF3	0.108880	528			
				Total	705,079

4.2 East Taieri Scheme

For the purpose of providing for the maintenance and improvement of works, in the East Taieri drainage scheme, the following two rates are set:

Targeted Uniform Rate

A targeted uniform rate of \$22.40 per hectare set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on all rating units on all land within the scheme area, except for land situated within classifications ED3, ED6 and ED7.

Revenue sought from the targeted uniform rate amounts to \$104,362.

Targeted Differential Rate

A targeted rate set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on every rating unit within the scheme area, except those rating units situated within classifications ED3 and ED6, assessed differentially on the area of land of all rateable land situated within the scheme classifications as detailed below.

The targeted differential rates set below, are the dollars per hectare of rateable land situated within each classification.

East Taieri Drainage Scheme - Targeted Differential Rate		
Classification	Rate \$ per hectare	Revenue Sought \$
ED1	124.98	113,729
ED2	95.35	74,254
ED4	105.38	11,885
ED5	47.53	45,466
ED7	163.23	13,219
ED8	31.54	27,279
ED9	27.35	18,320
ED10	24.30	8,936
Total		313,088

4.3 West Taieri Scheme

For the purpose of providing for the maintenance and improvement of works, in the West Taieri drainage scheme, the following two rates are set:

Targeted Uniform Rate

A targeted uniform rate of \$22.74 per hectare set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on all rating units on all land situated within classifications WD1, WD2, WD3 and WD4 located within the scheme area.

Revenue sought from the targeted uniform rate amounts to \$163,903

Targeted Differential Rate

A targeted rate set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on every rating unit within the scheme area, assessed differentially on the area of land of all rateable land situated within the scheme classifications as detailed below.

The targeted differential rates set below, are the dollars per hectare of rateable land situated within each classification.

West Taieri Drainage Scheme - Targeted Differential Rate		
Classification	Rate \$ per hectare	Revenue Sought \$
WD1	72.71	306,397
WD2	19.98	51,643
WD3	54.26	16,493
WD4	72.71	7,766
WD5	0.30	140
Total		382,439

4.4 Leith Flood Protection Scheme

For the purpose of providing for flood protection works, in the Leith Flood Protection scheme area, a targeted rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, made on every rating unit within the scheme area, assessed differentially on the rateable capital value of all rateable land situated within the scheme classifications as detailed below:

Leith Flood Protection Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A – Direct benefit zone – Excluding Forsyth Barr Stadium	0.087548	614,928
A – Direct benefit zone – Forsyth Barr Stadium	0.015118	25,622
B – Indirect benefit zone	0.004949	640,550
Total		1,281,100

4.5 Shotover Delta Training Works

For the purpose of providing for flood mitigation works and maintenance of flood mitigation works on the Shotover Delta, a targeted rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, made on every rating unit within the Shotover Flood Mitigation Rating Area, assessed on the rateable capital value of all rateable land situated within the rating district as detailed below:

Shotover Delta Training Works		
	Rate cents in \$ on Capital Value	Revenue Sought \$
All rating units	0.002996	287,500
Total		287,500

5. Transport Services Rates

For the purpose of providing for urban passenger transport services within the Dunedin city area and a service to Palmerston, and public passenger transport services within the Queenstown area, targeted rates set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, made on every rating unit within the transport rating areas, assessed differentially on the rateable capital value of all rateable land situated within the transport rating classifications, as detailed below:

Dunedin Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.066215	1,197,394
Class B (within Dunedin City)	0.017657	2,501,215
Class B (within Waitaki District)	0.018699	17,695
Total		3,716,304

Queenstown Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.000935	14,169
Class B	0.000468	37,101
Total		51,270

6. Clean Heat Clean Air Rate

For the purpose of providing for the retro-fitting of homes with clean heat appliances in Alexandra, Arrowtown, Clyde, Cromwell, and Milton, a targeted rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, assessed on the capital value of all rateable land situated within the Clean Heat Clean Air rating district, as detailed below:

Clean Heat Clean Air Scheme		
	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago District	0.003140	69,808
Queenstown Lakes District	0.003203	25,699
Clutha District	0.003385	6,843
Total		102,350

7. Other Matters

7.1 Rate Collection

That the Otago Regional Council collects the rates set and assessed in the Otago Region, and that the rates be due and payable on or before 31 October 2014.

7.2 Penalties on Unpaid Rates

Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, penalties will be added to unpaid rates assessed by the Council within the Otago region and due to the Council during the 2014/2015 financial year as follows:

- (a) A penalty of 10% to be added to rates assessed during the 2014/2015 financial year, or any previous financial year, and which remain unpaid on 1 November 2014.
- (b) A penalty of 10% to be added to rates which have been levied in any previous financial year and which remain unpaid on 1 May 2015.

Penalties will not be added to rate balances where the ratepayer has elected the tri-annual direct debit option of payment and where all payments under this payment option are honoured on the due payment date.

The amount of unpaid rates to which a penalty shall be added shall include:

- Any penalty previously added to unpaid rates under Section 58 of the Local Government (Rating) Act 2002
- Any additional charges previously added to the amount of unpaid rates under Section 132 of the Rating Powers Act 1988
- Any rates previously levied under the Rating Powers Act 1988 that remain unpaid.

7.3 Valuation and Rating Records

That the valuation rolls and rates records for the rates collected by the Otago Regional Council be made available for inspection during normal working hours at the office of the Council, 70 Stafford Street, Dunedin.

