

Otago Regional Council meeting 22 June 2016

Attached is the agenda for the next Council meeting of the Otago Regional Council, which is to be held on Wednesday 22 June 2016, 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 22 June 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:

Leave of Absence:

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Monday 20 June 2016.

CONFIRMATION OF AGENDA

CONFLICT OF INTEREST

PUBLIC FORUM

Mr Peter Dowden, BusGo Dunedin - Presentation of a statement to Council on the proposed Dunedin Bus Hub

MINUTES

The minutes of the Ordinary meeting of Council held on 11 May

Page Nos.

2016, having been circulated, for adoption

6 - 17

Matters arising from the minutes

Page Nos.

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

Item 1
2016/0 **Chairperson’s report.** Chair, 18 - 20

Providing an overview of the Chairperson’s activities for the period to 3 June 2016.

Item 2
2016/0861 **Chief Executive’s Report.** CE, 3/6/16 21 - 33

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

PART B – RECOMMENDATIONS

Item 3
2016/0874 **Proposed South Island Regional Transport Collaboration.** DPPRP, 13/6/16 34 - 37

The report outlines the key reasons for the Otago and Southland Regional Transport Committees collaboration since 2014 and seeks Council agreement for the continued collaboration with other regional councils, including the developing and implementing of shared work programmes.

Item 4
2016/0880 2016/17 **Annual Plan Adoption.** DCS, 13/6/16 38 - 41

The 2016/17 Annual Plan presented for adoption by Council.
The 2016/17 Annual Plan is circulated separately with the agenda.

Item 5
2016/0884 **Rating Report and Rating Resolution 2016-2017.** DCS, 16/6/16 42 - 62

The report provides details of each of the rates to be set, and to recommend that Council adopts the rates resolution for the 2016/17 year.

PART C – ITEMS FOR NOTING

<p>Item 6 2016/0865 Financial Report to 30 April 2016. DCS, 10/6/16</p> <p>The report provides information in respect of the overall Council finances for the 10 months ended 30 April 2016.</p>	<p>63 - 67</p>
<p>Item 7 2016/0892 ORC Head Office Accommodation Update. DCS, 16/6/16</p> <p>The report provides an update on the Council and staff workshops held to help inform the next stage of the project.</p>	<p>Page Nos. 68 - 70</p>
<p>Item 8 2016/0 Documents signed under Common Seal. DCS,</p> <p>Informing the Council of delegations which have been exercised.</p>	<p>71 - 72</p>
<p>Item 9 Reports from Councillors</p>	

PART E – MINUTES OF MEETINGS

<p>Item 10 Recommendations of the Technical Committee meeting held on 8 June 2016, for adoption</p>	<p>73 - 79</p>
<p>Item 11 Recommendations of the Communications Committee meeting held on 8 June 2016, for adoption</p>	<p>80 - 82</p>
<p>Item 12 Recommendations of the public portion of the Finance and Corporate meeting held on 8 June 2016, for adoption</p>	<p>83 - 91</p>
<p>Item 13 Recommendations of the Regulatory Committee meeting held on 8 June 2016, for adoption</p>	<p>92 - 95</p>
<p>Item 14 Recommendations of the Policy Committee meeting held on 8 June 2016, for adoption</p>	<p>96 - 97</p>

PART F - EXCLUSION OF PUBLIC

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

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

	General subjects to be considered	Reason under LGOIMA for passing this resolution	Grounds under S.48 for the passing of this resolution
Item 15	Recommendations of the In Committee portion of the Finance and Corporate Committee meeting held on 8 June 2016, for adoption	To protect the privacy of natural persons. (S7(2)(a))	S.48(1)(a)(i)

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

OTAGO REGIONAL COUNCIL**Minutes of an Ordinary meeting of the Council held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 11 May 2016 commencing at 9.00 am**

Present:

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

Apologies: Cr Gretchen Robertson

Accepted on the motion of Crs Woodhead and Croot.

Carried

Leave of Absence:

Applications for Leave of Absence were received for Cr Neill; Cr Kempton; Cr Croot and Cr Woodhead

Accepted on the motion of Crs Eckhoff and Kelliher

Carried

In attendance:

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

CONFIRMATION OF AGENDA

The agenda as circulated was accepted.

CONFLICT OF INTEREST

Cr Woodhead advised that Conflict of Interest would be a set agenda item to follow the Confirmation of the Agenda, to enable confirmation of any conflicts of interest for items on the agenda at each Council meeting. Cr Woodhead recommended that Committee Chairs also include this on the Committee agendas.

MINUTES

The minutes of the Ordinary meeting of Council held on 23 March 2016, having been circulated, were adopted on the motion of Cr Deaker and Cr Kempton.

Carried

Matters arising from the minutes

Green Island Bus petition

A question was raised in regard to the bus service petition made at the last Council meeting.

Mr Donnelly advised that staff were working through the options as advised at the Finance and Corporate Committee on 20 April. A report back to Council with a number of options to be provided at the next Committee round.

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

Item 1

2016/0718 **Chairperson’s report.** Chair, 5/5/16

The Chairperson provided an overview of his activities for the period to 5 May 2016.

Velvetleaf – Cr Woodhead acknowledged and thanked staff for their significant effort and assistance, and for the community support also shown.

In regard to the assistance from MPI and AsureQuality, Cr Woodhead advised that Mr MacLean is part of a national committee which will advise

on further actions required of ORC in regard to the Velvetleaf incursion. Cr Woodhead advised work is continuing to ensure MPI ongoing support, by the CE level and by himself and his colleagues with the Minister in due course to clarify the process in place for a national request for support from ORC.

Cr Woodhead advised of other meetings he had attended as Chair during the reporting period:

The Inaugural meeting of the Rural Water Advisory Group was held at ORC on 21 April which was a positive meeting as it brought together industry and other interested organisations, including Irrigation NZ, Fish and Game NZ, iwi and tourism representatives. The meeting was to agree on the Terms of Reference and constructive dialogue was had at the first meeting. The platform was set for ongoing meetings for the group, with the next meeting to be held before the end of the year, moving then to an annual meeting basis. The focus of the group is the monitoring of PC6A as it goes to the community.

Mrs Rowe confirmed the Terms Of Reference will be provided to the next meeting of the Communications Committee for approval.

Cr Woodhead advised he and Mrs Meredith, ORC Policy Manager, attended and presented to the Local Government Environment Select Committee. This has been a worthwhile and constructive presentation.

Discussion held from the Chair's Report:

A concern was raised on any impact to Otago ratepayers in regard to the Velvetleaf incursion if MPI were to reduce their support to funding of this incursion.

Mr Bodeker advised that Council's response to the incursion is managed through the MOU held with MPI, and was the basis in which Council was paid for their involvement. Mr Bodeker confirmed he had taken the decision that staff would continue with the surveillance work. He advised that the Director General had met with himself and Mr MacLean and discussion had been held re funding.

Mr Bodeker advised he believed that MPI would reasonably recompense ORC acting as a local agent for the Velvetleaf incursion, and confirmed the ORC rate used was as per the fee structure stated in the Annual Plan. In regard to publicity around Velvetleaf, Mr Bodeker advised that Council should not rely solely on MPI to action this.

Cr Woodhead advised that MPI have been active in checking protocols of other seed importers and that Velvetleaf was not a new incursion to NZ as it has been in the Waikato for a few years. It was a new incursion, in that it

came in from imported seed. It was an important opportunity for Council to put effort in to ensuring this pest plant did not become established in the region.

A questioned was raised in relation to Annual Plan process and how this was being communicated.

Mr Bodeker confirmed all presentations made to the community were a 'snap shot' of the key activities underpinning the Annual Plan. The presentations concluded with information on the submissions process.

Cr Woodhead confirmed that the Facebook session held was purely a Q&A session and the process for making a submission on the Annual Plan was advised. The Facebook session will be tried again and it was hoped to extended the audience participation.

Item 2

2016/0720 **Chief Executive's Report.** CE, 5/5/16

The Chief Executive provided an overview of his activities for the period to 5 May 2016. The following points were discussed further:

Mr Bodeker responded to comparisons that had been made between the current Velvetleaf incursion to Fruit Fly and Foot and Mouth, stating the difference being that Velvetleaf did not impact on NZ exports. He confirmed a high level of surveillance would continue as there were additional areas to inspect.

Mr Bodeker confirmed the recent CEO summit very interesting and provided a good networking opportunity.

A comment was made in regard to the CEO summit part of the CE's report on the use of the internet to provide videos and to communicate issues out to the public in addition to traditional print media. This was seen as a progressive step for the next triennium.

Mr Bodeker advised he had received a petition regarding 1080 on 2 May. The petition entitled "No 1080 poison in Tuapeka district" has 245 signatures. He would acknowledge receipt of the petition and advise the petitioner that the application of 1080 is a permitted activity in Otago and the toxin was being applied by OSPRI, and in this case their concerns should be directed to OSPRI.

A request was made that the Section 17A review of CDEM Otago being presented to the Otago CDEM Group meeting on 23 May as be provided to Councillors. Mr Bodeker confirmed he would make this report available.

A question was raised in relation to staff resources being used in the Velvetleaf incursion response and additional monitoring completed during low flows and what impact this has had on planned works.

Mr Bodeker responded there would be dairy inspections and other RMA activities that would now not be undertaken due to the Velvetleaf incursion inspections. An internal review would be done to accurately define what work has not been achieved, the probability of catching up on the work, also to provide ideas for further incursions on how Council might respond differently, e.g. attempt to engage volunteers earlier and learning gained re expectations, e.g. excessive work hours for staff.

Mr Bodeker confirmed a certificate has been produced, signed by both the Chairman and the MPI Director General, Martyn Dunne, which will be presented at small function for all those staff involved to thank and acknowledge their efforts.

Councillors advised their appreciation of what work the staff had done.

Biosecurity at NZ's border was noted as being the responsibility of central government and their departments, not regional councils. Pest plant incursions such as Velvetleaf needed to be taken seriously with the example provided of nodding thistle, which is now an established pest plant with impact to the sheep industry due to the contamination caused to wool fleece.

Cr Eckhoff suggested the use of new technology, e.g. drones to be used to fly and over suspected infected crop areas, rather ground level checks only for velvetleaf. Mr MacLean acknowledged the suggestion and would investigate.

Moved Cr Woodhead
Seconded Cr Croot

That:

*The Chairperson's and Chief Executive's reports be received, and
Noting the receipt of the 1080 petition*

Motion carried

PART B — RECOMMENDATIONS

Item 4

2016/0802 Elected Members Remuneration from 1 July 2016

This item was originally a Finance & Corporate Committee paper and the committee asked Mr Donnelly to clarify some points and re-present the paper to Council.

Mr Donnelly confirmed he had clarified those points with the Remuneration Authority. One question, had been the ability to change the remuneration structure of committees post election. The Remuneration Authority has confirmed that this can be done, and that Council would have to apply for determination if this was to occur.

Mr Donnelly confirmed that the addition of payment to other Committee Chairs and Deputy Chairs was not ruled out but eligibility for payment for these roles would need to be clearly defined to identify what the responsibilities were.

Discussion held on the report

A question was raised on options for remuneration for the Deputy Chair of Council and also Deputy Chair of Committees (as per discussion in the Finance & Corporate Committee).

Cr Woodhead noted that if, in the new term of Council, the same Committee structure is in place and adjusted remuneration amounts are sought, the Remuneration Authority will require the details of the change in responsibility to justify change in payment.

A comment was made on the issue that the Chairman of Regional Transport Committee was currently only able to receive additional payment if not already a chair of an existing committee which seemed unfair.

In regard to recommendation c) of the report “that Council consider and determine the allocation of payments for additional duties”

Moved Cr Brown
Seconded Cr Deaker

That an additional 15% be applied to Committee Chairs and that the Chair of the RTC should receive 7.5% for the additional responsibility that this role carried.

That reallocation of the unallocated funds be applied to regional plan activity

Mr Donnelly advised that in that guidance received from the Remuneration Authority they did stipulate that there is only one payment. The additional payment to the Chair of RTC would need to be put to the Remuneration Authority, highlighting the extra duties and work involved on top of Committee Chair role.

Discussion held on the motion

It was commented that due to the level of Regional Plan change work occurring it would be good to have allocated funds available for regional plan use. Mr Donnelly advised that this would need to be requested of the Remuneration Authority.

Mr Donnelly clarified that the 15% extra would mean the Committee Chair salary would increase to \$55,662 and the standard Councillor salary would remain at \$47,532 applicable from 1/7/16.

Cr Woodhead commented that Plan Change remuneration is in place for the formal Plan Change process, hearing and deliberations and wanting remaining funds allocated to Plan changes in case it is required.

Cr Kempton sought clarification if the reallocation of the unallocated sum to regional plan activity formed part of the motion. Cr Brown confirmed yes it did.

Mr Bodeker sought clarification from Cr Brown on the reference to the payment of the additional 7.5% to the Chair of RTC and if this was to be paid irrespective of whether the incumbent in the role was a Committee Chair or not. Cr Brown confirmed that this was his intent to have it paid in addition to the Committee Chair amount.

The vote was put by division:

For: Crs Bell, Brown, Croot, Deaker, Eckhoff, Kempton, Neill, Scott,
Shepherd, Woodhead

Against: Cr Kelliher

Motion was declared as won

Moved Cr Shepherd
Seconded Cr Scott

that recommendations a,b,d,e and f as recommended c had already be voted on.

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 mileage 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.

Motion carried

Discussion

A question raised in regard to the definition of “Council business” and the exclusion of “constituency related travel” from the perspective of rural based councillors.

Mr Donnelly confirmed the advice from the Remuneration Authority (as detailed in Appendix 1 of the Remuneration Authority guidance document) was that for any formal meeting, or workshop called by Council that mileage was able to be claimed. Attendance at other events and constituency work was covered in the base salary.

Mr Donnelly also clarified that Committee Chairs were eligible to claim mileage for attendance of Committee Chairs meeting but mileage was not payable for other attendees if they attended and the option to join the meeting via teleconference was available.

Item 5

2016/0813 **Amendment to Council Authorisation for proposed ORC designations**

Cr Woodhead advised that this report was tabled as a result of submissions made on proposed ORC designations and that the designations were being processed as part of the DCC district plan review. Four requests for designation changes had been made and concerns expressed for submissions

The report recommended that Council 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.

Approval was sought for 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 approve and endorse those amendments made by council staff to date during the designation process.

Dr Palmer advised that in one to the submissions (M A Brough) the LIM report had not recognised the bylaw in place and therefore highlighted the importance of designations

Moved Cr Woodhead
Seconded Cr Shepherd

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;

Approve and endorse those amendments made by council staff to date during the designation process.

Motion carried

PART D – ITEMS FOR NOTING

Item 6
2016/0703 **Financial Report.** DCS, 2/5/16

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

Moved DS/BS

Moved Cr Shepherd
Seconded Cr Scott

That this report be received.

Motion carried

Item 8 **Reports from Councillors**

Cr Deaker

Attended the Tertiary Precinct Planning Group (members included the ORC, Otago University (OU), Otago Polytechnic (OP), DCC and Otago Museum). This meeting was also attended by Cr Scott. Discussion was held about capital works projects over the next decade, and the impact of this on the region due to large number of trades people and costs involved. Discussion was also held on public transport use by students and that a member of the group had made an offer to provide a 3 of Wi-Fi units for trial on the buses as the OU and OP had offered the view that their students will not travel without Wi-Fi access on buses. Cr Deaker confirmed he had notified Mr Donnelly and Mr Collings of this offer.

GR Robertson joined the meeting 10:46am.

Cr Brown

Cr Brown spoke to the tabled report on the Lower Waitaki Liaison Committee meeting. He confirmed the work was event driven and on budget. Fund has been running in deficit but was now in credit for this year and that changes in rating funding policy by ECan had been included and were a positive

Cr Kempton

Attended a meeting 15 April held at Environment Southland between the head of the Ministry of Transport (secretary for Transport and GM sector performance). Attendees were himself, ES Chair, Dr Turnbull and Mr Hawkes.

The reason for the meeting was to provide early signals on policy principles proposed for the 2018 Government Policy Statement (GPS) and to gain appreciation of current regional issues. The next GPS would have more directive around the introduction of “intelligent” network management and communication of that delivery to users, customer driven investment strategy and a comprehensive “state of the system” stocktake.

The collaboration between Otago and Southland RTCs had been noted positively at Ministry level.

The Ministry discussed some of their thinking around the future of land transport including emphasis on:

- people purchasing their “mobility” rather than own “vehicles”, particularly for main centres;

- More emphasis on vehicle utilisation
- Heavy traffic platooning

Cr Bell

Cr Bell commented that he wanted to encourage staff to take the opportunity to be involved with judging of the Ballance Environmental Farm Awards and he believed that there was lot to learn from that and the opportunities for education and networking.

