

Otago Regional Council meeting 5 August 2015

Attached is the agenda for the next Council meeting of the Otago Regional Council, which is to be held on Wednesday 5 August commencing at 10.30 am. The venue is the Council Chamber, 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 an Ordinary meeting of the Council to be held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 5 August 2015 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: Cr Gerrard Eckhoff

Request for Leave of Absence: Cr Louise Croot

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Monday 3 August.

CONFIRMATION OF AGENDA

PUBLIC FORUM

MINUTES

The minutes of

- (1) the Ordinary meeting held on 24 June 2015, and
- (2) the Extraordinary Council meeting held on 22 July 2015, having been circulated, for adoption

Page Nos.

6 - 15
16 - 17

Matters arising from the minutes

PART A – CHAIRPERSON’S AND CHIEF EXECUTIVE’S REPORTS

- Item 1 18 - 19
2015/1073 **Chairperson’s report.** Chair, 31/7/15

Providing an overview of the Chairperson’s activities for the period to 31 July 2015.

- Item 2 20 - 22
2015/1066 **Chief Executive’s Report.** CE, 29/7/15

Providing an overview of the Chief Executive’s activities for the period to 29 July 2015.

PART B – RECOMMENDATIONS

- Item 3 23 - 26
2015/1069 **National Bovine Tb Plan Review.** DCS, 30/7/15

The review of the National TB Plan has concluded that it should be possible to eradicate TB from New Zealand, and submissions have been invited on the proposal. A combined submission prepared on behalf of all regional councils and unitary authorities is attached to this report.

- Item 4 27 - 28
2015/0896 **Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago.** DPPRP, 6/5/15

The report presents the recommendations of the Hearing Committee on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago for Council’s decision, in accordance with Schedule 1 of the Resource Management Act 1991. The minutes of the Hearing Committee deliberations, Recommending report on decisions requested, Proposed Plan Change Waiwera catchment minimum flow, and S32A evaluation report are circulated separately with the agenda.

- Item 5
2015/1007 **Making Plan Change 4B (Groundwater allocation) operative.**
DPPRM, 24/6/16 29 - 30

The report explains that Proposed Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago may now be approved as the appeal has been resolved. Council's seal needs to be affixed and a date set for making the plan change operative. Circulated separately with the agenda are appendices (1) Consent Order, (2) Plan Change 4B, and (3) schedule of minor changes.

- Item 6
2015/0912 **Making Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) operative.** DPPRM, 4/6/15 31 - 32

The report explains that Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago may now be approved as the appeal has been resolved. Council's seal needs to be affixed and a date set for making the plan change operative. Circulated separately with the agenda are appendices (1) Consent Order, (2) Plan Change 4C, and (3) schedule of minor changes.

PART C – ITEMS FOR NOTING

- Item 7
2015/1063 **Financial Report.** DCS, 30/7/15 33 - 38

The report provides information in respect of the overall Council finances for the twelve months to 30 June 2015. It is noted that this is a provisional report as some charges and year end adjustments are yet to be completed.

- Item 8
2015/1059 **Documents signed under Council's Seal.** DCS, 27/7/15 39

Informing the Council of delegations which have been exercised.

- Item 9 **Reports from Councillors** 40

PART D – MINUTES OF MEETINGS

- Item 10 **Recommendations of the Communications Committee meeting** held on 22 July 2015, for adoption 41 - 43

		Page Nos.
Item 11	Recommendations of the public portion of the Finance and Corporate Committee meeting held on 22 July 2015, for adoption	44 - 49
Item 12	Recommendations of the Policy Committee meeting held on 22 July 2015, for adoption	50 - 53
Item 13	Recommendations of the Regulatory Committee meeting held on 22 July 2015, for adoption	54 - 58
Item 14	Recommendations of the Technical Committee meeting held on 22 July 2015, for adoption	59 - 63

PART E – PUBLIC EXCLUSION

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	Recommendations of the In Committee portion of the Finance and Corporate Committee meeting held on 22 July 2015, for adoption	To maintain the effective conduct of public affairs through the free and frank experssion of opinions by or between or to members or officers or employees of a local authority. (S72(f)(i))	S.48(1)(a)(i)
Item 16	Appointment of Port Otago Director	To protect the privacy of natural persons (S72(2)(a))	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 an Ordinary meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 24 June 2015 commencing at 10.38 am

Present:

- Cr Stephen Woodhead (Chairperson)
- Cr Gretchen Robertson (from 11.30 am)
- 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

Cr Woodhead welcomed Mr Nick Donnelly, the new Director Corporate Services and Chief Financial Officer.

Leave of Absence: Cr Gretchen Robertson (for the first part of the meeting)

**Requests for
Leave of Absence:** Cr Gerrard Eckhoff
Cr Trevor Kempton

The requests for leave of absence were approved on the motion of Crs Woodhead and Croot.

In attendance:

- Peter Bodeker
- Nick Donnelly
- Jeff Donaldson
- Jane Leahy
- Fraser McRae
- Gavin Palmer
- Wayne Scott
- Sharon de Vries (for Item 8)
- Janet Favel

CONFIRMATION OF AGENDA

It was requested that Report 2015/1004 Authorisation of Bank Signatory be added to the agenda as a late item to authorise Mr Nick Donnelly, new Director of Corporate Services and Chief Financial Officer, as a bank signatory. It was suggested by Cr Woodhead, and agreed, that the item be added as Item 9b.

MINUTES

The minutes of the Ordinary meeting held on 6 May 2015, having been circulated, were adopted on the motion of Crs Croot and Kempton.

Matters arising from the minutes

There were no matters arising from the minutes.

PART A – CHAIRPERSON’S AND CHIEF EXECUTIVE’S REPORTS

Item 1

2015/0997 **Chairperson’s report.** Chair, 18/6/16

The Chairperson provided an overview of his activities for the period to 18 June 2015. The following items were discussed further:

Rain radar – MetService had announced that a rain radar for Otago would be installed during the 2018/19 year. The Otago Mayoral Forum had discussed lobbying the Minister for State Owned Enterprises to bring this date forward. Dr Palmer advised that he would report to the Technical Committee on the information that a rain radar would provide, and staffing implications.

Super Gold Card Review – Cr Woodhead noted upcoming changes to the Super Gold Card public transport scheme, including: capping of Crown funding for the scheme at \$28.129m, providing bulk funding to regional councils in place of fare reimbursements, and lifting the moratorium on new services entering the scheme. Cr Woodhead noted that the scheme was initiated by Government, but the changes would impact on ratepayers. A flat \$1 surcharge on the use of all gold cards was suggested, but Mr Scott considered that a fee of this nature would not be acceptable as it would be in opposition to the scheme’s principle of free travel. Concern was expressed that if the \$28m was allocated on a population basis, Otago would be disadvantaged, and it was suggested that LGNZ should be involved in the issue. A suggestion was made that this Council could informally resolve that to impose additional unfunded costs on ratepayers who were in a public transport targeted area would be unfair, and that it was not their

responsibility to pick up the costs of free Gold Card travel. Comment was also made that it would be difficult to incorporate future unknown transport-related costs in the Annual Plan. Mr Scott commented that the Super Gold process should be managed within the budgets at Council's discretion, for example through reduced services. Staff would be asked to investigate options to deal with the upcoming changes to Gold Card funding.

South Dunedin floods – Cr Woodhead noted that Mayor Cull had spoken publicly about the need to plan for the future of South Dunedin. Cr Neill noted that ORC provided DCC with information, and cautioned that ORC should be careful not to overstep the boundaries between the jurisdiction of each of the two councils.

Te Roopu Taiao charter – There was concern that Councillors had not seen the reviewed charter which was signed at the recent Te Roopu Taiao meeting. Cr Woodhead advised that the original charter had been presented to Council last term and reviewed this term, and he apologised that the reviewed document had not been presented to Council. Apart from the addition of a Te Reo section and the inclusion of Waitaki District Council as a member, there was very little change to the charter. Mr Bodeker noted that the charter cemented individual relationships with iwi, and was similar to the relationship with Southland runanga.

Review of funding for Otago Museum – Cr Woodhead noted that funding requirements for the museum were set out in legislation. ORC was not currently providing funding, and Mr Bodeker advised that it was unlikely that the situation would change until the end of the current three year LTP cycle.

Item 2

2015/0986 **Chief Executive's Report.** CE, 15/6/15

The Chief Executive provided an overview of his activities for the period to 15 June 2015. The following items were discussed further:

CDEM Group Controller/Group Manager – an appointment would be made from the shortlist of five, all of whom had now been interviewed.

MBIE regional growth strategy – at the request of the Mayoral Forum, ORC was to prepare a feasibility study to consider how a regional growth study might be undertaken in the Otago region.

Civil Defence Emergency Management – an upcoming Council workshop would explain the Council's CDEM responsibilities and activity, and the debrief on recent flooding in South Dunedin would also be reported to the workshop.

Dairy inspections – A meeting had been held with Federated Farmers, and a further meeting was planned with industry representatives, to discuss non compliance of dairy farmers in the Otago Region in relation to the Rural Water Quality strategy. Councillors commended the diversion approach, which was imposed by the Court and required structural changes at the farm level rather than prosecution to achieve compliance.