REPORT

Document Id: A657602

Report Number: 2014/1086
Prepared For: Council
Prepared By: Cr Woodhead - Chairperson
Date: 31 July 2014

Subject: **Chairperson's Report to Council - August 2014**

1. Environment Southland / ORC Meeting

A very successful joint meeting held at Telford allowed each council to understand how we were dealing with the various environmental challenges both regions face. As part of the day, it was valuable to be hosted by Alan Gorton, Farm Manager at Telford, and Ross Monaghan, AgResearch, and hear about the various research projects being undertaken on wintering, effluent disposal and nutrient loss. It is very relevant to Otago/Southland areas with clay soils, and good to see on farm scale research occurring in our patch.

2. RSG Tour and LGNZ Conference

Cr Kempton and I attended the Regional Sector Tour prior to Local Government Conference. We spent a night in Westport and visited the Solid Energy Stockton coal mine the next morning. The site covers 2,500 hectares in a high rainfall area which results in significant water treatment challenges. The mine produces 1.5-2 million tons of very high grade coal that is trucked, and then loaded into a cable car before being loaded into trains for export from Lyttleton. We then travelled through the Buller Gorge to Tasman District Council offices to hear about the Waimea community dam project.

We were joined by Cr Robertson at conference in Nelson. Lawrence Yule was re-elected unopposed as National President and Brendan Duffy, Mayor of Horowhenua District, was elected Vice President.

3. National Council

LGNZ has set up a working party to review the funding model for local government. The group is chaired by Penny Webster from Auckland. The 13 member group has seven local government representatives and six from outside the sector; Mr Bodeker is on the group.

The Online Voting Working Party has reported to Government with an announcement due in August.

Following a repeated call from local government at the recent Central Government/Local Government Forum to move our meetings from issues based to more strategic, the Minister Local Government has asked DIA to do a stocktake of CG/LG interactions. This is a descriptive exercise, but may be progress as there is genuine intent from both sides to lift the level of productive engagement.

Next year's conference is being hosted by Rotorua.

4. Regional Sector Group

The Environmental Reporting Bill was introduced to Parliament in February with the purpose of creating a national level reporting system. It focuses on reporting the best data available. MfE were going to establish a national monitoring system; however the RSG decided to take the lead and ownership of this project with the support of MfE. National Council has approved the establishment of a National Monitoring and Reporting Office based at LGNZ. LAWA will be part of the framework; the next modules to be populated are coastal, water quantity, freshwater quality and air quality.

One of LGNZ's policy priorities is "*A shared national approach to addressing regional development and growth across New Zealand*". RSG has contracted Shamubeel Equb to write a think piece to provide challenging ideas to fuel discussion. Case studies will illustrate the concept of an economic region with the Southern South Island being one of the case studies.

The NPSFM amendments came into effect on August 1st. Several omissions of things the sector asked for and others that have come to light since, mean there will have to be further amendments.

A review of Special Interest Groups (SIG) within the sector is occurring.

The OSPRI funding review is open for comment until the 12th of August.

5. PC6A Launch

I wish to record Council's thanks to Mr Bodeker and staff for a successful launch and series of meetings around the region, a significant effort with excellent turnout by farmers.

6. Other Meetings Attended

- PC6A – Owaka, Clinton, Tapanui, Balclutha, Milton and Outram.
- Crs Robertson, Brown, Shepherd, Mr Bodeker, Mr Scott and I attended an Institute of Directors Audit and Risk Committee course.

Stephen Woodhead
Chairperson

REPORT

Document Id: A657448

Report Number: 2014/1084
Prepared For: Council
Prepared By: Chief Executive
Date: 30 July 2014

Subject: **Chief Executive's Report to Council**

1. Capital Expenditure and Asset Disposal

At the request of the Chair I have reviewed the ORC policy on Capital Expenditure and Asset Disposal.

Capital Expenditure

Delegations for capital expenditure are quite limited, to enable controls around capex. Delegations are restricted to:

Chief Executive – normal CE authorisation process
Director Corporate Services - \$150,000
Director Environmental Monitoring & Operations - \$1,000
Manager Support Services - \$5,000
Senior Support Services Officer - \$5,000
Manager Information Technology - \$1,000

Apart from the CEO and Director Corporate Services, the exercise of delegations is restricted to the responsibilities of the position holder.

Recording

The recording of new assets is undertaken by the Finance team, who are diligent in capital expenditure identification and all capital purchases are entered into the asset register.

Asset Disposals

When assets are disposed of, whether a desk or a motor vehicle or property, they are only removed from the asset register once the asset disposal documentation is completed.

The Disposal Approved Form includes asset identification, values, sale price (or write-off), recommendation by Manager/Director, and final approval by the Director Corporate Services. All asset disposals, whatever type and whatever value (including nil value), are finally approved by the Director Corporate Services, following which the accounting entries are made, and the asset register updated.

For vehicles the disposal methodology varies, however it is predicated on an open market basis. Most surplus vehicles are sold through Turners Auctions, although sometimes where a

trade-in value is considered appropriate, vehicles may be traded. Where the normal auction process is not successful or not suitable for the vehicle type involved, Trade Me may be used.

Trade Me is also used for sundry office items.

Property pricing is valued according to independent market valuation.

Asset Verification

The final part of the internal control process is asset verification checking. ORC is presently reviewing our Asset Management Plans and as part of this process a complete and independent asset verification exercise is being undertaken by the Corporate Analyst and Management Accountant.

Unit based asset verification is also undertaken from time to time, and the independent check will continue to be undertaken on an annual basis.