Cr Eckhoff

Cr Eckhoff advised that he and Cr Bell visited the Loganburn Dam as part of the Maniatoto Irrigation Company's open day on 17 of April. He acknowledged the dam was a "massive resource and a tribute to the farmers" and without the resource the area would be in trouble. He advised it was also pleasing to see the Chair, CE and Mr MacLean also attending and it was good PR for ORC.

PART E – MINUTES OF MEETINGS

- Item 11 **Recommendations of the Communications Committee meeting** held on 20 April 2016, for adoption

moved Cr Kempton
seconded Cr Bell

That the recommendations of the Communications Committee meeting held on 20 April 2016 be adopted.

Motion carried

- Item 12 **Recommendations of the public portion of the Finance and Corporate Committee meeting** held on 20 April 2016, for adoption

moved Cr Shepherd
seconded Cr Kelliher

That the recommendations of the public portion of the Finance and Corporate Committee meeting held on 20 April 2016 be adopted.

Motion carried

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

moved Cr Robertson
seconded Cr Deaker

That the recommendations of the Policy Committee meeting held on 20 April 2016 be adopted.

Motion carried

Item 14 **Recommendations of the Regulatory Committee meeting** held on 20 April 2016, for adoption

moved Cr Neill
seconded Cr Eckhoff

That the recommendations of the Regulatory Committee meeting held on 20 April 2016 be adopted.

Motion carried

Item 15 **Recommendations of the Technical Committee meeting** held on 20 April 2016, for adoption

moved Cr Scott
seconded Cr Brown

That the recommendations of the Technical Committee meeting held on 20 April 2016 be adopted.

Motion carried

The meeting closed at 11:00am

Chairperson

REPORT

Document Id: A911947

Report Number: 2016/0890
Prepared For: Council
Prepared By: Cr Woodhead - Chairperson
Date: 16 June 2016

Subject: **Chair's Report - June 2016**

1. National Council

The annual Central Government/Local Forum was held at Premier House. Topics for discussion included future infrastructure investment requirements, opportunities to ensure the resource management regime strengthened regional economies, the LG Excellence Programme and climate change. It was a useful morning further developing the relationship.

Items on National Council agenda the next day included the approval to complete the development of the LG Excellence Programme which includes the issuing of the prospectus in June, approval of an independent governance board structure to oversee the selection of assessors and reports, and agreed commencement date of 1 July. Mr Bodeker will comment on ORC potential involvement. The Crown's review of the 60/40 rule for disaster recovery is expected in late June.

We approved the business plan for the Local Government Risk Agency, a joint project undertaken by LGNZ and officials from the Department of Internal Affairs, the Ministry of Civil Defence & Emergency Management and Treasury over the last 12 months. If the business plan receives Crown support, the project will initially focus on closing the information and capability gap to start to bring local authorities up to a consistent and higher standard for risk management. Phase two, depending on the success of phase one, will aim to grow and maintain a risk management capability that is potentially self-sustaining.

LG funding agency Chair Craig Stobo informed us that they now have \$6.2B lent to the sector. LGFA won the Treasurer of the Year and Chief Executive Mark Butcher the Chief Executive of the Year at their industry awards.

We met with Society of Local Government Managers Board, received updates from the Ministry of Civil Defence and Emergency Management, and Ministry of Culture and Heritage staff.

2. Mayoral Forum

It was decided to continue with the Otago performance improvement framework for another year and publish results in our annual reports. Mr Bodeker will report on an economic activity discussion. Regional Transport Committee Chair, Cr Kempton, and Mr Harland from NZTA, joined us to discuss the opportunities for a more strategic approach for implementation of the cycling projects in the current Regional Land Transport Plan and opportunities for the next Regional Land Transport Plan. The review of the Triennial Agreement was discussed; Waitaki District Council is next in the rotation to administer the Mayoral Forum.

3. Civil Defence Emergency Management

Preparation for “Exercise Tangaroa 2016” was discussed. The Exercise will take place over three days – on 31 August, 14 September and 28 September 2016, and will be based on a regional source tsunami scenario. This will test New Zealand’s preparations for, response to, and recovery from, a national tsunami impact. All group members will be involved on the 31st of August. The second two days are table top exercise activities.

A Bill that strengthens the legislative framework of the CDEM Act for recovery following a disaster is currently in Select Committee. It provides mandate for roles and responsibilities that apply during the recovery from an emergency, strengthens recovery planning and ensures a seamless transition from the response to the initial recovery period. The Otago Group is hosting the South Island CDEM conference in Queenstown in October. The Otago CDEM website redevelopment is well underway. The Regional Public Information Manager role has been filled by Michele Poole, Communications Manager at QLDC. The Group noted the appointment of a Group Welfare Manager will be finalised pending the outcome of the ORC Annual Plan.

4. Regional Sector Group

Hon Chris Finlayson advised progress with treaty settlements. The Office of Treaty Settlements is currently engaged with over 60 groups and completion of all settlements will be achieved by the end of 2017 (with those “willing and able”). There has been a great deal of discussion of harbours – as parts of negotiation. At least 15 harbours will be the subject of negotiation in the future, most in the upper half of the North Island.

Water: A report on a visit to Minister Smith the previous day confirmed he is concerned with the interpretation of “bottom lines” in the NOF – that “regional councils are heading for the bottom”. He is looking at a series of standards for Nitrogen. He reiterated four planks of reform, nobody owns water, there will be no national settlement, decisions on allocation rest with local authorities, and there will be no preferential allocation of water to iwi.

Secretary for the Environment Vicky Robertson informed that the review of implementation of the NPSFM 2014 is imminent. A draft survey has been socialised among council staff and a final survey version is due the week beginning 16 May. The target date for completion of this is September 2016.

Vicky advised on progress with the review of the NES for Air Quality. A discussion document is expected in July/August.

The Minister had earlier advised that he is keen on the approach of total exposure rather than days the standard is exceeded and 2.5 micrograms rather than 10.

Rebecca Bell and Jessi Morgan from Predator Free NZ made a presentation to the meeting. They outlined the origin of Predator Free NZ, its funding (DoC, Osprey, philanthropists). New Zealand has 985 threatened species, the highest rate in the world. The focus for Predator Free NZ is on who is doing what, and where. Landcare have sent a survey to all regional councils and only three have responded.

On behalf of the sector RSG Deputy Chair Fenton Wilson, Environment Southland CEO Rob Phillips, Don Chittock from Environment Canterbury and I met with Minister Guy and Andrew Coleman MPI to discuss the Velvetleaf response. The Minister was concerned at the cost of the response. We made it clear that we are happy to support a response but he needs to

acknowledge our work programmes were significantly disrupted as a result. We noted that we had discussed similar issues back in 2013 and agreed that an MPI–regional council agreement was needed. This is sitting with MPI and has been for 18 months. Outcomes include the need to progress agreement between regional councils and MPI on how do we work together on incursions, including roles and responsibilities and funding.

The sector also needs to engage in Biosecurity 2025, a strategy the Government is developing to provide sector viewpoint on roles and responsibilities and governance of biosecurity system as a whole.

We also had a discussion on wilding tree control. The Minister was adamant Crown funds need to be focused on on-the-ground control and not administration.

5. Wakatipu Transport Strategic Partners Group

Cr Kempton, Mr Donnelly, Dr Turnbull and I attended a meeting called by QLDC and attended by NZTA and Queenstown Airport to reconvene a governance group focusing on transport network issues in the Wakatipu. A staff technical group has met several times over the last year. This first meeting of the governance team was an update on progress and timelines for the various projects. The need for integrated planning and delivery was agreed with a significant number of initiatives underway over the next years. These include review of the public transport plan and network, construction of a new Kawarau bridge, completion of the eastern bypass, roading changes to the Frankton round-about, airport development and planning for potential inner links project in the future. The need for a whole-of-agency approach was agreed with the next meeting on 5 August.

6. Land, Air, Water Aotearoa

LAWA has launched another module and added the latest Air Quality data on the website. Real time data for the 150 monitored sites in towns and cities throughout the country is now available via the website in time for the winter season.

7. Meetings or Functions Attended

- Balance Awards field day;
- Meeting with MP for Clutha/Southland Todd Barclay;
- Federated Farmers High Country Conference;
- Southern Wood Council Awards;
- LGNZ Environment Policy Advisory Group;
- Annual Plan presentation to Balclutha Probus;
- Along with Cr Bell, I attended Mr Ron Hore’s funeral; and
- Murihiku Te Roopu Taiao.

Cr Stephen Woodhead
Chairperson

REPORT

Document Id: A909783

Report Number: 2016/0861

Prepared For: Council

Prepared By: Chief Executive

Date: 3 June 2016

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

1. Ministry of Civil Defence Emergency Management (MCDEM) Coordinating Executive Group (CEG) Chairs' Meeting

MCDEM recently invited the 16 CEG chairs to a meeting with the senior team in Wellington on 31 May 2016. The role of the CEGs within the civil defence and emergency management structure is to be the operational arm of a regional activity. The Otago CEG is currently chaired by myself and CEG membership within Otago involves the five territorial authority chief executives and senior representatives from Police, Fire, Ambulance as well as Government agencies such as Ministry of Social Development, Ministry for Primary Industries, Ministry of Education, District Health Board and the SPCA. The CEG Chairs' meeting was well attended and covered a wide range of topics of relevance to the sector which included:

1.1 Health & Safety

A representative from WorkSafe New Zealand spoke about the recent change to the legislation around health and safety in the workplace as it related to civil defence activities in an emergency. There was acceptance of the fact that during an emergency, volunteers would offer themselves to assist, and during an emergency some of the normal risk-based assessments undertaken by a PCBU may not be undertaken as intensively as would be under a non-emergency situation. It was clear that the responsibility for safety of a volunteer essentially rests with that person unless they are directed to undertake an activity by the PCBU. Particularly, if a volunteer without instruction from a Civil Defence official (likely to be the Controller), was involved in a workplace accident, the responsibility would rest with the individual and not the Controller. Likewise, if a Controller was advised that an organised group of volunteers such as the Christchurch Student Army was undertaking an activity, the Controller, unless he or she directed the volunteers to do certain work in a certain geographic area would not be liable for any consequential workplace accidents.

Both within the civil defence context and generally within the workplace, the issue of self-responsibility was discussed at length. While some people believe the new Health & Safety Act takes away personal responsibility, the Act is clear that personal responsibility is very much considered and expected of individuals undertaking activities which could result in harm. Also, there is responsibility of co-workers who may see the danger to another person. They have a responsibility to at least attempt to modify the behaviour or cease that work if danger exists. While the ultimate responsibility lies with the person undertaking the activity (the PCBU), there is a requirement for self-responsibility built into the legislation.

1.2 Response Activity

MCDEM is undertaking work around identifying the availability and ability of response teams. Response teams are typically skilled groups of individuals who form specialist teams to act in

an emergency or a serious harm situation. For example, the Fire and Police services undertake response activity as do organisations such as Search and Rescue, Mountain Rescue, Lifeguards and Marine Search and Rescue.

MCDEM is to undertake a stocktake of response activity and this will be undertaken in light of the possible change to the Fire Service responsibilities which may see them responsible for rescue activity.

1.3 Fire Service Review

The chief executive of the Fire Service reported on the proposed change to legislation which would become effective on the 1st of July 2017. The new Fire Service organisation would essentially see the combination of urban and rural fire activities bringing 42 separate organisations into one with a workforce including 4,000 volunteers. Funding of the new Fire Service was discussed, including the possibility of having the Fire Service able to fine or directly recover costs from activities which were deemed to be caused irresponsibly by a member of the public.

1.4 Disaster Resilience Strategy

MCDEM is working on a resilience strategy due for release in 2017. The proposed strategy will envision a resilient nation and identify new activities which would fill any gaps and ensure the resilience within New Zealand was improved. The key comment is that everyone in the country is responsible for their own resilience and a discussion on public education is being had within the Ministry currently. The current statistics note that while 80% of New Zealanders are aware of the requirements around resilience, only 15% are in any way prepared by having the basics of a civil defence kit and civil defence plan for those living in their household. This is despite the recent Christchurch earthquake where members of the Christchurch community are not a lot more prepared than those in the rest of New Zealand.

1.5 Public Warning Systems

Discussion on how public are warned of civil defence emergencies centred around the use of the new Red Cross Hazards app.



Hazards

While MCDEM can't formally support the Red Cross Hazards app, local CDEM groups can promote it. The CEG representative from Auckland City noted that Auckland has withdrawn from developing its own hazards/disaster app and would support the Red Cross Hazards app. The Red Cross Hazards app notifies hazards for specific areas within New Zealand referencing flood, storm, tsunami or earthquake, and Otago CDEM is in the process of determining how we might notify members of the public around using that app. We are also cognisant of the fact that ORC provide disaster information, particularly around flood events and the co-ordination of this information with that on the Red Cross Hazards app will be investigated.

1.6 MCDEM Conference

Following the CEG meeting the National Conference of Disaster Management was held and one of the speakers had undertaken study around public notification of disasters. The speaker had researched the public's use of the Internet in and around natural disasters. It was noted that following the Christchurch earthquake within one week a website had been built and ultimately provided information around availability of public toilets, distribution of potable water, where Student Army activities were being undertaken and allowed a two-way flow of information for people in a disaster situation to report their situation as well as request

assistance. The same speaker noted that when the recent tsunami affected coastal Japan, including destruction of a nuclear power plant, over 150 of the sites were established within a week of the disaster. This level of public interest and also the public awareness and use of social media as well as formal Internet activities shows the power of public information in disasters. The notion that a single organisation will be the main source of information is no longer appropriate, and while in New Zealand the official channel for disaster-related information is Radio New Zealand, the use of non-radio based information is likely to gain prominence. ORC will continue focusing on how any information we have is channelled appropriately to third parties who will independently prepare disaster relief type information.

2. Federated Farmers High Country Conference

The Chairman and I attended the Federated Farmers High Country Conference held in Oamaru on the 20th of May.

The President's address focused on weed control in areas that were either Department of Conservation (DoC) estate or LINZ controlled. His concern included the possible reduction in the available use of glyphosate-based herbicides, the potential fire risk from weeds, the spread of weeds to neighbouring productive areas, and loss of landscape values, and he challenged DoC and LINZ to allow additional use of cattle to intensively graze certain areas. While this is probably appropriate for areas of high country, the use of cattle for this purpose in rivers is likely to cause issues from an RMA perspective.

The President then discussed matters of access to public high country land through existing farms for hunters and other recreational users. There was a real concern expressed by attendees at the conference that the unregulated access to DoC estate by both hunters and other recreational users could mean a serious harm or fatality due to too many people being in a block at any one time. There was concern that farmers may have a degree of liability under the new Workplace Health and Safety Act should an injury or fatality occur on a block of land that was either controlled by them or in which they had access, they were also concerned about their own family and farm workers and their stock through either deliberate or accidental shooting.

There was a significant discussion on wilding pines with Hamish Roxburgh, Chair of the NZ Wilding Conifer Management Group, outlining the work that they had done over many years for wilding conifer control throughout New Zealand. A speaker from the Pukaki Downs Station talked about the experience they had with the widespread invasion of wilding pines on their station and the policies they have for controlling wilding conifers through scrub cutting and then cultivation and over-sowing. A number of speakers talked about how they had utilised the sale of carbon credits from the emissions trading scheme to fund development work on their properties.

2.1 Biological Rabbit Control

Dr Janine Duckworth, a Landcare Research Scientist based in Christchurch, spoke on the various strains and mutations of the rabbit haemorrhagic disease virus (RHDV) in New Zealand and the impact on immunisation and death rates as the virus is mutating. Her work which has been supported by Otago Regional Council showed a significant amount of immunisation causing RHDV resistance in rabbits in the Otago region compared with the rest of New Zealand.

She spoke about the improved death rate with the K5 (Korean) strain of the virus which has been prepared in Australia. Their work is indicating a 10-30% improvement in death rates with the K5 strain. K5 is due to be released in Australia in the autumn of 2017 and work is being undertaken to see if the release to New Zealand can occur at the same time. It is estimated that under New Zealand conditions, a greater increase in kill could occur, especially where there is more of the benign virus in place. However, it will not be a silver bullet and there may be some specific requirements for landowners to collect uneaten bait within 24 hours of it being laid to prevent immunisation through the ingestion of a dead virus. ORC staff are aware of this and are working with Landcare Research and other regional councils on this matter.

