

Otago Regional Council meeting 11 May 2016

Attached is the agenda for the next Council meeting of the Otago Regional Council, which is to be held on Wednesday 11 May, commencing at 9:00 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/>.



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OTAGO REGIONAL COUNCIL

**Agenda for an Ordinary meeting of the Council to be held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 11 May 2016 commencing at 9.00 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: **Cr Robertson**

Leave of Absence:

- Request for Leave of Absence-**
- Cr Neill**
- Cr Kempton**
- Cr Croot MNZM**

In attendance:

**Please note that there is an embargo on agenda items until 8.30 am on Monday 9
May 2016.**

CONFIRMATION OF AGENDA

CONFLICT OF INTEREST

PUBLIC FORUM

MINUTES

Page Nos.

The minutes of the Ordinary meeting of Council held on 23 March 2016, having been circulated, for adoption

5- 16

Matters arising from the minutes

Page Nos.

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

Item 1
2016/0806 **Chairperson’s report.** Chair, 4/5/16 17- 18

Providing an overview of the Chairperson’s activities for the period to 4 May 2016.

Item 2
2016/0808 **Chief Executive’s Report.** CE, 5/5//16 19- 21

Providing an overview of the Chief Executive’s activities for the period to 5 May 2016.

PART B – RECOMMENDATIONS

Item 3
2016/0802 **Elected Members’ Remuneration from 1 July 2016.** DCS, 4/5/16 22 - 52

The report provides information requested by the Remuneration Authority on the review of base remuneration for the Chair and Councillors for the 2016/17 year. The Remuneration Authority “Setting Proposals for Local Authorities - 2013 and beyond” is circulated separately with the agenda.

Item 4
2016/0813 **Amendment to Council Authorisation for proposed ORC designations** 53 - 55

DPPRP, 5/5/16

This report is to request authorisation to alter the recommended designations, approved in reports 2014/1701 and 2015/1028. As a result of submissions on ORC proposed designations, this report requests Council to endorse Council staff’s recommended designations, previously approved in reports 2014/1701 and 2015/1028. This report does not apply to the designations for Stafford Street, principal premises, Dukes Road, Taieri depot or the Birch/Kitchener Street site. Council staff have considered requests by four submitters to not apply designations to specific land and concluded there are insufficient grounds to do so. The designations are being processed as part of the Dunedin City Council’s (DCC) district plan review. Appendices are circulated separately with the agenda.

PART C – ITEMS FOR NOTING

Item 5 2016/0785 Financial Report. DCS, 2/5/16	56 - 59
The report provides information in respect of the overall Council finances for the nine months ended 31 March 2016.	
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PART D – MINUTES OF MEETINGS

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OTAGO REGIONAL COUNCIL

Minutes of an Ordinary meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 23 March 2016 commencing at 9.05 am

Present:

- Cr Stephen Woodhead (Chairperson)
- Cr Gretchen Robertson (Deputy Chairperson)
- Cr Graeme Bell
- Cr Doug Brown (from 9.33 am)
- 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: Cr Doug Brown (for lateness)

In attendance:

- Peter Bodeker
- Nick Donnelly
- Fraser McRae
- Scott McLean
- Gavin Palmer
- Caroline Rowe
- Janet Favel
- Lauren McDonald

CONFIRMATION OF AGENDA

Cr Woodhead advised that the public forum was to commence at 9.45 am. Councillors agreed to this change. There were no other changes to the agenda.

MINUTES

The minutes of the Ordinary meeting of Council held on 10 February 2016, having been circulated, were adopted on the motion of Crs Croot and Neill.

Matters arising from the minutes

There were no matters arising from the minutes.

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

Item 1

2016/0718 **Chairperson’s report.** Chair, 17/3/16

The Chairperson provided an overview of his activities for the period to 17 March 2016.

In response to a question about protection of LAWA intellectual property, Mrs Rowe explained that the data was publicly available, the concern was about protection of the systems providing that data. Setting up a trust to safeguard the systems had been put on hold in 2013, and consideration was now being given to protection of the data management process. Comment was made that all available information needed to be reviewed before this work began, and Cr Woodhead advised that Dr Sue Bidrose, DCC Chief Executive, had taken on this task.

The issue of rubbish left by freedom campers was discussed, and a question was raised as to the correlation with stock truck effluent on roads. Cr Woodhead explained that there were sites for campervan/ caravan owners to dispose of waste, the problem was with vehicles without onboard storage facilities. Mr Bodeker explained that this was a TLA role, noting that their land was being used by freedom campers. He also noted that under legislation public health challenges were not an ORC responsibility. Mr Bodeker commented that the Mayoral Forum had discussed this issue, and there were different opinions and practices in the TLAs.

It was noted that while freedom camping was not an ORC responsibility, the Council had a role to play in the future of Otago. It was requested that a report be provided from staff about what ORC might do, not what they must do. Cr Woodhead considered that a co-ordinated national approach was required.

Item 2

2016/0720 **Chief Executive’s Report.** CE, 17/3/16

The Chief Executive provided an overview of his activities for the period to 17 March 2016. The following points were discussed further:

Cr Kelliher withdrew from the table.

- *Irrigation assistance fund*
 - a) *Manuherikia Catchment Water Strategy Group*
- Mr Bodeker noted that MCWSG was ready to approach farmers and irrigators for a formal expression of interest in the scheme.

b) Strath Taieri irrigators group

The group was revitalising work done earlier and the Council could invest further into that group.

Cr Kelliher returned to the table.

- *Health and Safety*

An internal audit of the Beca Health and Safety review had been carried out and of the 16 key recommendations, 10 had been undertaken, 4 were in progress, 1 was not completed and 1 was rejected. The rejected item was the requirement to carry out drug and alcohol testing for all staff. This applied only to pest control staff because they worked with poisons, and the Executive Team decided not to change this approach.

Health and Safety were embedded in the Council culture, and Mr Bodeker noted that Health and Safety factors were taken into account in purchasing equipment. He explained as an example that the purchase of tyres had been changed on the basis of manufacturers' advice, and because of enhancements to vehicles. Consideration was being given to visits to off-road sites, including times and location. Mr Bodeker advised that staff were required to undertake appropriate training before they were allowed to drive off road.

Cr Brown entered the meeting at 9.33 am.

- *IC deemed permits*

The deemed permit owners guide was displayed, which explained the process from deemed permits to RMA takes. Mr Bodeker was impressed with the booklet which presented a complex situation clearly.

Cr Kelliher withdrew from the table

- *Effect of irrigation on water supply*

Mr Bodeker noted in his report that reduced run off was likely to reduce the recharge of aquifers and surface water distribution, as had been reported in the Lauder Creek area. It was noted that this could happen right through to 2021, and a query was raised as to ORC's leadership role in this matter. Mr Bodeker pointed out that the 1C programme included working with deemed permit holders and helping them to form a group. He would check with staff member Bruce Monaghan about where Lauder Creek was at in the process, and where ORC could assist.

It was suggested that the Lauder Creek situation was a perfect example of why a group approach would be appropriate. Council could assist by calling community meetings and providing any further information needed.

In response to a question Mr Bodeker advised that there were significant landholder and irrigator funds in the project and ORC was approached through the assistance fund to manage it.

Cr Kelliher returned to the table

Cr Woodhead moved
Cr Deaker seconded

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

Motion carried

PART B – PUBLIC FORUM

Item 3 Presentation of petition

A group of about 50 Green Island residents, including a number of school children, attended to present a petition asking for a change to the new Green Island bus service.

Cr Woodhead welcomed the deputation, and appreciated their passion for the bus service change they sought.

Mr Rutherford stated that he was a Green Island resident, 84 years of age, and visually impaired, and buses were essential for him. He spoke on behalf of many in the Green Island community who used the bus services regularly. He noted problems with the new route for people in Concord getting to the doctor in Green Island, and for people to get to work. Mr Rutherford congratulated ORC on the new express service, but commented that it had been put in place at the expense of a service to South Dunedin. The group suggested a resolution to the matter: the express service could be retained, and the Brighton bus could come into the Green Island super stop. People wishing to go into the Dunedin CBD could use the Brighton bus, and Brighton people could use the express service to go straight through to Dunedin. Mr Rutherford urged Councillors and staff to put this matter right.

Mr Peter Dowden of BusGo Dunedin explained that he was not a resident of Green Island but BusGo wanted fairness for all bus users. BusGo had a long held policy of only requesting reasonable and affordable changes to bus services. At a recent public meeting a preferred option was agreed. Mr Dowden advised that BusGo supported the express service, and also continuation of regular slow services along parallel back roads.

Lynda Davidson presented the petition to Cr Woodhead. The petition was headed **#70, Local to Dunedin**: It stated "*We the undersigned residents of Brighton, Ocean View, Mosgiel, Abbotsford, Green Island, Concord,*

Corstorphine and Caversham request that the Otago Regional Council extend the Brighton-Abbotsford-Green Island bus service to Dunedin via Concord, Corstorphine, Caversham and South Dunedin, as a “local” service in addition to the present express bus service.” There were 400 signatures to the petition.

Councillors commended the group’s approach to Council, including that they had suggested a solution to their problem.

Cr Woodhead advised that staff were aware of this issue and had been working on it. Results of that work would be discussed with Councillors.

Cr Woodhead thanked the deputation for their efforts and for the petition, and appreciated their concern. He noted that this was a complex matter, involving among other considerations contracts, existing timetables, and fleet size.

The deputation left at 10.10 am.

PART C – RECOMMENDATIONS

Item 4

2016/0702 **Request to add SH88 safety project to Otago Regional Land Transport Plan 2015-21.** DPPRP, 11/3/16

The report explained that NZTA had requested a new project concerning safety improvements on SH88 between Dunedin and Port Chalmers be added to the Otago Regional Land Transport Plan 2015-21. The report recommended that Council vary the RLTP by making this addition.

It was noted that this project had been discussed at the recent RTC meeting. There were concerns that bringing the project forward would impact on other items in the programme and NZTA staff had given assurance that that would not happen. The project was also considered not significant under the significance policy. It was noted that Port Otago Ltd was supportive of the project.

In response to a question as to whether this project would lower the priority of the cycleway/walkway extension, it was pointed out that the project related to safety for motorised vehicles, and the importance of the cycleway remained because of its health and safety factors.

Cr Kempton moved
Cr Bell seconded

That the Council approve as a variation to the Regional Land Transport Plan 2015-21, the addition of the Dunedin - Port Chalmers Safety Improvements project set out in the attachment.

Motion carried

Item 5

2016/0708 **Making Submissions.** DPPRP, 16/3/16

The report presented a number of recent submissions made on behalf of the Otago Regional Council, and requested a change to the general delegation from Council for authorisation to make submissions on matters relating to its statutory functions and responsibilities beyond the Resource Management Act 1991.

Mr Bodeker explained that the Council's current schedule of delegations was very specific and constrained to the RMA. It did not include submissions on other councils' plans, changes to legislation, etc. Mr McRae noted that there had been a peak in requests for submissions recently, mostly relating to ministerial reviews.

Councillors commended the submissions presented in the report, but considered that they should have the opportunity to discuss the issue of delegation more fully. RMA delegations mainly related to consent or Building Act scenarios where submissions needed to be made on minor issues within a tight timeframe, and it was agreed that Council needed to have delegations for that purpose. However it was felt that sign off for submissions like the ones presented in the report should be at governance level, and it was important for governance to have full input into the submissions. The issue of timing was understood, and it was suggested that the Council Chair and Chair of the Policy Committee should have delegation to sign off the submissions.

In response to a question Mr McRae advised that submissions had always been made within timeframes, and had been authorised under existing delegation. He pointed out that Councillor views were picked up in workshop discussion.

Councillors considered that as governors they should be involved in the preparation of submissions where practical and where timeframes permitted.

A preference was expressed that the Council Chair and the Chair of the Policy Committee should have delegation to sign submissions, and it was suggested that the report be brought back to Council for further discussion.

Cr Robertson moved
Cr Deaker seconded

That the report be brought back to Council so that the delegation could be considered in more detail.

Motion carried

Mr Bodeker was to bring examples of submissions to a workshop on this matter. He noted that the submissions were extensive, detailed, and time consuming.

PART D – ITEMS FOR NOTING

Item 6
2016/0703 **Financial Report.** DCS, 18/3/16

The report provided information in respect of the overall Council finances for the eight months ended 29 February 2016.

Under-expenditure in relation to Leith flood protection works was noted. Dr Palmer explained that simpler engineering works would be carried out which would achieve the same outcome. A similar value engineering exercise would be carried out on the next section of the Leith works.

A question was raised as to whether the favourable variance in the Transport activity was temporary because work was behind schedule. Mr Donnelly explained that the bus hub work had been deferred to the 2016/17 year, and that the budgeted amount would be spent but the timing had moved out. Comment was made that Councillors needed to know how long projects would take.

In response to a question about the Total Mobility variance, Mr Donnelly was to check if the cost would be incremental with more people using the service.

Mr Bodeker explained that the delay to the bus hub project was caused by factors beyond Council's control, but he noted that further investigations had resulted in a design that was better than was originally planned and budgeted for.

Comments from the Audit and Risk Subcommittee on the explanation of under-spending were noted, and Mr Donnelly explained that the 8 month report to the next meeting of the Finance and Corporate Committee would detail the status of projects and targets.

Cr Croot moved
Cr Kelliher seconded

That this report be received.

Motion carried

Item 7

2016/0706 **Documents signed under Common Seal.** DCS, 15/3/16

The report informed the Council of delegations which had been exercised.

The report listed warrants for staff undertaking enforcement duties under various legislation and bylaws. In response to a question Mr Bodeker advised that there was an established training scheme around risks associated with this work, and a report would be presented to Council detailing the training provided.

Cr Woodhead moved
Cr Robertson seconded

That the report be noted.

Motion carried

Item 8 **Reports from Councillors**

Cr Kempton – Regional Transport meetings

As well as the 8 March RTC meetings, Cr Kempton advised that he, Cr Bell and ORC staff had attended a meeting requested by ECan for an exchange of transport related views and activities. Discussion included how ECan was handling transport in small towns; the Road Safety Influencing Group; better integration with rail; and STED networks. ECan had undertaken to put the South Island transport forum together. The meeting had also visited Port Otago Ltd, and enjoyed a presentation by Geoff Plunket.

PART E – MINUTES OF MEETINGS**Item 9 Recommendations of the Combined Otago/Southland Regional Transport Committees meeting held on 8 March 2016, for adoption**

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Combined Otago/Southland Regional Transport Committees meeting held on 8 March 2016 be adopted.