Recording of Asset Disposal Proceeds

Proceeds of asset disposals are recorded by the Finance Unit when funds are received. There is a reconciliation with the asset disposal documentation.

Staff Purchasing of Surplus Assets

Staff can participate in the market process through e.g. Turners and Trade Me, when assets are marketed using those processes, or if ORC has surplus low value miscellaneous office equipment, we may sell to a staff member to save the disposal costs. However, this is at the discretion of the Director Corporate Services and the Disposal Approved Form is completed.

2. North Otago River Form and Function

As discussed previously, ORC staff have begun a process to engage with landowners and interested parties to describe the desired form and function for rivers with the objective of establishing a protocol for what intervention or management, if any, ORC may take in assisting landowners in protecting land that bounds a river.

The pilot for this process is the Kakanui and Kauru Rivers and the Stakeholder Engagement team facilitated a meeting chaired by Cr Brown in North Otago on 29 July. At the meeting participants described current issues with the river and also defined the form and function of the river should the issues be resolved.

ORC will take this information and define what the acceptable form and function of the river will be before providing an engineering/consenting view of how this may be achieved.

Once undertaken, further engagement with the community will result to establish how any additional costs over and above the current river management rate may be funded.

This work will be used to inform the next Long Term Plan as it could be applied to other rivers in the region.

3. Strath Taieri Irrigation Group

As required by the Objections Committee, I have met with the Strath Taieri Irrigation Group.

A meeting was held on 30 July with seven Strath Taieri representatives, David Cooper from Federated Farmers, Cr Woodhead, Matt Hickey and myself.

The meeting focused on how the group could pick up on the irrigation proposal by determining the status of the design and consenting process to engaging with the community to ascertain their support.

ORC will provide technical and financial support through the CEO discretionary irrigation fund.

Peter Bodeker
Chief Executive

REPORT

Document Id: A651727

Report Number: 2014/1010

Prepared For: Council

Prepared By: Finance Manager

Date: 31 July 2014

Subject: **Financial Report to 30 June 2014**

The following information is provided in respect of the overall Council finances for the twelve months to 30 June 2014.

This report is provisional only. Some charges relating to the financial year have not yet come to hand, and various year end procedures and adjustments are yet to be completed.

1. Activity Expenditure

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

Activity		12 Months to 30 June 2014 \$000's		
		Budget	Actual	Variance (unfav)
Air Quality	Note 1	1,452	949	503
Bio-Security		2,082	2,063	19
Coast		339	224	115
Dam Safety		368	394	(26)
Emergency management		378	295	83
Environmental Incident response	Note 2	631	772	(141)
Flood protection & control works	Note 3	8,613	7,288	1,325
Governance & Community		3,995	4,267	(272)
Regional Policy Statement	Note 4	498	736	(238)
Rivers & Waterway Management		1,088	1,033	55
Natural hazards	Note 5	1,395	1,075	320
Transport		8,606	8,684	(78)
Water	Note 6	8,913	7,681	1,232
		38,358	35,461	2,897

Significant variances 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 - Environmental Incident Response

The primary reason for this variance is remedial work amounting to \$74,000 in respect of an Oamaru Foreshore contaminated site. It is noted that recoveries of \$71,000 have been received in respect of these costs.

Note 3 - 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 \$4,721,000, is \$1,147,000 less than provided for in the budget. Additionally, expenditure in the Lower Clutha Flood Protection project of \$1,016,000 is \$293,000 less than budgeted largely due to the timing of capital expenditure related to pump station assets.

An unfavourable variance of \$177,000 is recorded in the West Taieri Flood Protection project due to capital work associated with the Waipori F pump replacement, not budgeted for in the 2013/14 year.

Note 4 - Regional Policy Statement

The Regional Policy Statement is showing an unfavourable variance of \$238,000. However work budgeted within the Regional Plan – Hazards project has been incorporated within the Regional Policy Statement project. The combined project unfavourable variance is minimal.

Note 5 - Natural Hazards

The Regional Plan – Hazards project has a budget of \$171,000, 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 6 - Water

The most significant *favourable* variance is the Irrigation Grants project with budgeted grants amounting to \$1,000,000 - however no grants have been made.

The Consent Processing – Water Project, has a variance of \$305,000 compared to the budget of \$1,080,000. 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.

Other significant favourable variances are the Compliance Monitoring-Water project (\$170,000) and the Community Water Quantity project (\$166,000).

The most significant *unfavourable* variances are the Regional Plan – Water project with an unfavourable variance of \$181,000 compared to the budget of \$960,000 (primarily reflecting additional minimum flow and groundwater work, 6A appeals and legal fees) and the Water Plan Implementation project with an unfavourable variance of \$152,000 compared to the budget of \$308,000.

2. Income Statement and Balance Sheet

A provisional Income Statement for the year to 30 June 2014 and a provisional Balance Sheet as at 30 June 2014 are attached.

3. Recommendation

That this report be received.