2.2 Genetic Manipulation to Pest Control

Professor John Knight of Otago University spoke on the advancement in gene drive technology or molecular scissors that can cut some of the chromosome. This could be used to sterilise a particular species which would result in the production of only male offspring. It is believed that the modelling would have a desired population eradicated somewhere between six to ten generations depending on the size and spread of the population. The release of this technology requires a change in legislation within New Zealand and may not be politically acceptable.

3. Kakanui Aquifer Study

On the 23rd and 24th of May ORC staff met with farmers and other interested parties from the Kakanui catchment advising them of the ongoing work being undertaken through the Science team at ORC regarding the Kakanui sensitive aquifer study. As a result of the 6A mediation, ORC has agreed to undertake a specific study on land over the Kakanui aquifer to determine if the current requirement of 20 kg of nitrogen per hectare under Overseer is the correct figure. Additionally the work will determine if the area of the Kakanui sensitive aquifer is accurately mapped and recommend if a plan change is required to better map the area than is currently within the Water Plan.

ORC has requested Overseer information from as many farms as wish to provide it and will provide access to a registered Overseer professional to undertake the assessment. Farmers are being asked to provide information for the season beginning 1 June 2016 through to 31 May 2017.

4. Otago Civil Defence & Emergency Management

An Otago Civil Defence and Emergency Management Group meeting was held on the 23rd of May 2016. All the territorial authorities were represented and positive feedback was received to the paper presented under the Section 17A methodology recommending that the six separate civil defence entities within Otago merge to become a single entity. This model of single civil defence entity is being used in a number of other regions around New Zealand and the Otago Joint Committee consisting of the Regional Council Chair and territorial authority Mayors are supportive of its introduction into Otago. Currently staff are in consultation with affected civil defence staff throughout the region. The information and letters to those staff had been prepared by the ORC Group Office and were provided to chief executives to discuss with their staff. A month of consultation has been allowed for and once that has been completed a further recommendation will be made and reported to Council.

5. Otago Mayoral Forum

The Otago Mayoral Forum was held on the 24th of May in Oamaru. Mayors and the Regional Council Chair were asked to give an update of activities within their region and it was interesting just how upbeat all of the Mayors were about their districts. For example, in Clutha District there are 1,000 jobs that are unfilled and the issue is finding both semi and skilled staff to fill many of the jobs that are occurring. While some of those jobs are seasonal such as meat processing companies and the dairy company, others are new jobs being created. Within Clutha tourism is expanding as was reported from both the Queenstown and Central Otago Mayors.

Within Central Otago there had been a bumper cherry season and there were good vibes from the horticulture sector with expansion occurring. The Central Otago Mayor reported that Cromwell is expanding with a spill-over effect into Alexandra. He reported that the cycle trails were a great opportunity and there was even residential development at the airport.

North Otago reported that the tourism sector was enjoying the boom seen in the rest of the region, particularly from freedom camping, but there had also been improved accommodation in the district. The Mayor reported that the Oceana Gold expansion was having a positive impact on the region with expanding job numbers, and that the North Otago Irrigation Company second phase of operation was going to provide an additional 7,000-8,000 hectares of irrigation.

Queenstown matters were reasonably well known regarding the stretch on the infrastructure around tourism and issues such as accommodation for workers and transport issues.

Dunedin reported good growth with increasing tourism but the requirement for better accommodation and the need to provide different tourism products. The Mayor reported on the positive relationship with the Chinese sister cities and the ongoing development of that relationship.

A report was presented on Section 17A methodology. Mayors were asked to support the schedule of activities being proposed for evaluation. Otago Regional Council has been asked to make a \$10,000 contribution to the cost of the initial round of Section 17A reviews which we have budgeted for.

6. Health & Safety

6.1 *Staff Health and Safety Committee*

The staff committee meets each month. The eight members represent staff across all sections of the Council and include a manager, the Chief Executive and HR Manager.

A recent committee initiative has been the introduction of a staff health and safety newsletter. This goes onto the Intranet and lets staff know about matters that have been raised with the committee and generally promotes health and safety awareness. Another committee initiative underway is the investigation of a smart phone app which enables the simple and effective identification of field hazards and associated risk assessment.

A recent focus has been on staff wellness. Traditionally there has been a greater emphasis on safety. The Health and Safety at Work Act (HSWA) makes it clear that attention to health in

the workplace is equally important. A small group of committee members is looking at what practical wellness initiatives may be considered.

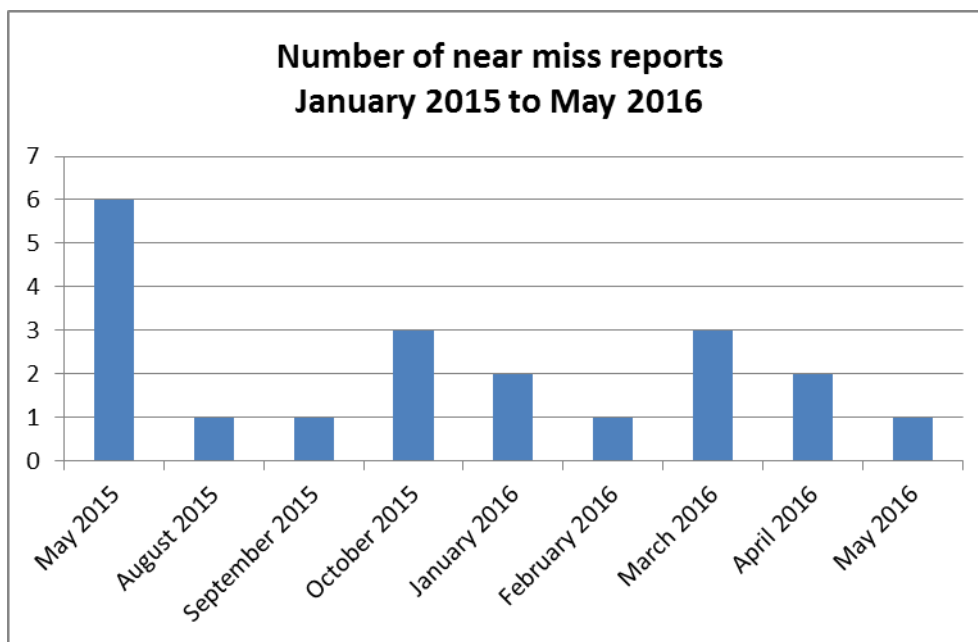
6.2 Accident/Incident Reporting

The following graphs show accident and incident data from January 2015 to May 2016.

6.2.1 Near Miss Reports

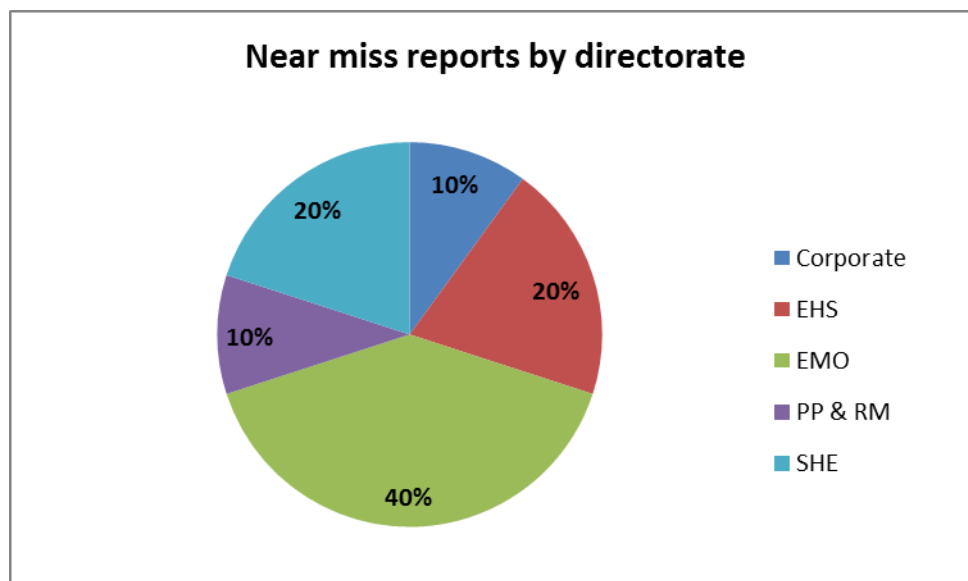
Graphs 1A and 1B show the number of reported near misses for the period.

Graph 1A. Number of near misses reported:



The spike in May 2015 may possibly be attributed to the change of form for near miss reporting and the associated encouragement to report.

Graph 1B. Percentage of near miss reports by directorate:

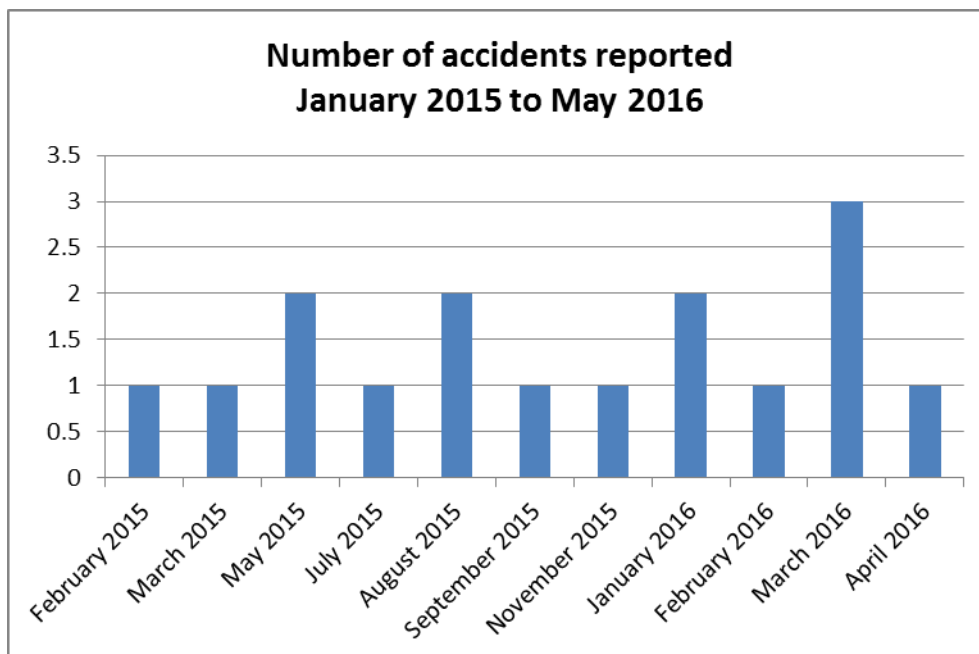


10 near miss reports required a corrective action to be undertaken, most of which were minor.

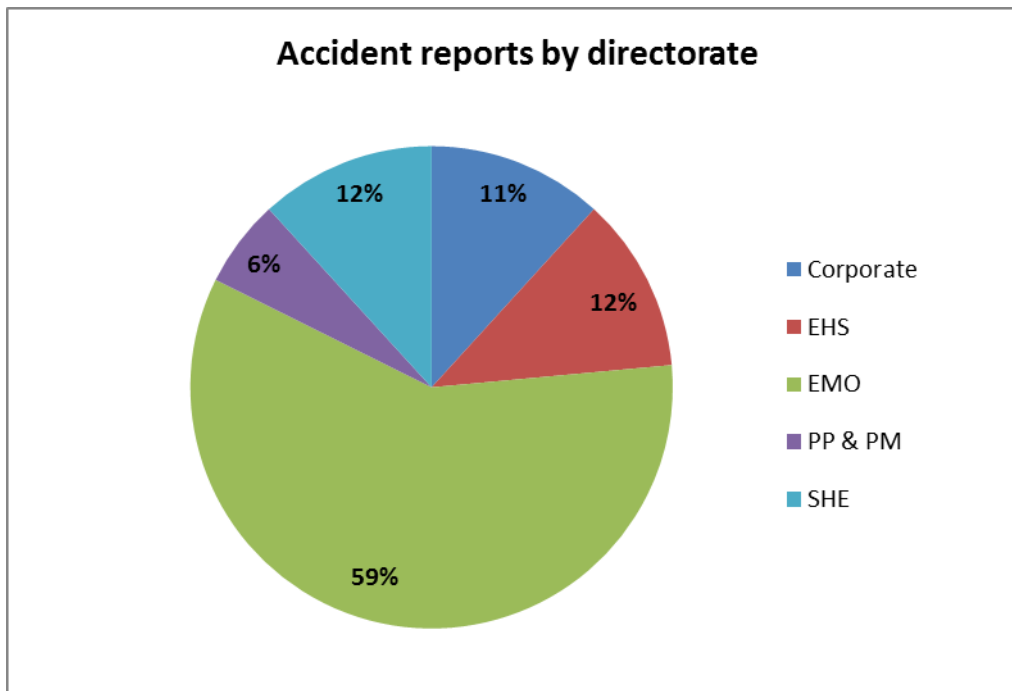
6.2.2 Accident Reports

Graphs 2A and 2B below show the number of accidents reported for the period.

Graph 2A. Number of accidents reported. (Note there were no accidents reported in the month of May):



Graph 2B. Percentage of accidents by directorate:



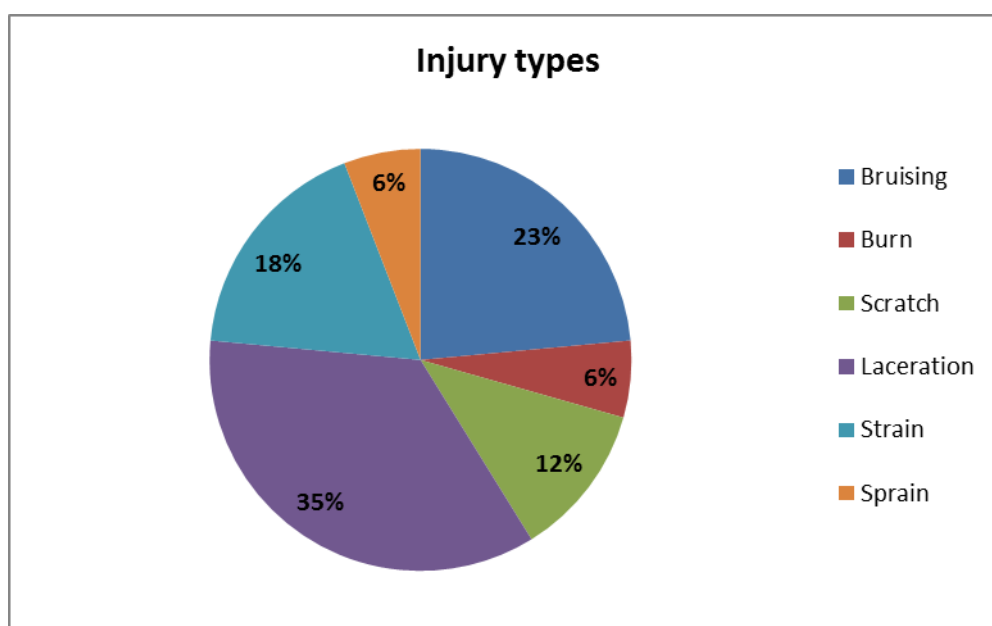
Accidents are investigated and follow-up actions taken as necessary.

6.2.3 Breakdown of accident report information

The following graphs give a breakdown of information obtained from the accident reports.

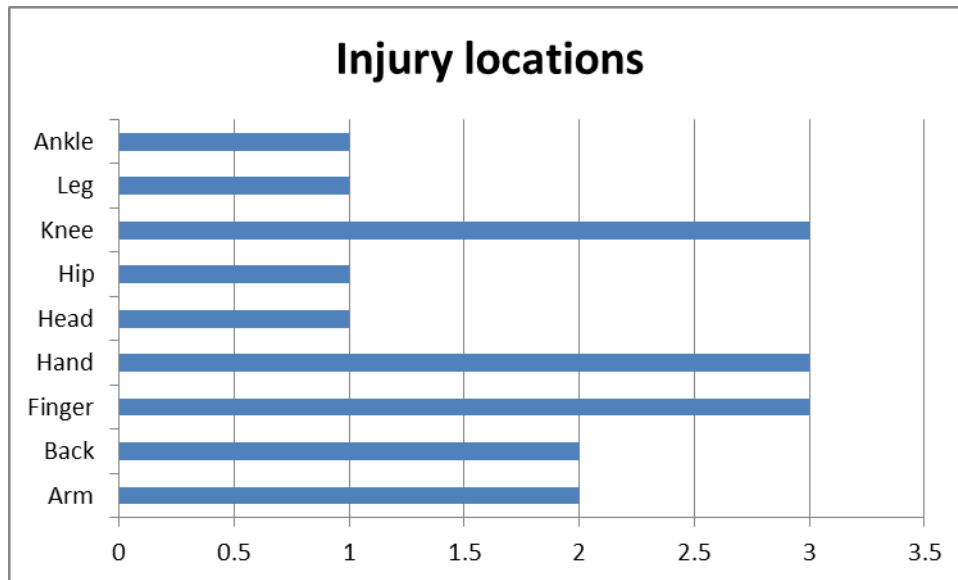
Graph 4 shows the type of injury sustained. (Note that the injury 'types' are listed within the accident report form). In some incidents more than one type of injury occurred, therefore the more serious has been used for this reporting.