Motion carried

Item 10 Recommendations of the Otago Regional Transport Committee meeting held on 8 March 2016, for adoption

Cr Kempton noted changes to the improvements programme, including the Lindis crossing; the Edendale realignment; and preparation of a STED strategy to enable the business case to proceed. He advised that Otago/Southland collaboration would continue as a combined grouping, and the Terms of Reference were to be reviewed.

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Otago Regional Transport Committee meeting held on 8 March 2016 be adopted.

Motion carried

Item 11 Recommendations of the Communications Committee meeting held on 9 March 2016, for adoption

Cr Kempton moved
Cr Shepherd seconded

That the recommendations of the Communications Committee meeting held on 9 March 2016 be adopted.

Motion carried

Item 12 **Recommendations of the public portion of the Finance and Corporate Committee meeting** held on 9 March 2016, for adoption

Cr Shepherd moved
Cr Kelliher seconded

That the recommendations of the public portion of the Finance and Corporate Committee meeting held on 9 March 2016 be adopted.

Motion carried

Item 13 **Recommendations of the Policy Committee meeting** held on 9 March 2016, for adoption

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 9 March 2016 be adopted.

Motion carried

Item 14 **Recommendations of the Regulatory Committee meeting** held on 9 March 2016, for adoption

Cr Neill moved
Cr Eckhoff seconded

That the recommendations of the Regulatory Committee meeting held on 9 March 2016 be adopted.

Motion carried

Item 15 **Recommendations of the Technical Committee meeting** held on 9 March 2016, for adoption

Cr Scott moved
Cr Brown seconded

That the recommendations of the Technical Committee meeting held on 9 March 2016 be adopted.

Motion carried

PART F - EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Robertson 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 16</i>	<i>Recommendations of the In Committee portion of the Finance and Corporate Committee meeting held on 9 March 2016, for adoption</i>	<i>To protect the privacy of natural persons. (S7(2)(a))</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 consideration of Item 16,

Cr Woodhead moved
Cr Scott seconded

That the meeting resume in open session.

Motion carried

Councillors thanked retiring Committee Secretary Janet Favel for her work for Council.

The meeting closed at 11.12 am

Chairperson

REPORT

Document Id: A901092

Report Number: 2016/0806
Prepared For: Council
Prepared By: Cr Woodhead - Chairperson
Date: 4 May 2016

Subject: **Chairperson's Report - May 2016**

1. Annual Plan Communications

With a number of changes and new activities proposed in the Annual Plan, there has been considerable effort put into stakeholder awareness for this year.

Since our last Council meeting, Mr Bodeker or Mr Donnelly and I have presented brief, relevant to the audience presentations on key Annual Plan proposals to Clutha, Queenstown Lakes and Waitaki District Council meetings, to a Dunedin City Council workshop, and I met with Mayor Lepper and Chief Executive, Mrs Mash.

Supported by staff, we have also met with representatives from the Central and Wakatipu Wilding Conifer Control Groups, Federated Farmers Otago, Kai Tahu ki Otago and Te Ao Marama, and Fish & Game. A meeting was held in Milton to cover the drainage scheme and Annual Plan, and with support from Councillors Kempton and Deaker, a Facebook session was held.

The effort has been very worthwhile and received positive feedback from all stakeholders who appreciated the opportunity to meet and understand the various changes proposed in the Annual Plan.

2. Civil Defence Emergency Management

Mr Bodeker, Mr Hawker and I met with Southern District Commander Superintendent Mike Pannett, District Prevention Manager, Inspector Mike McIlraith, and Inspector Amelia Steel.

The initial meeting was an opportunity to meet and greet and to update Police on CDEM matters. A following visit to the District Command Centre was very enlightening in understanding how the centre operates, the information available and how the Police resources can be effectively used as part of a civil defence emergency.

Mr Hawker and I attended a MCDEM Disaster Resilience Strategy workshop in Christchurch; this is the early stage of a year-long project with engagement across local and central government, and with a range of partners and stakeholders to see where improvements in resilience work could be made. The title of disaster resilience suggests the strategy will have a broader focus away from the pure emergency response role of the past.

3. Auditor-General

Mr Bodeker and I had our annual visit from Controller and Auditor General, Lyn Provost and Sector Manager Jonathan Keate. Discussion on the key issues and risks facing our Council helped them understand Plan Change 1C and water allocation challenges the community and ORC have.

4. Velvet Leaf

I have been in regular liaison with Mr MacLean and Mr Donaldson as staff have dealt with the Velvet Leaf incursion. Community assistance, coordinated by local landowners and Federated Farmers assisted a significant staff commitment to complete the initial stage involving on farm inspections.

Mr MacLean is now on a national coordinating committee. Staff will advise soon on the next stage of this work which I imagine will need to continue over the next few years.

National biosecurity responses such as Velvet Leaf where we assist as contractors for the Ministry of Primary Industries, take significant resources and do impact our day to day operations. However, it is my view that if we don't support a national response to act promptly, utilising our local knowledge and ensure commitment of adequate resources, the list of pests needing controlled, and damaging our environment, will continue to grow and we will leave future generations with significant challenges. There is no other organisation able to provide regional leadership and coordination with biosecurity experience in these circumstances.

We need to continue to encourage the Crown to ensure adequate controls are in place at the border and when an incursion occurs, respond immediately. All these matters will be followed up nationally.

5. Other meetings attended

- Inaugural Water Quality Advisory Group.
- Beef & Lamb workshop.
- Maniototo Irrigation Company open day.
- Manuherikia Strategy Group workshop for contractors, engineers, funders and consultants.
- Mrs Meredith and I presented the ORC Resource Legislation submission at the Local Government and Environment Select Committee.

Stephen Woodhead
Chairperson

REPORT

Document Id: A901584

Report Number: 2016/0808
Prepared For: Council
Prepared By: Chief Executive
Date: 5 May 2016

Subject: **Chief Executive's Report - May 2016**

1. Velvetleaf Response

Otago Regional Council (ORC) staff have continued to proactively assist MPI's response to the Velvetleaf weed incursion. Assisted by Assure Quality and other contracted persons, ORC commenced field inspections of fodder beef crops likely to have contained the Velvetleaf weed on March 9. To date 4100 hectares have been inspected over 156 properties with 200 plants being found on 53 infected properties.

27 ORC staff were involved with 95% of the inspections being undertaken by 8 staff. These staff have worked diligently and over a number of weekends and a public holiday. ORC will be formally recognising their effort. Up to 35 volunteers, predominantly farmers, were also involved.

The situation ahead does require ongoing vigilance and farmers, especially those who have had infected crops are being encouraged to replant the infected area in crop, rather than pasture, for a further year to allow ongoing inspection and weed removal.

Scott MacLean and I met with MPI Director General Martyn Dunne and discussed how MPI would maintain financial support for ongoing inspections and a communications campaign for farmers. Mr Dunne indicated that MPI would likely be in a position to support any media advice given to farmers and would assess the situation for the next season with respect to further inspections.

The review of this incursion needs to include the situation of funding inspections and other related activity. For this incursion, ORC has been acting on behalf of MPI. There are protocols in place for how regional councils assist MPI and it was concerning that there was a threat of funding being withdrawn or limited even though the required inspection work had not been completed.

A further matter of note is that there seemed to be a lack of concern about this incursion by some landowners. Velvetleaf is an invasive and highly successful weed and the real damage is done to individual landowners assets. It would be productive for ORC to meet with farmers' representatives to ascertain how landowners could be involved in ongoing inspections of Velvetleaf and for any future pest incursion response.

2. Health and Safety

ORC has joined the National Business Leaders' Health and Safety Forum. This organisation is for chief executives and senior managers to discuss aspects of health and safety from a strategic perspective, and to share ideas and techniques for ensuring organisations strive toward a zero harm outcome.

Recently members of the Health and Safety Forum from Otago met and shared experiences and protocols as a result of the adoption of the new health and safety legislation.

Based on the other organisations in the group, ORC is progressing well as we progress in this matter. As reported previously, we are active in identifying and minimising risks likely to cause serious harm. We have engaged the consultant who did the original assessment to review some of our most critical risks and this work is ongoing.

The organisation is well served by an active and focused staff Health and Safety Committee, and this group meets regularly to identify matters that need addressing. The group also provides educational and motivational material to staff via the ORC intranet.

3. Review of Harbour and Waterways Safety

The external review of harbour and waterways safety is in its final stages of preparation. Consultation with affected and interested parties has occurred which has included detailed consultation with staff at Port Otago.

4. Otago Civil Defence and Emergency Manager

The section 17A review of CDEM Otago has been completed. It is to be presented to the Otago CDEM Group comprising of the ORC Chairperson and the TLA Mayors at its meeting on Monday 23 May.

5. CEO Summit

Last week I attended a CEO training and networking event in Auckland focusing on the changing business environment and how both commercial and public organisations need to react and adapt in the world ahead.

There were three key messages reinforced by all speakers:

- (i) Information is becoming more and more required for businesses and organisations to survive. Information is more than just data and processing, and interpretation of data held or collected by organisations is key.
- (ii) Individuals are using the internet more and more to both operate their own businesses but also as the source of information and learning. The use of video clips such as found on YouTube is becoming a key learning source.
- (iii) Collaboration in business is critical to allow progress as organisations define then stay within their core competencies.

With respect to the learnings from the summit, I am heartened that many farmers are forming coalitions around water quality. Farmers are seeking from their commercial partners such as Ballance Agrinutrients and Ravensdown a facility for them to test water quality to ensure they are meeting the ORC requirements. ORC has an opportunity to look at how we can use that data, add value to it, and provide it back to both farmers and the wider community. ORC has performed well in capturing and preparing hazard data and turning this into an information product, but we have further opportunity to look at all the data we hold and how it can be converted to information then used by both central government regulators, planners, policy makers and the general public.

The success of LAWA means that regional councils have a ready-made platform to deliver much of this processed information and ongoing support by the sector should see this develop further.

6. Petition Received

Council has received a petition titled '*No 1080 Poison in the Tuapeka District*'. The covering letter notes that the petition has been signed by 245 people from the Lawrence and surrounding areas seeking that ORC stop OSPRI using 1080 in the Glendhu forest.

A letter of acknowledgement has been sent to the petition organiser Ms Carol Greenhalgh.

Peter Bodeker
Chief Executive

REPORT

Document Id: A900274

Report Number: 2016/0802

Prepared For: Council

Prepared By: Director Corporate Services

Date: 4 May 2016

Subject: **Elected Members' Remuneration from 1 July 2016**

1. Précis

The Remuneration Authority has undertaken its review of base remuneration for the Chair and Councillors for the 2016/17 year. It has also requested submissions on the Councils proposed positions that have additional responsibilities, distribution of the pool of funds available to recognise those additional responsibilities and details of the Chair's motor vehicle to ensure the correct adjustment to the base remuneration can be made. This information is required by 16 May 2016 and the Authority will confirm final remuneration in early June 2016.

The Authority has also advised it has reviewed the allowances for milage and travel time and has requested Council confirm their Expenses, Reimbursement and Allowances by 10 June 2016.

2. Background

Current year (2015/16) base remuneration is set as follows:

Chair	\$122,300
Councillor	\$46,600

There is a maximum amount payable for additional responsibilities of 150% of the base Councillor remuneration which equates to \$69,900. Council currently allocates portions of this to the Deputy Chair, Committee Chairs and to Councillors participating in Regional Plan Review meetings. The current allocation is based on Council having five standing Committees with the Deputy Chair also chairing one Committee.

The Authority set caps on payment to individual Councillors for additional duties of 40% to the Deputy Chair and 25% to other Councillors.

Council resolved to allocate an additional 40% to the Deputy Chair and 20% to the other four Committee Chairs. This leaves an amount of \$13,980 available to pay Councillors participating in the Regional Plan Review process.

3. Remuneration from 1 July 2016

The Authority has set the base remuneration from 1 July 2016 as follows:

Chair	\$124,746
Councillor	\$47,532

These amounts are a 2.0% increase on the current year.

4. Payment for additional duties

The Authority has decided to increase the amount available for additional duties from 150% to 200% of base Councillor remuneration. Therefore the maximum amount available to Council for this purpose in 2016/17 is \$95,064.

The Authority has also decided to remove the 40% and 25% caps. They have not made any changes to the amounts payable for Regional Plan Reviews however they have agreed to work with LGNZ to review this and anticipate addressing this in the 2017/18 determination.

5. Remuneration assessment

Based on the current Committee structure of five standing Committees with the Deputy Chair also chairing one of the Committees the remuneration including payment for additional duties would be as follows:

	No	Factor	2015/16	2016/17	Increase
Chair	1		\$122,300	\$124,746	2.0%
Deputy Chair	1	40%	\$65,240	\$66,545	2.0%
Committee Chair	4	20%	\$55,920	\$57,038	2.0%
Councillor	6		\$46,600	\$47,532	2.0%
Regional Plan Reviews			\$13,980	\$14,260	2.0%

The amount available for additional duties is allocated as follows:

	No	Factor	2015/16	Factor	2016/17
Deputy Chair	1		\$18,640		\$19,013
Committee Chair	4		\$37,280		\$38,026
Regional Plan Reviews			\$13,980		\$14,260
Total			\$69,900		\$71,298
Pool available		150%	\$69,900	200%	\$95,064
Unallocated			\$-		\$23,766

As noted previously there is no longer a requirement to cap individual payments at 40% and 25% and the total amount available increases from 150% of the base Councillor remuneration to 200%.

The analysis above is based on the current committee structure and current additional duties payment rationale. Council has queried if this can be altered by the incoming Council. The Remuneration Authority has confirmed the incoming Council can review and change its structure and remuneration post-election. Application would need to be made to the Authority for an amending determination, this would take up to three months but the remuneration would be backdated to the date the council made their recommendation.

Council has previously submitted (18 December 2013) that Committee Deputy Chairs receive a portion of the additional duties pool. The Authority's response (30 January 2014) was that this had been considered for other Councils and it was found that little or no additional responsibility applied to Deputy Chairs. The Authority has advised it would consider such a submission, but additional time and responsibilities would need to be clearly outlined.

The Authority was also asked to clarify if payment could be allocated for Chairing Committees other than the five standing Committees ie Objections, Commissioner Appointment and Regional Transport. The Authority has advised it would consider such a submission, but additional time and responsibilities would need to be clearly outlined.