R W Scott
Director Corporate Services

Otago Regional Council
**Provisional Income Statement
For the year to 30 June 2014**

	12 Months to 30 June 2014		
	\$000's		
	Budget	Actual	Variance (unfav)
Income			
Rate income	15,632	15,650	18
Grant and subsidy income Note 1	4,284	5,023	739
Interest received Note 2	1,918	2,431	513
Other income Note 3	4,914	3,915	(1,036)
Dividend income Note 4	7,200	7,100	(100)
Rental income	903	1,015	112
Gain in value of investment Note 5 Property	241	478	237
Other gains Note 6	-	564	564
Total Income	35,092	36,176	1,047
Expenditure			
Operating expenses	29,205	29,064	141
Finance costs	555	492	63
Depreciation expense	1,341	1,230	111
Total Expenditure	31,101	30,786	315
Surplus before tax	3,991	5,390	1,399
Income tax benefit	-	103	103
Surplus after tax	3,991	5,493	1,502

Note 1 - Grant and Subsidy Income

The prime cause of this favourable variance is a variance of \$408,000 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 \$1,538,000 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

The budgeted dividend income from Port Otago Limited for the year is \$7.2m. Dividend income reported in the income statement of \$7.1m reflects dividends received in the current financial year comprising the final dividend of \$1.9m for the June 2013 year and interim dividends of \$5.2m for the year ended 30 June 2014. The total amount of dividend for the June 2014 year will not be known until September when the company declares a final dividend for the year.

Note 5 - Gain in the value of Investment Property

Investment Property was revalued as at 30 June 2014. The gain of \$478,000 represents an increase of 5% on the valuation at 30 June 2013.

Note 6 - Other Gains

Other gains recorded to 30 June 2014 are an increase in the value of the BNZ managed Investment Portfolio of \$426,000 and a gain of \$138,000 in respect of the Mark to Market valuation of the interest rate swap associated with the BNZ loan.

Otago Regional Council
**Provisional Balance Sheet
As at 30 June 2014**

		30 June 2014 \$000's	30 June 2013 \$000's
Public Equity			
Public equity		141,449	143,186
Available-for-sale revaluation reserve	Note 1	341,264	341,264
Asset revaluation reserve	Note 2	7,963	7,485
Asset replacement reserve		4,725	4,633
Building reserve	Note 3	5,214	-
Emergency response reserve		3,571	3,425
Irrigation grants reserve		1,463	206
Kuriwao endowment reserve		6,020	5,500
		511,669	505,699
Current Liabilities			
Bank Loan	Note 4	-	10,000
Accounts payable and accruals		5,765	6,624
Other financial instruments	Note 5	-	138
		5,765	16,762
Total Equity and Liabilities		517,434	522,461
Non-Current Assets			
Operating assets		84,891	80,196
Intangible assets		1,739	1,893
Investment Property	Note 2	10,024	9,546
Deferred tax asset		98	98
Other financial assets	Note 6	1,750	
Shares in Port Otago Ltd	Note 1	361,264	361,264
		459,766	452,997
Current Assets			
Cash and cash equivalents	Note 6	3,911	1,893
Other financial assets	Note 6	50,303	62,869
Receivables		2,980	4,137
Other current assets		89	180
Inventories – stock and property held for sale		385	385
		57,668	69,464
Total Assets		517,434	522,461

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.

A valuation of the shares at June 2014 is not yet available so is unable to be reflected in this provisional financial report. The June 2014 revaluation will be reflected in the annual report to be adopted at the Council meeting on 17 September 2014.

Note 2 - Asset Revaluation Reserve and Investment Property

Investment Property is revalued annually by external valuers and was revalued as at 30 June 2014. The increase in value of the property of \$478,000 to \$10.024 million represents an overall increase of 5% on the valuation at 30 June 2013. The valuation increase is reflected in the Asset Revaluation Reserve

Note 3 - 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 4 - Bank Loan

The term bank loan reflected external borrowing of \$10 million from the Bank of New Zealand to fund part of the Council's contribution to the Forsyth Barr Stadium, and was repaid on the loan facility termination date of 30 June 2014.

Note 5 - Other Financial Instruments

The Other Financial Instruments liability represented the valuation of the interest rate swap agreement associated with the BNZ loan. The valuation of the financial instrument was extinguished with the repayment of the loan on 30 June 2014.

Note 6 - 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 4-13 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, and other term deposits are classified as Other Financial Assets.

REPORT

Document Id: A656192

Report Number: 2014/1069
 Prepared For: Council
 Prepared By: Director Policy, Planning and Resource Management
 Date: 28 July 2014

Subject: **Appointment of Plan Change Hearing Commissioners**

1. Précis

Under the Resource Management Act, hearing commissioners must be appointed by the Council. The Commissioner Appointment Subcommittee has this function and submits the commissioners listed below for upcoming plan change hearings.

2. Meeting 25 to 27 July 2014 (by email)

Present	Crs Croot, Woodhead and Robertson
Applicant	3B Pomahaka minimum flow
Motion	Moved Cr Croot, seconded Cr Woodhead
Panel	Crs Robertson (Chair), Kelliher and Neill, reserve Cr Shepherd

Present	Crs Croot, Woodhead and Robertson
Applicant	4B Groundwater allocation
Motion	Moved Cr Woodhead, seconded Cr Robertson
Panel	Crs Croot (Chair), Neill and Kelliher, reserve Cr Scott

Present	Crs Croot, Woodhead and Robertson
Applicant	4C Cromwell Terrace aquifer groundwater allocation
Motion	Moved Cr Woodhead, seconded Cr Robertson
Panel	Crs Scott (Chair), Croot, and Neill, reserve Cr Shepherd

3. Recommendation

That the report be noted.

Fraser McRae
Director Policy Planning and Resource Management

REPORT

Document Id: A657444

Report Number: 2014/1083
Prepared For: Council
Prepared By: Director Corporate Services
Date: 30 July 2014

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

1. Précis

To inform the Council of delegations which have been exercised.

2. Documents signed under the Council's Seal

- Certificate under S417 of the Resource Management Act 1991 – Stringer Farms Ltd for Water Race No. WR1579 Naseby Registry, being a renewal for water race WR1606, Naseby Registry.
- Certificate under S417 of the Resource Management Act 1991 – J Mathewson Ltd for Water Race No. WR585N, Naseby Registry.