Cr Robertson entered the meeting at 11.30 am.

Lindis minimum flow – staff had investigated the requests of the Lindis Catchment Group, and considered that their concerns were met by the Water Plan. This had been advised to the Group. Mr McRae noted that a number of landholders currently taking water from the Lindis River were able to access water from other sources. Those left needing to take water from the river would have to observe the minimum flow levels.

Water Plan Implementation – Information was provided to farmers by personal visit and the provision of fact packs. Mr Bodeker was pleased to note that farmers who had not been able to be contacted personally were attending drop-in sessions.

Cr Deaker moved
Cr Neill seconded

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

Motion carried

PART B – MINUTES OF MEETINGS

Item 3 **Recommendations of the Communications Committee meeting** held on 3 June 2015, for adoption

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Communications Committee meeting held on 3 June 2015 be adopted.

Motion carried

- Item 4 **Recommendations of the Finance and Corporate Committee meeting** held on 3 June 2015, for adoption

Cr Shepherd moved
Cr Kelliher seconded

That the recommendations of the Finance and Corporate Committee meeting held on 3 June 2015 be adopted.

Motion carried

- Item 5 **Recommendations of the Policy Committee meeting** held on 3 June 2015, for adoption

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 3 June 2015 be adopted.

Motion carried

- Item 6 **Recommendations of the Regulatory Committee meeting** held on 3 June 2015, for adoption

Cr Neill moved
Cr Eckhoff seconded

That the recommendations of the Regulatory Committee meeting held on 3 June 2015 be adopted.

Motion carried

- Item 7 **Recommendations of the Technical Committee meeting** held on 3 June 2015, for adoption

Cr Scott moved
Cr Brown seconded

That the recommendations of the Technical Committee meeting held on 3 June 2015 be adopted.

Motion carried

PART C – RECOMMENDATIONS

Item 8

2015/0992 **2015-2025 Long Term Plan Adoption.** DCS, 16/6/15

The report noted that the Finance and Corporate Committee had considered and made recommendations on the 2015-25 Long Term Plan, and recommended that the LTP now be adopted. The full document was circulated separately with the agenda. Sharon de Vries was in attendance for this item.

Cr Shepherd noted that the report was the culmination of a lot of work by staff, and reflected the Hearings Panel's recommendations. The financial strategy outlined by the Plan was indicative of the Council's intentions for the timeframe of the plan. The work outlined was not set in stone, but indicated what could be attended to.

Mr Scott noted that the Auditor's unqualified opinion would be given once the Plan had been adopted by Council.

Cr Eckhoff expressed disappointment that there was no provision in the Plan for wilding conifer control, which could take the form of assistance to the individuals and groups carrying out control work.

Cr Deaker noted that the 6.5% general rate increase equated for most ratepayers to a small amount in dollar terms.

Cr Croot raised a question about provision for air work, which covered a range of projects from analysis to home insulation. Mr Bodeker advised that air quality monitoring and reporting would continue to be carried out by Council and MfE, and the Council's staffing level had been reviewed to better reflect the work required. Details of the upcoming government review of regulations were not yet known.

Cr Brown supported adoption of the LTP. He commented that as a hearing panel member he was concerned about the level of rate increases, but was pleased to note that some targeted rating had been reviewed as a result of submissions. Cr Brown noted that risk to ORC income was discussed by a recent Audit and Risk Subcommittee meeting where it was pointed out that the Council had a number of revenue streams including Chalmers Properties, Port operations, investments, and rating.

Cr Shepherd moved
Cr Deaker seconded

1. *That the report be received.*
2. *That the Revenue Policy, incorporating the recommendations of the Finance and Corporate Committee, be adopted.*

3. *That the 2015-25 Long Term Plan, incorporating the recommendations of the Finance and Corporate Committee, be adopted.*

Motion carried

Item 9a

2015/0993 **Rating Report to Council and Rates Resolution 2015/2016.**

DCS, 19/6/15

The report explained that following the adoption of the Long Term Plan 2015/25, Council was required to adopt a rates resolution, which formally set the rates for the 2015/16 financial year. The rates resolution was attached to this report and it was recommended that Council adopt the rates resolution for the 2015/16 year.

Cr Shepherd moved

Cr Brown seconded

1. *That the report be received.*
2. *That the Rating Resolution for the 2015/16 year attached to report 2015/0993 be adopted.*

Motion carried

Item 9b

2015/1004 **Authorisation of Bank Signatory.** DCS, 23/6/15

The report recommended the authorisation of Mr Nick Donnelly, newly appointed Director of Corporate Services and Chief Financial Officer, as a signatory to Council bank accounts.

Cr Croot moved

Cr Shepherd seconded

- (1) *That the Director Corporate Services and Chief Financial Officer Mr Nick Donnelly be authorised as an Account Owner to the Council bank accounts.*
- (2) *That the Finance Manager arrange the necessary documentation.*

Motion carried

Item 10

2015/0994 **Plan Change 6A Rural Water Quality External Stakeholders' Group.**
CE, 17/6/15

An outcome of the Plan Change 6A mediation process was that Otago Regional Council would establish an oversight group consisting of external stakeholders. The Chief Executive's report clarified the purpose, style, and recommended membership of the group and recommended its implementation.

Mr Bodeker noted existing groups, which showed stakeholder engagement at technical and local levels. He noted there was significant interest in Wellington in the ORC's water plan, and considered the best umbrella organisation to provide representation was MPI, which gave the stakeholder group necessary high level involvement. Councillors considered that Irrigation NZ should be included in the group.

It was proposed that the group have an independent chairperson, this person to be appointed by the ORC. An alternative consideration was that an Otago Regional Councillor chair the Group so that the Council retained responsibility for and oversight of the Rural Water Quality Plan. It was suggested that Cr Woodhead chair the group, and that the Deputy Chair be included as a member.

Cr Deaker suggested that Purpose Item III 'Provide input to any required change to the strategic approach' be deleted, however it was pointed out that the purpose of the group was to ensure information flow, and the group would not be able to amend policy or make other decisions on behalf of the ORC.

Cr Kempton left the meeting at 12.46 pm.

There was concern that Purpose Item IV 'Critique operational approaches to delivery of strategic goals' was getting too deep into the detail of implementation. Mr Bodeker explained that the stakeholders understood the Plan. Mr McRae explained that should a change to the Plan be required, the stakeholder group would have some input to it.

In response to a question Mr Bodeker advised that the group would meet twice a year initially, then probably revert to annual meetings.

It was suggested that the report be referred back to staff for consideration of the points made above, and re-presented to a future meeting or workshop. Additional suggestions were: include meeting frequency in group purpose; reconsider whether a Councillor or independent chair should be appointed; include Council Deputy Chair in group membership; the chair should understand the RMA and the Otago Water Plan.

Cr Scott moved
Cr Croot seconded

That this report be referred back to staff for reconsideration and presentation to a future workshop or meeting.

Motion carried

PART D – ITEMS FOR NOTING

Item 11

2015/0987 **Financial Report.** DCS, 18/6/15

The report provided information in respect of the overall Council finances for the 11 months to 31 May 2015.

Cr Robertson moved
Cr Croot seconded

That the report be received.

Motion carried

Item 12 **Reports from Councillors**

Cr Croot - Celebration of award to Edward Ellison

Cr Croot advised that she, Cr Woodhead, and Mr Bodeker had attended a function to mark the award to Edward Ellison of Officer of the NZ Order of Merit for services to Māori and conservation.

Cr Shepherd - meeting with Qinyang delegation.

Cr Shepherd had represented ORC at a meeting with a delegation from Qinyang, China, hosted by the DCC. Members of the delegation were mostly interested in how the city operated its infrastructure, and the impact of the university on the city. Cr Shepherd was concerned that there was little mention of agriculture.

Cr Brown – Annual meeting of Kakanui Ratepayers and Improvement Society

Cr Brown had attended the above meeting, and he noted that the Kakanui Water Allocation Committee was elected at the meeting. The meeting was well attended.

Cr Woodhead – retirement Mr Wayne Scott

Cr Woodhead commented that this was Mr Scott's last Council meeting, but he was staying for four weeks to hand over the role to Mr Donnelly, and to stand in as Chief Executive during Mr Bodeker's absence. Cr Woodhead expressed gratitude for Mr Scott's professional advice and guidance on financial management, and his understanding of the law. He considered that Mr Scott was strongly principled and very professional, and wished him all the best for his retirement. Mr Scott in reply commented that the ORC had been a large part of his life and he had enjoyed working with both staff and politicians. Councillors commended Mr Scott for his friendly and helpful approach to his role, noting that his principled approach was reflected in the Council's sound financial position.

The meeting closed at 1.22 pm

Chairperson

OTAGO REGIONAL COUNCIL

Minutes of an Extraordinary meeting of Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 22 July 2015 commencing at 10.30 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 Sam Neill
- Cr Bryan Scott
- Cr David Shepherd

Leave of Absence: Cr Gerry Eckhoff

In attendance:

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

CONFIRMATION OF AGENDA

There were no changes to the agenda.