The Authority issued guidance in their document titled *Remuneration Setting Proposals for Local Authorities 2013 and Beyond*. A copy of this attached. Appendix B outlines draft guidelines for additional responsibilities and notes that Councillor positions of responsibility

should attract between 5% and 15% addition to base Councillor salary. Appendix E provides a description of the base Councillor role and Appendix F additional responsibility role descriptions.

Also attached is the submission made to the Authority in 2013 outlining Councils additional responsibilities, the hours involved and the proposed payment for the 2013/14 year. These amounts have been adjusted by the Authority in subsequent years however the underlying rationale has remained unchanged.

Based on the guidance provided by the Authority the current rationale appears to be appropriate for the Deputy Chair and Committee Chair roles. As in the past there appears no clear case for extending additional duty payments to Deputy Committee Chairs. There may be grounds to allocate an additional duties payment to the Chair of the Regional Transport Committee if the Councillor is not already Chair of another Committee. On the basis that this Committee meets quarterly the additional duties are approximately that of a Chair of a standing Committees.

Options for payment for additional duties include:

	No	Current Structure		Option A		Option B	
Deputy Chair	1	40%	\$19,013	40%	\$19,013	40%	\$19,013
Committee Chair	4	20%	\$38,026	15%	\$28,519	20%	\$38,026
Reg Transport Chair *	1		-		-	10%	\$4,753
Regional Plan Reviews		30%	\$14,260	50%	\$23,766	50%	\$23,766
Total			\$71,298		\$71,298		\$85,558
Pool available		200%	\$95,064	200%	\$95,064	200%	\$95,064
Unallocated			\$23,766		\$23,766		\$9,506

* Regional Transport Chair payment only applies if that Councillor is not already Chair of another Committee

6. Expenses and allowances

The Authority has also advised it has reviewed the allowances for milage and travel time and will be making adjustments to both. It has requested Council confirm their Expenses, Reimbursement and Allowances by 10 June 2016.

7. Milage allowance

In line with the Inland Revenue Department's decision last year, the first five thousand kilometres claimed should be at 74c per kilometre, instead of 77c at present. The rate for travel in excess of 5,000 kilometres remains unchanged at 37c.

The 30 kilometre threshold per day remains unchanged however this will now only apply to visits to the Council office. For other travel for members on Council business, no threshold distance will apply. It is noted that Council business excludes constituency related travel.

8. Travel time allowance

This amount has been set at \$35 per hour since 2013. It will be increased to \$37.50. The threshold of one hour per day remains unchanged.

9. Communications allowance

The communications allowance remains unchanged.

10. Recommendations

That;

- a) this report be received,
- b) Council consider and determine the Committee structure for the 2016/17 year,
- c) Council consider and determine the allocation of payments for additional duties,
- d) based on Councils proposed Committee structure and allocation of payments for additional duties, the Director Corporate Services complete the submission to the Remuneration Authority by 16 May 2016,
- e) Council adopt the changes to milage and travel allowances and,
- f) the Director of Corporate Services forward the attached Expenses, Reimbursement and Allowances Policy to the Remuneration Authority by 10 June 2016 for their approval.

Nick Donnelly
Director Corporate Services



Remuneration Setting Proposals for Local Authorities

2013 and Beyond

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Introduction

In September 2011, a discussion document was released by the Remuneration Authority to help review how the Remuneration Authority goes about setting remuneration for elected members of local authorities. The aim was to ensure that the process and outcomes met the requirements of the Local Government Act and the Remuneration Authority Act.

The discussion document showed the existing pool system was starting to give results that were counterintuitive, and there were indications that the results were not being as fair to councillors and ratepayers as was desirable.

The Remuneration Authority consulted with a group of representatives of local government, and Local Government New Zealand, to add their input and insights to the review, and would like to thank these people who contributed:

Dave Cull – Mayor Dunedin City
Adrienne Staples – Mayor South Wairarapa District
Brendan Duffy – Mayor Horowhenua District
Richard Kempthorne – Mayor Tasman District
Kevin Lamb – Administration Manager Waimakariri District Council
Brian Lester – CEO Ashburton District
Mick Lester – Chair, Community Board Executive Committee, Councillor Hastings District.
Michael Reid – Principal Adviser LGNZ

The Remuneration Authority received many responses to the consultation document and has determined a revised regime. It is now setting out the key features of the new system to allow input from the sector and to help the smooth implementation of the revised regime.

In the consultation document, the Remuneration Authority focused on two options for remuneration setting: a continuation of the current indicative pool model, and a specified-salary model. The proposal that the Remuneration Authority intends to implement draws, it hopes, on the best of both models. The proposal also focuses on bringing about a substantial reduction in bureaucratic and compliance requirements of the current system whilst maintaining transparency and ensuring local accountability to the Remuneration Authority for the final recommendations.

The Remuneration Authority initially hoped to implement the new regime for the 2012 financial year. It has decided, however, that to ensure a smooth transition for the sector the implementation will take place from the 2013 elections, with each local authority being provided with full details of their new remuneration framework early in 2013. This timing will give local authorities opportunity to recommend the structure and level of remuneration to the Remuneration Authority in time for a new determination to come into force after the 2013 elections.

The Remuneration Authority believes this will substantially reduce uncertainty about incomes for those standing for election in October 2013, with changes occurring only when the position of an elected representative includes additional responsibilities, or when an incoming council reviews and changes the structure for such positions.

Some aspects of the new system may require ‘fine tuning’. The Remuneration Authority is committed to working with local authorities during implementation. Details may require further attention, but the Remuneration Authority is keen that these matters are not seen as impediments.

This document:

1. Identifies the key components of the proposed remuneration-setting model in an executive summary
2. Discusses each component and outlines the reason for change
3. Explains the size index applied to each authority
4. Outlines the expected implementation process, ongoing triennial reviews and annual adjustments.

The obligations of the Remuneration Authority for the setting of salaries and allowances for elected members of local authorities, as set out in the Remuneration Authority Act and the Local Government Act, are summarised in Appendix A.

The setting of remuneration for Auckland Council elected members follows a similar approach to that in this discussion document, but this discussion document is not meant to cover the remuneration setting for those members.

Remuneration Authority
 November 2012

1. Executive Summary

- In the year preceding the local government elections, the Remuneration Authority will conduct a full review of remuneration in each local authority. The first such review will take place in the 2012/13 financial year for implementation from the 2013 elections.
- The Remuneration Authority will use a council 'size index' based on each council's population and expenditure, and anticipated hours of governance and representation, to develop:
 1. A remuneration level for mayors and regional council chairs, based on their council size index
 2. Base remuneration for community board chairs and community board members, based on the population served by the community board and levels of responsibilities
 3. An additional pool of funding from which each local authority can recommend to the Remuneration Authority additional payment for councillors or community board chairs and members who undertake extra responsibilities.
- Base remuneration for community board chairs and community board members will be based on the population served by the community board and levels of responsibilities.
- Each council will be given the opportunity to recommend the allocation of all or part of the additional pool (see 3 above).
- To assist local authorities in making recommendations, the Remuneration Authority will indicate the nature of the 'additional duties' that may be recognised for deputy mayors, committee chairs, portfolio leaders, and members of specialist panels and working parties.
- The Remuneration Authority will no longer approve pools of funding for general meetings, attendance at which is to be expected of council members.
- Incoming elected members (including those re-elected) will be remunerated at the base remuneration rate from the date election results are formally announced. Members elected unopposed will receive the base remuneration rate from election day. Councillors or community board members receiving additional remuneration to reflect extra duties will be remunerated at the base councillor rate until appointed to the positions that include those or other additional duties.
- The automatic review of the relationship between council size index and mayoral, regional council chair, and councillor remuneration will not begin until the year preceding the next local authority elections (initially 2015). However, where councils reallocate duties among members, they may apply to the Remuneration Authority to vary the way the additional pool is allocated. In the two mid-term years, the Remuneration Authority will review amounts of remuneration, taking into consideration any changes in council size indices and any general remuneration increase. It will apply any changes automatically to the remuneration levels set in the determination. Councils will be advised of any new rates to be applied no later than May in each of the mid-term years.

- The Remuneration Authority will continue to apply a loading of 12.5% to unitary authorities.
- Provisions will continue for councillors, local board members and community board members undertaking resource consent hearings, with similar provisions applying. The Remuneration Authority is considering whether some recognition can be given to the extra time that some councillors spend on some hearings for District Plan changes.
- The review and approval of allowances and expenses for elected members will also take place only every three years unless specific circumstances lead a council to request an interim review.
- The adjustment to mayoral salaries to reflect the provision of motor vehicles will be trialled to take place annually as at 1 July, but the Remuneration Authority reserves the right to change this if it feels that it might result in unfairness to ratepayers.

These changes update the current pool system of setting remuneration for local authority elected members, which was established in 2002, after consultation with local authority representatives.

Under the current system, a pool is established each year for each local authority. The allocation of the pool to each elected-member position is determined by the Remuneration Authority after considering representations from each authority.

Recent analysis shows a variety of salaries for different councillors and community board members, in which it is difficult to see fair remuneration for work done. This is illustrated by information drawn from the 2010/11 Determinations and included in the consultative document issued by the Remuneration Authority in 2011.

The current system establishes a 'governance pool' for each authority without regard to the size of the elected governance and representative structure, creating differences in remuneration driven by the size of those structures rather than the requirements of the position. The model the Remuneration Authority is now adopting relies on traditional ideas of job sizing to drive remuneration, and additionally reflects the hours spent by councillors and others on their tasks. A brief description of the matters taken into consideration in determining job size is included as Appendix 2.

The outcome will not be perfect, because how much work elected officials do is not standardised and is largely self-driven. However, the Remuneration Authority is confident that the new regime will see a more equitable distribution of income for elected officials.

Finally, it is important to recognise that the remuneration for local government positions, as for many public sector positions, is not set at a market rate. We acknowledge that those putting themselves forward for such positions are principally driven by a commitment to their local community, and therefore remuneration will continue to be set at modest levels.

2.1 The components of the remuneration of each council

■ Current practice

Two figures are provided to councils each year – a mayoral/regional chair entitlement and a pool showing the funds that are available for each council to apply to remuneration of elected officials.

These figures are drawn from a relationship that takes into consideration population, expenditure, net assets and the rate of change in these figures.

The pools are set without reference to the number of elected councillors, or the presence or otherwise of community boards.

This approach has seen individuals performing essentially the same job in similar-sized local authorities being remunerated differently.

The approach has also been seen as a deterrent to the existence of community boards, creating differences between councillors and community board members.

The strength, and possibly weakness, of the indicative system is that distribution of the pool requires an annual local debate.

There is also the opportunity for local structures of council governance to be established, and remuneration to be set according to local desires.

However, most councils apply the annual percentage increase in the pool across all positions, and most council structures are constant over time.

■ The future approach

At the beginning of each election year, the Remuneration Authority will set the base councillor salary and the mayoral/chair remuneration (excluding reduction for the provision of a car) for each council.

The base councillor salary and the mayoral/chair remuneration will be based on the council's size index, which will be derived from population size and council expenditure (see section 3 for more detail).

The relationship between councils' size indices and base councillor salaries, along with mayoral/chair remuneration, will be determined every three years, having regard to the job size of the positions of councillor, mayor, and chair (as assessed for sample councils by HayGroup). Regard will also be given to the proportion of full-time work applicable to the council (as determined by survey results); and Remuneration Authority pay scales.

The basic remuneration for each elected community board chair and for board members will also be set according to the size of the population served by the community board.

Councils will be invited to make representation to the Remuneration Authority for additional remuneration for

- community boards that have additional levels of responsibility
- councillor positions of responsibility (including Deputy Mayor).

The Remuneration Authority will set guidelines for these submissions (see sections 2.11 and 2.12).

■ Features of the new approach

The change sees a move away from using statistical data only to measure the 'governance' element of each council's work, to determining the size of the responsibilities arising from council positions, taking into account population and expenditure and the time needed to carry out duties.

This will overcome the distorting effect on remuneration of the size of the elected structure. Currently there are from six to fifteen elected officials in each local authority across the country. The difference in number comes from historical arrangements, the work of the Local Government Commission, and local advocacy. Whilst some of the difference in number reflects the complexity of the tasks that are undertaken, the Remuneration Authority considers that the size of the governance structure is currently over-emphasised with regard to remuneration.

Remuneration levels will still reflect the size of the local authority and its ratepayer base, but will now regularly investigate the size of the job to be done.

The long-standing tension created by councils' needing to set community boards' remuneration at the expense of their own remuneration is removed, and it is hoped this will have a positive effect on local democracy.

The change will have different effects on each council. To avoid significant changes to remuneration (both up and down) for existing councillors, the transition to the new approach will take place immediately after the 2013 elections. Councils will be advised well before the election of the remuneration levels to apply after the election, so candidates will know what their remuneration will be if elected.

2.2 The Remuneration Authority's process for regular review

■ Historically

The Remuneration Authority first established the remuneration arrangements for elected officials after a substantive review and consultation process in 2002. This involved establishing the size of elected positions, assessing appropriate remuneration and developing an indicative pool for each council that provided a sufficient amount to pay elected members appropriately at that time.

After consideration, a process was designed that enabled the Remuneration Authority to increase the indicative pool each year. The increase reflected income changes in the broader economy, population numbers, expenditure and net assets, and any unusual growth changes.

Within the indicative pool, a specific amount was allocated for mayoral and regional chair remuneration.

This model was used annually until 2010, when a separate evaluation of the size of mayoral and regional chair positions was undertaken. Following that review, mayoral and regional chair salaries were set independently of the pool, reflecting the increased work required of those positions, whilst the pool approach was continued for the other elected officials.

Over the period, the role of local government continued to change, and with it the size of elected positions. There was no formal mechanism in the system to trigger a review or assess the accuracy of the result.

■ The future approach

Local government is changing rapidly, and the expectations and accountabilities of elected officials are changing at the same speed.

The Remuneration Authority believes regular full reviews of amounts of work in the sector are needed.

The Remuneration Authority therefore intends to undertake a job-sizing exercise with a cross section of councils every three years. The exercise will include a survey, and assess the hours required for governance and representative activity.

Results from the survey and job sizing will then be used in a review of base remuneration, with a new council size index for each council. This will provide the foundation for basic remuneration for councillors and give indicative amounts available for positions with additional responsibilities.

The Remuneration Authority intends to undertake such a review approximately two years after each election, with the results available to local government at the start of each election year.

At that time, each council will be asked to make recommendations concerning extra remuneration for positions of additional responsibility. Such recommendations, if accepted by the Remuneration Authority, will form the basis of the determination for the period starting from the declaration of election results.