3. Recommendation

That the report be noted.

R W Scott
Director Corporate Services

Report back from Councillors

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Communications Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Thursday 24 July 2014 commencing at 11.30 am

Present:

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

Apologies:

Cr Gretchen Robertson
 The apology was accepted on the motion of Crs Bell and Shepherd.

In attendance:

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

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 4 June 2014, having been circulated, were adopted on the motion of Crs Bell and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

Cr Kempton welcomed Mrs Jane Leahy, Director Stakeholder Engagement, to her first Communications Committee meeting.

ITEMS FOR NOTING

Item 1

2014/0948 **Report on Community Liaison and Education.** DSE, 10/7/14

The report provided an update on Plan Change 6A implementation, catchment programmes, water quantity, and other activities. Thanks were extended to staff for their considerable involvement in the Plan Change 6A roadshows, and Mrs Leahy noted that there had been significant follow up enquiries from the public following the roadshows.

Cr Kelliher moved
Cr Deaker seconded

That the report be received.

Motion carried

Item 2

2014/0949 **Report on Communications and Media Activity.** DSE, 1/7/14

The report provided an update on Council communications and media activity carried out during the period 16 May to 30 June.

The following points were discussed:

- Publications – the number and range of publications was noted, and it was suggested that the public survey could indicate the usefulness or otherwise of the publications.
- Use of website – this information might be easily read in graph rather than numeric form.
- EnviroSchools – Mr Scott advised that he had met with the General Manager and EnviroSchools staff at the DCC and discussed funding and where the work fitted. Work was being carried out towards a 1 July 2015 changeover date.
- International Science Festival – attention was drawn to the involvement in the Festival of Council staff, and of Cr Robertson as a keynote speaker in the ‘Women in Science’.
- The air quality presentation to Grants Braes School was noted, and it was suggested that this information also be presented to Central Otago schools.

Mr Bodeker was pleased with the attendance of 1000 people at the Plan Change 6A roadshows, and commented that significant resourcing would be needed to meet the target that all affected landowners be aware of their requirements by 1 July 2015.

Cr Croot moved
Cr Shepherd seconded

That the report be received.

Motion carried

Item 3

2014/1000 **Report on Customer Services Activity.** DSE, 10/7/14

The report provided an update on Customer Services Activity for June 2014.

Mrs Leahy commented that Customer Services was an extremely important point of contact between members of the public and the Council, and the unit was seen as being able to provide part of the resource to advise on Plan Change 6A queries in the future. It was noted that Customer Services Officer Sarah Paterson had attended the Milton 6A meeting. She had found it very valuable, and had also provided assistance at the meeting.

Cr Deaker moved
Cr Bell seconded

That the report be received.

Motion carried

Cr Deaker extended a welcome to Mrs Leahy. He extended congratulations to Mr Bodeker for initiating the new directorate, and to Mr Taylor and his staff for their work to date.

The meeting closed at 11.52 am.

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 24 July 2014 commencing at 8.30 am**

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

Apologies: Cr Gretchen Robertson
Cr Gary Kelliher for lateness
The apologies were accepted on the motion of Crs Croot and Neill.

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

CONFIRMATION OF AGENDA

It was noted that there would not be a presentation to the meeting by Port Otago Ltd representatives. There were no other changes to the agenda.

MINUTES

The minutes of the meeting held on 4 June 2014, having been circulated, were adopted on the motion of Crs Bell and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2014/0995 **Port Otago Ltd – Draft Statement of Corporate Intent.** DCS, 9/7/14

The Draft Statement of Corporate Intent for Port Otago Limited (POL), including its subsidiaries and associates, for the three year period to 30 June 2017 was presented for endorsement. Port Otago Ltd Chief Executive Geoff Plunket was present for this item.

Cr Shepherd noted particular points of interest being the arrival of the new tug Tairaroa on Tuesday 22 July, the sale of leasehold land in Dunedin where the sale would be beneficial to the city, and the amendment of the dividend from 70-80% of the Group's operating surplus after tax to 50-70%, with a \$7 million dividend intention.

Cr Kelliher entered the meeting at 8.34 am.

Mr Scott commented that the 50-70% range was more in line with other infrastructure companies, and noted that the dividend payment had been at about 50% for the last three to four years, with special dividends paid additionally.

Comment was made on the significant planned infrastructure development and the focus on business efficiency. The importance to Otago of the Port operation was emphasised.

The issue of social responsibility was raised, and policy direction given by the ORC to POL in relation to selling leasehold land was queried. In response it was pointed out that the POL Board was independent, and was expected to follow a good corporate citizenship approach. Mr Scott commented that the Port Companies Act stated that a company's purpose was to operate as a successful business, which included being a good corporate citizen. He also noted that the Council had freedom to decide how the dividend payments were used. Concern was expressed that leasehold land was not made available to the community at the best price. It was pointed out that there had been many sales of leasehold land in the past, and the sales were reported to Council.

It was noted that Council was involved not in the operation of the port but in a monitoring role.

Cr Woodhead moved

Cr Deaker seconded

That the Draft Statement of Corporate Intent for Port Otago Limited and its subsidiaries and associates for the three years to 30 June 2017, be endorsed.

Motion carried

Item 2
2014/0937 **Electoral Systems.** DCS, 1/7/14

The report explained that any decision to change the voting system for the next local body elections had to be made by 12 September 2014, and that if Council wished to establish one or more Maori constituencies, a decision had to be made no later than 23 November 2014.