Graph 4. Type of injury:

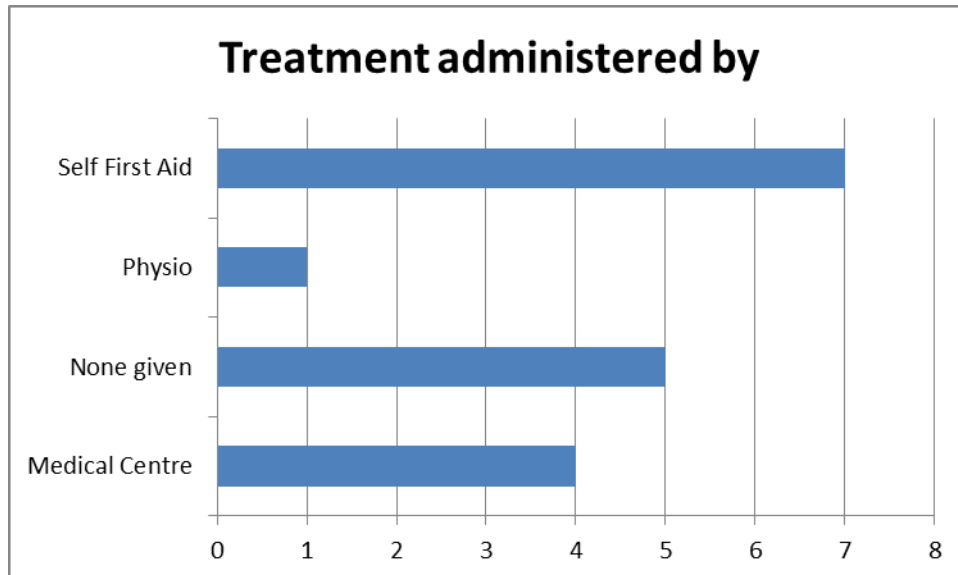


Graph 5 shows the location of the injury. In some incidents as with graph 4, more than one body part was injured therefore the more serious has been used for this reporting.

Graph 5. Injured body part:



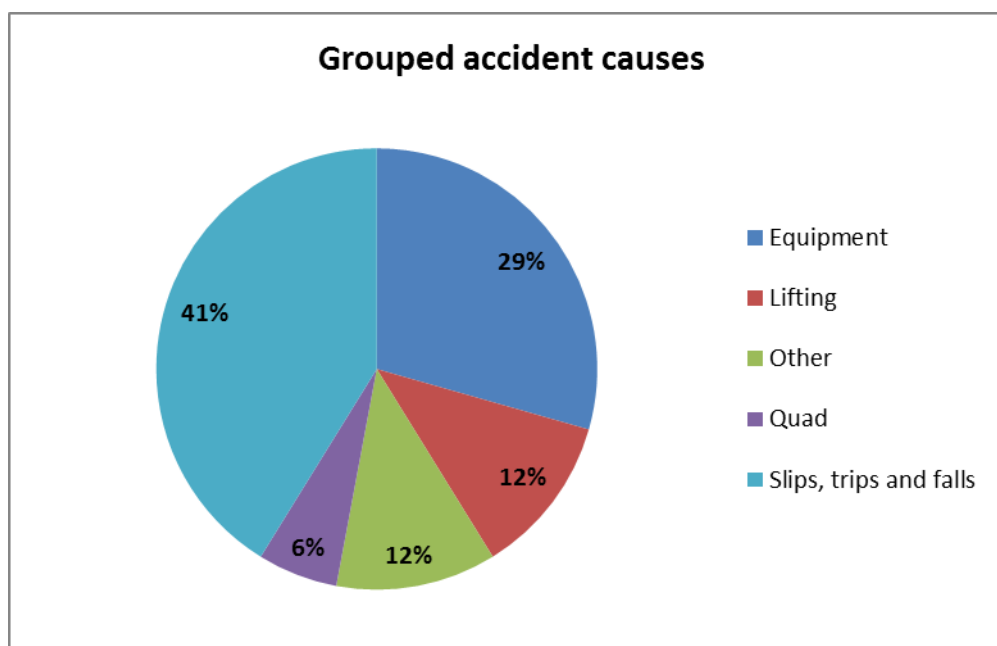
Graph 6. Who administered the treatment to the injured staff member:



Graph 7 shows the cause that attributed to the reported injury. Accidents are given a category from the description information provided in the accident report.

Note: Examples of 'Other' causes include hitting head on landowner's clothesline and cutting arm on barbed wire.

Graph 7. Cause of accident:



In the period January 2015 to May 2016, there were no accidents that incurred lost time due to an ACC claim. Total lost time due to accidents over the period was 19 hours related to two accidents with one staff member having two full days off work and the other four hours.

6.3 Health and Safety Update

6.3.1 Policies

The Health and Safety Officer has done a great job of completely reviewing and revising our health and safety policies, forms and manual against the requirements of the HSWA 2015. The updated manual is at present out for staff consultation, following which any amendments will be made and a final draft prepared for CE sign-off before publication.

6.3.2 Audits

Internal health and safety audits were undertaken for all of our workplaces with, in the main, satisfactory outcomes. Some deficiencies were identified, such as cabinets and wires requiring securing, out of date PPE and some fire extinguishers and first aid kits beyond their expiry date. The Health and Safety Officer has ensured that all of the identified deficiencies have been remedied. He is also in the final stages of developing an accurate register of PPE, noting dates of issue and dates of expiry.

As part of the audit process, progress against the BECA audit was noted and it is pleasing to report that the majority of the recommendations have been actioned. There is still ongoing work in the area of contractor management; health and safety targets need to be specifically included in performance reviews and some outstanding issues around storage remain. The PPE register mentioned above was also one of the BECA recommendations.

BECA has also helped recently with a safety assessment of our monitoring sites. No urgent issues were identified, but some sites will require improved access and structures upgrade

over time. Staff are working to programme this work and to complete the risk assessments and hazards controls. Other matters were simple fixes such as improved signage for security purposes.

6.3.3 Training

Managers and team leaders have attended a one-day in-house seminar on “Health and Safety from a Management Perspective”. Two members of the staff committee will attend health and safety representative training this month.

A number of staff have attended quad, LUV and 4WD training within the last few months and another group of staff will attend driver safety training shortly. Quad, LUV, and 4WD training is on a 3 yearly refresher programme. Driver safety training is provided for those staff who regularly, i.e. at least once a week, drive a Council vehicle for work purposes.

6.3.4 Smartrak

Smartrak access has been extended to all staff which is proving worthwhile, both for driver safety and interestingly, a little bit of self-monitoring of speed. Staff have also been reminded to watch their speed, although Smartrak shows that exceedances are in the main for brief periods of time.

6.3.5 Flu Vaccinations

Flu vaccinations were once again offered to staff with just under 50% of staff taking up the option.

7. Harbourmaster Update

The consultant engaged to undertake the navigational safety review has presented a draft report to myself and Peter Kelliher. The report essentially recommends that ORC follows the rest of the regional council and unitary councils in New Zealand that have major port and recreational waterways within their region to engage positively in harbourmaster and water safety activities. While the report is in its final draft stage the recommendations are reasonably clear and follow the line of thinking that ORC staff have engaged in through previous discussions with council. ORC staff will, in conjunction with staff from Environment Southland and Environment Canterbury, examine various options for progressing the draft recommendations and then collectively present to council the findings of the report and a proposed pathway for action. This will be reported by August.

8. Environmental Enhancement Fund

As per the delegation regarding the Environmental Enhancement Fund, the executive management team has considered three applications to date.

7.1 Kārearea

The first was an application from Parker Environmental to undertake observations and monitoring of the New Zealand native falcon the Kārearea. New Zealand native falcons live successfully in plantation forests and this review undertaken in conjunction with commercial forestry operators will assess the breeding stock, survival and mortality of New Zealand native falcons that inhabit pine plantations. The amount approved is \$10,000 on an annual basis for three years.

7.2 Otago Peninsula Biodiversity Group

The second application was from the Otago Peninsula Biodiversity Group and was forwarded through the 2016/17 Annual Plan process. The project proposal focuses on continuing to develop monitoring aspects of the work of the Otago Peninsula Biodiversity Group and extract information on the effect of the culling of possums and non-target species. This data will inform future pest control projects on the Peninsula and elsewhere. The management team assessed the application as presented against the criteria established by Council and have agreed to fund \$27,000.

7.3 HALO Project

The third application considered was from the Beyond Orokonui Group with a project called the HALO project. This was presented to Council as part of the 2016/17 Annual Plan submissions. The exact details of the funding request from this group is unclear, and whilst the executive management team (EMT) supports this project, detailed discussion will be held between the applicants and members of EMT on the 5th of July where a firm recommendation will be made.

All applicants have been notified of the outcome of their applications.

8. Catchments Otago

On 7 June 2016 members of the executive management team and two senior ORC scientists met with 30 Otago University staff who have formed around a collaborative research focus of Otago catchment studies.

While the group originally focused on the study of Otago's large alpine lakes, the breadth of the involvement will include estuaries, heavy metal and pharmaceutical pollutants, climate change, tourism, amenity pricing and potential for ecosystems trading, behaviour change and innovative survey techniques.

ORC staff presented a synopsis of the work we are doing and we have committed to keep engaging with University staff to see how mutual co-operation may develop.

9. Local Government Excellence Programme

LGNZ has recently published the prospectus for the Local Government Excellence Programme. ORC Councillors have been involved in two workshops with LGNZ staff regarding the Local Government Excellence Programme and I have sat on the Sector Performance Advisory Group Working Party.

ORC are currently involved in a similar exercise with the Otago territorial authorities undertaking high level survey of performance and ratepayer approval for various activities, however, due to the different nature of our work an accurate comparison of regional council activity is not possible in most cases due to the different nature of our work.

I am making our Council aware of the fact that the prospectus has been provided, and I will have a hard copy forwarded to you or you can go online and look at the prospectus at www.topvaluecouncils.co.nz.

While registrations close on the 24th of June, I believe that we need to workshop this with Council at the next opportunity and will do so prior to seeking a Council decision as to whether we take part in the programme.

Peter Bodeker
Chief Executive

REPORT

Document Id: A911029

Report Number: 2016/0874

Prepared For: Council

Prepared By: Manager Strategic and Transport Planning

Date: 13/06/2016

Subject: **Proposed South Island regional transport collaboration**

1. Précis

Transport is a key enabler of economic growth and sustainability in the Otago region and across the South Island. South Island regions share many of the same transport issues and opportunities. The potential for regions to influence central government policy and drive change across the network is diluted by generally operating independently. This is a key reason why Otago and Southland Regional Transport Committees have been collaborating since 2014.

This paper seeks your agreement that the Otago Regional Transport Committee continues collaborating with other Regional Transport Committees across the South Island, including developing and implementing a shared programme of work. South Island Regional Transport Committees have expressed a will to work together to achieve shared goals, as explained in this report.

2. Background

On 30 May 2016 a meeting of South Island Regional Transport Committee Chairs and officials met in Christchurch to assess the case for greater collaboration. All Regional Transport Committees in the South Island – Otago, Southland, West Coast, Canterbury, Nelson, Tasman and Marlborough – were represented by their Chairs, and for our Council, also by the Deputy Chair.

This meeting was independently facilitated by Mark Young of CoverPoint Consulting, and comprised a series of presentations, followed by an afternoon workshop on the case for collaboration. Presentations in the morning session were delivered by Martin Matthews, Chief Executive of the Ministry of Transport (MoT); Jim Harland, Regional Director Southern of the New Zealand Transport Agency (NZTA); and Michael Webster, Principal Analyst at the Ministry of Business, Innovation & Employment. The afternoon workshop focused on brainstorming the common issues and opportunities faced by Regional Transport Committees across the South Island, and identifying areas to prioritise for collaboration.

3. The case for collaboration

Issues and opportunities

The group identified a number of issues and opportunities. Key issues identified included:

- the lack of a shared story across the South Island, which has resulted in less political influence than the upper North Island's;

- constraints on the development of holistic and multi-modal solutions arising from the New Zealand Transport Agency's focus on roads and the parameters of the current investment framework, as well as the number of different funding agencies;
- concern that the New Zealand Transport Agency's thirty year plan does not integrate all stakeholders concerned with the transport network.

A broad range of opportunities were also identified. These included, in particular, managing visitor journeys and the freight task. The group considered there was a need for a holistic network strategy.

The group also discussed opportunities for sharing resources, including communications, research and policy advocacy. This covered both technical aspects of collaboration (for example, road maintenance) as well as strategic aspects (in particular, engaging with the private sector and central government, with one voice). There was consensus that it was important to empower staff to collaborate, but that this needed to be supported by the regional councils (or in the case of the upper South Island, the unitary councils).

Prioritisation of actions

The final part of the session focused on prioritising areas for action. The top three priorities were:

- shared advocacy - in particular, input on the Government Policy Statement on Transport;
- freight - including critical journeys, and encompassing all modes including road, rail, sea and air;
- tourism - in particular, the need for data about tourist flows around the South Island.

A number of areas for further consideration were also identified. These were: shared capability and resources; innovation; investment framework funding; network maintenance; shared experiences and models (for example, investment logic maps); road safety; and addressing the legislative constraints on Regional Transport Committees.

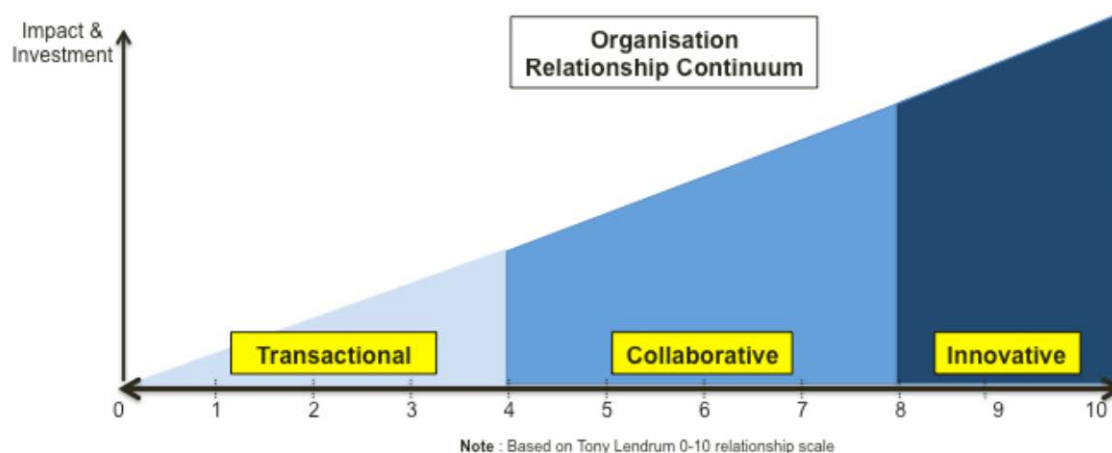
Some of these topics concern collaboration across subject areas. Refining and articulating the opportunities for collaboration will form part of the development of a detailed plan of action.

The case for collaboration

Ultimately, the group agreed that all Regional Transport Committees:

- have a common view of the problems and opportunities;
- can have a significantly greater impact working together;
- can work effectively together, but care is required, noting that some councils, including ORC, have few resources allocated to supporting the Regional Transport function;
- have the organisational commitment to make collaboration work, but need the support of our respective councils.

The following diagram, which was discussed in the workshop, provides a basis to think about the future of South Island collaboration, in particular progress from the transactional level to the collaborative and innovative levels.



4. 90 day action plan

A number of actions have fallen out of the meeting of 30 June 2016. Environment Canterbury has agreed to facilitate the implementation of a 90 day action plan. Key actions agreed were:

- a. seek in principle support from all respective councils for progressing work on developing a shared work programme;
- b. the starting point for work will be a cross-councils stocktake of tourism and freight initiatives and data, as well as a charter/terms of reference for collaboration;
- c. a workshop, to be held in July for officials, with another meeting of chairs and officials, taking place at the end of August;
- d. MoT and NZTA will be briefed as work progresses.