PART A - RECOMMENDATIONS

2015/1028 **Authorisations for designations.** DPPRM, 10/7/15

The report presented for approval by Council, a request to DCC for additional designations to be included in their District Plan.

Reference was made to the Chute portion of the Lower Taieri Flood Protection Scheme. Dr Palmer explained in response to a question that there had been consultation with affected landholders, and this designation

enabled future work to be further consulted on. It was pointed out that the designation covered the whole of the Scheme and there was no commitment to works.

Cr Croot moved

Cr Robertson seconded

That the Council approve the request to seek the following additional designations, as detailed in Report 2015/1028:

- *Lower Taieri Flood Protection Scheme*
- *East Taieri Drainage Scheme*
- *West Taieri Drainage Scheme*
- *Leith Flood Protection Scheme*
- *Lindsay Creek River Works*
- *Kaikorai Stream River Works*
- *Stafford Street, principal premises*
- *Dukes Road, Taieri depot*
- *Birch/Kitchener Street site*

Motion carried

The meeting closed at 10.36 am.

Chairperson

REPORT

Document Id: A818837

Report Number: 2015/1073
Prepared For: Council
Prepared By: Cr Woodhead - Chairperson
Date: 31 July 2015

Subject: **Chair's Report - July 2015**

1. Regional Sector Group

The RSG pre conference tour was hosted by Environment Bay of Plenty. I was unable to attend the Friday tour of a generation plant and Marae. Saturday started with a presentation and tour of the Port of Tauranga – the country's largest Port is clearly well run. This, along with strong product growth from the golden triangle, ample land and strong balance sheet means it is well positioned for ongoing growth.

Port CE Mark Cairns' presentation spurred interesting discussion around the need to better coordinate road, rail and shipping, including coastal shipping to efficiently plan for future freight growth. The recent release of the South Island Freight Plan starts the discussion for the South Island, but will not necessarily deliver the most appropriate outcomes.

The next stop for the tour was the Tauranga Eastern Link roading project. This RoNS, a new 21km, \$455M four-lane tolled road between Tauranga and Paengaroa is to be opened for use on the 3rd of August. This project came about as a direct result of the joined up planning for growth strategy (Smart Growth) put together by Western Bay of Plenty, Environment Bay of Plenty, Tauranga City, Iwi and community early 2000's. This strategy put in place clear direction where growth would occur and allows the city/district boundary to move as urban boundary moves. That evening we visited Comvita, a fast growing business based on Manuka honey, functional foods and health care products.

Following the resignation of Fran Wilde as Chair for Greater Wellington Regional Council, Chairperson RSG and National Council member, an online election was held for RSG Chairperson, and then for Deputy. I was elected Chairperson, and Fenton Wilson, Chairperson Hawkes Bay Regional Council as Deputy, both unopposed.

We had a short RSG meeting at conference, updates on various water projects, Super Gold Card funding changes and LAWA were received. A Coastal module has just been added to LAWA. It was agreed to sign a Memorandum of Understanding with Irrigation NZ to develop a crop calculator.

2. National Council

Another successful conference – speakers and their presentations can be found on the LGNZ website. I recommend viewing presentations from Stephen Yarwood, former Lord Mayor of Melbourne, and David Meates, the CEO Canterbury and West Coast DHB.

Conference was opened by the Prime Minister who welcomed and acknowledged the work LGNZ is doing to lift performance across the sector. He, along with President Yule, announced the Central and Local Government agreed priorities which come off the back of our recent Central and Local Government Forum. They are:

1. Creating strong regional economies across all of New Zealand;
2. Resilient local infrastructure; and
3. Ensuring resilient communities across New Zealand.

Conference was also addressed by Minister Bennett who reiterated the Government growth agenda and the need for local government to look at the most efficient structure to deliver services.

“Now, more than ever, New Zealanders expect you to rededicate yourselves to focusing on the issues that matter to your people, your communities. This means more jobs, sustained growth, and sensible spending on reliable infrastructure. I want local government to do more work in this space. I am concerned that there are regions still having the same conversations that they have been having for the past 30 years.”

Next year’s conference will be hosted by the Dunedin City Council. The RSG tour will be hosted by Environment Southland.

3. Other Meetings

- I met with Phil Hunt, the new President of Otago Federated Farmers, to establish a formal link.
- Fraser McRae and I joined a Clutha District Council meeting to answer any questions they had on the RPS.
- I attended the Port Board dinner to thank Mr Scott for his efforts as observer on behalf of Council.
- LAWF small group meeting.
- Along with Mr Bodeker, Crs Robertson, Kempton and Kelliher, I was interviewed by the Hay Group which is undertaking a job-sizing exercise for the Remuneration Authority.

Cr Stephen Woodhead
Chairperson

REPORT

Document Id: A818128

Report Number: 2015/1066
Prepared For: Council
Prepared By: Chief Executive
Date: 29 July 2015

Subject: **Chief Executive's Report - July 2015**

1. LGNZ Conference

The LGNZ conference was held in Rotorua 19-21 July. A number of key note speakers provided a good platform for discussion and reflection.

In his address, LGNZ President, Lawrence Yule, stressed the need for regional economic growth, stating that 40% of New Zealand's GDP is located in the regions, so for New Zealand to do well the regions need to be prosperous.

He quoted from a soon to be published LGNZ report on a shared national approach for regional development and growth across New Zealand.

A key finding of this study is to have a fit for purpose transport network for both regional growth and social cohesion. This transport link requires reliable road linkages, suitable rail and airline networks, and ports that connect producers to markets.

He argued about the need to coordinate all of the transport modes even though the ownership and control of them varies significantly.

Mr Yule also launched the LGNZ discussion document on a Review of Local Government Funding.

This was the working group I sat on during the latter part of 2014 and first half of 2015.

The manifesto is led by four guiding principles:

- **An effective partnership between local and central government** around shared goals and strategies, pragmatic testing of new ideas, and strong incentives for both arms of government to perform;
- **Recognition of the value of the private sector and community** by recalibrating relationships with those sectors to incentivise partnerships and the achievement of shared goals;
- **A local government which is open to innovation** in service delivery, funding and financing; (within an environment of strong fiscal discipline); and
- **A diverse set of funding tools for New Zealand communities** to respond to the different challenges they face, with property rates as a cornerstone supplemented by revenue sources that equip local communities to meet current and future opportunities.

Within the review are 10 proposals which are:

1. An agreed priority and action plan to advance “special zones” for growth to test new ideas and drive economic prosperity.
2. When new centrally imposed costs are considered (and particularly where national benefit applies) a cost benefit analysis and agreed cost sharing with central government should be mandatory.
3. Mandatory rating exemptions should be removed.
4. The application and administration process of the rates rebate scheme should be simplified to increase uptake.
5. Better guidance is needed to assist councils make decisions on trade-offs about whether to fund services from prices (user charges) or taxes.
6. Road user charges, targeted levies and fuel taxes should be allowed where it is economically efficient.
7. Councils should be able to retain a share of any value uplift arising from additional economic activity related to local intervention and investment.
8. Local authorities should receive a proportion of any mineral royalties attributed to local activities.
9. Allow councils to levy specific charges and taxes on visitors where economically efficient.
10. Reconsider the decision to limit the range of community amenities funded through development contributions.

2. Civil Defence and Emergency Management

Interviews have been undertaken for the vacant position of CDEM Group Manager/Controller. Interviews were undertaken by Dr Sue Bidrose – CEO Dunedin City Council, Mike Ross – CEO Waitaki District Council, and myself.

The successful candidate, Chris Hawker, has a wealth of experience and will bring a leadership element to ORC’s and the CDEM Group’s work.

Mr Hawker comes to the new position with a wealth of experience in corporate business, local government, and most recently, 9 years in both operational and teaching roles at the University of Canterbury (UC). During his time with UC he co-led the development of an extensive emergency preparedness programme which, following the onset of the Canterbury Earthquake Sequence, has been internationally acknowledged for its quality and effectiveness. Mr Hawker led the operational response to the earthquakes as UC’s Primary Incident Controller and combined with numerous other incidents which have affected the University, he has had considerable hands on experience dealing with major crisis events. He has been teaching and consulting on emergency preparedness and resilience development nationally and internationally for the last three years in his soon to be relinquished role as Director of the UC Centre for Risk, Resilience & Renewal.

Mr Hawker takes up the new role formally on Monday November 2nd.

3. Plan Change 1C Implementation

Staff continue to work collaboratively on preparing the implementation process for 1C. Specifically discussion on the role and required resourcing for the formation and servicing of groups of water rights holders as they move from deemed permits to RMA consents. The work is considering the level of support that can be offered and the reach across affected farmers.

Peter Bodeker
Chief Executive

REPORT

Document Id: A818492

Report Number: 2015/1069
Prepared For: Council
Prepared By: Nick Donnelly, Director Corporate Services
Date: 30 July 2015

Subject: **National Bovine TB Plan Review**

1. Précis

A Plan Review Project Governance Group has been established to review the National TB Plan. This group has concluded that it should be possible to eradicate TB from New Zealand, and a proposal has been advanced to achieve that goal with the proposal now in its consultation stage. Submissions close on 31 July.