Mr Scott noted that before the 2013 election Council had resolved to apply the First Past the Post (FPP) voting system for next two elections. This report gave Councillors the opportunity to change that decision.

Confusion caused for voters by ORC, DCC and SDHB using different voting systems was a concern, and it was suggested that Associate Professor Janine Hayward of Otago University, a specialist in electoral matters, be invited to meet with Councillors at the August Committee round to answer questions about the two electoral systems, and that the decision on the electoral system be deferred to the following committee round.

Cr Deaker moved
Cr Croot seconded

That Recommendation 4 be added: that the Council invite Associate Professor Janine Hayward to meet with Councillors at the next committee round to provide information on voting systems.

Motion carried

Cr Deaker moved
Cr Croot seconded

- 1. That this report be received.*
- 2. That Council give notice of the right of electors to demand a poll on the electoral system.*
- 3. That no proposal be advanced in relation to the establishment of Maori constituencies.*
- 4. That the Council invite Associate Professor Janine Hayward to meet with Councillors at the next committee round to provide information on voting systems.*

Motion carried

Item 3

2014/0959 **Executive Report on Progress.** DCS, 4/7/14

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

Mr Scott explained in response to a question that the change to the Treasury Management Policy had been made to allow cash to be held for longer than 365 days outside of the investment portfolio, which was prudent.

Cr Woodhead moved

Cr Kempton seconded

- (1) *That this report be received.*
- (2) *That the payments and investments summarised and detailed in the tabled schedule, totalling \$17,838,069.93, be endorsed.*
- (3) *That the Treasury Policy be amended (Section 4.6) to remove the statement that “cash held for longer than 365 days is managed as part of the Council’s overall investment portfolio”.*

Motion carried

PART B – ITEMS FOR NOTING

Item 4

2014/1004 **Transport Operations – Update July 2014.** DCS, 11/1/14

The report provided a summary of the agreed variations to several Dunedin City contracts, and advised that the reformatted timetable book was close to completion and distribution.

In response to a question Mr Scott advised that additional contract costs of \$440,000 were estimated at rating time. However there would be no impact on rates because the peaks and troughs were smoothed with use of the transport reserve. He confirmed that the service changes had been discussed with the DCC, but the DCC was not involved in the contract negotiations.

Cr Woodhead moved

Cr Neill seconded

That the report be received.

Motion carried

Item 5

2014/0994 **Insurance Renewals 2014/15.** DCS, 9/7/14

The report noted that the Council's insurances had been reviewed for the 2014/15 year, with a resulting overall decrease of 2.7% in insurance premiums.

Cr Kempton moved
Cr Croot seconded

That the report be received.

Motion carried

PART C - EXCLUSION OF PUBLIC

Cr Shepherd moved
Cr Kelliher 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 6</i>	<i>Claim Resolution</i>	<i>To protect information which is subject to an obligation of confidence (S7(2)(c))</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 6,

Cr Shepherd moved
Cr Neill seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 9.35 am.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Thursday 24 July 2014 commencing at 11.53 am**

Present:

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

Apologies:

Cr Gretchen Robertson
The apology was accepted on the motion of Crs Deaker and Croot.

In attendance:

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

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 4 June 2014, having been circulated, were adopted on the motion of Crs Woodhead and Bell.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2014/0903 Notification of Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer). DPPRM, 1/7/14

The report presented a summary of the comments received on the Consultation Draft of Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) and recommended the notification of the Proposed Plan Change. The plan change sought to set a maximum allocation volume for the Cromwell Terrace Aquifer. The proposed Plan Change and Section 32 report were circulated with the agenda.

Cr Deaker moved
Cr Scott seconded

1. *That Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) and its accompanying Section 32 Evaluation Report be approved for notification in accordance with clause 5, Schedule 1 of the RMA.*
2. *That Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) be publicly notified on Saturday 16 August 2014.*
3. *That the Council establish a Hearing Committee to hear and make recommendations relating to Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer).*
4. *That Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) will have immediate legal effect upon notification.*

Motion carried

Item 2

2014/0958 Notification of Proposed Plan Change 3B (Pomahaka catchment minimum flow). DPPRM, 4/7/14

The report presented a summary of comments received on the Consultation Draft of Proposed Plan Change 3B (Pomahaka catchment minimum flow), and recommended the notification of the Proposed Plan Change. The Plan change sought to include a minimum flow and allocation regime for the Pomahaka catchment into the Water Plan's Schedule 2 and to identify the Pomahaka Alluvial Ribbon Aquifer. The Plan Change and Section 32 report were circulated with the agenda.

Cr Woodhead moved
Cr Shepherd seconded

1. *That Proposed Plan Change 3B (Pomahaka catchment minimum flow) and its accompanying Section 32 Evaluation Report be approved for notification in accordance with clause 5, Schedule 1 of the RMA.*
2. *That Proposed Plan Change 3B (Pomahaka catchment minimum flow) be publicly notified on Saturday 16 August 2014.*
3. *That the Council establish a Hearing Committee to hear and make recommendations relating to Proposed Plan Change 3B (Pomahaka catchment minimum flow).*
4. *That Proposed Plan Change 3B (Pomahaka catchment minimum flow) will have immediate legal effect upon notification.*

Motion carried

PART B - ITEMS FOR NOTING

Item 3
2014/0942 **Director's Report on Progress.** DPPRM, 4/7/14

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

Mr McRae advised that ORC had met with MfE staff to discuss the National Policy Statement on Freshwater Management. The meeting was very productive, and had given MfE a better understanding of issues facing regional councils in relation to water quantity and quality.