5. Assessment / communications

Financial implications

Some collaborative work will require little additional time as it will be based on existing resources: joint submissions on central government policy, for example.

The level of resourcing for the regional transport function in the ORC 2016/17 annual plan, and beyond, supports only minimal advocacy by the Regional Transport Committee. If the South Island RTCs' collaboration proceeds it would be sensible to revisit the funding level for regional transport planning during development of the 2018/28 LTP and also during the review of the Regional Land Transport Plan due to commence shortly.

Some projects, if agreed, could require funding from one or more regions. Any financial implications of collaboration will be considered as part of ongoing discussions.

Legal compliance and risk assessment

A legal compliance and risk assessment has not been completed, but would be incorporated into initial work.

Significance and engagement

Significance and engagement assessments will be undertaken where appropriate.

Communication

Communications will be developed in conjunction with other Regional Transport Committees.

6. Recommendations

That the Council:

1. **agree** that Council supports the Otago Regional Transport Committee participating in a South Island-wide collaboration of Regional Transport Committees, which will develop and implement a shared programme of work.
2. **note** that future updates will be presented to Council when a work programme is agreed.

Fraser McRae
Director, Policy and Resource Planning

REPORT

Document Id: A911164

Report Number: 2016/0880
Prepared For: Council
Prepared By: Manager Projects
Date: 13 June 2016

Subject: **2016/17 Annual Plan Adoption**

1. Précis

The Finance and Corporate Committee has considered and made recommendations on the 2016/17 Annual Plan. It is recommended that the Annual Plan now be adopted. A copy of the document is separately enclosed with the agenda.

2. Background

Council received 184 submissions, covering a range of issues including the following:

- Wilding pines
- Taieri and Lower Clutha flood and drainage schemes
- Rural water quality targeted rate
- Regional economic development
- Regional signs
- Stock truck effluent disposal site for Central Otago
- Harbour matters
- Natural hazards and emergency management
- Transport matters
- Funding requests

A summary of submissions received, and the recommendations made by the Hearing Committee were presented to the 8 June meeting of the Finance and Corporate Committee.

3. 2016/17 Annual Plan

As discussed at the Finance and Corporate Committee meeting on 8 June, the following recommendations on the Annual Plan have been made:

Revenue Policy Recommendations**3.1 *Wilding pines***

Funding of \$100,000 should be provided towards the control of wilding conifers, and a targeted uniform rate across the region of \$1.07 (Option 2) should be adopted as the funding model. Further, it is recommended that the funding be distributed 40% each to Queenstown and Central Otago. The remaining 20% will then be made available to distribute to the other districts in Otago, for scoping and supporting the establishment of new community groups wanting to undertake wilding pine control, or assisting with wilding pine control if there are existing groups doing this work. If the 20% is not spent in the other districts, at the end of the year, whatever remains should be allocated equally to Queenstown and Central Otago.

3.2 Taieri and Lower Clutha flood and drainage schemes

It is recommended that the findings from a review of public versus private benefit undertaken by Castalia be adopted as consulted on. Castalia recommended that there should be a switch of \$284,000 of funding from targeted rates to general rates. This equates to a 5.3% increase in general rates. Castalia's view was that there are greater benefits from our flood and drainage schemes to the wider community than is being recognised in our current revenue policy.

Castalia considered that the public benefit for the drainage schemes should be funded by the district in which the schemes sit. For the Lower Taieri flood scheme, they suggested that the 17% public benefit allocation be funded 4% from the region and 13% from Dunedin city. For the Lower Clutha flood scheme they suggested the public benefit allocation of 16% be funded 12% from the region and 4% from the Clutha district.

It is also recommended that a review of the Lower Waitaki River be completed in 2016/17.

3.3 Rural water quality targeted rate

It is recommended that the threshold for lifestyle blocks to be charged the rural water quality rate be lowered from 4ha to 2ha. The proposed rate is to recognise that these properties are likely to have an effect on the environment because of the activities commonly undertaken on properties of this size.

Proposed activity recommendations

The following recommendations on the activities of Council were made:

- The development of a Regional Economic Strategy for Otago is to remain in the Annual Plan.
- Regional signs are to be removed from the plan, being \$150,000 funded from reserves.
- The construction of a new stock truck effluent disposal site in Central Otago is to remain in the plan, but ORC will not take responsibility for the maintenance of all the sites around Otago.
- The appointment of a dedicated harbour master is supported, subject to the recommendations of a pending report on harbour matters.
- Additional resources for natural hazards and emergency management are supported.
- The funding request from the Otago Surf Lifesaving Trust for assistance installing a VHF radio repeater be declined as this is not an ORC role.
- Support be given to Landscape Connections Trust for its Halo Project, and that the Trust be invited to make an application to the Environmental Enhancement Fund.
- Staff to enter discussions with EcOtago to understand the support requested for the Tomahawk Lagoon, and if appropriate, suggest a formal application to the Environmental Enhancement Fund.

Other recommendations

- That the schedule of fees and charges be amended as follows:

	Proposed 2016/17	Actual 2015/16
Scale of Charges:	\$	\$
Staff time per hour:		
* Executive	235.00	235.00
* Senior Technical/Scientist	180.00	160.00
* Technical/Scientist	115.00	110.00
* Field staff	100.00	-
* Administration	92.00	80.00
Performance Monitoring Charges: (amendments only)		
Discharge to Water, Land and Coast		
Return of flow/discharge records	60.00	-
Water Takes	\$	\$
Annual assessment report	50.00	-
Administration fee – water regulations	100.00	-

4. Impact on the annual Plan

The recommendations from the Finance and Corporate Committee have resulted in one change to the estimates presented in the Consultation Document, that Council no longer spends \$150,000 on regional signs, funded from reserves. Total expenditure for the 2016/17 year is estimated to be \$48.3 million and is to be funded as shown below.

LTP 2015/16 \$000s	Revenue Source	Draft plan 2016/17 \$000s	LTP 2016/17 \$000s
5,354	General rates	6,340	5,600
9,092	Targeted rates	9,600	9,824
8,197	Grants	9,575	7,270
7,300	Dividends	7,400	7,400
3,564	Fees & charges	2,967	3,660
7,711	Reserves	8,157	6,766
4,020	Interest & Other income	4,300	4,271
45,238	Total revenue	48,339	44,791

5. Recommendations

1. That this report be received.
2. That the Revenue Policy, incorporating the recommendations from the Finance and Corporate Committee be adopted.
3. That the 2016/17 Annual Plan, incorporating the recommendations from the Finance and Corporate Committee be adopted.

Nick Donnelly
Director Corporate Services

REPORT

Document Id: A911340

Report Number: 2016/0884

Prepared For: Council

Prepared By: Finance Manager

Date: 16 June 2016

Subject: **Rating report and Rating Resolution 2016-2017**

1. Précis

Following the adoption of the Annual Plan 2016/17, Council is required to adopt a rates resolution, which formally sets the rates for the 2016/17 financial year. The rates resolution is attached to this report. Schedule 1 of this report contains tables showing the 2016/17 rate effect on a range of properties within Otago, along with comparative rates for the 2015/16 year.

The purpose of this report is to provide details of each of the rates to be set, and to recommend that Council adopts the rates resolution for the 2016/17 year.

2. General Rates

2.1 General rate amount and collection basis

The GST inclusive General Rate requirement for the 2016/17 year of \$7,292,139 represents an 18.4% increase from the 2015/16 rate requirement of \$6,156,822.

Of the General Rate requirement, the total amount of rates to be collected by way of Uniform Annual General Charge is \$1,823,036. This equates to a charge of \$17.05 (including GST) on each rateable property compared to \$14.50 in the 2015/16 year.

General rates, excluding the portion collected as a Uniform Annual General Charge, are charged on a capital value basis.

2.2 Equalisation of capital values

Council obtains a certificate of projected values from Quotable Value Limited to give an assessment of common current capital values of the city and districts within Otago, due to the cyclical three-yearly revaluations for rating purposes.

The equalised values impact on the portion of the general rate amount to be collected on a capital value basis from the region as a whole. The proportion that is collected from the city and each district is dependent on the proportion of capital value in relation to the total capital value as assessed in the certificate of projected values.

The following table shows the equalised values for the city and districts as at 1 September 2015 together with the previous year's values.

Local Authority City/Districts	Net Equalised Capital Value 1 Sept 2015	% Apportionment	Net Equalised Capital Value Last Year	% Apportionment
Central Otago	7,819,529,000	12.27	7,562,240,000	12.79
Clutha	7,521,231,000	11.80	7,284,152,000	12.32
Dunedin	21,363,630,000	33.53	20,359,493,000	34.45
Queenstown	21,236,099,000	33.33	18,467,417,000	31.25
Waitaki (part)	5,774,285,000	9.06	5,432,817,000	9.19
Total	63,714,774,000	100.00	59,106,119,000	100.00

2.3 Significant General Rate Amounts

The following are the assessed general rates to be levied on the basis of capital value:

	General Rates 2016/17 (GST inclusive) \$	General Rates 2015/16 (GST inclusive) \$
Contact Energy Ltd:		
Clyde Hydro Dam	41,151	36,765
Roxburgh Hydro Dam	20,091	17,949
Dunedin Waste Water Business Unit		
Three major facilities	70,124	62,640
Total	131,365	117,354
Total as % of the Total general rates	1.8%	1.9%

The amount of general rate to be collected from these ratepayers, and the percentage of the total general rate is not considered unreasonable given the effects of the presence and operations of these properties.

3. Targeted Rates - River Management

The targeted rates (including GST) to be levied over the city and districts for the purposes of maintenance and enhancement of waterways within the city and districts, are as follows:

River Management Rates		
Territorial Local Authority City/District	2016/17 \$	2015/16 \$
Central Otago District	345,000	258,750
Clutha District	304,750	258,750
Dunedin City	172,500	172,500
Queenstown-Lakes District - Wakatipu Rating District	230,000	230,000
Queenstown-Lakes District - Wanaka Rating District	192,050	192,050
Waitaki District	402,500	299,000
Total	1,646,800	1,411,050

The capital value base for river management targeted rates is considered to be the most appropriate rating base for these rates.

4. Targeted Rates - Flood and Drainage Schemes

The rating levels (GST inclusive) for the various flood protection and drainage scheme targeted rating districts are as follows:

Flood and Drainage Schemes		
Targeted Rating District	2016/17 \$	2015/16 \$
Lower Taieri Flood	736,000	768,534
West Taieri Drainage	561,200	586,500
East Taieri Drainage	448,500	459,195
Lower Clutha Flood & Drainage	630,200	672,750
Tokomairiro Drainage	92,000	69,000
Lower Waitaki River	166,750	166,750
Leith Flood Protection	1,466,250	1,370,800
Shotover Delta Training Works	287,500	287,500
Total	4,388,400	4,381,029

These rates are levied on either a classified or differentially targeted basis in accordance with assessed benefits.

Lower Taieri Flood Protection

This rate is set on a capital value basis comprising 24 classifications.

The total rate requirement is collected by way of a differential rate on all classifications.

West Taieri Drainage

This rate is set on an area basis comprising five differential classifications. Of the total rate requirement, 30% is collected by way of a targeted uniform rate on classifications WD1 through to WD4 (inclusive) and the remainder is collected by way of a differential rate on classifications WD1 through to WD5 (inclusive).

East Taieri Drainage

This rate is set on an area basis comprising ten classifications.

Of the total rate requirement, 25% is collected by way of a targeted uniform rate on all classifications except ED3, ED6 and ED7, and the remainder is collected by way of a differential rate on all classifications except ED3 and ED6.

Leith Flood Protection

This rate is set on a capital value basis comprising two classifications, the Direct Benefit Zone and the Indirect Benefit Zone.

The Forsyth Barr Stadium is to contribute 4% of the rate requirement attributed to the Direct Benefit Zone, with other Direct Benefit Zone properties contributing 96% of the Direct Benefit Zone rate requirement.

5. Targeted Rates - Transport

5.1 Dunedin Transport Rate

The transport services targeted rate is to be levied on two classifications of ratepayer, Class A and Class B.

Class A ratepayers are made up of those properties within the inner city and St Kilda/St Clair areas that **do not** have a land use description of any of the following;

- residential: bach,
- residential: multi-use within residential, multi use residential,
- residential: multi-unit,
- residential: single unit excluding bach, and
- residential: vacant.

Class B comprises all properties within the transport services targeted rating area other than those designated as Class A. Class A ratepayers will pay a differential rate equating to 3.75 times the amount paid by Class B ratepayers.

The rates to be levied are as follows (GST inclusive):

Transport Rate Dunedin		
Classification	2016/17 \$	2015/16 \$
Class A	1,256,136	1,209,940
Class B	2,686,907	2,580,023
Total	3,943,043	3,789,963

5.2 Queenstown Transport Rate

The transport services targeted rate is to be levied on two classifications of ratepayer, Class A and Class B. Class A ratepayers will pay a differential rate equating to 2.0 times the amount paid by Class B ratepayers.

Class A ratepayers are made up of those properties within the Queenstown Transport Services Rating Area that have the land use description of:

- Commercial: Retail, Multi use within Commercial, and Services,
- Community Services: Multi-use within Community Services,
- Multi-use: Commercial,
- Residential: Public Communal-licensed, and Public Communal-unlicensed,
- Transport: Air Transport, and Multi-use within Transport,
- Recreational: Entertainment, Multi-use within recreational, Active indoor, Active outdoor, Passive indoor, and Passive outdoor

Class B comprises all properties within the Queenstown Transport Services rating area other than those designated as Class A.

The GST inclusive rate requirement of \$63,304 for the 2016/17 year represents a 10.1% increase on the amount of \$57,500 levied in the 2015/16 period.

The rates to be levied are as follows (GST inclusive):

Transport Rate Queenstown		
Classification	2016/17 \$	2015/16 \$
Class A	17,933	15,597
Class B	45,371	41,903
Total	63,304	57,500

6. Targeted Rate – Rural Water Quality

The Rural Water Quality rate will be levied on the capital value of all rateable land situated within the Otago region, that has a rural land use description, or, has a lifestyle land use description and has a land area of at least two hectares.

The GST inclusive rate requirement of \$734,674 for the 2016/17 year represents a 26.06% increase on the amount of \$582,774 levied in the 2015/16 period.

7. Targeted Rate - Dairy Monitoring

The Dairy Monitoring rate will be levied on a targeted uniform basis on all rateable land, situated within the Otago region, that operates a Dairy Farm.

The GST inclusive rate requirement of \$148,052 for the 2016/17 year represents a 24.4% increase on the amount of \$118,978 levied in the 2015/16 period.

8. Targeted Rate – Wilding Trees

The Wilding Tree rate will be levied for the first time in the 2016/17 rating year, and will be levied on a targeted uniform basis on all rateable land situated within the Otago region.

The amount of rate revenue sought in the 2016/17 year amounts to \$115,000 (GST inclusive).

9. Payment and Penalty Dates

The attached resolution provides that the due date for rates to be paid is 31 October 2016.

It also provides for penalty dates in November 2016 and May 2017 as follows:

- A 10% penalty will apply to all unpaid rates on 1 November 2016.
- A 10% penalty will apply to all rates levied in previous financial years remaining unpaid on 1 May 2017.