In the following two years, the Remuneration Authority will annually recalculate the size index for each council, and automatically apply any increase that is warranted in a 1 July determination. When any mid-term changes might lead to a reduction in base remuneration for councillors, the changes will not take place during the term of council, but will be part of the next pre-election review.

■ Features of the new approach

The Remuneration Authority believes this approach ensures that:

- the work of local government will be reviewed regularly
- undertaking the review in the final year of the electoral cycle will make certain elected members fully understand the nature of their positions at the time of the review
- reducing the number of remuneration recommendations and discussions from four times in the electoral cycle to one will allow more operational time for staff and elected officials
- Candidates standing for election will have greater certainty about the remuneration attached to the position
- There will no longer be any need to have temporary reductions in councillor remuneration following each election.

2.3 Allocation for positions of additional responsibility

■ The current approach

Under current arrangements, the Remuneration Authority allocates a total amount to pay elected officials. Typically, 50% of the remuneration of community board members is also met from this pool.

Councils are required to recommend the allocation of all such funds, after approval from council and (where established) each community board.

When the process proceeds smoothly, the Remuneration Authority has usually accepted council recommendations. When councils have been unable to reach agreement, the Remuneration Authority has determined an appropriate outcome.

The Remuneration Authority appreciates that councils do not all want a 'one-size-fits-all' approach, and therefore provides for local needs with a pool to recognise additional responsibilities accepted by individual elected positions. Currently some councils operate with a 'flat' structure, recognising only a deputy mayor as undertaking additional duties; other councils give various committees stated roles and responsibilities. Councillors on those committees have additional responsibilities and time commitments.

Over time, new roles have emerged, such as 'portfolio leaders'. Some councils have many remuneration rates, albeit with modest differences overall. It is impossible to verify, from the information provided to the Remuneration Authority, how such variations were established.

■ The future approach

Having set the base remuneration of each elected official, the Remuneration Authority has identified commonly required additional roles. It will provide guidelines for the allocation of additional sums of money for those performing additional duties. See section 2.12 for further discussion and Appendix B for draft guidelines.

The Remuneration Authority will also indicate the expected maximum from the total of the additional amounts.

Where councils believe they have distributed duties to all councillors and thereby increased the base responsibility of all councillors, they will need to justify their submissions before the Remuneration Authority will increase the base remuneration for their councillors.

A similar approach will be taken for community boards, recognising that varying amounts of responsibility are given to different community boards. See section 2.12 and Appendix B.

■ Features of the new approach

The additional pool will allow local flexibility around how duties are undertaken and accountabilities recognised, yet ensure the expectations of identified roles are clearly understood.

The new approach places the responsibility for setting higher rates firmly on councils. If a council chooses to operate with a structure in which the council as a whole determines matters of governance, the council can reject the idea of additional responsibilities and remuneration.

The change also lets the Remuneration Authority have fewer reviews of councillor remuneration, and ends the practice of reducing councillor remuneration immediately after the election.

2.4 Removal of salary/ meeting fee mix

■ Historical context

At one stage, the normal practice in local government was for councillors to receive most of their remuneration for attending meetings.

The pool system enabled this practice to continue, but limited the total funds available for meeting fees by requiring an amount to be set aside out of the indicative pool.

Currently, approximately 10% of councils use a meeting-fee approach. Each year, a number of these councils under-spend their pool and carry funds forward. Occasionally, the pool is exhausted before the end of the financial year.

The council collectively has a range of accountabilities. It is unclear why attendance at meetings should largely determine salary, or whether such an approach encourages behaviours that lead to good governance.

■ The future

In moving to a base remuneration rate, the Remuneration Authority considered whether a feature of the system should be the possibility of reducing the base rate to create a pool for meeting fees.

It decided, however, that such an approach was inconsistent with the 'rate for the job size' approach of the new system.

The Remuneration Authority considers that a councillor's role is more than attending meetings, and believes that idea should be reinforced, not undermined, by the remuneration regime.

It also believes that having meeting fees puts another barrier in the way of ratepayers being able to assess the real remuneration councillors receive.

From 2013, the Remuneration Authority will not approve meeting fees for core council business.

2.5 Council remuneration in election year

■ Historical approach

Since 2004, the Remuneration Authority has set a notional remuneration rate to be applied immediately after the local government election.

This rate is set at approximately 80% of the previous salary of councillors and does not include meeting fees or recognition of additional responsibilities.

After the election, councils are required to review their structure and remuneration. They then forward to the Remuneration Authority proposals approved by the council and, where established, by community boards.

The Remuneration Authority considers the proposals and decides to accept the proposals or refer them back to the local authority for further work.

A determination is then issued setting new (increased) rates of remuneration backdated to the election.

Because of the time taken preparing and considering recommendations, councillors have often had to wait for up to six months before receiving back pay.

■ The future approach

The Remuneration Authority intends to leave existing rates in place until the 2013 election, without the regular review for implementation that would otherwise have taken place in July 2013.

Consultation with councils will take place between January and April 2013, and a determination will be issued for the period from election day until 30 June 2014.

When they make the decision to stand, elected members will therefore know exactly what the basic remuneration will be after the election.

Councillors elected unopposed will experience no break in remuneration, but will revert from any higher salary to the basic rate from election day.

Remuneration of members standing for election will end on the day before the election. If they are re-elected, their basic remuneration will re-start on the day after election results are officially confirmed.

For those members who are subsequently appointed to positions with additional remuneration, that remuneration will apply from the date of their appointment.

Reconfirmation of remuneration after the election will not be required. No further determination will be issued until 1 July the following year unless the local authority seeks to amend the extra amounts available for additional duties.

■ Features of the new arrangement

This arrangement provides continuity of income to councillors, and certainty for those seeking election.

It reduces the number of determinations issued in the twelve-month period from three to one, whilst retaining the possibility of councils that genuinely choose to review the structure and process of their work.

The Remuneration Authority believes these changes will increase efficiency and transparency in the remuneration of councils immediately after the election, and release councillor and staff time for other activities.

2.6 The process in non-election years

■ Current practice

Each year the Remuneration Authority determines the pool of funding available for remuneration and the council is required to discuss and recommend the allocation of the funds.

Most councils apply the percentage movement that is granted, equally across positions. However, discussion and approval are required from council (and community boards, where they exist).

The process takes considerable councillor and staff time with, in many cases, little advantage to council or ratepayers.

■ The future approach

In non-election years, the Remuneration Authority will:

- re-assess each council's size index based on latest data
- determine an increase reflecting any changes in CPI or general wage growth and apply the increase to each council's base remuneration for councillors, and mayor or chair remuneration, calculated using the revised size index
- hold remuneration at the existing amounts until the next year, or next election, if the reassessment results in a decrease in remuneration
- adjust remuneration pro rata for positions with additional responsibilities to the change in base remuneration for councillors, for that council
- issue a determination including the updated rates.

It is possible that the Remuneration Authority could determine a general increase to adjust for changes in CPI or general wage growth for mayors and chairs that is different from the increase for councillors.

Councils will be able to review their structure, as in the past, but there will be no requirement to do so.

Where a review is undertaken and change is recommended, the Remuneration Authority will consider the new arrangements and issue an amending determination or consult further with the council.

■ Features of the new arrangement

Flexibility for a council-initiated change of structure is retained, but current bureaucracy around modest sums of money is reduced.

Processes will be required within the Remuneration Authority and in councils to ensure increases in remuneration and amounts of remuneration are made clear to ratepayers. Councils could choose to disclose councillor remuneration on their web sites.

2.7 Loading for unitary councils

■ Current practice

Pools from which unitary councils fund councillors' and community board members' remuneration are calculated in the same way as those for territorial authorities. Then a 12.5% loading is applied, to recognise the wider responsibilities of unitary councils.

■ The future

The same loading will be applied for the three-year period from 2013.

The Remuneration Authority will review the loading in the year preceding the 2016 council elections.

2.8 Resource consent changes to District Plans hearings

The Remuneration Authority has decided to retain the current arrangements for resource consent hearings. It will continue reviewing the hourly rate each year.

The Remuneration Authority is considering whether some recognition can be given to the extra time that some councillors spend on some hearings for District Plan changes.

2.9 Approval of elected officials' expense and reimbursement policies

The Local Government Act requires the Remuneration Authority to determine expenses and allowances payable to elected members.

Currently, the Remuneration Authority asks each council to confirm or amend its expenses and reimbursement policies each year.

In future, the Remuneration Authority will request such a review at the same time as it is undertaking its pre-election review of basic remuneration and the pool for additional responsibilities.

This will reduce bureaucracy. However, as is currently the case, councils will be able to seek approval to change the policies at any time when new issues arise.

The Remuneration Authority will continue to require that details of policies are available for inspection by ratepayers. Since all local authorities have web sites, the Remuneration Authority considers that details of expense policies should be published online.

2.10 Valuation of mayoral vehicle

The Remuneration Authority does not, at this time, intend to change the way in which the value of private use of mayoral vehicles is calculated.

However, to reduce compliance costs for issuing amending determinations, the adjustment made when the value of a vehicle changes will now apply from 1 July each year, rather than at the time of the change.

The Remuneration Authority will remind councils annually of this requirement as it prepares for the annual determination.

The Remuneration Authority reserves the right to change its policy on adjustments to remuneration caused by changes in vehicles if it feels the policy is grossly unfair to ratepayers.

2.11 Community boards

■ Current practice

The levels of remuneration for community board members, chairs, and (where appropriate) deputy chairs are recommended by each local authority. The Remuneration Authority makes its determination after considering those recommendations. For most councils, 50% of the remuneration for community board members comes out of the pool.

■ Future approach

Consistent with the future approach for elected councillors, the Remuneration Authority will set a base community board salary for each community board. The salary will be based on the population the community board serves and will assume that each community board member has similar basic responsibilities.

Appendix D gives an outline of the roles of community boards and community board chairs.

There is little delegated responsibility from council to community board in the base role, and this will be reflected in the base salary.

Depending on additional levels of responsibility, community board salaries may be approved up to a set maximum percentage over the base. The maximum additional percentage is likely to be about 30%.

The base salary for a community board chair will be twice the salary of a community board member (after the addition of any extra for additional responsibilities), provided the chair is carrying out the additional roles of the chair as set out in Appendix D.

If a deputy chair is appointed, then, depending on the role of the deputy, the salary for the deputy chair will be up to 1.5 times that of a community board member.

Where a councillor is also appointed as a member or chair of a community board, the maximum additional remuneration, if any, will be 50% of the community board role the councillor takes up. The Remuneration Authority is aware that many councils do not pay extra to councillors who are appointed to sit on community boards and will need to be convinced that any extra remuneration for such appointments does not raise anomalous situations for other councillors who may, for example, attend residents association meetings without additional remuneration.

The Remuneration Authority will determine any additional remuneration for additional responsibilities, or councillors appointed to community boards. Councils will need to make recommendations and include details of positions and additional responsibilities to the Remuneration Authority.

2.12 Positions of additional responsibility for councillors

■ Current approach

Councils make recommendations to the Remuneration Authority, giving position titles and recommended salaries. After considering the recommendations (and any further information the Remuneration Authority may call for) the Remuneration Authority sets the salaries for all positions of additional responsibility. The total of all salaries (including any provision for meeting fees) must be equal to the pool.

■ Future approach

The base salary for a councillor is meant to cover the basic role of a councillor, as set out in Appendix E.

Possible descriptions of positions of additional responsibility (including Deputy Mayor) are set out in Appendix F.

Following each election, each council will be invited to provide to the Remuneration Authority its recommendations for positions of responsibility (including Deputy Mayor) setting out, for each position:

1. the position title
2. a brief description of the main functions of the position
3. a note of any delegated authorities (including delegated authorities to speak on behalf of the council)
4. a recommended percentage addition to the base salary for a councillor, to apply to the position
5. any other information that might help the Remuneration Authority's decision-making.

Positions of responsibility can include appointments to community boards.

As a guide, the Remuneration Authority would expect the recommended percentage addition to the base salary for a councillor to be in the range of 5% to 15%, depending on the functions of the position and the delegated authorities. It would expect the recommended percentage addition for a Deputy Mayor to be in the range of 15% to 40%.

The Remuneration Authority would expect that total additional salaries for positions of additional responsibility would not be greater than the base salary for a councillor, for that council.

For each non-election year determination, the Remuneration Authority will, unless otherwise advised by a council, assume that positions of responsibility are unchanged. It will apply the same percentage additions to salary for the positions, based on the base salary for a councillor that is determined that year.

2.13 Matters outside this review

In the course of undertaking this review, a number of issues have arisen that fall outside the Remuneration Authority's ambit or require legislative amendment.

The Remuneration Authority believes two in particular have value.

The first is that the amount of allowances and reimbursements made to council members be made available publicly in a form that allows review and perusal.

The second is that the income members receive from being appointed to council-controlled organisations and trusts be offset against their remuneration.

Whilst the Remuneration Authority supports a closer review of these proposals, they fall outside the Remuneration Authority's powers and have not been included in this work.

3. The size index

■ Current practice

For the purpose of determining the size of pools for the remuneration of elected officials and for determining mayoral and chair salaries, a number of 'points' have been allocated to each council.

The number of points is based on the population served by the council, and the council's expenses and net assets.

For regional councils, an additional statistic, capital value, is used.

The weights used for each statistic have remained unchanged since the system was introduced in 2002.

Total points for all councils changed each year as the total population changed, and an individual council's share of the total points could also change.

A relationship between a council's points and the size of the pool (and mayoral and chair remuneration) was established in 2002. The same relationship was used each year, with some adjustment for general wage movements. The resulting pools or salaries were adjusted to reflect any abnormal changes that had occurred in numbers of the population served by the council over the previous five years, compared with the change in total New Zealand population over the same period.

Thus the size of the pool and of mayoral and chair salaries could change each year from a combination of growth in the New Zealand population, change in the council's share of the total points, any adjustment for abnormal change in population, and any overall adjustment for general wage growth.

■ The future

Each year, a 'size index' will be determined for each council.

The size index will be based on the population served by the council and council expenses.

There is a strong correlation between councils' populations and expenses, and between population and net assets. It could be argued that only the 'population' statistic could be used to determine the size index. However, it has been decided to also use the 'expense' statistic, to give extra weight to councils serving large transient populations. The need for additional services for such populations is reflected in higher council expenses.

The adjustment for 'abnormal population growth' has been discontinued, because it is felt that such growth will be reflected in a council's expenses.