Cr Deaker moved
Cr Neill seconded

That the report be noted.

Motion carried

The meeting closed at 11.58 am.

Motion carried

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Regulatory Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Thursday 24 July 2014 commencing at 12.45 pm

Present:

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

Apologies:

Cr Gretchen Robertson
 The apology was accepted on the motion of Crs Neill and Deaker.

In attendance:

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

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 4 June 2014, having been circulated, were adopted on the motion of Crs Croot and Shepherd.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2014/0917 **Biosecurity and RMA Monitoring Report.** DEMO, 10/7/14

The report detailed water, air, pest, and contaminated site environmental monitoring and incidents for the period 1 May to 12 June 2014.

In response to a question Mr Donaldson explained that Recommendations for Enforcement Action in relation to water metering were considered by a staff panel of the Chief Executive, Legal Counsel, and Manager Environmental Services, who made the decision whether or not to proceed with legal action. Abatement notices would take effect on 1 August which gave people time to make their system compliant for the next irrigation season.

Mr Donaldson advised that the Environmental Monitoring and Operations section had assisted Canterbury farmers with rabbit poisoning operations after an accident to a land holder had left them short staffed. It was required that a qualified contractor be employed and ORC was the only contractor available with the proper equipment.

In response to a question Mr Donaldson noted that the review of the Pest Management Strategy was being carried out a year earlier than necessary, but work on a combined strategy with Southland, West Coast, Canterbury and Marlborough regions was under way. The draft generic strategy was due in August. Mr Donaldson further explained that the lists of the 20 main pests from each authority had been amalgamated into one list of 20 for the whole of the South Island. There were implications with regard to wilding trees, possums and feral deer.

Mr Donaldson explained that one more pest control operation was needed to complete the three year rabbit trial project with Landcare Research and the Ministry of Primary Industries.

In response to a question about feral pigs, Mr Donaldson explained that there was difficulty in sourcing appropriate control tools. There was concern about feral pigs and wallabies now being identified in increasing numbers in areas of Otago.

Cr Kempton moved
Cr Kelliher seconded

That the report be noted.

Motion carried

Item 2
2014/0945

Consent processing, consent administration and Building Control Authority update. DPPRM, 4/7/14

The report detailed consent processing, consent administration and building control authority activity for the period 19 May to 30 June 2014.

Cr Croot moved
Cr Scott seconded

That the report be noted.

Motion carried

Item 3
2014/0936

RMA, Biosecurity Act and Building Act Enforcement Activities. DPPRM, 3/7/14

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 May to 30 June 2014.

Cr Bell moved
Cr Woodhead seconded

That the report be noted.

Motion carried

Item 4
2014/1005

Objection hearing – Strath Taieri Irrigation Group (2007.310). DPPRM, 11/1/14

The report noted the outcome of the Objections Committee hearing of the objection on costs lodged by the Strath Taieri Irrigation Group (STIG).

Mr Bodeker advised that ORC engagement with STIG as recommended by the Hearings Committee had commenced and the first meeting would be held on Wednesday 30 July.

Cr Kelliher moved
Cr Scott seconded

That the report be noted.

Motion carried

The meeting closed at 1.06 pm

Chairman

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Technical Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Thursday 24 July 2014 commencing at 9.40 am**

Present:

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

Apologies:

Cr Gretchen Robertson
The apology was accepted on the motion of Crs Scott and Deaker.

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Jane Leahy
Fraser McRae
Gavin Palmer
Matt Dale
Deborah Mills
Sarah Ibbotson
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 4 June 2014, having been circulated, were adopted on the motion of Crs Scott and Shepherd.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2014/0983 **Air quality in Otago – Issues and Considerations.** DEHS, 10/7/14

The report examined the issue of wood burner use in Otago, reviewed the current air quality management strategy, and re-framed air quality issues in light of what had been learned over the past 10 years. Councillors commended the report.

Concern was expressed that solutions were seen as being restricted to what was put into the air, whereas the core issues were the climate and the inversion layer. It was suggested that other potential solutions such as the principles of frost fighting be investigated.

It was noted that Otago towns had some of the highest heating demands in the country, and improvements to the housing stock such as insulation and double glazing were noted. There was concern around the resilience in relying on one source of power (electricity), and comment was made that communities should be able to utilise woodburners. Councillors supported the eight elements of a reasoned approach to future air quality management, as listed in Item 8 of the report.

It was noted that the national targets for Airshed 1 were not going to be met, and Ms Mills commented that there were health issues in not meeting the minimum standards. She pointed out that there were restrictions on industries in Airshed 1 towns, and emissions that reached ground level were not allowed to exceed 2.5 micrograms per cubic metre. If the effect was greater than that, they had to take out of the airshed the total emissions they put in.

Comment was made that it was important to consolidate and build on what had been achieved over the last 10 years. There had to be a balance between clean air and being compassionate.

It was suggested that the PC6A approach could be applied to air emissions – measure the discharge from chimneys rather than looking at the type of fuel used. The importance of central government commitment was noted, and the option of different electricity prices in different areas was suggested.

In response to a reference to behavioural change, Mr Donaldson noted the establishment of the Cosy Homes Group in Dunedin. The Group was investigating becoming a trust, and would provide fires, insulation, double glazing, and drapes at subsidised rates. In Central Otago people with community services cards could receive 100% funding for insulation, and a \$2,000 subsidy on a heating appliance.

Cr Deaker moved
Cr Shepherd seconded

That the report be received.