10. Recommendations

1. That this report be received.
2. That the attached Rating Resolution for the 2016/17 year be adopted.

Nick Donnelly
Director Corporate Services

Schedule One

Dunedin City

Dunedin Residential

	2016/17 Amount of rate per CV				2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	27.84	44.01	70.98	97.94	24.13	38.59	62.67	86.76
River management	0.86	2.16	4.31	6.47	0.87	2.18	4.35	6.53
Transport Class B	18.42	46.04	92.09	138.13	17.88	44.69	89.39	134.08
Leith Flood Protection (<i>indirect</i> benefit zone)	5.57	13.91	27.83	41.74	5.25	13.13	26.25	39.38
Wilding Trees	1.07	1.07	1.07	1.07	0	0	0	0
Total rates – property within the Leith Flood Protection <i>indirect</i> benefit zone	53.75	107.19	196.27	285.34	48.13	98.58	182.66	266.73
Total rates – property within the Leith Flood Protection <i>direct</i> benefit zone	147.45	341.44	664.77	988.09	135.72	317.56	620.62	923.68

Mosgiel Residential

	2016/17 Amount of rate per CV				2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000	\$100,000	\$250,000	\$500,000	\$750,000
Area – hectares	0.06	0.07	0.08	0.10	0.06	0.07	0.08	0.10
General rate and UAGC	27.84	44.01	70.98	97.94	24.13	38.59	62.67	86.76
River management	0.86	2.16	4.31	6.47	0.87	2.18	4.35	6.53
Transport Class B	18.42	46.04	92.09	138.13	17.88	44.69	89.39	134.08
Lower Taieri Flood EF8	1.44	3.61	7.22	10.83	1.53	3.81	7.63	11.44
East Taieri Drainage ED7	10.47	12.22	13.96	17.45	10.78	12.57	14.37	17.96
Wilding Trees	1.07	1.07	1.07	1.07	0	0	0	0
	60.10	109.11	189.62	271.88	55.19	101.84	178.40	256.76

Dunedin Commercial

	2016/17 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	70.98	124.90	178.83	232.75
River management	4.31	8.62	12.93	17.24
Transport Class A	345.33	690.65	1,035.98	1,381.30
Leith Lindsay (indirect rate)	27.83	55.65	83.48	111.30
Wilding Trees	1.07	1.07	1.07	1.07
	449.51	880.89	1,312.28	1,743.66

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	62.67	110.84	159.01	207.18
	4.35	8.70	13.05	17.40
	335.20	670.4	1,005.60	1,340.80
	26.25	52.50	78.75	105.00
	0	0	0	0
	428.47	842.44	1,256.41	1,670.38

West Taieri Farm

	2016/17 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Area – hectares	10	15	20	30
General rate and UAGC	38.62	70.98	103.33	124.90
River management	1.72	4.31	6.90	8.62
Lower Taieri Flood WF1	397.52	993.81	1,590.10	1,987.62
West Taieri Drainage - uniform & WD1	976.00	1,464.00	1,952.00	2,928.00
Rural Water quality	8.78	21.96	35.13	43.91
Wilding Trees	1.07	1.07	1.07	1.07
Total Rates - Non-Dairy farm	1,423.72	2,556.12	3,688.52	5,094.12
Dairy monitoring uniform rate	325.00	325.00	325.00	325.00
Total Rates - Dairy farm	1,748.72	2,881.12	4,013.52	5,419.12

	2015/16 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
	10	15	20	30
	33.77	62.67	91.57	110.84
	1.74	4.35	6.96	8.70
	419.88	1,049.70	1,679.52	2,099.40
	1,020.10	1,530.15	2,040.20	3,060.30
	7.60	19.00	30.40	38.00
	0	0	0	0
	1,483.09	2,665.87	3,848.65	5,317.24
	235.00	235.00	235.00	235.00
	1,483.09	2,665.87	3,848.65	5,317.24

Queenstown Lakes
Wakatipu Residential

	2016/17 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Queenstown				
General rate and UAGC	33.78	58.89	83.99	100.72
River management	3.58	8.94	14.30	17.88
Transport Class B	1.02	2.54	4.06	5.08
Shotover Delta	5.30	13.25	21.20	26.50
Wilding Trees	1.07	1.07	1.07	1.07
	44.75	84.69	124.62	151.25
Arrowtown				
Queenstown rates above	44.75	84.69	124.62	151.25
Clean Heat Clean Air	-	-	-	-
	44.75	84.69	124.62	151.25

	2015/16 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Queenstown				
General rate and UAGC	28.24	48.85	69.46	83.20
River management	3.70	9.25	14.80	18.50
Transport Class B	0.96	2.40	3.84	4.80
Shotover Delta	5.47	13.68	21.89	27.36
Wilding Trees	0	0	0	0
	38.37	74.18	109.99	133.86
Arrowtown				
Queenstown rates above	38.37	74.18	109.99	133.86
Clean Heat Clean Air	6.40	16.00	25.60	32.00
	44.77	90.18	135.59	165.86

Wanaka Residential

	2016/17 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
General rate and UAGC	33.78	58.89	83.99	100.72
River management	6.17	15.43	24.69	30.86
Wilding Trees	1.07	1.07	1.07	1.07
	41.03	75.39	109.74	132.65

	2015/16 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
General rate and UAGC	28.24	48.85	69.46	83.20
River management	6.34	15.85	25.36	31.70
Wilding Trees	0	0	0	0
	34.58	64.70	94.82	114.90

Wakatipu Commercial

	2016/17 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	58.89	100.72	142.56	184.39
River management	8.94	17.88	26.82	35.76
Transport Class A	5.08	10.16	15.24	20.32
Shotover Delta	13.25	26.50	39.75	53.00
Wilding Trees	1.07	1.07	1.07	1.07
	87.23	156.33	225.44	294.54

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	48.85	83.20	117.55	151.90
	9.25	18.50	27.75	37.00
	4.80	9.60	14.40	19.20
	13.68	27.36	41.04	54.72
	0	0	0	0
	76.58	138.66	200.74	262.82

Central Otago
Alexandra Residential

	2016/17 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	25.79	38.89	60.73	82.56
River management	4.77	11.93	23.87	35.80
Clean Heat Clean Air	0	0	0	0
Wilding Trees	1.07	1.07	1.07	1.07
	31.63	51.89	85.66	119.43

	2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
	22.30	34.01	53.52	73.03
	3.64	9.10	18.20	27.30
	3.44	8.61	17.21	25.82
	0	0	0	0
	29.39	51.72	88.93	126.15

Central Otago Farm

	2016/17 Amount of rate per CV				2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	60.73	104.40	148.08	191.75	53.52	92.54	131.56	170.58
River management	23.87	47.73	71.60	95.46	18.20	36.40	54.60	72.80
Rural Water quality	21.96	43.91	65.87	87.82	19.00	38.00	57.00	76.00
Wilding Trees	1.07	1.07	1.07	1.07	0	0	0	0
Total Rates - Non-Dairy farm	107.62	197.11	286.61	376.10	90.72	166.94	243.16	319.38
Dairy monitoring uniform rate	325.00	325.00	325.00	325.00	235.00	235.00	235.00	235.00
Total Rates - Dairy farm	432.62	522.11	611.61	701.10	325.72	401.94	478.16	554.38

Clutha
Balclutha Residential

	2016/17 Amount of rate per CV				2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	25.91	39.20	61.35	83.50	21.47	31.92	49.34	66.76
River management	4.16	10.40	20.81	31.21	3.54	8.86	17.72	26.58
Lower Clutha Flood Protection (Class U2)	61.96	154.90	309.80	464.70	66.05	165.13	330.25	495.38
Wilding Trees	1.07	1.07	1.07	1.07	0	0	0	0
	93.10	205.57	393.03	580.48	91.06	205.91	397.31	588.72

Milton Residential

	2016/17 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	25.91	39.20	61.35	83.50
River management	4.16	10.40	20.81	31.21
Clean Heat Clean Air	0	0	0	0
Tokomairiro drainage (Class U1)	7.72	19.31	38.61	57.92
Wilding Trees	1.07	1.07	1.07	1.07
	38.86	69.98	121.84	173.69

	2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
	21.47	31.92	49.34	66.76
	3.54	8.86	17.72	26.58
	3.20	8.00	16.00	24.00
	5.81	14.53	29.06	43.58
	0	0	0	0
	34.02	63.31	112.12	160.92

Clutha Farm

	2016/17 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	61.35	105.65	149.95	194.25
River management	20.81	41.61	62.42	83.22
Lower Clutha Flood Protection (Class C)	877.75	1,755.50	2,633.25	3,511.00
Rural Water quality	21.96	43.91	65.87	87.82
Wilding Trees	1.07	1.07	1.07	1.07
Total Rates - Non-Dairy farm	982.93	1,947.74	2,912.55	3,877.36
Dairy monitoring uniform rate	325.00	325.00	325.00	325.00
Total Rates - Dairy farm	1,307.93	2,272.74	3,237.55	4,202.36

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	49.34	84.18	119.02	153.86
	17.72	35.44	53.16	70.88
	935.71	1,871.42	2,807.13	3,742.84
	19.00	38.00	57.00	76.00
	0	0	0	0
	1,021.77	2,029.04	3,036.31	4,043.58
	235.00	235.00	235.00	235.00
	1,256.77	2,264.04	3,271.31	4,278.58

Waitaki
Oamaru Residential

	2016/17 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	25.39	37.89	58.74	79.58
River management	7.73	19.32	38.64	57.96
Wilding Trees	1.07	1.07	1.07	1.07
	34.19	58.28	98.45	138.61

	2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
	21.72	32.55	50.61	68.66
	5.77	14.43	28.85	43.28
	0	0	0	0
	27.49	46.98	79.46	111.93

Waitaki Farm

	2016/17 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	58.74	100.42	142.11	183.79
River management	38.64	77.28	115.92	154.56
Rural Water quality	21.96	43.91	65.87	87.82
Wilding Trees	1.07	1.07	1.07	1.07
Total Rates - Non-Dairy farm	120.40	222.68	324.96	427.24
Dairy monitoring uniform rate	325.00	325.00	325.00	325.00
Total Rates - Dairy farm	445.40	547.68	649.96	752.24

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	50.61	86.71	122.82	158.92
	28.85	57.70	86.55	115.40
	19.00	38.00	57.00	76.00
	0	0	0	0
	98.46	182.41	266.37	350.32
	235.00	235.00	235.00	235.00
	333.46	417.41	501.37	585.32

Rating Resolution for Adoption

That in accordance with the provisions of the Local Government (Rating) Act 2002, the Otago Regional Council Annual Plan 2016/2017, and all other power or authorities in that behalf enabling it, the Otago Regional Council sets the following rates for the period commencing on the 1st day of July 2016 and ending on the 30th day of June 2017, namely:

1. General Rates

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 made on every rating unit within the Otago region, assessed as a fixed amount of \$17.05 per rating unit. Revenue sought from the Uniform Annual General Charge amounts to \$1,823,036.

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

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago	0.008735	631,301
Clutha	0.008860	648,970
Dunedin	0.010785	2,157,775
Queenstown Lakes	0.008367	1,596,858
Waitaki	0.008337	434,200
Total		5,469,103

2. River Management Rates

2.1 Territorial Authority Districts

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

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago District	0.004773	345,000
Clutha District	0.004161	304,750
Dunedin City	0.000862	172,500
Waitaki District	0.007728	402,500
Wakatipu River Management Rating District	0.001788	230,000
Wanaka River Management Rating District	0.003086	192,050
Total		1,646,800

2.2 Lower Waitaki Rating Area

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

Lower Waitaki Rating Area		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.126052	104,152
B	0.063018	62,598
Total		166,750

3. Flood Protection and Drainage Scheme Rates

3.1 Lower Clutha, Tokomairiro and Lower Taieri Schemes

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

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

Lower Clutha Flood Protection & Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.468122	47,353
B	0.185872	118,018
C	0.175546	239,804
D	0.110146	39,694
E	0.058515	34,489
F	0.006884	19,146
U1	0.185880	2,073
U2	0.061958	98,409
U3	0.013768	5,305
U4	0.010326	25,910
Total		630,200

Tokomairiro Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.051483	5,762
B	0.038612	10,752
C	0.030890	13,357
D	0.023167	19,794
E	0.012871	8,602
F	0.005148	13,316
U1	0.007722	20,417
Total		92,000

Lower Taieri Flood Protection Scheme					
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$	Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
WF1	0.198762	372,704	EF3	0.111489	541
WF2	0.117608	283,927	EF4	0.090499	6,488
WF3	0.001861	173	EF5	0.002513	1,203
WF4	0.002910	174	EF6	0.111249	904
WF5	0.000273	1	EF7	0.001528	450
WF6	0.000324	5	EF8	0.001444	18,757
WF7	0.000174	1	EF9	0.000669	1,334
WF8	0.013967	746	EF10	0.000833	1,029
WF9	0.000128	1	EF12	0.131497	1,265
EF1	0.107122	17,753	EF13	0.131562	2,101
EF2	0.112055	26,445			
				Total	736,000

3.2 East Taieri Scheme

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

Targeted Uniform Rate

A targeted uniform rate of \$24.06 per hectare set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on all rating units on all land within the scheme area, except for land situated within classifications ED3, ED6 and ED7.

Revenue sought from the targeted uniform rate amounts to \$112,125

Targeted Differential Rate

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

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

East Taieri Drainage Scheme - Targeted Differential Rate		
Classification	Rate \$ per hectare	Revenue Sought \$
ED1	134.29	122,201
ED2	102.45	79,785
ED4	113.23	12,771
ED5	51.07	48,853
ED7	174.54	14,203
ED8	33.88	29,203
ED9	29.39	19,697
ED10	26.11	9,661
Total		336,375

3.3 West Taieri Scheme

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

Targeted Uniform Rate

A targeted uniform rate of \$23.27 per hectare set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on all rating units on all land situated within classifications WD1, WD2, WD3 and WD4 located within the scheme area.

Revenue sought from the targeted uniform rate amounts to \$168,360

Targeted Differential Rate

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

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

West Taieri Drainage Scheme - Targeted Differential Rate		
Classification	Rate \$ per hectare	Revenue Sought \$
WD1	74.33	315,100
WD2	20.42	52,795
WD3	55.46	16,861
WD4	74.33	7,940
WD5	0.30	144
Total		392,840

3.4 Leith Flood Protection Scheme

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

Leith Flood Protection Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A – Direct benefit zone – Excluding Forsyth Barr Stadium	0.099351	703,800
A – Direct benefit zone – Forsyth Barr Stadium	0.017710	29,325
B – Indirect benefit zone	0.005565	733,125
Total		1,466,250

3.5 Shotover Delta Training Works

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

Shotover Delta Training Works		
	Rate cents in \$ on Capital Value	Revenue Sought \$
All rating units	0.002650	287,500
Total		287,500

4. Transport Services Rates

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

Dunedin Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.069065	1,256,136
Class B (within Dunedin City)	0.018417	2,670,607
Class B (within Waitaki District)	0.016807	16,300
Total		3,943,043

Queenstown Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.001016	17,933
Class B	0.000508	45,371
Total		63,304

5. Rural Water Quality Rate

For the purpose of providing for the monitoring of rural water quality, a targeted rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, assessed on the capital value of all rateable land situated within the Otago region, that has a land use type being:

Rural land use types, as follows:

- Rural- Arable Farming
- Rural- Dairy
- Rural- Forestry
- Rural- Market Gardens and Orchards
- Rural- Mineral Extraction
- Rural- Multi-Use within Rural Industry
- Rural- Specialist Livestock
- Rural- Stock Finishing
- Rural- Store Livestock
- Rural- Vacant

Lifestyle land use types, with a land area of 2 hectares or greater, as follows:

- Lifestyle- Multi-Unit
- Lifestyle- Multi-Use within Lifestyle
- Lifestyle- Single Unit
- Lifestyle- Vacant

Rural Water Quality Rate		
	Rate cents in \$ on Capital Value	Revenue Sought \$
All rating units	0.004391	734,674
Total		734,674

7. Dairy Monitoring Rate

For the purpose of providing for monitoring the environmental affect of dairy farms, a targeted uniform rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, assessed on all rateable land used for dairy farming in the Otago region.

Dairy Monitoring Rate		
	Uniform rate \$	Revenue Sought \$
All rating units	325.00	148,052
Total		148,052

8. Wilding Trees Rate

For the purpose of providing for the control of wilding trees, a targeted uniform rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, assessed on all rateable land in the Otago region.

Wilding Trees Rate		
	Uniform rate \$	Revenue Sought \$
All rating units	1.07	115,000
Total		115,000

9. Other Matters

9.1 Rate Collection

That the Otago Regional Council collects the rates set and assessed in the Otago Region, and that the rates be due and payable on or before 31 October 2016.

9.2 Penalties on Unpaid Rates

Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, penalties will be added to unpaid rates assessed by the Council within the Otago region and due to the Council during the 2016/2017 financial year as follows:

- (a) A penalty of 10% to be added to rates assessed during the 2016/2017 financial year, or any previous financial year, and which remain unpaid on 1 November 2016.
- (b) A penalty of 10% to be added to rates which have been levied in any previous financial year and which remain unpaid on 1 May 2017.

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

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

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

9.3 Valuation and Rating Records

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

REPORT

Document Id: A909910

Report Number: 2016/0865

Prepared For: Council

Prepared By: Finance Manager

Date: 10 June 2016

Subject: **Financial Report to 30 April 2016**

The following information is provided in respect of the overall Council finances for the ten months ended 30 April 2016.