The size index for each council is determined by taking into account the council's population and its published expenses. The size index is a relative measure between councils. Each year, as a council's population size and expenses vary, its size index may change (up or down) as its relativity with other councils changes.

Every three years (the years prior to an election year) the job sizes of councillors, mayors and chairs in sample councils will be assessed. Time spent carrying out mayoral, chair and councillor duties will also be assessed. From these data and the Remuneration Authority's standard pay scales, a fair remuneration will be determined for each of the sample councils.

A relationship will then be developed between the size index, mayoral and chair remuneration, and base remuneration for councillors, based on the sample councils.

Those relationships will then be applied to all councils.

The Remuneration Authority developed processes and methodologies for:

- deciding which statistics (eg population and expenses) to use in the determination of size indices, and
- deciding on the weights to apply to those statistics in the calculations, and
- the way of determining size indices, and
- determining the relationships between size indices and mayoral/chair remuneration for sample councils, and
- using those relationships for all councils.

The processes and methodologies have been peer reviewed by a senior lecturer in financial mathematics at Victoria University of Wellington and found to be sound.

4.1 Implementation – Transition to new system

A preliminary assessment of possible base salaries for councillors from each council has been made. It shows that that, in some councils, there could be significant changes (both up and down) in the remuneration payable to councillors who have no additional responsibilities. This was not unexpected, since in the past each council had made its own recommendations regarding remuneration without any firm guidelines from the Remuneration Authority.

Implementation of the new system has therefore been deferred until 2013, an election year.

Subject to confirmation that it is within the legislative powers of the Remuneration Authority, the 2012/13 determination will run to the 2013 election date. A new determination will take effect from the date of the elections and will:

- set councillors' base salaries, based on the new system, to apply from the election until 30 June 2014
- set mayoral and chair salaries, based on the new system, to apply from the election until 30 June 2014
- set remuneration for positions of additional responsibility, based on the new system, to apply from the election until 30 June 2014.

Whilst the rates for these positions will be established in the determination, the rate will apply to those individuals elected to the positions only from the date of their appointment.

Early in 2013, the Remuneration Authority will decide on mayoral and chair remunerations and the base salary for councillors for each council, to apply from the date of the elections. Councils will be advised of the amounts well before the elections so candidates seeking election will know their remuneration if elected.

Reasons for this approach are:

- remuneration until the elections will be based on the existing pool system and councillors' reasonable expectations regarding remuneration can be met, and
- potential candidates can be fully informed about remuneration before deciding to stand for election.

4.2 Implementation – Triennial reviews and annual adjustments

At each triennial review (which will take place in the year before local body elections and take effect from 1 July preceding the election date) the Remuneration Authority will carry out the following review tasks:

1. select sample councils and, if necessary job-size mayoral, chair and councillor positions
2. sample all councils concerning what proportion of a full-time position is needed to carry out mayor, chair and councillor duties
3. receive up-to-date population and expenses statistics for each council and thereby determine target remuneration levels for mayors, chairs and councillors for the sample councils
4. review population numbers and expense proportions used in the calculation of size indices to ensure they give a valid representation of relative council size for the purposes of determining remunerations
5. calculate size indices and develop a relationship between size indices and mayoral/chair and base councillor remuneration for the sample councils
6. apply those relationships to determine the mayoral/ chair and base councillor remuneration for all councils
7. set guidelines that each council may apply to increase remuneration for councillors with additional responsibilities
8. advise each council of the mayoral/chair and base councillor remuneration and invite recommendations for the allocation of the additional amounts for additional responsibilities (within guidelines)
9. advise each council of the base community board salary and invite recommendations for possible community board salaries in excess of the base salary based on additional responsibilities (within guidelines)
10. issue the determination for the period from the election date until the following 30 June.

In each of the two intervening years, the Remuneration Authority will:

1. receive up-to-date population and expenses statistics for each council
2. calculate the size index for each council using the population and expense proportions determined at the triennial review
3. determine revised mayoral/chair and base councillor remuneration based on the updated size indices, the relationships developed at the triennial review, and an allowance for general wage growth
4. make any adjustments to mayoral/chair salaries due to changes in cars or car use since the last determination
5. apply, for each council, the proportional increase in base councillor remuneration to all positions of additional responsibility (unless a council has advised a change in its structure)

5. Timetable and Consultation

■ Planned timetable

Activity	Timing
Finalise consultation document and distribute	Mid November 2012
Regional meetings	Complete by mid December 2012
Survey of councillor time	November/December 2012
Final documentation of new approach	January/February 2013
Promulgation of mayor/chair salaries, base councillor salaries, base CB salaries	March 2013
Recommendations from councils for extra duties	April 2013
Finalise all salaries	May 2013
Gazette determination to apply from elections	June 2013

■ Consultation

As part of the consultation process the Remuneration Authority has already consulted with representatives of local authorities and LGNZ

The Remuneration Authority now intends to:

- talk to zone conferences before the end of 2012, and
- talk to the rural sector group, the metros group, and the community board executive board, and
- seek written feedback from councils (not individuals), and
- consider all feedback and include it as appropriate in the final documentation, and
- where appropriate, advise how it feedback was taken into account.

Appendix A:

Remuneration Authority's obligations

The Local Government Act, Schedule 7 section 6, provides that:

1. The Remuneration Authority must determine the remuneration, allowances, and expenses payable to elected members
2. The Remuneration Authority may do one or more of the following things:
 - a. Fix –
 - i. Scales of salaries
 - ii. Scales of allowances
 - iii. Ranges of remuneration
 - iv. Different forms of remuneration
 - b. Prescribe –
 - i. Rules for the application of those scales, ranges, or different forms of remuneration
 - ii. Rules for reimbursing expenses incurred by elected members
 - c. Differentiate –
 - i. Between persons occupying different positions in different local authorities or community boards
 - ii. Between persons occupying equivalent positions in the same local authorities or community boards
 - d. Make determinations that apply to individuals, or groups occupying equivalent positions
3. Section 19 of the Remuneration Authority Act applies.
4. In determining remuneration under clause 6, the Remuneration Authority must have regard to the need to—
 - a) minimise the potential for certain types of remuneration to distort the behaviour of elected members; and
 - b) achieve and maintain fair relativity with the levels of remuneration received elsewhere; and
 - c) be fair both—
 - (i) to the persons whose remuneration is being determined; and
 - (ii) to ratepayers; and
 - d) attract and retain competent persons.

The Remuneration Authority Act has the following provisions which apply to determinations made under the local Government Act:

Sections 18 and 18 A require the Remuneration Authority when making determinations to have regard to, or to take into account:

- a. The need to achieve fair relativity with levels of remuneration achieved elsewhere
- b. The need to be fair to both –
 - a. the people whose remuneration is being determined, and
 - b. taxpayers or ratepayers
- c. The need to recruit and retain competent people
- d. The requirements of the position concerned
- e. The conditions of service for those whose remuneration is being determined and conditions of employment for comparable positions
- f. Any prevailing adverse economic conditions.

Section 19 covers the frequency of determinations and adjustments to determinations.

Appendix B: Draft guidelines for additional responsibilities

- Councillor positions of responsibility to attract between 5% and 15% addition to base councillor salary
- Deputy mayors may be paid up to an additional 40% of base councillor salary, depending on levels of delegation – this maximum to apply regardless of any other position of additional responsibility that may be held by the deputy mayor
- The maximum total of additional salaries for additional responsibilities (including those of Deputy Mayor) will be 100% of base councillor salary
- Depending on additional levels of responsibility, community board salaries may be approved up to 30% over the base
- The base salary for a community board chair will be twice the salary of a community board member (after the addition of any extra for additional responsibilities) provided the chair is carrying out the additional roles of the chair as set out in Appendix D.
- If a community board deputy chair is appointed then, depending on the role of the deputy, the salary will be up to 1.5 times that of a community board member.

Appendix C: Job evaluation and the Remuneration Authority

The most common reason for 'sizing' a job is to help the organisation benchmark how much it pays for a particular role in order to be sufficiently competitive. There are several approaches.

Job-title match surveys assume, for example, that all "Marketing Managers" do the same things and that there is a single market for such a role.

Job matching examines the job title together with representative activities. Organisations "match" their roles to the job that best represents their position, and look at size of organisation to get a reasonable comparison.

'Matching' approaches rely on jobs being the same or a close match, and on other organisations (or job holders, in surveys such as IPENZ and ICANZ) correctly matching jobs.

The Remuneration Authority uses a factor-based system, the Hay system, which looks at the specific content of a job and assesses each aspect against a set of standard scales and descriptions to find the most accurate requirements of the role, when performed to a fully competent standard. The resulting 'job size' is matched with other jobs of the same size (within or across functional or industry boundaries) and can be slotted into the appropriate band or grade within the pay framework.

Job evaluations are carried out independently by the Hay Group.

The Hay system makes judgements in three major areas:

- (1) **KNOW-HOW** – The combination of knowledge, skills and experience required for fully acceptable job performance. Know-how is considered in three dimensions:
 - a. practical/technical know-how
 - b. planning, organising and integrating (managerial) knowledge
 - c. communicating and influencing skills
- (2) **PROBLEM SOLVING** – The span, complexity and level of analytical, evaluative and innovative thought required in the job, expressed in the way know-how is used. Problem solving is considered in two dimensions:
 - a. thinking environment
 - b. thinking challenge

(3) **ACCOUNTABILITY** – The scope given to the job holder to direct resources of all kinds and to influence or determine the course of events; and the job-holder's answerability for the consequences of their decisions and actions for the organisation. Accountability is also considered in three dimensions:

- a. freedom to act
- b. magnitude – area of impact
- c. job impact

Appendix D: Community board members – Base role description

■ Representation and advocacy

- Representing and acting as an advocate for the interests of their community
- Considering and reporting on all matters referred to them by the council, or any matters of interest or concern to the community board
- Communicating with community organisations and special-interest groups in the community
- Bringing the views of their community to the attention of council
- Listening to the concerns of their community on issues pertaining to the community board
- Maintaining an overview of services provided by the council in the community, and commenting on any services delivered by the parent council
- Maintaining contact with various community representatives and other local stakeholders
- Championing causes which best relate to the interests of their community and campaigning for the improvement of the quality of life in their community.

■ Governance

- Participating constructively and effectively in the good governance of the community board as a whole
- Understanding and ensuring that basic principles of good governance are a part of the approach of the community board
- Understanding and respecting the differing roles of community board Chair and community board members; the roles of the parent council's Mayor, Deputy Mayor, committee chairs / portfolio holders and councillors; and the very different roles of the managers and staff of the parent council with whom the community board might work

- Recognising that the governance role does not extend to operational matters or to the management of any implementation
- Having a good understanding of the community board processes set out in the Standing Orders that determine how community board meetings are run and how decisions are made
- Developing and maintaining a working knowledge of council services, management processes, powers, duties and constraints
- Ensuring familiarity with agendas and other community board reports before meetings of the community board
- Being familiar with and complying with the statutory requirements of a community board member
- Identifying, being aware of and declaring any potential personal conflicts of interest, whether these are pecuniary or non-pecuniary.

Possible additional responsibilities of community board members:

- Undertaking any other responsibilities that are delegated to them by the council or are prescribed by Order in Council
- Preparing an annual submission to the council for expenditure within the community
- Participating in any relevant consultative processes with the local community and/or other organisations
- Representing the views and position of the community board to external parties, where delegated to do so, and with a clear understanding that only formal community board decisions can commit the community board to any particular course of action (and then only in matters where the community board is delegated to act)
- Participating, as needed, in the setting and monitoring of council policies, budgets, strategies and service delivery through annual and long-term planning processes.

■ Additional responsibilities of Chairs

- Chairing meetings of the community board
- Representing the community board to a high standard in the areas of activity and business delegated
- Promoting and supporting good governance by the community board
- Developing a clear understanding of the terms of reference of their community board, and of the scope and range of delegations in order to carry out the role of community board Chair
- Ensuring sufficient familiarity with parent council's Standing Orders and procedures that they can chair community board meetings and any other sessions for which they have responsibility
- Undertaking sufficient preparation before the meetings they are chairing to allow them to effectively carry out the role of Chair.
- Ensuring meetings they chair operate within the powers delegated by the parent council as set out in the parent council's Delegation Manual
- Managing the progress of business during meetings, including ensuring adherence to the parent council's Standing Orders and to other statutory obligations and requirements
- Ensuring that all participants in meetings have an opportunity to make an appropriate contribution within the bounds of Standing Orders and due process
- Maintaining and ensuring due order and decorum throughout meetings they chair
- Commenting to the media (or other agencies) as the community board spokesperson, where delegated/ authorised to do so, on issues that pertain to the community board
- Liaising with appropriate council staff in respect of the areas of delegated council business for which the community board has responsibility
- Providing leadership to the community board in helping form a consensus that is representative of the community
- Working closely with other members of the community board to ensure smooth community board decision-making
- Keeping abreast of all issues facing the community board.

Appendix E: Councillor – Base role description

■ Collective duties of the council

- Representing the interests of the council
- Formulating the council's strategic direction and relative priorities through the Long Term Council Community Plan (LTCCP), which determines the services and activities to be undertaken by council over a ten-year period
- Determining the expenditure and funding requirements of council activities through the LTCCP and annual planning processes
- Overseeing, developing and/or approving all council policies, administrative, legal, financial and strategic, including formal regional, city and/or district planning matters within the council's geographical area of responsibility
- Monitoring the ongoing performance of council against its stated objectives and policies (including formal sign-off of the Annual Report)
- Ensuring prudent use of council resources
- Law-making (bylaws)
- Overseeing council compliance with any relevant Acts of Parliament
- Employing, setting performance requirements for, and monitoring the ongoing performance of the council's Chief Executive. (Under the Local Government Act 2002, the local authority employs the Chief Executive who, in turn, employs all other staff on its behalf – elected members of council have no responsibilities for, and cannot direct, any staff employed by the council other than the Chief Executive.)

■ Representation and advocacy

- Bringing the views of the community into council decision-making processes
- Being an advocate for community groups and individuals at council meetings

- Balancing the need to advocate for specific interests against the needs of the wider community
- Listening to the concerns of local residents and ratepayers on issues pertaining to the council
- Maintaining contact with community representatives and other local stakeholders
- Participating in any relevant consultative processes with the local community and/or other organisations.