ORC had been granted an extension to fully review the proposal and prepare a submission for Council to review. A combined submission has been prepared on behalf of all regional councils and unitary authorities and this submission is attached.

2. Background

Control of TB in New Zealand is currently carried out under the National Pest Management Plan (TB Plan) reflected in the Biosecurity Act 1993. The current TB Plan was last reviewed in 2009 and amended in 2011. Implementation and operation of the TB Plan is managed by OSPRI through its subsidiary TBfree NZ.

The Minister of Primary Industries is required to complete a statutory review of the plan by 1 July 2016. The plan review is being led by key stakeholders rather than TBfree NZ. The stakeholders and TBfree NZ are confident that Bovine TB can be eradicated and that this can be achieved more cost effectively than in the past. The proposed changes to the TB Plan would come into effect from July 2016.

3. Review

Three options were considered – containment, eradication and faster eradication.

The preferred option is eradication with key milestones of TB freedom in livestock by 2026, TB freedom in possums by 2040, and eradication of TB by 2055. This option costs \$1.093 billion over 40 years with initial costs of \$60 million per annum for the first 15 years. The current plan costs \$80 million per year and includes \$6 million of funding from regional councils including the Otago Land Levy. The plan review proposes that landowners no longer be separate funders. This avoids farmers unnecessarily paying through two separate channels (industry contributions and rates). Regional councils would therefore cease their contributions and the Otago Land Levy would be revoked.

4. Conclusion

The eradication of TB will see significant long term benefits to the Otago region. The goal of eradication and the proposed funding changes should be supported. The combined Councils' submission acknowledges this position and should be endorsed.

5. Recommendation

- (i) That this report be received.

- (ii) That the Council support the submission being made on behalf of all regional councils as attached.

Nick Donnelly
Director Corporate Services

Attached: Regional Council Submission on National Bovine TB Plan Review

8 July 2015

National Bovine TB Plan Review Secretariat
TBfree New Zealand
PO Box 3412
WELLINGTON 6140

Regional Council comments on the National Bovine TB Plan Review Consultation

New Zealand's regional councils and unitary authorities (councils) thank the National Bovine TB Plan Governance Group for the opportunity to make a submission on the *National Bovine TB Plan Review Consultation* document.

This submission is made on behalf of all sixteen regional councils and unitary authorities across New Zealand. Many of us have worked closely with TBfree New Zealand (TBfree NZ) and its predecessors on bovine tuberculosis (TB) vector management since the 1970s. We have made considerable financial contributions to the vector management programme and have collected landowner contributions on behalf of TBfree NZ through local body rates.

Councils view the proposed Bovine TB Plan as a further positive step towards the eradication of bovine TB in New Zealand.

Management plan proposal

Regional councils and unitary authorities value the contribution of TBfree NZ's vector control programme to the New Zealand economy and rural community. The continued reduction in both the disease of bovine TB and the possum population as the major disease vector, has greatly benefited agriculture across New Zealand.

Funding structure

Councils support the proposed new funding arrangements. This recognises the recommendations of the comprehensive funding review undertaken in 2014 and better reflects the risks and benefits to the affected stakeholders.

Communication

Our regional communities have greatly benefited from the reduction in possums under the TB vector control programme. The eradication model will see considerable reduction in vector control over time as areas are declared free of TB in wildlife. As already occurs, many councils will opt to continue possum control once vector control ceases. This ongoing control is viewed by many as 'insurance' for the TB programme by ensuring that the primary vector for the disease remains at low levels.

To improve the transition from TB vector control to Council and DOC led possum programmes there is a need for improved communications with OSPRI. Sufficient time is needed to secure funding and

ensure alignment with our respective programmes. Councils would like to develop a formal 'handover process' before areas are declared Tb free to ensure a seamless transition between the control programmes.

Conclusion

Councils view the proposed Bovine TB Plan as a positive step towards the eradication of bovine TB in New Zealand. A successful eradication programme will see long-term benefits for the economy, rural community and the Crown.

Yours sincerely,

REPORT

Document Id: A770096

Report Number: 2015/0896

Prepared For: Council

Prepared By: Richard Pettinger, Senior Policy Analyst

Date: 6 May 2015

Subject: Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago

1. Précis

This report presents the recommendations of the Hearing Committee on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago (Water Plan) for Council's decision, in accordance with Schedule 1 of the Resource Management Act 1991 (RMA).

2. Background

The Otago Regional Council has prepared Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Water Plan, which seeks to include in the Plan's schedules a primary and supplementary allocation and minimum flow regime.

The primary allocation minimum flows will apply to some permitted takes, and consented takes. Supplementary minimum flows will be applied to consented takes.

The proposed plan change was publicly notified in the Otago Daily Times on Saturday 13 December 2014 and submissions closed on Monday 16 February 2015. A total of six submissions were received.

The Summary of Decisions Requested, which requested further submissions, was notified on Saturday 28 February 2015, with further submissions closing on Friday 13 March 2015. There were two further submissions received.

The Officer's Report on Decisions Requested, which evaluated decisions requested by submitters and further submitters, and made recommendations to the Hearing Committee, was released on Friday 27 March 2015. Two decision requests were considered beyond the scope of the Plan Change.

Submissions on the proposed plan change were heard on Tuesday 21 April 2015 in Dunedin. Five submitters and one further submitter presented evidence to the Hearing Committee, with one other submitter having evidence read out at the hearing. The minutes of the Hearing Committee are attached as Attachment 1.

3. Hearing Committee recommendations

Following the hearing, the Hearing Committee prepared their report, Recommendations of the Hearing Committee to Council, 6 May 2015, which is attached as Attachment 2. The proposed plan change, incorporating the Hearing Committee's recommendations is shown in Appendix 1 to their report. Its maps, prepared for notification of the Proposed Plan Change, are attached separately.

In summary, the Committee recommends the primary and supplementary allocation and minimum flow regime proposed by the notified Plan Change, except that the notified 260 l/s irrigation season primary allocation minimum flow should be raised to 300 l/s. This higher minimum flow has little impact on the security of supply for the 150 l/s of primary takes in this catchment, while increasing certainty for sustaining instream values and natural character. Several water takes already observe a minimum flow at or near 300 l/s, with little or no storage needed to get by the infrequent dry spells.

The Section 32AA Further Evaluation Report, which updates the Section 32 Evaluation Report made at notification, is included as Attachment 3.

4. Next Steps

The Council must give its decision on the recommendations of the Hearing Committee. It must also publicly notify that it has made its decisions on submissions, in accordance with clauses 10 and 11 of Schedule 1. Submitters may appeal the decision to the Environment Court within thirty working days of service of the decision, in accordance with clause 14 of Schedule 1.

The Council may then approve all, or part, of the proposed plan change when all appeals relating to that part have been disposed of, in accordance with clause 17 of Schedule 1.

5. Recommendations

That Council:

1. Adopt the recommendations of the Hearing Committee on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago as its decision;
2. Publicly notify its decisions on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago on Saturday 8 August 2015; and
3. Notify submitters of its decision.

Fraser McRae
Director Policy, Planning and Resource Management

REPORT

Document Id: A801082

Report Number: 2015/1007

Prepared For: Council

Prepared By: Richard Pettinger, Senior Policy Analyst

Date: 24 June 2015

Subject: **Report on making Plan Change 4B (Groundwater allocation) operative**

1. Précis

Proposed Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago (Water Plan) may now be approved as the appeal has been resolved. Council's seal needs to be affixed and a date set for making the plan change operative.

2. Background

Plan Change 4B (Groundwater allocation) proposed to clarify and strengthen the provisions of the operative Water Plan for managing groundwater and avoiding over-allocation in Otago's aquifers, without changing their intent. Other aspects of the proposal include establishing a new Schedule 4E which sets out matters to be considered when calculating the mean annual recharge for an aquifer.

Plan Change 4B was publicly notified on Saturday 17 May 2014. Following the submission and hearing process, the Council publicly notified its decision on the plan change on Saturday 13 December 2014.

One appeal (Oceana Gold Ltd) was received, and three parties (Contact Energy Ltd, L&M Mining and Mintago) joined the appeal under section 274 of the Resource Management Act 1991 (RMA). The appeal was resolved through mediation, approved by Consent Order issued on 24 June 2015 (attached as Appendix 1).

3. Amendments to Plan Change 4B made during mediation

As part of the mediation process, the plan change was amended in order to provide an exclusion from a non-complying groundwater take rule for mineral extraction operations that encounter water in cracks in rock formations with minimal hydraulic conductivity (ie, not a typical aquifer).

4. Implications of Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer)

In processing Plan Change 4C, recognition was given to progress with Proposed Plan Change 4B.

Making the two plan changes operative at the same time provides a simplified process for showing the affected provisions.

5. Approval of Plan Change 4B and next steps

A full copy of Plan Change 4B (Groundwater allocation) is attached as Appendix 2.

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 Tuesday 1 September 2015, and to publicly notify this date on Saturday, 15 August 2015, in a combined notification with that for Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer).