Motion carried

The meeting adjourned at 10.28 am, and reconvened at 10.46 am.

Item 2
2014/0993

Lindis River Catchment Residual Flows. DEHS, 9/7/14

The report discussed a study carried out to monitor flows at six sites in tributaries of the Lindis River to gain an understanding of hydrological characteristics at the sub-catchment level and to calculate a naturalised flow for the entire Lindis Catchment. A summary of the study was circulated with the report.

It was noted the study had found that the tributaries contributed more water to the Lindis than originally thought. The water was taken out by a combination of deemed permits and RMA consents, and there had been no way of measuring it because it was taken out before the tributary reached the river. Through the consenting process those takes would remain because they were being used, but once deemed permits expired they would be required to apply the minimum flow.

In response to a question Mr Dale explained that the rate of take might not change, but the surety of supply would change, and consent holders might not be able to take their full allocation during low flow periods.

Cr Shepherd moved
Cr Brown seconded

That the report be received.

Motion carried

Item 3
2014/0992

Pisa Range Residual Flows. DEHS, 9/7/14

The report discussed a study carried out to better understand the spatial and temporal distribution of water within the Pisa Range tributaries. A summary of the study was circulated with the report.

Mr Dale advised that there was currently no minimum flow process on the tributaries; the purpose of this study was to inform future decisions.

Cr Brown moved
Cr Kempton seconded

That the report be received.

Motion carried

Item 4
2014/0981

Coastal Morphology of South Otago: Nugget Point to Chrystalls Beach. DEHS, 10/7/14

The report explained that an analysis of recent and historic changes in the onshore and offshore coastal environment had been undertaken to help inform one of the conditions of Contact Energy Ltd's consent for Roxburgh Dam. The work was fully described in the report 'Coastal morphology of South Otago: Nugget Point to Chrystalls Beach' which was circulated separately with the agenda.

In response to a question Dr Palmer stated that implications of the 3.3m/year dune retreat on the flood protection and drainage scheme asset would have to be taken into account in preparation of the Long Term Plan.

A question was raised about the effect of sediment from the Roxburgh dam. Dr Palmer explained that the purpose of the investigation was to establish a base line, to which further information would be added as it became available. There was information available on the shoreline position, but not on the offshore position.

Dr Palmer further explained that both ORC and Contact Energy had now carried out the work required by Contact Energy's consent conditions. The overall investigation would be repeated in 10 to 15 years, with work on the shoreline possibly every 10 years.

He further noted that this had been communicated to Contact Energy and to Clutha District Council, and the issues had been covered at the annual Lower Clutha Drainage Liaison Group meeting at the beginning of the year.

In response to a query Dr Palmer explained that Contact Energy was required by a consent condition to survey the bed of Lake Roxburgh every two years. The company had sought to change this to every five years. Several surveys had been carried out to determine changes in lake bed.

Cr Woodhead moved
Cr Kelliher seconded

That the report be received.

Motion carried

Item 5
2014/0957

Update on South Dunedin Groundwater monitoring and sea level rise. DEHS, 8/7/14

The report presented an update on ORC's groundwater monitoring, incorporating observations made subsequent to that reporting. Dr Palmer explained that the report was requested by the Committee to update monitoring undertaken in 2009, and included an update on existing bores and the new bore.

Comment was made that DCC and ORC needed to work collaboratively to project climate change and sea level rise effects for the next 50 to 100 years.

Cr Woodhead proposed an additional recommendation 'That Council work collaboratively with DCC on the climate change adaption work programme with respect to the South Dunedin harbourside area.' Cr Kelliher seconded the motion.

Cr Woodhead noted that DCC was considering a report on this issue at their meeting today, and their report had a similar recommendation. Dr Palmer commented that all information that the ORC held on South Dunedin natural hazards had been provided to the DCC.

In response to a question, Cr Woodhead explained that the purpose of the additional recommendation was to publicly formalise the ORC's desire to work collaboratively with the DCC on the issue. He commented that the ORC was required by the RMA to supply hazards information to the DCC, but would not tell the DCC how to use that information. Dr Palmer pointed out that ORC and DCC had joint responsibility for hazard management and any pre-existing risk around land management, and noted that ECan had been criticised after the Canterbury earthquakes for not having provided this information.

The two recommendations were taken separately:

Cr Woodhead moved
Cr Kelliher seconded

That Council work collaboratively with DCC on the climate change adaption work programme with respect to the South Dunedin harbourside area.

Motion carried

Cr Croot moved
Cr Shepherd seconded

That the report be noted.

Motion carried

Item 6
2014/0941

Director's Report on Progress. DEHS, 9/7/14

The report described work on proposed changes to the natural hazards provisions of the Dunedin District Plan, and progress on Leith Flood Protection Scheme works and Kakanui/Kauru River management.

Cr Brown advised that Mr Ray Lawrence, a member of the Kakanui flood warning group, had given notice of his intention to retire from the group, and suggested that he be formally thanked for his services to the management of the Kakanui River. Mr Bodeker was to write to Mr Lawrence, and an article was to be included in the next issue of 'Otagowide'.

Note was made of the well attended DCC District Plan and natural hazards meeting held in Mosgiel the previous night. A lot of interest was shown in the presentations, which provided better defined information about the hazards of the area.

Councillors commended work on the clocktower reach of the Leith, and in response to a question Mr Bodeker advised that the project was progressing on time and within the revised budget.

Cr Croot moved
Cr Woodhead seconded

That the report be noted.

Motion carried

The meeting closed at 11.30 am.

Chairperson