■ Governance

- Participating constructively and effectively in the good governance of the council as a whole
- Understanding and ensuring that basic principles of good governance are a part of the decision-making approach of the council
- Understanding and respecting the differing roles of Mayor (or Chair for a regional council), Deputy Mayor, committee chairs/portfolio holders and councillors
- Recognising that the governance role does not extend to operational matters or to the management of any implementation
- Having a good understanding of the council processes set out in the Standing Orders that determine how council meetings are run
- Developing and maintaining a working knowledge of council services, management processes, powers, duties and constraints
- Participating in the setting and monitoring of council policies, budgets, strategies and service delivery through annual and long-term planning processes
- Ensuring familiarity with agendas and other council reports before council meetings
- Being familiar with and complying with the statutory requirements of an elected councillor
- Complying with the Code of Conduct adopted by the council
- Identifying, being aware of and declaring any potential personal conflicts of interest, whether of a pecuniary or non-pecuniary nature.

Appendix F: Additional responsibility – Role description

■ Committee Chair/Portfolio holder

Responsibilities in addition to those of a councillor:

- Chairing meetings of the committees in the areas of council activity and business within their area of responsibility
- Representing the council to a high standard in the areas of council activity and business within their area of responsibility, recognising that conduct in the role of CC/PH reflects on council as a whole
- Promoting and supporting good governance by the council
- Developing a clear understanding of the terms of reference of their committees, and of the scope and range of the specific areas of council activities and business within their area of responsibility to allow them to carry out their role as CC/PH
- Ensuring sufficient familiarity with council Standing Orders and procedures to be able to chair council committee meetings and any other sessions of council for which they have responsibility
- Undertaking sufficient preparation before meetings they are chairing to effectively carry out their role as CC/PH
- Ensuring any meetings they chair act within the powers delegated by the council as set out in the council Delegation Manual
- Managing the progress of business during meetings, including ensuring adherence to the council Code of Conduct, Standing Orders and any other statutory obligations and requirements
- Ensuring that all meeting participants have an opportunity to make an appropriate contribution within the bounds of Standing Orders and due process
- Maintaining and ensuring due order and decorum throughout meetings they chair
- Commenting to the media (or other agencies) as the council spokesperson on issues arising that pertain to their committee or that are on the agenda in the areas of council activity and business within their area of responsibility, but only if delegated to do so by council
- Liaising with appropriate council staff in respect of the areas of council activity and business within the CC/PH area of responsibility
- Providing political leadership in building a political consensus around council issues in the areas of council activity and business that are within their area of responsibility
- Recognising and contributing to issues that cut across specific areas of council activity and business within the CC/PH area of responsibility 2s or groups
- Ensuring sufficient familiarity with council Standing Orders and procedures to be able to deputise competently for the Mayor in chairing council meetings and other sessions of council
- Representing the council in various local, regional and/or national settings, both formal and informal, as appropriate
- Working closely with other elected members of council to ensure smooth council decision-making
- Ensuring sufficient familiarity with the processes and procedures of various civic functions to be able to correctly follow the obligations of such civic functions in the event of deputising for the Mayor, should that need arise.



ADDITIONAL COUNCILLOR RESPONSIBILITIES (EXAMPLE)

Note: a new column for each position is required to be completed

Appendix 2

	EXAMPLE	EXAMPLE	EXAMPLE
Q1 NAME OF COUNCIL	Otago Regional Council	Otago Regional Council	Otago Regional Council
Q2 IS ANY EXTRA PAY FOR COUNCILLOR POSITIONS OF ADDITIONAL RESPONSIBILITY BEING SOUGHT? YES/NO <i>If "no" then no further information is required</i>	Yes	Yes	Yes
Q3 POSITION TITLE	Committee Chairperson	Deputy Chairperson	Regional Plan Hearings Members
Q4 NUMBER OF POSITIONS WITH THAT TITLE	4	1	
Q4 POSITION DESCRIPTION <i>Specify additional responsibilities over and above the basic councillor role - covering duties, delegations, deputising and reporting obligations</i>	<p>a) Chair meetings of a Standing Committee.</p> <p>b) Meeting preparation and follow-up: Attend agenda meetings with staff and ensure satisfactory information is under preparation. Attend meetings of the Committee Chairs group. Ensure media issues have been addressed. After a meeting work with staff to make sure key issues and decisions are clearly communicated to the media and public.</p> <p>c) Policy leadership: provide guidance to the Committee on own portfolio area and strategic direction, Front policy recommendations, exercise good financial stewardship. Advocate for portfolio issues, facilitate informal discussions between councillors and between councillors and staff on portfolio matters. Key councillor contact for staff on portfolio matters.</p> <p>d) External representation: represent the council at meetings of pan-Council working groups, and other external organisations and groups. Attend official functions within area of responsibility.</p> <p>e) Communication: Act as the Committee's principal spokesperson in communicating to the media and public the official policy of the Council.</p> <p>f) Chair hearing, Sub-Committees and public meetings associated with the area of responsibility</p>	<p>Carries out the following:</p> <p>a) Performs all the responsibilities and duties, and exercises all the powers of the Chairperson: i) with the consent of the Chairperson at any time during his temporary absence, ii) without the Chairperson's consent, at any time while the Chairperson is prevented by illness or otherwise from performing his duties, iii) while there is a vacancy in the office of Chairperson</p> <p>b) Deputises for the Chairperson when the latter has competing commitments. Includes chairing meetings of the Council, addressing the media on Council issues, representing the Chairperson at civic events, chairing informal meetings of councillors.</p> <p>c) Community leadership through holding meetings with various community groups on topical issues, as requested by the Chairperson, and working with those groups and council staff to resolve them.</p> <p>d) Assists the Chairperson to work closely with other elected members to ensure smooth council decision-making.</p> <p>e) Chair a Standing Committee and undertake the role and responsibilities of a Committee Chairperson in that regard.</p>	<p>Participate on an appointed panel to hear, deliberate and make recommendations in relation to a Resource Management Act, or Biosecurity Act, Regional Plan</p>
Q5 DOCUMENTATION <i>Council minutes and formal resolutions that set the additional responsibilities</i>	Council resolution of 26 June 2013	Council resolution of 26 June 2013	Council resolution of 26 June 2013
Q6 VARIATION <i>The extent to which the duties can vary</i>	The duties described under the Position Description are regularly recurring, partly due to the six weekly meeting cycle of the council's committees, and the ongoing frequent contact with management.	The duties described are regularly recurring on a weekly or monthly basis.	
Q7 BENEFITS TO RATEPAYERS <i>List the benefits to ratepayers in having these additional responsibilities</i>	a) Development of significant knowledge and expertise in holding a Committee Chair role helps to inform policy formation.	That in the absence of the Chairperson there is a clearly identifiable person who has the lead for the council's political, policy and community leadership.	
Q8 ADDITIONAL TIME <i>Estimation of extra time involved in carrying out the additional responsibilities</i>	15 hours per month	10 hours per week	Depending on circumstances
Q9 BASE COUNCILLOR SALARY <i>The 2013 base councillor salary for your council</i>	43,300	43,300	
Q10 RECOMMENDED ADDITIONAL PAY <i>Amount recommended for additional pay</i>	\$8,660 (20% premium)	\$17,320 (40% premium)	Up to a maximum of \$12,990
TOTAL ADDITIONAL COST	\$34,640	\$17,320	To a maximum of \$12,990

Appendix 3

Expenses, Reimbursements and Allowances Policy

The following is the expenses regime for elected members of the Otago Regional Council.

Principles

- Reimbursement of expenses incurred is available where required by virtue of membership for Council and Committee meetings, workshops, consent hearings and Council approved representation, but not for constituency activity including invitation from constituency groups, or general Council invitations.
- All claims to be made by Councillors on the claim form provided. Expense claims will not be automatically generated by staff. Claims will be approved by the Director Corporate Services.
- Claims must be signed to provide an appropriate certificate that the expenses were incurred on Council approved business, and not otherwise contributed to by other parties.
- Travel shall be shared where practicable. Where by virtue of private arrangements a Councillor chooses not to utilise Council provided or shared travel, expenses shall not be reimbursed.
- Accommodation and travel arrangements to be made through Corporate Services.
- Basis of reimbursement is actual and reasonable.
- Claims to be supported by receipted GST invoices.
- Costs of spouse/partner accompaniment to be met privately.
- Where Council provided transport is available and not used, mileage allowance is not claimable.
- Claims for travel to be based on distance from normal residences, or such shorter distance as may be involved.
- Claims should be made as soon as is practicable following the meeting or activity claimed for.

Specific Considerations

Motor Vehicle Mileage Allowance

That the maximum motor vehicle allowance authorised by the Remuneration Authority be paid for qualifying travel in excess of the threshold distance determined by the Authority.

Travel Time Allowance

That the allowable travel time allowance for qualifying travel be paid in accordance with the Remuneration Authority guidelines noting the threshold to be applied.

Communications

- iPads to be purchased for each Councillor. Ownership to be retained by the Council.
- An appropriate printer/scanner to be purchased for the use of each Councillor. Ownership to be retained by Council.
- Costs of consumables for Council use to be met by the Council.

Appendix 3

- Where personal iPads and printers are preferred by a Councillor, and are acceptable to the Council, an allowance of \$200 per annum be paid.
- A communication allowance of \$500 per annum be paid towards phone, internet access and call and data costs.

Incidental Costs

Incidental costs such as accommodation, meals, fares and other such costs incurred on Council business are recoverable on an actual and reasonable basis.

Such claims to be supported by GST invoices, and approved by the Chief Executive or Director Corporate Services.

Where a Councillor chooses to stay privately when otherwise Council provided accommodation would be required, an allowance of \$65 per night is payable.

Unforeseen Expenses and Costs

Any unforeseen expenses or costs of any Councillor related to Council activities, except for constituency work, may be made at the discretion of the Chief Executive or Director Corporate Services.

Chairperson

In recognition of the Chairperson's wider Council role, the following additional entitlements are available:

- Provision of a Council vehicle in accordance with the Remuneration Authority's use formula.
- Provision of a cell phone including call and data costs.
- Membership of Air New Zealand Koru Club.
- Membership of the Dunedin Club.
- iPad connectivity.

REPORT

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 Prepared By: Director Policy, Planning and Resource Management
 Date: 6 May 2016

Subject: **Amendment to Council Authorisation for proposed ORC designations**

1. Précis

As a result of submissions on ORC proposed designations, this report requests Council endorse Council staff's recommended designations, previously approved in reports 2014/1701 and 2015/1028. This report does not apply to the designations for Stafford Street, principal premises, Dukes Road, Taieri depot or the Birch/Kitchener Street site. Council staff have considered requests by four submitters to not apply designations to specific land and concluded there are insufficient grounds to do so. The designations are being processed as part of the Dunedin City Council's (DCC) district plan review.

The approved recommendations of report 2015/1028 were 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

Eighteen submissions have been received on the operational designations. Most submissions are able to be resolved by adjustments to the designations, specifically the mapped buffer zones around the scheduled water courses, drains and structures.

2. Requested Designation changes

Four submissions were received (attached in appendix one) on the proposed East Taieri Drainage designations by:

- Otago Racing Club Incorporated ('Wingatui Racecourse', Gladstone Road North); and
- Owhiro River Limited (67A and 71 Gladstone Road North)
- Otago Business Park (Dukes Road North)
- Michael and Amy Brough (113 Gladstone Road South, Mosgiel)

Otago Racing Club and Owhiro River Ltd have requested the designations not apply to their respective land holdings because they have consented residential subdivisions which included proposals to pipe sections of the scheduled East Taieri Drains that cross their respective properties. In the case of Owhiro River Limited, earthworks are well advanced for its

development. The Otago Racing Club though consented, is still at the design stage for its subdivision.

Otago Business Park requests the proposed designation is withdrawn as it will affect its interests in respect to the property. Otago Business Park has met with council staff and confirmed it owns vacant industrial sites off Dukes Road North. These sections are for sale. Presently, how the lots will be used by purchasers is not known. This development may impact on the ORC's management of the scheduled drain (Mill Creek) which crosses this land.

Michael and Amy Brough's residential property in Gladstone Road South was developed without the necessary by-law approval, an oversight of the landowners due to not being aware of the ORC Flood Protection Management Bylaw. As a result, they have now sought retrospective bylaw approval which is still under consideration by ORC staff. They have requested that without satisfactory explanation, the designation not apply to their property. The house constructed on this property prevents access to the scheduled drain through an established route used by council staff. Had bylaw approval been sought prior to construction, council staff would have ensured the house footprint was adjusted to preserve this access. As a result, access issues will need to be resolved before ORC is in a position to consider granting retrospective bylaw approval.

Council staff have carefully considered these specific requests. While the development on the Brough's property is complete, Otago Business Park, Owhiro River Limited, and the Otago Racing Club are at varying stages of development. These latter three do not yet have, where proposed, legal authorisation and agreements for changes to ORC's scheduled drains. Where proposed, any changes would also require agreement of third parties, such as the Dunedin City Council to take ownership of any piped stormwater infrastructure and responsibility for its maintenance and operation (i.e. Otago Racing Club and Owhiro River Ltd). ORC must also be first satisfied that the changes will not diminish the level of service for the existing scheduled scheme nor ORC's ability to operate and maintain effectively.

Council staff have taken the position that, as there is not sufficient and legally robust information in place to confirm any proposed changes, it is appropriate to proceed with designating the scheduled drains on each of these submitter's properties, as they currently exist. Subject to other Council processes, the designations are able to be revisited and amended should matters change.

More generally, through consultation with submitters, council staff have identified areas where it is appropriate to adjust the designation by reducing the width of seven meters either side of scheduled water courses/drains and flood protection works.

A common example is where the buffer zone would overlap with a legally established residential dwelling. In such cases, staff propose amendment to the notified mapped buffer zones so that the designation does not overlap such dwellings, in most cases resolving the submitters primary concern. Council staff have carefully considered that such an amendment does not adversely affect the interests of the Council.

3. Conclusion

The designation process has only reinforced the importance of the proposed designations to Council's ongoing ability to enable the:

- Undertaking of authorised works effectively and efficiently
- The protection of the relevant schemes, works and structures

- Achieving a higher public awareness of the presence and importance of the schemes and works and the work which is required to be undertaken to maintain their integrity and function

Examples such as the oversight of obtaining legal authorisation to construct on the Brough property and the larger issue of increasing development in the East Taieri area and the impact this continues to have on managing the East Taieri Drainage Scheme serves to underscore the importance of the designation tool.

Consultation during the Notice of Requirement process has involved ORC staff discussing with affected land owners their concerns and options for resolving any concerns with ORC's proposed designations.