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. The table of minor and consequential changes is attached as a table in Appendix 2.

6. Recommendations

That the Council:

- (i) Approve Plan Change 4B (Groundwater allocation) attached to this report as Appendix 2, and incorporate these provisions into the Operative Water Plan; and
- (ii) Approve minor changes made to Proposed 4B (Groundwater allocation) under clause 16(2) of the First Schedule of the Resource Management Act 1991, attached as a table in Appendix 2; and
- (iii) Affix Council's seal to Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago; and
- (iv) Make Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago operative on Tuesday 1 September 2015, and publicly notify this date on Saturday, 15 August 2015.

Fraser McRae
Director Policy, Planning and Resource Management

REPORT

Document Id: A773799

Report Number: 2015/0912

Prepared For: Council

Prepared By: Tom De Pelsemaeker and Richard Pettinger, Senior Policy Analysts

Date: 4 June 2015

Subject: Report on making Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) operative

1. Précis

Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago (Water Plan) may now be approved as the appeal has been resolved. Council's seal needs to be affixed and a date set for making the plan change operative.

2. Background

Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) proposed to set a maximum allocation limit of 4 Mm³/yr for the Cromwell Terrace Aquifer in Schedule 4A of the Water Plan. This aquifer is currently shown in Map C7 of the Water Plan Maps.

The maximum allocation limit will apply to new groundwater takes that require consents under the provisions of the Water Plan.

Plan Change 4C was publicly notified on Saturday 16 August 2014. Following the submission and hearing process, the Council publicly notified its decision on the plan change on Saturday 13 December 2014.

One appeal (Contact Energy Ltd) was received, and two parties (Horticulture NZ and Federated Farmers of New Zealand) joined the appeal under section 274 of the Resource Management Act 1991 (RMA). The appeal was resolved through mediation, approved by Consent Order on 27 May 2015 (attached as Appendix 1).

3. Amendments to Plan Change 4C made during mediation

As part of the mediation process, the plan change was amended in order to provide greater protection for existing hydro-electric operations on the Clutha River/Mata-Au.

The amendment results in consented groundwater takes for the purpose of irrigation from the Cromwell Terrace Aquifer being restricted during the period 1 May to 31 August, when the demand for electricity generation is highest.

4. Implications of Plan Change 4B (Groundwater allocation)

Plan Change 4C proposes changes to various Water Plan provisions that were affected by Plan Change 4B (Groundwater allocation).

Making the two plan changes operative at the same time provides a simplified process for showing the affected provisions.

5. Approval of Plan Change 4C and next steps

A full copy of Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) is attached as Appendix 2.

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 Saturday, 1 September 2015, and to publicly notify this date on Saturday, 15 August 2015, in a combined notification with that for Plan Change 4B (Groundwater allocation).

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. The table of minor and consequential changes is attached as a table in Appendix 2.

6. Recommendations

That the Council:

- (i) Approve Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) attached to this report as Appendix 2, and incorporate these provisions into the Operative Water Plan; and
- (ii) Approve minor changes made to Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) under clause 16(2) of the First Schedule of the Resource Management Act 1991, attached as a table in Appendix 2; and
- (iii) Affix Council's seal to Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago; and
- (iv) Make Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago operative on Saturday, 1 September 2015, and publicly notify this date on Saturday, 15 August 2015.

Fraser McRae
Director Policy, Planning and Resource Management

REPORT

Document Id: A817871

Report Number: 2015/1063

Prepared For: Council

Prepared By: Finance Manager

Date: 30 July 2015

Subject: **Provisional Financial report to 30 June 2015**

The following information is provided in respect of the overall Council finances for the twelve months to 30 June 2015.

This report is provisional only. Some charges relating to the financial year have yet to 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:

	Annual Budget \$000's	Actual June \$000's	Variance (unfav.) \$000's
Air Quality	753	466	287
Emergency management	415	245	170
Environmental Incident response	961	1,144	(183)
Flood protection & control works Note 1	7,983	6,121	1,862
Governance & Community	3,618	3,721	(103)
Land Note 2	2,514	1,817	697
Policy	899	1,238	(339)
Regulatory Note 3	3,115	2,536	579
Rivers & Waterway Management	986	1,122	(136)
Natural hazards	1,040	1,151	(111)
Transport Note 4	11,119	10,147	972
Water Note 5	5,187	5,681	(494)
	38,590	35,389	3,201

Significant variances are commented upon in the notes below.

Note 1 – Flood Protection

The favourable variance in the Leith Flood Protection project of \$1,410,000 comprises the majority of Flood Protection and Control Works activity variance. The project has extended over several financial years, and the variance largely reflects a difference in the timing of work performed with the timing anticipated in the annual budgets.

The Lower Clutha project shows a favourable variance of \$334,000, largely due to the timing of work performed with the timing anticipated in the annual budgets.

Note 2 - Land

This variance is largely due to external contract activity being \$521,000 less than budgeted due to a lower level of contract activity undertaken than was anticipated in the budget.

Note 3 – Regulatory

A significant component of this activity is demand driven, and is accordingly dependent on the level of activity, which to date is at a lower level than anticipated in the budget, with the resource consent processing project being down \$261,000, the compliance monitoring project down \$151,000, and the Dam Safety project down \$115,000.

Note 4 - Transport

The major favourable variances in this activity are the Stock Truck Effluent Disposal sites project (variance of \$858,000) with site installation work not proceeding as anticipated in the budget and the Public Transport Regional project (variance \$318,000), mainly due to the timing of the Electronic Ticketing System replacement work. The Dunedin Passenger Transport project shows an unfavourable variance of \$297,000.

Note 5 - Water

The 1C Water Plan Implementation project is showing a *favourable* variance of \$616,000 (52% of budget), partially due to resources being redirected to the 6A Water Plan Implementation project and also direct costs incurred to date being less than budgeted.

The Regional Plan: Water project is showing a *favourable* variance of \$106,000, primarily due to internal resources being redirected to the Regional Policy Statement project.

Conversely, the 6A Water Plan Implementation project is showing an *unfavourable* variance of \$712,000 (51% of budget).

The Water Quality & Quantity State of the Environment project has an *unfavourable* variance of \$503,000 with a significant element of this being due to unbudgeted costs associated with the dry weather event in early 2015.

2. Income Statement and Balance Sheet

A provisional Income Statement for the twelve months to 30 June 2015 and a provisional Balance Sheet as at 30 June 2015 are attached.

3. Recommendation

That this report be received.

N J F Donnelly
Director Corporate Services and Chief Financial Officer

Otago Regional Council

 Provisional Income Statement
 For the twelve months to 30 June 2015

		Annual Budget \$000's	Actual June \$000's	Variance (unfav) \$000's
Income				
Rate income		13,543	13,551	8
Grant and subsidy income	Note 1	6,030	5,676	(354)
Interest received		2,137	1,939	(198)
Other income	Note 2	4,682	3,206	(1,476)
Dividend income	Note 3	7,400	8,400	1,000
Rental income	Note 4	921	1,227	306
Gain in value of investment Property	Note 5	294	100	(194)
Other gains	Note 6	-	918	918
Total Income		35,007	35,017	10
Expenditure				
Operating expenses		30,177	30,547	(370)
Finance costs		1	-	1
Depreciation expense		1,515	1,640	(125)
Total Expenditure		31,693	32,187	(494)
Surplus		3,314	2,830	(484)

Note 1 - Grant and Subsidy Income

The majority of the variance in subsidy income is related to the Dunedin Passenger Transport project, and the Stock Truck Effluent Disposal project, resulting from lower levels of expenditure incurred to date than provided for in the budget, with the associated subsidy income being lower than budgeted.

Note 2 – Other Income

This unfavourable variance comprises both unfavourable and favourable project variances. The significant unfavourable variances are primarily in the regulatory activity projects and the external contract activity, and are primarily associated with a lower level of expenditure and associated revenue. Partially offsetting those variances is a favourable variance in the Leith Flood Protection scheme with unbudgeted external recoveries for works that provided a private benefit.

Note 3 – Dividend Income

Dividend income reflected in the Income Statement reflects the amount of dividend received from Port Otago Limited during the current financial year.

The favourable variance is largely the result of a timing affect, reflecting a higher proportion of the dividend for the June 2015 year received by the end of the financial year, compared to the timing of dividend payments anticipated in the budget.

Note 4 – Rental Income

The favourable variance in rental income reflects increases in rentals over that provided for in the budget and associated rental arrears charged during the reporting period. This relates mainly to the Lower Clutha and investment property leases.

Note 5 – Gain in the value of Investment Property

Investment property was revalued as at 30 June 2015. The gain of \$100,000 represents an increase of 4.55% on one property with no revaluation gain/loss on the other three properties. The valuation increase represents an increase of 1% in the overall portfolio.

Note 6 – Other Gains

The gain recorded of \$918,000 reflects the increase in the value of the BNZ Managed Investment Portfolio for the twelve months to 30 June 2015.