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

**Otago Regional Council
Statement of Comprehensive Revenue and Expenses
For the ten months to 30 April 2016**

	Note ref	\$000s			
		Annual Budget	Year to date to 30 April 2016		
			Budget	Actual	Variance *
Revenue:					
Rate revenue		14,446	12,038	12,017	(21)
Government subsidies	Note 1	8,259	5,824	4,016	(1,808)
Other revenue	Note 2	4,481	3,723	3,074	(649)
Dividend income from Port Otago Ltd	Note 3	7,300	6,083	6,042	(41)
Interest revenue	Note 4	2,086	1,738	1,345	(393)
Rental income		1,101	917	903	(14)
Gain in value of investment Property	Note 5	310	-	-	-
Other gains/(losses)	Note 6	-	-	1,069	1,069
Total Revenue		37,983	30,323	28,466	(1,857)
Less Expenses:					
Operating expenses	Note 7	26,690	20,560	15,761	4,799
Employee benefits expense	Note 8	12,041	10,035	9,596	439
Finance costs		1	-	-	-
Depreciation expense		1,751	1,459	1,407	52
Total Expenses		40,483	32,054	26,764	5,290
Surplus/(deficit)		(2,500)	(1,731)	1,702	3,433
Income tax benefit		116	97	82	(15)
Surplus/(deficit) after tax		(2,384)	(1,634)	1,784	3,418

Note *

In the above statement, bracketed variances indicate revenue less than the budgeted level, 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 \$1,808,000, the amount related to the transport activity is \$1,843,000.

The Transport subsidy level is lower than budgeted primarily due to the actual level of transport expenditure also being less than budgeted, particularly in respect of the Electronic Ticketing System Replacement and other developmental costs including the bus hub.

Note 2 – Other Revenue

The Other Revenue variance comprises activities that are under-budget and others that are over-budget.

The significant under-budget 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.

Variances that are over-budget include bus fare income of \$466,000, received in respect of a bus contract that was budgeted on a net basis, where the operator retains the fare income, but is in fact operating on a gross basis, where the Council receives the fare income, and pays the operator on a gross basis.

Note 3 – Dividend Income from Port Otago Limited

This variance reflects a change in the expected dividend profile where 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 subsequent to year end. The effect is to reduce the amount of revenue permitted to be reported in the financial statements for the current year by \$50,000.

Note 4 - Interest Revenue

Interest revenue is down \$393,000 on 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 ten months to 30 April 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 30 April 2016.

Note 6 - Other Gains/(losses)

The gain of \$1,069,000 includes an increase in the fair value of the BNZ Managed Investment Portfolio for the period from 1 July 2015 to 30 April 2016 of \$942,000. Also included is a net \$127,000 gain on the disposal of surplus Council assets.

Note 7 - Operating expenses

Operating expenses are down \$4,799,000 on the budgeted amount of \$20,560,000 a variance of 23.3%.

This variance primarily relates to expenditure on the Council's Activity Groups, which accounts for \$5,317,000 of the variance.

Expenditure in excess of budget in other cost centres of \$436,000 includes additional expenditure of \$148,000 for the recruitment of casual labour resources to cover periods of vacancies in staff positions, and to meet unexpected resource requirements.

Note 8 – Employee Benefits expense

The major factor contributing to the under-expenditure is the reduction in overall remuneration resulting from staffing changes, particularly in the operational directorates.

There have been some delays between staff member resignations and replacement staff members commencing employment, resulting in a reduction in overall remuneration. Note 7 above refers to the additional use of casual labour in these instances.

Otago Regional Council
Statement of Financial Position as at 30 April 2016

		30 April 2016 \$000's	30 June 2015 \$000's
Current Assets			
Cash and cash equivalents	Note 1	2,382	4,228
Other financial assets	Note 1	56,901	52,560
Receivables		2,667	3,461
Other current assets		256	162
Inventories – stock and property held for sale		1,044	2,430
Dividends Receivable	Note 2	2,042	-
		65,292	62,841
Non-Current Assets			
Operating assets		84,155	83,850
Intangible assets		1,783	1,553
Investment Property	Note 3	10,124	10,124
Deferred tax asset		85	98
Shares in Port Otago Ltd	Note 4	407,293	407,293
		503,440	502,918
Total Assets			
		568,732	565,759
Current Liabilities			
Trade payables and accrued charges		3,095	4,252
Employee entitlements		1,254	1,352
Revenue in advance	Note 5	2,393	-
		6,742	5,604
Non-current Liabilities			
		-	-
Total Liabilities			
		6,742	5,604
Net Assets			
		561,990	560,155
Total Equity and Reserves			
Public equity		140,133	140,424
Reserves			
Available-for-sale revaluation reserve	Note 4	387,293	387,293
Asset revaluation reserve	Note 3	8,063	8,063
Building reserve	Note 6	10,931	8,072
Asset replacement reserve		3,853	4,865
Emergency response reserve		3,868	3,739
Water management reserve		1,585	1,532
Kuriwao endowment reserve		6,264	6,167
		421,857	419,731
Total Equity and Reserves			
		561,990	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 - Dividends Receivable

The dividend expected for the full year amounts to \$7,250,000, equating to \$6,042,000 for the ten months to April 2016.

Dividend payments received to date amount to \$4,000,000 with a further \$3,250,000 expected to be received in the current month of June.

The dividend receivable of \$2,042,000 represents the portion of the revenue recorded to 30 April that is expected to be received after that date.

Note 3 – 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 4 – 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. The shares will next be revalued as at 30 June 2016.

Note 5 – Revenue in advance

Revenue in advance of \$2,393,000 includes rates revenue of \$2,360,000, reflecting the portion of rates revenue attributable to the May to June 2016 period, which will be released as revenue in the Statement of Comprehensive Revenue and Expenses in those months.

Note 6 – 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 30 April 2016, along with interest earned to date.

2. Recommendation

That this report be received.

Nick Donnelly
Director Corporate Services

REPORT

Document Id: A912512

Report Number: 2016/0892

Prepared For: Council

Prepared By: Manager Support Services and Director Corporate Services

Date: 16 June 2016

Subject: **ORC Head Office Accommodation – Update**

1. Précis

Since the Finance and Corporate Committee meeting on 8 June, Feldspar Consultants have led Council and staff workshops to help inform the next stage of the project. Feldspar will now prepare the necessary documentation to facilitate the market process for the engagement of design consultants and quantity surveying services.

In addition to the workshops the Chief Executive has written to the DCC to commence formal discussions regarding the availability of the Dowling Street carpark site and the process for identifying the cost and any conditions of purchase.

2. Background

At the 8 June 2016 Finance and Corporate Committee meeting the Committee resolved to investigate the Dowling Street carpark site further through to concept design and project estimate stage. Since that meeting, Feldspar consultants have led two workshops, one with Councillors and one with the recently formed Staff Building Consultation Group. The primary purpose of the workshops was to inform Feldspar to assist in the development of core design principles and to assist them in developing the specialist consultant brief for the design team market engagement process.

3. Councillor Workshop

The Councillor workshop provided an opportunity for discussion with Feldspar which focused on:

- Building function/purpose/cost;
- Public interface and accessibility;
- Impact on the existing built environment;
- Political space;
- Work environment;
- Site amenity;
- Building identity;
- Extent of sustainable/green design consideration.

4. Building Staff Consultation Group Workshop

The Building Staff Consultation Group Workshop further discussed similar matters to those discussed by the earlier Councillor workshop with a good focus on functional/operational needs and aspects of the site and its location.

5. Key Workshop Messages

Through the workshops there are a number of common themes that have come through from both the political and the operational arm of Council. These are summarised as follows:

- The design should focus on and provide for an efficient, effective, flexible, and safe working space for staff;
- The design must consider the accessibility of the site for staff, operational needs, and the public;
- The political space within the building should be easily accessed by the public;
- The design should incorporate sustainable design elements where they represent a value for money investment;
- The design and layout should not detract from the current built environment/neighbourhood;
- The design should provide for future organisational change and be flexible in its use;
- The costs associated with the design, material elements, and the levels of finish should be able to stand up to public scrutiny; and
- That a better understanding of the impacts on the surrounding environment including parking and transport should be included in the next stage of investigation.

6. Next Steps

In addition to the workshops the Chief Executive has written to the DCC seeking to open formal dialogue to confirm the availability of the site and to set a process in place to identify the cost terms of any of purchase. It is noted that no detailed design work will commence until an acceptable process has been confirmed.

The following outlines the next steps to enable the development of the concept designs and project estimates:

- Formal discussions with DCC regarding the availability of the site and the process for identifying the cost of purchase should Council elect to proceed beyond the concept design stage.

- Feldspar’s engagement will be extended to include the facilitation of the next stage of the project being:
 - the market process for consultant engagement,
 - concept design development, and
 - project estimate.

7. Recommendation

That this report be noted

Nick Donnelly
Director Corporate Services

REPORT

Document Id: A192664

Report Number: 2016/0895
Prepared For: Council
Prepared By: Director Corporate Services
Date: 16 June 2016

Subject: **Documents signed under Council's seal June 2016**

1. Précis

To inform the Council of delegations which have been exercised.

2. Documents signed under the Council's Seal*Inspection Warrants:*

Appointment as enforcement officer under S177 Local Government Act 2002 for the purposes of exercising the functions, powers and duties pursuant to the Local Government Act 2002 and the Otago Regional Council Flood Protection Management Bylaws:

- Jean-Luc Payan
- Bishnu Prasad Gautam

3. Recommendation

That the report be noted.

Nick Donnelly
Director Corporate Services

Report back from Councillors

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Technical Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 8 June 2016 commencing at 9:00am

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 Gretchen Robertson
- Cr David Shepherd
- Cr Stephen Woodhead

Leave of Absence: Cr Sam Neill

In attendance:

- Peter Bodeker
- Gavin Palmer
- Fraser McRae
- Nick Donnelly
- Caroline Rowe
- Scott MacLean
- Lauren McDonald
- Deborah Mills
- Adam Uytendaal
- Sharon Hornblow
- Chris Valentine
- Dean Olsen
- Rachel Ozanne

CONFIRMATION OF AGENDA

There were no changes to the agenda.

CONFLICT OF INTEREST

Cr Scott advised that for Item 5, he declared he had an interest in a forestry holding and would pass the chairing of this item to Cr Brown.

MINUTES

The minutes of the meeting held on 20 April 2016, having been circulated, were adopted on the motion of Crs Scott and Croot.

**Moved
Matters arising from minutes**

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2016/0796 **Pomahaka River and Taieri River Morphology and Riparian Management Strategy.** DEHS 20/5/16

The report describes the morphology and riparian management strategies developed to help protect and enhance the recreational, cultural and ecological values associated with the Pomahaka riverbed and Taieri riverbed and their margins. The development of each strategy is part of the 2015/16 Annual Plan target RW1 - 3:

Cr Scott summarised the report including the strategies, principles, and objectives, community values and financial considerations for sustainable river management on the Taieri and Pomahaka rivers, noting that increased work would mean increased cost for river management activity.

Discussion

A question was raised in regard to Council having a more active role in river management by holding a gravel extraction consent which would be able to be used by the community.

Dr Palmer advised that those were details that ORC needed to work through including the options of either full transfer of the consent to another party, as has been done for the Shotover Delta. In regard to the Leith, ORC hold the consent and the contractor was in effect operating under the ORC's consent in a contractual agreement. Dr Palmer advised that this was a common approach of other regional councils. In the case where there was not a commercial contractor with their own consent, ORC may hold the universal consent and provide for the small number of consents for gravel extraction, from time to time, where appropriate for river management.

A comment was made that the Council's responsibility needed to be clearly defined as to who has the legislative responsibility if anything goes wrong or if consent conditions were not ahead to.

A comment was made that a communication publication needed to be developed with clearly presented information (an example was given of the PC1C documents) explaining the 3 or 4 key points in regard to where the Council and landowner responsibilities and permissions sat, as people don't tend to reference back quickly to a full comprehensive technical report. Mrs Rowe was requested to investigate the development of this type of communication.

Moved Cr Woodhead
Seconded Cr Shepherd

That;

- 1. these reports are received;*
- 2. the Pomahaka River and Taieri River morphology and riparian management strategies are endorsed; and*
- 3. the financial considerations associated with the strategies are noted.*

Motion carried

Item 2

2016/0793

Cardrona River Channel Morphology. DEHS, 20/5/16

The report described the changes in morphology that have occurred since the last comprehensive survey was undertaken in 2007, and places these more recent changes within the context of longer term trends. It fulfils the 2015/16 Annual Plan target.

Dr Palmer advised that this work was an Annual Plan target and would lead into the next strategy plan for the Cardrona River morphology and riparian management.

A question was raised in regard to the work currently being undertaken on setting the minimum flow for the Cardrona River and if there was a timing consideration of those two processes.

Dr Palmer advised that these would be aligned and the intention was not to have duplication, go over known information, or hold multiple meetings, but to deal with all the issues at the same time. He acknowledged the processes were 'separate but related' and a values assessment had already been completed on this catchment. Dr Palmer confirmed that the river management strategy did not rely on the minimum flow work being completed.

Mr McRae confirmed that interface with the community would occur at the same time for minimum flow setting and river morphology. Work has commenced on the Cardrona to look at other ways of managing water in that river. Mr McRae confirmed that the focus was on setting minimum flows on Otago's major rivers first and to have these in the Water Plan.

Moved Cr Deaker
Seconded Cr Woodhead

That;

1. *this report be received and noted; and*
2. *this report is used to inform the Cardrona River morphology and riparian management strategy.*

Motion carried

Item 3
2016/0698

**Technology-based solutions for air quality management:
A Discussion Document. DEHS, 20/5/16**

The report summarised the factors behind the improvement in New Zealand's air quality over the last 10 years and discusses the various options available to assist with the reduction in particulate emissions from solid-fuel burners. This fulfils two targets in the 2015/16 Annual Plan.

Cr Scott summarised the report by Deborah Mills, Environmental Scientist including the considerations to reducing particulate emission, through a wide range technological solutions, such as ULEBs for domestic heating, residential community heating schemes and secondary controls.

Cr Scott commented that in the reduction of particulate concentrations, that no scheme was likely to succeed in reducing PM₁₀ concentrations to meet NES Air Quality levels within reasonable energy input limits and that the option of the greatest improvement would come through reducing "operator" intervention with domestic burners.

Dr Palmer advised that this work was part of the Annual Plan targets and supported other pieces of work which would inform the air quality management strategy.

Councillors thanked Ms Mills was thanked for a very interesting and thoroughly researched report which offered potential options to inform air quality management strategies.

In response to a question, Ms Mills advised that Canterbury, Nelson and the Bay of Plenty had trials of ULEBS underway and that Otago would review how these trials could contribute to the Otago air quality strategy.

Cr Woodhead commented as had been reported to Council previously that the Ministry for the Environment had signalled the review of the National Environmental Standard for Air Quality and completion was due for July/August with a discussion document from the Crown. He advised once this document was received Council would then be in a position to review how this fits together and perhaps workshop this for Otago.

Mr Bodeker commented that residential community heating schemes would need to be partnered with TAs and sought Council's expectation on

whether initial investigations with the TAs and developers should proceed to seek their interest on what could be done. Councillors encouraged establishing communication with the TAs and on opportunities.

Moved Cr Croot
Seconded Cr Bell

That;

1. *this report be received; and*
2. *this report be used to inform the Otago Air Strategy.*

Motion carried

Item 4
2016/0803

Natural Hazards on the Clutha Delta, Otago DEHS, 25/5/16

The intention of the report is to inform decisions relating to the Clutha Delta between Balclutha and the coast, including how to manage infrastructure that is part of ORC's Lower Clutha Flood Protection and Drainage Scheme. This report includes the 2015/16 Annual Plan target 12: Assess effects and implications of shoreline retreat and sea level rise.

It was commented about the need for communication and presentation of the report to community to be well managed.

Cr Woodhead commented that he thought there was reasonable understanding in the Clutha Delta community of these challenges and that Coastal erosion data had been provided to this community in the past.

Moved Cr Woodhead
Seconded Cr Robertson

That;

1. *this report be received and noted; and*
2. *this report is presented to the Clutha District Council and the Clutha Delta Community.*

Motion carried

Cr Brown chaired item 5, due to the conflict of interest declared by Cr Scott

Item 5
2016/0847

Update on Glendhu Forestry (Plan Change 6A) Water Quality Monitoring Project. DEHS 24/6/16

The objective of the Glendhu catchment study is to measure the effects of a multi-year pine harvesting operation on water clarity, suspended sediment yield, stream sedimentation and potential effects on instream biota. This report meets the 2015/16 annual plan target to provide an update report to ‘summarise the results thus far of forest harvesting in the Glendhu Forest on stream health and water quality’.

Cr Brown advised that this project is a catchment project – one in tussock land and one in forestry and the report outlined the purpose of project to measure sediment load coming off those catchments through the cycle of the forestry project

Dr Palmer advised that this project was part of RWQ implementation programme.

In response to a question raised on set back of trees to the stream, Dr Uytendaal advised that it was a positive of the study to be able to have a good close look at the mitigation efforts that have been put in place, including setback and amongst other factors would be considered.