Site visits and discussions have identified land where it would be appropriate to amend sections of proposed designation, and other areas where it is appropriate for the ORC proceed with the designations as notified.

Though many of these amendments are technical in nature and importantly do not alter the purpose of the designations as put to Council originally to approve, staff wish to ensure good process is followed. Therefore it would be appropriate for Council to endorse the work to date as a result of the designation process, and provide the appropriate delegation to council staff to make such changes in future. This delegation will improve the consultation process and be able to respond efficiently with changes where it is determined to be appropriate.

4. Recommendations

That the Council:

- 1) Endorse council staff's recommendation to proceed with the designations in respect to the properties of;
 - the Otago Racing Club Incorporated
 - Owhiro River Limited
 - Otago Business Park; and
 - Michael and Amy Brough

and;
- 2) Approve delegation to the Director Policy, Planning and Resource Management to amend designations) that may be identified as being appropriate as a result of further consultation between Otago Regional Council and affected land owners.
and;
- 3) Approve and endorse those amendments made by council staff to date during the designation process.

Fraser McRae
Director Policy, Planning and Resource Management

REPORT

Document Id: A898365

Report Number: 2016/0785

Prepared For: Council

Prepared By: Finance Manager

Date: 5 May 2016

Subject: **Financial Report to 31 March 2016**

The following information is provided in respect of the overall Council finances for the nine months ended 31 March 2016.

1. Statement of Comprehensive Revenue and Expense and Statement of Financial Position

**Otago Regional Council
Statement of Comprehensive Revenue and Expenses
For the nine months to 31 March 2016**

	Note ref	\$000s			
		Annual Budget	Year to date to 31 March 2016		
			Budget	Actual	Variance *
Revenue:					
Rate revenue		14,446	10,835	10,828	(7)
Government subsidies	Note 1	8,259	4,538	3,854	(684)
Other revenue	Note 2	4,481	3,344	2,848	(496)
Dividend income from Port Otago Ltd	Note 3	7,300	5,475	5,438	(37)
Interest revenue	Note 4	2,086	1,565	1,223	(342)
Rental income		1,101	826	815	(11)
Gain in value of investment Property	Note 5	310	-	-	-
Other gains/(losses)	Note 6	-	-	870	870
Total Revenue		37,983	26,583	25,876	(707)
Less Expenses:					
Operating expenses	Note 7	26,690	17,215	14,040	3,175
Employee benefits expense	Note 8	12,041	9,031	8,486	545
Finance costs		1	-	-	-
Depreciation expense		1,751	1,313	1,245	68
Total Expenses		40,483	27,559	23,771	3,788
Surplus/(deficit)		(2,500)	(976)	2,105	3,081
Income tax benefit		116	87	74	(13)
Surplus/(deficit) after tax		(2,384)	(889)	2,179	3,068

Note *

In the above statement, bracketed variances indicate unfavourable revenue variances, and expenditure in excess of the budgeted level.

Note 1 - Government Subsidies

The Council receives subsidies from Government agencies on eligible expenditure. The level of subsidy income is therefore directly related to the level of eligible expenditure.

The major source of subsidy income is from the NZ Transport Agency for the transport activity. Of the variance of \$684,000, the amount related to the transport activity is \$724,000 arising from the level of eligible expenditure being less than budget in the Public Passenger Transport project.

Note 2 – Other Revenue

The Other Revenue variance comprises favourable and unfavourable variances in project cost centres. The significant unfavourable project variances are largely in the external contracts and regulatory projects. In these projects, the level of revenue is directly related to the level of expenditure, and both the expenditure and revenue levels are below budget.

Further analysis and investigation is being undertaken to ensure that all billable fees earned have either been invoiced or adequately provided for as revenue receivable.

Note 3 – Dividend Income from Port Otago Limited

This variance reflects a change in the expected dividend profile whereby the portion of the 2015/2016 dividend that is expected to be declared and paid prior to 30 June 2016, has been decreased and added to the final dividend expected to be declared and paid subsequent to year end. The effect is to reduce the amount of revenue permitted to be reported in the current year financial statements by \$50,000.

Note 4 - Interest Revenue

Interest revenue shows an unfavourable variance of \$342,000 against the budgeted amount. The interest revenue budget is based on an estimated level of investments expected to be held and an assumed interest rate. During the nine months to 31 March 2016, the average level of investments held was down on the estimate, and the average interest rate earned on investments was lower than budgeted.

Note 5 - Gain in the value of Investment Property

Investment Property is revalued annually at 30 June. Accordingly the year to date budget and actual gain are reported as nil amounts to 31 March 2016.

Note 6 - Other Gains/(losses)

The gain of \$870,000 includes an increase in the fair value of the BNZ Managed Investment Portfolio for the period from 1 July 2015 to 31 March 2016 of \$776,000.

Also included is a net \$94,000 gain on the disposal of surplus Council assets.

Note 7 - Operating expenses

Operating expenses are down \$3,175,000 on the budgeted amount of \$17,215,000 a variance of 18.4%.

This variance primarily relates to expenditure on the Council's Activity Groups, which was reported upon in the Eight Month Review.

Note 8 – Employee Benefits expense

The major factor contributing to this favourable variance is the reduction in overall remuneration resulting from staffing changes, particularly in the operational directorates.

There have been some delays between staff members' resignations and replacement staff members commencing employment, resulting in a reduction in overall remuneration.

Otago Regional Council
Statement of Financial Position as at 31 March 2016

		29 March 2016 \$000's	30 June 2015 \$000's
Current Assets			
Cash and cash equivalents	Note 1	3,431	4,228
Other financial assets	Note 1	57,877	52,560
Receivables		3,187	3,461
Other current assets		113	162
Inventories – stock and property held for sale		1,044	2,430
Dividends Receivable		1,438	-
		67,090	62,841
Non-Current Assets			
Operating assets		84,207	83,850
Intangible assets		1,763	1,553
Investment Property	Note 2	10,124	10,124
Deferred tax asset		77	98
Shares in Port Otago Ltd	Note 3	407,293	407,293
		503,464	502,918
Total Assets		570,554	565,759
Current Liabilities			
Trade payables and accrued charges		3,575	4,252
Employee entitlements		995	1,352
Revenue in advance	Note 4	3,649	-
		8,219	5,604
Non-current Liabilities		-	-
Total Liabilities		8,219	5,604
Net Assets		562,335	560,155
Total Equity and Reserves			
Public equity		140,661	140,424
Reserves			
Available-for-sale revaluation reserve	Note 3	387,293	387,293
Asset revaluation reserve	Note 2	8,063	8,063
Building reserve	Note 5	10,897	8,072
Asset replacement reserve		3,729	4,865
Emergency response reserve		3,856	3,739
Water management reserve		1,580	1,532
Kuriwao endowment reserve		6,256	6,167
		421,674	419,731
Total Equity and Reserves		562,335	560,155

Note 1 - Cash and Cash Equivalents and Other Financial Assets

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

Note 2 – Investment Property and Asset Revaluation Reserve

Investment property is revalued annually and is included at the June 2015 valuation. The asset revaluation reserve reflects the revaluation amount of the investment property at 30 June 2015.

Note 3 – Shares in Port Otago Ltd and Available-for-Sale Revaluation Reserve

The Shares in Port Otago Ltd are included at the June 2015 valuation, and the available-for-sale revaluation reserve reflects the revaluation amount of the shares.

Note 4 – Revenue in advance

Revenue in advance of \$3,649,000 includes rates revenue of \$3,600,000, reflecting the portion of rates revenue attributable to the April to June 2016 period, which will be released as revenue in the Statement of Comprehensive Revenue and Expenses over the remainder of the year.

Note 5 – Building Reserve

The 2015/16 Annual Plan provides for the transfer to the reserve of \$2,500,000 from public equity. The transfer is fully reflected in the reserve balance to 31 March 2016.

2. Recommendation

That this report be received.

Nick Donnelly
Director Corporate Services

Report back from Councillors

OTAGO REGIONAL COUNCIL**Minutes of the Regulatory Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 20 April 2016 commencing at 9:00am**

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**

In attendance:

- Peter Bodeker**
- Nick Donnelly**
- Fraser McRae**
- Gavin Palmer**
- Scott MacLean**
- Caroline Rowe**
- Marian Weaver**
- Lauren McDonald**

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 9 March 2016, having been circulated, were adopted on the motion of Crs Eckhoff and Neill.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2016/0728 **Biosecurity and RMA Monitoring Report.** DEMO, 8/4/16

Reporting on water, air, pest, and contaminated site environmental monitoring and incidents for the period 20 February to 1 April 2016.

Clarification was sought on the term "continuous maximum" in regard to the rivers identified with minimum low flow conditions since 1 October. Mr MacLean clarified that the reference was to the number of days with continuous low flow. Noted it should read "continuous low flow", rather than "continuous maximum".

Mr MacLean advised there had been an outstanding response from the community, with landowners taking an active role in managing their takes to comply with consent conditions. Council had also maintained a compliance overview throughout the past low flow period.

A request was made to acknowledge the farming community and irrigators' efforts in rostering water takes throughout the low flow period. Mr Bodeker confirmed that acknowledgement was 'in hand' via direct communication, publications and general media releases.

An update on the velvetleaf incursion was requested and Mr MacLean advised that the Ministry for Primary Industries (MPI) have described Velvetleaf as potentially the worst agricultural weed in the world. It can have significant impact on cropping rates by up to 30% together with serious economic impact annually. Otago has 38 confirmed infected properties. Inspection work was hoped to be completed with community assistance by the end of April, all going well. MPI have advised that they have capped their expenditure on the Velvetleaf response nationally, and are keen to move to a long term management regime. The preferred option for MPI is the progressive containment of the weed. A national governance group is being set up, of which MPI have advised they will allow two Regional Council observers on the governance group. Mr MacLean confirmed that the Bio Manager Sector Group have requested up to 6 members on that Governance Group as active observers. MPI are considering this request.

A large number of staff hours have been put into Velvetleaf inspections, including staff who have worked over Easter and weekends. This work has taken a toll on some project work, such as auditing and dairy inspections work, as it was mainly compliance officers undertaking the velvetleaf inspection work. It has been a very important leadership role for this Council to take and the feedback from the community has been very positive.

The response to the Velvetleaf incursion has taken a lot of staff time and some regions have received substantially more assistance from MPI than ORC. The community assistance received has helped greatly. The ORC compliance work programme has been impacted to allow a focus on eradication. Currently

it appears that there is not too many Velvetleaf seeding plants identified in Otago so the bigger the effort put in now by landholders and Council was critical. Some crops are not far off being grazed and ORC want to avoid seeding plants being moved by stock or birds which would result in a very large future problem to deal with as the seed remains viable for up to 60 years. If seed has been dropped, the impact over the next 2-3 seasons with Velvetleaf seed germinating would cause real impact on farm cropping programmes.

Mr MacLean confirmed the inspection work is painstaking because farms had not always recorded where seed was planted, so all cropped areas require inspection with the added concern of cross contamination in other properties. Good communication was required to ensure farmers knew the correct actions to take to limit cross contamination, with emphasis on education for the farmers of best practise to ensure seed in the ground can be managed. Funding and resourcing needs to be addressed for this in the coming year.

It was agreed by the meeting that staff should be very strongly commended for their work. Mr Bodeker confirmed staff will be thanked and acknowledged for their efforts.

Mr MacLean confirmed that MPI are considering containment rather than eradication but it did not take away from the ultimate goal for eradication in the Otago region. As 38 infected properties had been identified to date, Mr MacLean believed that Council should aim for the eradication of Velvetleaf in the Otago region.

A question was raised on what prevention work has taken place. Mr MacLean advised that MPI were looking very closely at the import and seed preparation process. Mr MacLean did note that the seed involved in the current incursion had meet all the border security requirements, and this will be rechecked to ensure no further incursion.

In regard to the Pest Management Strategy a suggestion made to include musterers in any further wallaby training as they worked independently of farmers and were potentially another surveillance resource.

Media arrived 9:24am.

Recommendation:
That this report be noted.

Moved Cr Deaker
Seconded Cr Croot

Motion carried

Item 2

2016/0742

Consent processing, consent administration and Building Control Authority update.

DPPRM, 4/4/16

Detailing consent processing, consent administration and building control authority activity for the period 20 February to 1 April 2016.

Discussion was held on consent RM15.202 Borst Holdings Ltd. Independent commissioners had granted a permit for a 15 year term commencing 2020. The appeal period closed on 19 April, and it was understood that Te Runanga o Ngai Tahu and Te Runanga o Moeraki had submitted an appeal.

Concern was expressed that precedence may have been set with this consent being processed as a limited notification application. Mr McRae confirmed due process for notification, as detailed in the Resource Management Act (RMA) had been followed.

A report was requested to be provided to Council once the formal appeal process was completed, on what precedence may have been set and potential impact on the Water Plan for Council.

Recommendation:

That this report be noted.

Moved Cr Croot

Seconded Cr Woodhead

Motion carried

Item 3

2016/0736

RMA, Biosecurity Act and Building Act Enforcement Activities.

DPPRM, 4/4/16

Detailing Resource Management Act 1991, Biosecurity Act 1993 and Building Act 2004 enforcement activities undertaken by the Otago Regional Council for the period 20 February to 1 April 2016.

Recommendation

That this report be noted.

Moved Cr Deaker

Seconded Cr Kelliher

Motion carried

Item 4
2016/0745

Progress Report on Implementation of RPW Water Quantity (Plan Change 1C). DPPRM, 4/4/16

This report notes progress on project implementation of the RP Water Quantity policies

A question was raised on the inventory assessments held for aquatic survey work and if there were any known gaps for these aquatic assessments. Mr McRae confirmed the information was incomplete for Otago. Collecting data has occurred over time but that it was not a Council responsibility to provide information for an applicant

Objectives

Clarification was sought on the wording of Performance Target 2 (50% of the volume of water taken in Otago as managed by groups and 50% managed individually) as it intimates Council only want a 50% target achieved.

Mr McRae confirmed it is not compulsory to be in water management groups but there were benefits of working in a group. Council had made the decision to make a target of at least 50% of takes and 50% of the volume being managed in groups, to emphasize the value of working in groups i.e. the benefit of grouping consents. Mr McRae confirmed this target is to allow management to resource and report on progress.