Otago Regional Council

 Provisional Balance Sheet
 As at 30 June 2015

	30 June 2015 \$000's	30 June 2014 \$000's
Public Equity		
Public equity	140,624	140,968
Available-for-sale revaluation reserve Note 1	350,535	350,535
Asset revaluation reserve	8,063	7,963
Asset replacement reserve	4,003	4,403
Building reserve	8,072	5,214
Emergency response reserve	3,739	3,571
Water management reserve	1,532	1,463
Kuriwao endowment reserve	6,167	6,020
	522,735	520,137
Current Liabilities		
Accounts payable and accruals	5,606	5,824
	5,606	5,824
Total Equity and Liabilities		
	528,341	525,961
Non-Current Assets		
Operating assets	85,718	83,810
Intangible assets	1,516	1,820
Investment Property	10,124	10,024
Deferred tax asset	101	98
Shares in Port Otago Ltd Note 1	370,535	370,535
	467,994	466,287
Current Assets		
Cash and cash equivalents Note 2	4,217	3,911
Other financial assets Note 2	52,560	52,053
Receivables	3,058	3,236
Other current assets	127	89
Inventories –property held for sale and stock Note 3	385	385
	60,347	59,674
Total Assets		
	528,341	525,961

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

The Shares in Port Otago Ltd are included at the June 2014 valuation, and the available-for-sale revaluation reserve reflects the revaluation amount of the shares.

A valuation of the shares at June 2015 is not yet available so is unable to be reflected in this provisional financial report. The June 2015 revaluation will be reflected in the annual report to be adopted at the Council meeting on 16 September 2015.

Note 2 - 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.

Current bank balances and term deposits with durations of less than 4 months are included in Cash and Cash Equivalents.

Other Financial Assets includes the Council's Managed Fund and term deposits with durations of 4-13 months.

Note 3 - Property held for sale

At 30 June 2015, Council had identified certain properties that are surplus to the Council's requirements and where the intention was at that time to dispose of those properties. When full valuation information is to hand, those properties will be reclassified from Operating Assets (a non-current asset) to Property Held for Sale (a current asset), and any resulting gain or loss recognised in the financial statements.

REPORT

Document Id: A817046

Report Number: 2015/1059
Prepared For: Council
Prepared By: Director Corporate Services
Date: 31 July 2015

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

- Deed of Guarantee of Lease between SD and NM Hildred and Otago Regional Council for property on the Henley-Berwick Road, Outram.
- Deed of Lease between Argyle Dairy Farm Ltd and Otago Regional Council.

3. Recommendation

That the report be noted.

Nick Donnelly
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
Wednesday 22 July 2015 commencing at 3.00 pm**

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

Leave of absence: Cr Gerrard Eckhoff

In attendance: Peter Bodeker
Wayne Scott
Nick Donnelly
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 3 June 2015, having been circulated, were adopted on the motion of Crs Bell and Robertson.

Matters arising from minutes

There were no matters arising from the minutes.

FOR NOTING

Item 1

2015/1000 **Stakeholder Engagement Report.** DSE, 03/07/15

The report detailed community, stakeholder and staff engagement activities carried out by Stakeholder Engagement directorate staff since the last meeting.

Mrs Leahy noted the tables Analysis of Webpages Viewed, and advised that the columns in the Information and Services table referred to 1. Air, 2. Natural Hazards, 3. Rates, 4. Resource Consents, and 5. Water.

Rural Water Quality Plan Change

- Concern was expressed that people were at home at only 168 of the 420 properties visited. Mrs Leahy advised that making appointments for the visits had been piloted, but this was very resource hungry. Staff were able to drop material off where there was no-one home, and she commented that people who missed their visit were able to attend the drop in sessions, which were well publicised.
- In response to a question Mrs Leahy advised that that the External OVERSEER group discussed broad topics including both the latest research and anecdotal information.
- Mr Bodeker advised in relation to OVERSEER that an ownership position had now been formalised, and meetings would be held with regional councils who used OVERSEER. The owners would also seek financial contributions from councils, and there was provision for this in the LTP.

Water Quantity

It was noted that with the concentration on the Rural Water Quality Plan Change, the Water Quantity Plan Change should not be overlooked. Mrs Leahy commented that it was useful to have the goals for these two plan changes integrated, and staff were currently investigating how both projects could be achieved through one set of work, eg the Manuherikia. Mr Bodeker advised that the implementation plan would be presented to Council.

Cr Deaker moved

Cr Bell seconded

*That the report be noted.***Motion carried**

The meeting closed at 3.12 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 Wednesday 22 July 2015 commencing at 10.37 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 Trevor Kempton
Cr Sam Neill
Cr Gretchen Robertson
Cr Bryan Scott
Cr Stephen Woodhead

Leave of absence: **Cr Gerrard Eckhoff**

In attendance:

Peter Bodeker
Wayne Scott
Nick Donnelly
Jeff Donaldson
Jane Leahy
Fraser McRae
Gavin Palmer
Gerard Collings (for Items 3 and 4)
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 3 June 2015, having been circulated, were adopted on the motion of Crs Kempton and Neill.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2015/1035 **Port Otago Limited – Draft Statement of Corporate Intent.**

DCE, 9/7/15

The Draft Statement of Corporate Intent for Port Otago Limited (circulated with the agenda) was presented for endorsement. Port Otago Chief Executive Geoff Plunket attended for this item. The following matters were discussed.

- Extension of Back Beach dairy warehousing – community concern at past extension of the warehouses was noted. Mr Plunket explained that there were currently three warehouses with a total area of 24,000 m². The proposed extension would fill in the gap between D and E sheds and slightly extend the load-out area, making a total of 32,000 m² in warehousing, which was not a significant change in footprint. Plans had been presented to the local environment committee for their input. The colour of the roof had been consulted on previously, and there was no change from the existing building height. The purpose of the warehousing extension was to provide more storage and to upgrade the facility to allow product to be stored under cover.
- Additional warehouse at Sawyers Bay – The new Sawyers Bay warehouse was in response to a range of demands, not just milk powder.
- The Statement of Corporate intent outlined that Port Otago was looking for, and would take advantage of, opportunities for investments and Port improvements and development.
- The ratio of shareholders' funds to total assets, currently 81%, was noted and a question was raised about new development to bring this ratio back below 75%. Mr Plunket explained that the Group was looking for appropriate opportunities, and noted the Hamilton land holdings. He also pointed out expenditure of \$45m on planned activities for the year ending June 2016.
- Mr Plunket noted that the steady increase in container terminal productivity was the result of a number of factors including improved organisation, good technology, good training, and good health and safety practices.
- The Port's standing compared to other ports was queried, and Mr Plunket advised that by MoT ratings Port Otago was in the top echelon, coming close behind Tauranga.
- In response to a question Mr Plunket advised that the impact of the hub development in Timaru was in line with what was expected.
- Mr Plunket advised in response to a question that there were learnings from the recent injury accident, and an investigation was being carried out.
- Mr Plunket advised that channel deepening to Port Chalmers would be completed by December 2015, the rest by December 2016. The work would mean that existing ships would be able to load/carry more cargo, and would allow 6,500 teu vessels to visit the port, but Mr Plunket was unable to say when this would happen.

- Planned improvements to the cruise ship reception facilities were queried. Mr Plunket advised that cruise ship figures were 75 for the 2014/15 season, 70 (larger) vessels booked for 2015/16, and 86 for 2016/17. The cruise ship industry was happy with the reception facilities provided and there were no plans for any changes.
- Risk management including business interruption was queried. Mr Plunket advised that the Port was fully insured, and also noted the Group's other income streams including property holdings which gave confidence in the continuity of dividends.

Cr Shepherd moved
Cr Kelliher seconded

That the attached Draft Statement of Corporate Intent for Port Otago Limited and its subsidiaries and associates for the three years to 30 June 2018, be endorsed.

Motion carried

PART B – ITEMS FOR NOTING

Item 2

2015/1040 **Audit and Risk Subcommittee.** DCE, 10/7/15

The report outlined the issues considered by the Audit and Risk Subcommittee at its 17 June meeting. The minutes of the meeting were circulated with the agenda.

The meeting was advised in response to a question that arrangements were being made for David Benham, Chair of the Audit and Risk Subcommittee, to attend a future Committee or Council meeting.

In response to a question Mr Scott explained that the Subcommittee's work was guided by its terms of reference, and discussion and actions arising from meetings were followed up. It was pointed out that some issues, including the Annual Plan and health and safety procedures, were standard agenda items. It was noted that this was a new committee and its operations were still being developed.

The issue of the need for a strategy to deal with a loss of income from the Port was raised. Mr Scott advised that Port Otago had been invited to present its risk management strategy to the Audit and Risk Subcommittee. He also noted that the dividend paid to Council came from a range of Port income streams, not just the Port operation. It was also commented that Council had reserves and other investments which could be called.

It was noted that a risk management framework had also been discussed at the previous Audit and Risk Subcommittee meeting, and Crs Woodhead and Shepherd and Mr Scott had been reviewing ORC reserves and their management. A statement of investment policy and objectives (SIPO)

would be developed encompassing Council's assets, investments, and properties. It was suggested that a report be prepared for Council by the end of the year explaining the risk management situation, and potential scenarios for action should it become necessary. Mr Scott explained that a formal risk assessment analysis process was in hand.

Health and safety processes were discussed, and it was pointed out that while Council should have a reasonable understanding of Port's processes, it should not be involved in the work.

In response to a question Mr Scott advised that the new health and safety legislation was not yet finalised.

Cr Kelliher moved
Cr Woodhead seconded

That the report be received.

Motion carried

Item 3

2015/1036 **Insurance Renewals 2015/16.** DCS, 9/7/15

The report described the recent review of Council's insurances and noted the reduction in premiums for the 2015/16 year.

Cr Woodhead moved
Cr Croot seconded

That the report be received.

Motion carried

Item 4

2015/1041 **Passenger Transport Update.** DCS, 13/7/15

The report provided an overview of recent changes to the Southern Routes contract, and changes proposed by Government for funding of the SuperGold free off-peak travel scheme.

In relation to proposed changes to the SuperGold free off-peak travel scheme, Mr Collings advised that NZTA had been instructed to consult with councils before apportionment of the proposed bulk funding was drafted. It was noted that although this was not the Council's scheme, Council would have to meet the associated costs for something that did not serve a genuine transport need in the community.

Questions were raised about changes to the Southern Routes network and the links with South Dunedin, and the design for the bus hub. Mr Collings

explained that the network adopted in the Regional Public Transport Plan meant that there were changes the way services were provided, including a reduction in the number of variations to services. Mr Collings advised that bus hub plans were still at the conceptual stage, and work was being carried out to ensure access to the hub for buses from all routes. New services due to commence 1 January and 1 July 2016 would provide additional benefits to users.

Cr Shepherd moved
Cr Croot seconded

That the report be received.

Motion carried

Item 5

2015/1039 **Director's report.** DCS, 10/7/15

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

The National Bovine Tb Plan Review was discussed. It was noted that councils had been advised in advance of the move away from regional council funding, and that the plan for eradication of the disease would continue. The date of 2055 by which it was aimed to achieve eradication of Tb was queried and confirmed.

Cr Woodhead moved
Cr Croot seconded

- (1) *That this report be received.*
- (2) *That the payments and investments summarised in the table in Report 2015/1039 and detailed in the tabled schedule totalling \$10,444,734.65 be endorsed.*

Motion carried

PART C – PUBLIC EXCLUSION

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 6</i>	<i>In Committee portion of the minutes of the Audit and Risk Committee meeting held on 17 June 2015, for noting</i>	<i>To enable the local authority holding the information to carry out, without prejudice or disadvantage, commercial activities (S7)(2)(h)); and To maintain the effective conduct of public affairs through the free and frank experssion of opinions by or between or to members or officers or employees of a local authority. (S72(f)(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.

Motion carried

Following discussion of Item 6,

Cr Shepherd moved

Cr Bell seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 11.46 am.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 22 July 2015 commencing at 3.26 pm**

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

Leave of absence: Cr Gerrard Eckhoff

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

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 3 June 2015, having been circulated, were adopted on the motion of Crs Deaker and Shepherd.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2015/0843 **Notification of Proposed Plan Change 5A (Lindis: Integrated water management).** DPPRM, 2/7/15

Councillors Robertson and Shepherd, who had been appointed to the hearing panel for this Plan Change, declared a conflict of interest and left the room. Cr Deaker chaired the meeting.

The report recommended the notification of Proposed Plan Change 5A (Lindis: Integrated water management) to the Regional Plan: Water for Otago. Circulated with the report were attachments (1) Overview of written comments on the Consultation Draft of Proposed Plan Change 5A; (2) Proposed Plan Change 5A, with Lindis and Bendigo/Tarras maps; (3) Section 32 Evaluation Report; and (4) Guide for preparing a resource consent application to take surface water, including replacing a deemed permit.

In response to a question Mr McRae explained that no water could be taken from the Cromwell aquifer for irrigation during winter months. Mrs Meredith explained that only two aquifers were covered by the winter restriction, and the ban on irrigating was a common restriction placed at the request of Contact Energy on consents to take water from the Clutha-Mata Au main stem and during times of low flow. A comment was made that landholders were moving to efficient spray systems in the Bendigo area and now a plan change for a different area was being imposed on them. Mr McRae explained that the intention of the proposed option was to negate any appeal from Contact Energy. He also explained that the ban referred to irrigation only, not frost fighting or storage.

It was noted that once approved, the Plan Change would become operative immediately but it might not be applied to deemed privileges, which could mean the minimum flow might not be fully implemented before 2021.

Cr Woodhead moved

Cr Kempton seconded

1. *That Proposed Plan Change 5A (Lindis: Integrated water management) 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 5A (Lindis: Integrated water management) be publicly notified on Saturday 8 August 2015.*
3. *That Proposed Plan Change 5A (Lindis: Integrated water management) will have immediate legal effect upon notification.*

Cr Kelliher noted concerns expressed by the community about the economic report: it did not reflect what happened on the ground; there had

been no public input into the report; and the percentages of reduction in gross farm income were not reflected accurately. Cr Kelliher agreed that the Plan Change needed to proceed to a hearing and be publicly discussed there, but because of the concerns mentioned above in relation to the Section 32 report he would abstain from voting. Cr Bell indicated that he would also abstain from voting, for the same reason.

Mr McRae explained in response to a question that under the RMA the proposed minimum flow would have immediate effect once it was notified by Council, and would have to be taken into consideration in relation to processing consent applications. Fairness had to apply to avoid the situation where there was no water for the last applicant to replace their mining privilege. The amount of water granted in consents would depend on the amount being used, not what the mining privilege allowed.

It was noted that Cr Kelliher's contacts could commission their own economic report on the issues of concern to them.

The motion was put by division:

For: Crs Brown, Croot, Deaker, Kempton, Neill, Scott and
Woodhead

Abstaining: Crs Bell, Kelliher

Motion carried

Crs Robertson and Shepherd returned to the meeting.

Item 2

2015/1031 **Proposed National Environmental Standard for Plantation Forestry.**
DPPRM, 8/7/15

The report presented the Proposed National Environmental Standard for Plantation Forestry and recommended that Council prepare a submission supporting greater national consistency for managing the effects of activities to achieve good environmental, economic and community outcomes, but opposing the proposed standard.

Mr McRae noted that the effects of the proposed NES would be greatest at the TLA level because there was no Regional Land Plan. Some district plan forestry rules could require amendment as a result of the NES. Mr McRae commented that the logic of this proposal was that every activity should have its own NES, with the ultimate effect that regional and district plans were no longer necessary.

There was general agreement that the Council submission encourage full withdrawal of the proposed NES.

The meeting discussed membership of a panel to finalise a Council submission on the NES. Mention was also made of the consultation meeting at Telford on 28 July. An amended recommendation 2 was

suggested, that Crs Scott, Woodhead and Robertson work with staff to finalise a Council submission on the NES Plantation Forestry, and that Cr Scott attend the consultation meeting to be held at Telford on Tuesday 28 July.

Cr Deaker moved
Cr Shepherd seconded

- (1) *That Council prepare a submission on the Proposed National Environmental Standard for Plantation Forestry.*
- (2) *That Crs Scott, Woodhead and Robertson work with staff to finalise a Council submission on the Proposed National Environmental Standard for Plantation Forestry, and that Cr Scott attend the consultation meeting to be held at Telford on Tuesday 28 July.*

Motion carried

PART B - FOR NOTING

Item 3
2015/1015 **Director's Report on Progress.** DPPRM, 10/7/15

The report gave an overview of significant activities undertaken by the Policy section since the last meeting of the Policy Committee.

It was noted that submissions on the RPS were to close on Friday 24 July, and Mr McRae advised that 50 had been received to date.

Cr Deaker moved
Cr Croot seconded

That the report be noted.

Motion carried

The meeting closed at 4.05 pm.

Chairperson

OTAGO REGIONAL COUNCIL

**Minutes of a meeting of the Regulatory Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 22 July 2015 commencing at 11.48 am**

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 Gretchen Robertson
- Cr Bryan Scott
- Cr David Shepherd
- Cr Stephen Woodhead

Leave of Absence: Cr Gerrard Eckhoff

In attendance:

- Peter Bodeker
- Wayne Scott
- Nick Donnelly
- 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 3 June 2015, having been circulated, were adopted on the motion of Crs Bell and Kelliher

Matters arising from minutes

There were no matters arising from the minutes

ITEMS FOR NOTING

Item 1

2015/1021

Revocation of the Building (Dam Safety) Regulations 2008.

DEHS, 10/7/15

The report discussed the implications of the Government's decision to revoke the Building (Dam Safety) Regulations 2008.

Dr Palmer confirmed the Building (Dam Safety) Regulation 2008 had been revoked with effect from 30 June 2015 without prior notice or consultation from Government. Dr Palmer confirmed building control parts of the Building Act were still operative.

Comment was made on the lost opportunity to gather information nationally around dam safety management with this revocation, and there was concern about costs incurred by dam owners.

Mr McRae confirmed that Council now had to use the RMA to manage dam safety to the best of its ability.

Dr Palmer confirmed that large dams were being well managed nationally and that the area of concern was for smaller dams. Some resource consent safety conditions were unenforceable or out of date.