Mr McRae confirmed Council is duty bound to process the consents received, e.g. landowners can keep own consents and wire together with others, or have total take as a joint consent. Staff will discuss with applicants the conditions, or the conditions set can be appealed

Discussion was held on the resourcing required for the number of applications to be processed for the replacement of existing deemed permits with resource permits by 2021. Mr McRae advised that pre-applications (whether for groups or individuals) are treated as an application with the intent of having an application include all relevant details without having to go back and get information. If deficiencies are seen, they will be highlighted, i.e. correct policies reference or the required data provided so when an application is received formally, staff can complete processing without the need for additional information within the 20 working days.

Concern was raised whether Council may be sending slightly the wrong message with the performance target 2 of 50/50 water permits managed through groups or individuals. Council wishes to communicate their support to a grouped approach where this is most effective and efficient for water management, also providing preference to groupings where it makes sense to do so.

Mr Bodeker confirmed the target had been tabled through a workshop and then to Council. Resources have been funded through general rates. The reason the

target was set was to allow measurement as management to allow report back to Governance.

A question was raised if the performance targets would be met. Mr Bodeker advised if applications are received 6 months before expiry then the water can be granted further out from the cut off time. He was confident we are beginning the process of going out with groups. Farmers understand what the desired position from this Council is for reasons of cost, community, and better water sharing. It is up to the people of a community to be able to work together. Mr Bodeker advised a more firm indication of the likelihood of achieving the target would be available soon. Once this was known this would allow for further discussion by Council.

Performance Target 1 (water taken under deemed permits are replaced by resource permits) was confirmed as a legal requirement, it is law and we have to get there. Current permit holders will need to make application on time i.e. 6 months before cancellation date or they will not be able to operate after this cancellation date. The onus is on the consent holders to act, if the application is received before the 6 months it remains live until replaced, however long this takes. If an application is not received the permit cancels at the due date in 2021

Recommendation:

That his report be noted.

Moved Cr Woodhead
Seconded Cr Croot

Motion carried

Meeting closed at 10:15am

Chairperson

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Policy Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 20 April 2016 commencing at 10:17am

Present:

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

In attendance:

- Peter Bodeker
- Nick Donnelly
- Fraser McRae
- Scott McLean
- Gavin Palmer
- Caroline Rowe
- Lauren McDonald

Cr Scott absent

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 9 March 2016, having been circulated, were adopted on the motion of Crs Shepherd and Deaker.

Cr Scott returned at 10:19am

Matters arising from minutes

There were no matters arising from the minutes.

FOR NOTING

Item 1

2016/0748 **Director's Report on Progress.** DPPRM, 6/4/16

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

Presentation and meetings

Councillors expressed their interest in attending meetings such as the University of the Third Age (re water management for irrigation in Otago) and enquired if funding was available for Councillors, or staff, to attend these meetings as this would be a good opportunity for interface between Council and irrigators.

Mr Bodeker confirmed he is happy to discuss Councillor attendance at meetings and funding available for this.

Moved Cr Deaker
Seconded Cr Neill

That this report be noted.

Motion carried

Meeting ended 10:24am.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Technical Committee held
in the Council Chamber, 70 Stafford Street, Dunedin
on Wednesday 20 April 2016 commencing at 10:45am**

Present:

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

In attendance:

Peter Bodeker
Gavin Palmer
Fraser McRae
Nick Donnelly
Caroline Rowe
Scott MacLean
Lauren McDonald
Adam Uytendaal
Frederika Mourot

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 9 March 2016, having been circulated, were adopted on the motion of Crs Scott and Shepherd with the correction to Item 2 of the minutes, being "Cr Woodhead" instead of "Cr Wood".

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2016/0726 **Water Resources of the Obelisk and Old Man Ranges.** DEHS,
23/3/16

The report presented the naturalised flow statistics and consented water takes for streams flowing from the Old Man and Obelisk Ranges.

The Technical Report (“Water Resources of the Obelisk and Old Man Ranges, An overview of the 2014/15 irrigation season”) was circulated separately from the tabled covering report.

Dr Palmer advised that the report was part of the 2014/15 Annual Plan and would be used to assist in the establishing of RMA consents for the future.

A question was raised as to the level of community, farming or irrigator involvement. Dr Palmer advised he would check and report back.

Dr Palmer was asked to explain the methodology used to arrive at the naturalised flows and the reason why the Pomahaka catchment work had been used in this work.

Dr Palmer responded that the explanation to the methodology used was included in the report. Use of a representative catchment was an accepted method to use where long term records in the study catchment were not held. Dr Palmer confirmed that the technical data recorded was peer reviewed internally.

Moved Cr Croot
Seconded Cr Woodhead

1. *That this report and the technical report ‘Water Resources of the Obelisk and Old Man Ranges’ are received and noted.*
2. *These reports are provided to the holders of deemed permits in these catchments.*

Motion carried

Item 2

2016/0734 **Nitrogen and Phosphorus Leaching Losses from Pasture, Winter Forage Crop and Native Bush Sites in the West Matukituki Valley.** DEHS, 24/3/16

The AgResearch report (Nitrogen and phosphorus leaching losses from pasture, winter forage crop and native bush sites in the West Matukituki Valley”) was circulated separately.

Cr Scott summarised the report.

Dr Palmer advised that the study came about from mediation on Plan Change 6A and the report tabled is an interim report so strong conclusions could not be drawn at this stage. The report advised progress on this piece of work and foreshadowed the need to extend the measurements for the coming growing season.

Moved Cr Woodhead
Seconded Cr Brown

1. *This report and the technical report ‘Nitrogen and phosphorus leaching losses from pasture, winter forage crop and native bush sites in the West Matukituki Valley’, produced by AgResearch, are received and noted.*
2. *Progress with the leaching monitoring and modelling is noted.*
3. *The interim findings are shared with stakeholders and landholders.*

Motion carried

PART B ITEMS FOR NOTING

Item 3

2016/0717 **Cardrona Water Quality Study.** DEHS, 24/3/16

The report (“Water Quality Study: Cardrona River Catchment”) was circulated separately.

Cr Shepherd left the meeting at 11:23am.

Staff were thanked for a very comprehensive report, covering a wide range of factors, including very good quality data.

Cr Shepherd returned to the meeting at 11:25am

Moved Cr Neill
Seconded Cr Woodhead

That this report and the technical report “Water Quality Study: Cardrona River Catchment” are received and noted.

Motion carried

Item 4

2016/0697 **Director's Report on Progress.** DEHS, 12/4/16

Topics covered in the report were: Modelling to inform Minimum Flow setting process; Clutha Shoreline Retreat; Debris Flow Event in Pipson Creek, Makarora; Dunedin District Plan Natural Hazards; Leith Flood Protection Scheme and the Smith Road Pump Station Upgrade

Councillors requested a visit to the Leith Flood Protection Scheme. Dr Palmer confirmed he would arrange a site visit to correspond with the next Council meeting day.

Moved Cr Croot
Seconded Cr Kempton

That this report is noted.

Motion carried

The meeting closed at 11:32am.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Communications Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 20 April 2016 commencing at 11:33am**

Present:

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

In attendance:

Peter Bodeker
Nick Donnelly
Fraser McRae
Gavin Palmer
Scott MacLean
Caroline Rowe
Lauren McDonald

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 9 March 2016, having been circulated, were adopted on the motion of Crs Bell and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2016/0704 **Stakeholder Engagement Report.** DSE, 12/4/16

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

A comment was made that Councillors were pleased to see the ORC support of the Wild Dunedin Festival being held during April.

Mrs Rowe advised that the Terms of Reference for the Rural Water Quality Advisory Group would be set at the group meeting on 21 April and as this group did not have any delegated powers, the Terms of Reference would be brought back to Council for endorsement.

A question was raised in regard to the continuation of the low flow agency briefings now that the low flow season had ended.

Mrs Rowe advised the intention had been to reduce the number of meetings but that the agencies involved had requested that the six weekly meeting schedule remain in place. There was a mutual benefit in continuing to meet as the information being discussed had begun to indicate the accumulative effect of dry weather conditions season after season, also regular review of climate updates provided Council the opportunity to keep the agencies informed with progress on Plan Change 1C. Mrs Rowe advised that the agencies had expressed willingness to continue collaboration, and on that basis these meetings would continue.

A question was asked in regard to social media advertising, specifically the number of submissions received online for the Annual Plan.

Mrs Rowe advised that approximately 70 online submissions on the Annual Plan, had been received to date, which was a high response level. Hits to the Annual Plan consultation documents on the ORC website were approximately 1300 to date, in comparison the LTP which had received 870 hits around the full consultation, so public interest was strong.

Clr Bell was thanked for his work as a Ballance Farm Environmental Awards judge.

The Chairman confirmed a field day was be held on Thursday 18 May for the Ballance Farm Environmental Award winners, Brendan and Paula Cross from Rosella Farm at Portobello, Dunedin.

Water quantity

A request was made that Councillors be advised of meeting dates set with the priority groups identified.

Mrs Rowe confirmed she would provide the meeting schedule dates.

Moved Cr Bell
Seconded Cr Robertson

That the report be received.

Motion carried

The meeting closed at 11:49am

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 20 April 2016 commencing at 11.50am**

Present:

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

In attendance:

Peter Bodeker
Nick Donnelly
Fraser McRae
Scott McLean
Gavin Palmer
Caroline Rowe
Sharon Bodeker (for Item 3)
Gerard Collings (for Item 4)
Lauren McDonald

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

Minutes of the public portion of the meeting held on 9 March 2016, having been circulated, were adopted on the motion of Crs Shepherd and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2016/0756 Elected Members' Remuneration from 1 July 2016. DCS, 7/4/16

This report sets out the Council submission to the Remuneration Authority on its review of base remuneration for the Chair and Councillors for the 2016/17 year.

Mr Donnelly summarised the information received from the Remuneration Authority for the setting of base remuneration from 1 July 2016 for Chairs and Councillors as noted in the report, including the request for information around payments for additional duties. He advised that Council are to provide The Remuneration Authority with what the additional duties will be for Councillors, Committee Chairs and Deputy Chair and the structure of the committees and the remuneration those roles might receive.

Mr Donnelly advised he had based the calculations on the existing committee structure with the apportionment of 40% for Deputy Chair and 20% for Committee Chair, leaving \$14,260 for Regional Plan reviews and \$23,766 unallocated.

Mr Donnelly confirmed the pool available for additional duties had been capped at 1.5 times the base Councillor remuneration and was now increasing to 2 times, meaning \$95,064 was available.

Discussion was held on allocation of funds for regional plan reviews and the amount of unallocated funds available from the remuneration pool. Mr Donnelly confirmed if the remuneration allocation is not used it is not carried forward to the next financial year.

It was noted there is a separate fee structure for consent hearings.

Discussion was held around the consideration being given to the level of work being required of Councillors for Plan Changes, work where Councillors are required to be accredited commissioners and work undertaken by Councillors outside of the role of Deputy Chair to see if the current remuneration is fair. The suggestion was made to also review the wording around resource planning changes and reviews to be more clearly defined.

Mr Donnelly was requested to review the levels of work from discussion held and to bring this report back to the Council meeting on 11 May for further discussion to allow the information required by the Remuneration Authority to be provided by the deadline of 16 May.

Mr Donnelly confirmed that the \$14,260 allocated to the regional plan reviews could be increased by some or all of the unallocated funds of \$23,677. Council were not required to allocate all the funds but were required to submit the remunerations figures to the Remuneration Authority for approval.

It was noted that the pool available for plan reviews was insufficient in the current year and the suggestion was made to increase this funding to \$25,000.

Cr Woodhead commented that a new Council would be able to decide on a new Committee structure. He understood the basis of the Remuneration Authority request was to declare what the salaries will be before the local body elections.

Mr Bodeker requested that Council provide management some advice on where remuneration funding should be allocated.

Mr Donnelly was requested to check with the Remuneration Authority if a new Council is able to allocate any unused funding and to provide a report to Council on 11 May with some options, including clarity in regard to how the unallocated portion can be spent.

Moved Cr Shepherd
Seconded Cr Scott

"Move that this paper and recommendations lie on the table until the 11 May Council meeting".

Motion carried

Item 2
2016/0759 **Executive report.** DCS, 7/4/16

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

Moved Cr Scott
Seconded Cr Deaker

(a) That this report be received.
(b) That the payments and investments summarised in the table above and detailed in the payment schedule, totalling \$10,979,094.21, be endorsed.

Motion carried

PART B – ITEMS FOR NOTING

Item 3

2016/0766 **8 Month Report on Progress.** DCS, 12/4/16

This report provided some commentary on variations between actual and estimated expenditure and revenue, along with a forecast of expenditure to 30 June 2016.

Mr Donnelly and Mrs Bodeker were thanked for a well set out and easy to read report, which informed potential discussion well.

A concern was expressed whether resources were being stretched too far which could impact on Council performance. Acknowledgement was also made of staff dedication to workload

Moved Cr Woodhead
Seconded Cr Bell

That this report and the “8 Month Review to 29 February 2016” report be received.

Motion carried

Item 4

2016/0762 **Passenger Transport Update – April 2016.** DCS, 7/4/16

This report provides an update to Council on contract negotiations, the Bus Hub and the Green Island-Concord service petition.

Mr Collings provided an update on the Bus Hub and Concord service petition.

Bus Hub – an appointment has not been made due to information from the NZTA still to be received.

Mr Collings confirmed the appointment of preferred candidate for the role of lead consultant will be put to the Chief Executive for approval.

Mr Collings confirmed that staff were well advanced in looking at options and costing for Unit 4 services. A summary of options would be reported to next committee round.

Mr Collings confirmed the route structure is that which Council endorsed in the Regional Plan and that there were no changes to the plan just changes to the services on the route.

Mr Collings was requested to provide Council with an overview of the changes, describing key changes between Unit 4 services (Brockville, Halfway Bush, St Kilda) and those currently in operation

Moved Cr Shepherd
Seconded Cr Kelliher

That this report be received.

Motion carried

Chair adjourned the meeting at 12:35pm for lunch

Meeting recommenced at 1.31pm

PART C - EXCLUSION OF PUBLIC

Cr Shepherd moved
Cr Kelliher seconded

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

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

	General subjects to be considered	Reason under LGOIMA for passing this resolution	Grounds under S.48 for the passing of this resolution
Item 5	Minutes of the In Committee portion of the Finance and Corporate Committee meeting held on 9 March 2016	To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees. S7(2)(f)(i)	S.48(1)(a)(i)

Following the discussion of item 5

Cr Shepherd moved
Cr Kelliher seconded

That the meeting resume in open session

Motion carried

The meeting closed at 1:33pm

Chairperson