Concern was expressed about the possible impact on Council if a dam was to fail, in regard to damage to properties or injury to persons.

Dr Palmer advised that ORC would need to continue to be vigilant and take action against any concerns of imminent danger. He considered there was a need to develop policy around the review of resource consent conditions relating to dam safety.

Mr Bodeker confirmed a paper would be prepared for Council on how the RMA would be used around the matter of dam safety. The paper would also include recommendations in regard to policy and processes.

Cr Woodhead moved

Cr Deaker seconded

That:

- 1. This report be noted*
- 2. The situation with the Building Act dam safety scheme be noted*

Motion carried

Item 2
2015/1010

Biosecurity and RMA Monitoring Report. DEMO, 7/7/15

The report detailed water, air, pest, and contaminated site environmental monitoring and incidents for the period 1 May to 12 June 2015.

Mr Donaldson updated Council on the current work being undertaken by a management group comprising ORC, CODC and LINZ, on the development of a lagarosiphon management strategy for Lake Dunstan. Lagarosiphon was still an ongoing issue in the Kawarau River. Further inspection of the Frankton Arm was scheduled for later in the year. Mr Donaldson confirmed he had met with a representative of the Guardians of Lake Dunstan, and they would be invited to join the management group.

Mr Donaldson confirmed the current Pest Management Strategy was due for review in 2019, and the first draft Pest Plan for Otago would be workshopped with Council in April 2016.

Mr Bodeker confirmed a wilding pines strategy was being prepared for a Council workshop with the next six months. This workshop would assist to develop the approach for public consultation.

Mr Donaldson confirmed a biodiversity stock take had been completed by the Policy team. Council's IT section was developing improved processes to capture this audit information into one database.

Cr Robertson moved
Cr Croot seconded

That this report be noted

Motion carried

Item 3
2015/1022

Consent processing, consent administration and Building Control Authority update. DPPRM, 15/7/15

The report detailed consent processing, consent administration and building control authority activity for the period 15 May to 30 June 2015.

Mr McRae discussed how moving RMA consent processing targets from 20 working days to 20 calendar days was being initiated.

Cr Bell moved
Cr Kempton seconded

That this report be noted

Motion carried

Item 4
2015/1013

RMA, Biosecurity Act and Building Act Enforcement Activities.
DPPRM, 1/7/15

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 17 May to 30 June 2015.

Cr Scott requested a paper be brought to Council for further discussion on how prosecutions were handled and the legal processes involved for the dairy industry.

Mr Donaldson confirmed that the use of either diversion or prosecution was not a change in ORC policy. Mr Bodeker confirmed it was ORC's intent to engage with affected parties and Mr McRae explained there was no variation away from enforcement.

Comment was made that the Council policy for water quality needed to ensure that people were brought to account in terms of the current legislation, whether through diversion or conviction. This should be left in the hands of Council staff to decide the best outcome in regard to enforcing Council's water quality rules.

Councillors were reminded of the need to stick to principles, keep focus on effects based, and take care moving forward when dealing with specific cases.

Cr Scott moved

That a paper be brought forward to discuss prosecution policy and opportunities for diversion.

The motion lapsed due to lack of a seconder

Cr Croot moved
Cr Deaker seconded

That this report be noted

Motion carried

Item 5
2015/0980

Appointment of Plan Change Hearing Commissioners.
DPPRM, 15/7/15

The report listed hearing commissioners appointed for the period to 15 July 2015.

Cr Croot moved
Cr Woodhead seconded

That this report be noted

Motion carried

The meeting closed at 12.41 pm.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Technical Committee held
in the Council Chamber, 70 Stafford Street, Dunedin
on Wednesday 22 July 2015 commencing at 1.20 pm**

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

Leave of Absence: Cr Gerrard Eckhoff

In attendance: Peter Bodeker
Wayne Scott
Nick Donnelly
Jeff Donaldson
Jane Leahy
Fraser McRae
Gavin Palmer
Janet Favel
Deborah Mills (Item 2)
Dean Olsen (Item 4)
Mike Goldsmith (Items 1 & 3)

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 3 June 2015, having been circulated, were adopted on the motion of Crs Scott and Neill.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2015/1003 **Updated landslide hazard information for Dunedin City.** DEHS, 26/06/15

The report provided an update on a program of work to improve the understanding of landslide hazard with the Dunedin City district. The full report ‘Active landslides in the Dunedin Area’ and the GNS Science report ‘Dunedin Landslide susceptibility’ were circulated with the agenda.

Dr Palmer stated that this work was part of the programme of work to inform the Dunedin City Council 2GP review. It was intended that landslide provisions will be incorporated into the district plan and based on this information, it was likely that restrictions could be placed on land use.

A question was raised as to whether any new information or new landslides had been found. Mr Goldsmith explained that the work refined previous information/mapping held. He confirmed that the report would be available on the ORC website and the Natural Hazards database in due course.

Cr Robertson moved
Cr Kelliher seconded

That:

1. *This report be noted;*
2. *The landslide reports and associated datasets described above be provided to the Dunedin City Council and updated to the Otago Natural Hazards Database.*

Motion carried

PART B - ITEMS FOR NOTING

Item 2

2015/0927 **Air Quality SoE Report 2005 – 2015.** DEHS, 19/05/15

The report described the current state of air quality, provided information on trends in air quality over the last 10 years, and discussed the pressures and influences on ambient air for 14 sites in Otago. The full report ‘Air Quality SoE Report 2005 – 2014’ was circulated separately. Councillors commended staff on the comprehensive report.

Dr Palmer explained that the report focused on the state of the environment, not the causes. It was noted that most of Otago had good air quality, but there were still some issues to be addressed.

This information would be the foundation for the air strategy, which was provided for in the Long Term Plan for the current financial year.

Cr Woodhead moved
Cr Croot seconded

That the report be noted.

Motion carried

Item 3
2015/1008

Coastal Otago Flood Event 3 June 2015. DEHS, 08/07/15

The report summarised the rainfall event of 3 June 2015 and the observed river flows and water levels which resulted from that rainfall, and described Otago Regional Council's response to the situation. Councillors commended staff on the comprehensive report that pulled together relationships between sea level and rainfall, topography and rainfall etc.

This was a significant event showing significant flows, particularly for the Leith, and ongoing communication between the flood manager and the territorial authorities was noted. Rainfall figures showed good warning had been received from Met Service. It was noted that this event affected not just Dunedin, which in turn affected how ORC responded.

Dr Palmer stated that there was quite a high likelihood of seeing a similar event again. Probabilities showed that there was a 27% chance of the daily rainfall measure in South Dunedin happening in a 30 year period and a 55% chance of this happening in a 50 year period. He commented that the sea level wasn't particularly high, and rainfall in South Dunedin was significant but not extreme. Groundwater levels had been rising in the month leading up to the event.

ORC's proposed work with DCC on South Dunedin was noted, and it was agreed that ORC should present the technical information to DCC. Dr Palmer noted that he and Mr Bodeker were to meet with their counterparts at DCC, where the 3 June event was to be discussed, including how best to present the information.

Cr Deaker moved
Cr Neill seconded

That the report be noted.

Motion carried

Item 4
2015/1024

Lindis Catchment: Water Quality Study. DEHS, 07/07/15

The report presented the results of long-term State of the Environment monitoring at two sites in the Lindis River, intensive water quality monitoring at six additional mainstem sites and two tributary sites in 2013-2014, and ecological surveys carried out in 2014-2015. The full report 'Water Quality Study: Lindis River Catchment' was circulated with the agenda.

Dr Olsen noted that the groundwater being nitrogen enriched was linked to surface water. It was relative to the Lindis catchment, not the rest of Otago.

It was noted that this report was not directly linked to the minimum flow work but would have relevance.

Cr Woodhead moved
Cr Kempton seconded

That the report and the technical report "Water Quality Study: Lindis River Catchment" be received and noted.

Motion carried

Item 5
2015/1026

Taieri River Shutdown. DEHS, 07/07/15

The report presented information on the hydrology of the main stem of the Taieri River and tributaries as well as on the ground observations gathered during the 24 hour voluntary irrigation shutdown. The full report 'The effects of the 24 hour voluntary irrigation shutdown on flows in the Taieri River: 15th – 16th January 2015' was circulated separately.

It was noted that the report had been shared with those affected as it was important public information.

Comment was made that photos and observations were very helpful in the explanation.

Cr Croot moved
Cr Neill seconded

That this report and the technical report “The effects of the 24 hour voluntary irrigation shutdown on flows in the Taieri River: 15th–16th January 2015” be received and noted.

Motion carried

Item 6
2015/0999

Director’s Report on Progress. DEHS, 09/07/15

Topics covered in the report were: Sendai Framework for Disaster Risk Reduction, Weather radar for Otago, and Waipori floodbank seismic investigations.

Dr Palmer noted that he had included the Sendai framework that the nation signed up to for the awareness of Councillors. The radar image included in the report highlighted the importance of a weather radar for Otago.

Cr Deaker moved
Cr Kelliher seconded

That the report be noted.

Motion carried

The meeting closed at 3.00pm

Chairperson