Moved Cr Shepherd
Seconded Cr Robertson

That;

1. *this report be received and noted; and*
2. *Plan Change 6A mediation parties be updated on progress with the study.*

Motion carried

PART B ITEMS FOR NOTING

Item 4
2016/0809

Director’s Report on Progress. DEHS, 27/5/16

Topics covered in the report are: Leith Flood Protection Scheme, Water of Leith flood forecasting, Green Island sea level, Flood schemes Piping risk investigations, Seismic hazard information, and Modelling to inform minimum flow setting processes.

Dr Palmer advised that the Leith work was moving forward to substantial completion by mid June and there had been some delay due to weather. In regard to the Clutha bioenergetics modelling work, there has been some delay in completing the field work due to the flow situation which would now take the field work into summer, but that this would not affect the setting of the minimum flow.

Dr Palmer advised that the site is owned by NIWA and was going to be closed. DoC administer the island and Council pays for the maintenance of the site, which has value for the South Dunedin and Clutha Delta work.

Moved Cr Deaker
Seconded Cr Croot

That the report is noted.

Motion carried

The meeting closed at 10:30am

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Communications Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 8 June 2016 commencing at 10:46am**

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

Leave of Absence: **Cr Sam Neill**

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.

CONFLICT OF INTEREST

There were no conflicts of interest noted.

MINUTES

The minutes of the meeting held on 20 April 2016, having been circulated, were adopted on the motion of Crs Croot and Bell.

Matters arising from minutes

There were no matters arising from the minutes.

FOR NOTING**Item 1****2016/0810 Stakeholder Engagement Report. DSE, 31/5/16.**

The report provided an update on community, stakeholder and staff engagement activities carried out by Stakeholders Engagement directorate staff between 1 April and 20 May 2016.

Councillors acknowledged the letter sent to watertakers thanking them for their efforts during the recent low flow season, was a good initiative and provided another point of engagement for Council.

A question was raised whether the use of Facebook was reaching more ratepayers than traditional media, such as the ORC publication Waterlines.

Mrs Rowe advised that both media approaches were necessary and that the Waterlines publication was targeted to the rural landholder and Facebook targetted a younger demographic and was more urban. Mrs Rowe confirmed social media was being used to communicate stories such as the wallaby pest problem, clean heat burners and public transport out in different ways and the nature of Facebook allowed increased advertising for a very small cost but that social media and would be supported by traditional media print.

In response to a question Mrs Rowe explained the definition of “reaching” people via Facebook meant that the ORC post had appeared on the facebook user’s newsfeed and acknowledged this would mean that proportionally less people would have read the information. The method of measuring the “reach” was still primitive.

Mrs Rowe confirmed the attendance at the Water Quality meetings had, in the majority, been strong and that the feedback from staff on the response had been positive for the majority of these meetings.

Cr Woodhead advised he represented Council at the Southern Wood Council Forestry Awards 2016 on 20 May at which there were three entrants from Otago. The evening was a professionally run with good coverage from an ORC perspective and provided an opportunity to lift Council profile in regard to the implementation of PC6A.

Mrs Rowe was requested to investigate and report back to Council on the award programmes Council currently supported or had previously supported and any recommendations in regard to recommencing as part of an intergrated and engagement strategy.

A question was raised in regard to the appointment of a staff member for the regional co-ordinator role for EnviroSchools.

Mrs Rowe advised that the recruitment for a regional co-ordinator was underway. This position will be 0.6 EFT based at the Otago Regional Council as the DCC co-ordinator has left the role but that the DCC would provide training support.

Moved Cr Bell
Seconded Cr Deaker

That the report be noted

Motion carried

Item 2
2016/0784

Rural Water Quality Advisory Group – Terms of Reference
DSE, 22/4/16

This item sought Council endorsement of the Terms of Reference for the Rural Water Quality Advisory Group.

Moved Cr Deaker
Seconded Cr Woodhead

That;

- 1. this report be received, and*
- 2. the Terms of Reference for the Rural Water Quality Advisory Group is endorsed.*

Motion carried

Meeting closed 11:03am

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 8 June 2016 commencing at 11:04am

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 Gretchen Robertson
Cr Bryan Scott
Cr Stephen Woodhead

Leave of Absence: **Cr Sam Neill**

In attendance:

Peter Bodeker
Nick Donnelly
Fraser McRae
Scott McLean
Gavin Palmer
Caroline Rowe
Gerard Collings
Lauren McDonald
Gerard Collings
Sharon Bodeker (Items 1 & 2)

Staff from the ORC Building Consultation Group and the Feldspar consultants, Mr Booth and Mr Riley in attendance for Item 3.

CONFIRMATION OF AGENDA

One change was made to the order of items on the agenda to facilitate the two Feldspar consultants in attendance and it was agreed to take Item 3 on the agenda as the first item of business.

CONFLICT OF INTEREST

No conflict of interest was declared

MINUTES

Minutes of the public portion of the meeting held on 20 April 2016, having been circulated, were adopted on the motion of Crs Kelliher and Shepherd

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 2

2016/0841 **Section 17A Local Government Act 2002.** DCS, 23/5/16

The report provided information on the work completed to date to review Council's services and a proposed programme of work to come on Section 17A reviews for the Otago Regional Council.

Cr Shepherd summarised the report and advised that Section 17A reviews by Council had received the Otago Mayoral Forum support.

Cr Woodhead advised that Central Government was encouraging Local Councils to look at more efficient ways of delivering services. He commented that this review could provide significant opportunities for greater collaboration across Councils in the region.

A concern was raised of the 'unintended consequence' of the aggregation of in-house services and the procuring of services exponentially and for Council need to consider the rate paying businesses operating in the region, i.e. considering small business inclusion.

Moved Cr Kelliher
Seconded Cr Deaker

1. *That this report be noted.*
2. *That the proposed programme of work be endorsed.*

Motion carried

Item 3

2016/0851 **ORC Head Office Accommodation – Site Options Evaluation.** DCS,
26/5/2016

This item was taken as Item 1 on the agenda.

The report presented the “Head Office Preliminary Options Report”, being the summary of Council's consultant (Feldspar) review of potential sites for Council's Head Office accommodation in Dunedin. The report sought Council approval to undertake further work on developing more detailed concept designs on one or more sites in order to allow detailed estimates to be prepared for Council consideration.

Areas of concern raised included if enough information was held to commit to a particular site for further investigation work and which sites should be considered as the 'preferred options' going forward from the preliminary options report.

Moved Cr Scott
Seconded Cr Croot

That recommendation 2 be based upon the Dowling Street and Kitchener St sites.

A concern was raised in regard to car parking at the Dowling Street site and the suggestion was made for Council to consider negotiating the purchase of the whole site to allow for greater flexibility on the placement of a building and car parking on the site. It was also suggested for Council to consider a joint venture approach with the DCC for this site.

A request was made to consider the feasibility of development of a heritage building site and another request was made that a site on Dukes Road, Mosgiel also be considered.

An amendment to the motion for recommendation 2 of the report, that the Kitchener/Birch St site be replaced with the 291 Stuart Street site for further investigation.

Moved Cr Deaker
Seconded Cr Eckhoff

That recommendation 2 be for Council to confirm the Stuart Street and Dowling Street sites for development of concept designs

Advantages of the Dowling Street site were noted as having good public accessibility, near to the cycleway and public transport, good ability to manage Council's vehicle access.

Disadvantages noted for the Stuart Street site included accessibility by the public, consideration for the significant number of community organisations and private enterprises already based at the site and budget overrun concerns for development of a heritage site.

Reservations for the Kitchener/Birch St site included its isolation from the CBD and public transport and that the site not suitable for an administrative building.

It was noted that the geotechnical and site information was already held for the Kitchener/Birch St site as the land was already owned by Council.

The amended motion was restated as

That Council replace the Kitchener/Birch St proposal with further investigation of the 291 Stuart Street and 15 Dowling Street sites for development of concept designs

The motion was declared lost

Moved Cr Brown
Seconded Cr Robertson

that Council confirm the Dowling Street site be investigated for the development of concept designs and construction estimates;

A division vote was called and the vote recorded as:

<u>For</u>	<u>Against</u>
Cr Brown	Cr Bell
Cr Deaker	Cr Croot
Cr Eckhoff	Cr Kelliher
Cr Kempton	Cr Scott
Cr Robertson	
Cr Shepherd	
Cr Woodhead	

Vote recorded as 7 for and 4 against.

Motion carried

Cr Woodhead confirmed that once one a preferred site had been confirmed the community consultation would occur.

Moved Cr Woodhead
Seconded Cr Kempton

That:

- 1) *Council confirm its preference to own its Head Office premises and land;*
- 2) *Council confirm the Dowling Street site be investigated for the development of concept designs and construction estimates;*
- 3) *The design criteria for the next stage be brought back to Council for endorsement prior to the engagement of design and engineering services;*
- 4) *The Chief Executive confirm as soon as practicable, for Council endorsement, the commercial terms and conditions of any land acquisition possibly required as a result of recommendation 2 (above) prior to the commencement of any detailed design and further investigation.*

Motion carried

PART B – ITEMS FOR NOTING

Item 4

2016/0848 **2016 Local Government Elections.** DCS, 25/5/16

The report summarised the role of the Electoral Officer, costs, timetable and matters to be considered by Council for the 2016 Local Authority triennial election to be held on 8 October 2016.

Moved Cr Robertson
Seconded Cr Deaker

That;

- a. this report be received;*
- b. that the appointment of Pamela Jordan as the Electoral Officer for the Otago Regional Council be reconfirmed.*
- c. that the names on the voting papers be printed in random order of surname*

Motion carried

Item 5

2016/0829 **Total Mobility – Update and Photo ID.** DCS, 26/5/16

The report provided an update on the Total Mobility Scheme in regard to the work being undertaken to implement the new Photo ID card based electronic system.

Moved Cr Woodhead
Seconded Cr Croot

That the report be received.

Motion carried

Item 6

2016/0849 **Executive report.** DCS, 25/5/16

The report described significant activities carried out by the Finance and Corporate sections since the last meeting of the Committee. This report includes updates on Elected Members' Remuneration, CDEM reporting, irrigation schemes rates updates, public transport update and account payments.

Cr Scott left the meeting at 12:27pm

Moved Cr Croot
Seconded Cr Woodhead

- a) *That this report be received;*
- b) *It is noted that Elected Members' Remuneration has been dealt with by Council at its meeting on 11 May 2016 and no further action is required by this Committee;*
- c) *That a 6 monthly update on Otago CDEM activities be presented to Council;*
- d) *That the payments and investments summarised in the table above and detailed in the payment schedule, totalling \$3,457,758.63, be endorsed.*

Motion carried

Item 7 Minutes of the Audit & Risk Subcommittee.

Recommendations of the public portion of the Audit and Risk Subcommittee meeting held on 24 February 2016, having been circulated, were accepted on the motion of Crs Woodhead and Croot

Motion carried.

Cr Scott returned to meeting at 12:28pm

PART C - EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Kelliher seconded

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

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

	General subjects to be considered	Reason under LGOIMA for passing this resolution	Grounds under S.48 for the passing of this resolution
Item 8	Recommendations of the Minutes of the In Committee portion of the Audit & Risk Committee meeting held on 25 November 2015	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.	S.48(1)(a)(i)

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

Following the discussion of item 8

Cr Croot moved
Cr Shepherd seconded

That the meeting resume in open session

Motion carried

Cr Shepherd adjourned the meeting at 12:30pm and them meeting of the Finance & Corporate Committee resumed at 1:03pm with Item 1

Item 1

2016/0835 **2016/17 Annual Plan - Recommendations from the Hearing Committee.**
DCS, 19/5/16

This report sets out the Hearing Committee's recommendations in respect of the Draft Annual Plan.

Cr Shepherd advised that 184 submissions were received with 33 submissions presented to the Hearing Committee and that the deliberations were held in public. A Consultation Document was distributed to all householders explaining the differences between year two of the Draft Annual Plan and LTP. Cr Shepherd commented that the draft Annual Plan process had received very good feedback and was a credit to staff involved.

Cr Shepherd summarised the key issues included:

Wilding Pines. Submitter response had indicated preference for option 2. The Hearing Committee have recommended option 2 (targeted uniform rate across the region of \$1.07). It was noted in the panel's recommendation that the Wilding Pines issue is a very much a community and land owner issue and their involvement is needed.

Taiari and Lower Clutha flood and drainage schemes - The hearing panel recommended the Castalia recommendation be adopted as consulted on.

Rural Water Quality targeted rate imposed on 2-4 ha properties. The committee did acknowledge the anomalies of this rate with subdivision sizes but on balance believed there were activities commonly undertaken on these properties reflected the targeted rate.

Regional economic development – good support for this reserve funded proposal and the Hearing Panel recommended it stay in the plan.

Regional signs - There was a lot of opposition to regional signs and the Hearing Committee recommended the removal of this proposal from the annual plan.

Harbour matters – The panel considered issues submitted and agreed that some may need to be considered in the future once a Harbourmaster in place, which would provide a conduit for concerns to the Council through this position. The panel noted that harbour matters needed to be given consideration in future plans.

STEDS – The panel recommended proceeding with construction of a new site, despite the continued opposition from CODC in particular in relation to treatment of effluent. The use of the town capacity to dispose of effluent was not seen as having a great impact by the panel.

Discussion:

Mr Donnelly and his staff were thanked for a seamless process and for all the information that was efficiently put in front of panel.

Cr Shepherd advised the HALO project had sought information on applying to the ORC Environmental Enhancement Fund. Mr Bodeker confirmed he is now managing this enquiry by the HALO project.

The HALO project was seen as providing a huge opportunity for wider Dunedin area to leverage off the possum work being done and was an excellent example of community effort.

Cr Woodhead commented that a number of issues and submissions had been received over the years for the harbour and suggested once a Harbourmaster was appointed work needed to be done around the harbour issues to provide clarity for the community of Council's role. The Harbourmaster would provide the community a contact point for Council.

STEDS. A suggestion was made Council look at a user pays option for operators to cover the STED maintenance costs and also consider a regional rating options (as Environment Southland does).

Discussion was held on the challenges to encourage operators to use STEDS in that it was not a legal requirement to hold and dispose of contents of a tank and not currently illegal to spill on the roads. Need to work with other councils and the RTC to advocate for government to change the Transport Act to address stock effluent fouling of the roads.

Moved Cr Woodhead
Seconded Cr Kelliher

1. *That this report be received.*

2. *That the recommendations of the Hearing Committee within this report, and within the summary of submissions be endorsed.*
3. *That it is financially prudent to have an operating deficit in the 2016/17 financial year.*
4. *That the amendments to the Schedule of Fee and Charges be endorsed.*
5. *That the 2016/17 Annual Plan, incorporating the recommendations from the Hearing Committee be placed before the June Council meeting for adoption.*
6. *That the 2016/17 Rates Resolution be placed before the June Council meeting for adoption.*

Motion carried

The meeting closed at 1:50pm

Chairperson

OTAGO REGIONAL COUNCIL

**Minutes of the Regulatory Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 8 June 2016 commencing at 1:53pm**

Present:

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

Leave of Absence: Cr Sam Neill

In attendance:

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

Cr Eckhoff chaired the meeting in Cr Neill's absence.

CONFIRMATION OF AGENDA

There were no changes to the agenda.

CONFLICT OF INTEREST

MINUTES

The minutes of the meeting held on 20 April 2016, having been circulated, were adopted on the motion of Crs Croot and Cr Eckhoff

Motion carried

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2016/081 **Biosecurity and RMA Monitoring Report.** DEMO, 21/5/16

Reporting on water, air, pest, and contaminated site environmental monitoring and incidents for the period 2 April to 20 May 2016.

Mr Bodeker advised that he and MacLean were to meet with the Guardians of Lake Dunstan as follow-up to their Annual Plan submission.

Concern was expressed on the increasing number of wallaby sightings and that resourcing needed to be in place to eradicate this very destructive pest.

Mr MacLean advised that the initial trial, underway with Landcare and Environment Canterbury, which is part funded by Sustainable Farming Fund (SFF), may have limitations on use of a “search and destroy” approach to wallabies during helicopter surveillance of areas. He confirmed that if the infrared technology used during a helicopter fly-over identified wallabies, he would be wanting to follow-up with an armed person in a helicopter to those areas identified.

Mr MacLean stated there had been a couple of reliable sightings in locations where wallabies would not have not been released for hunting, i.e urban. In regard to the question whether these animals had been released or transported intentionally was unknown.

Moved Cr Deaker
Seconded Cr Kelliher

That the report be noted.

Motion carried

Item 2

2016/0742

Consent processing, consent administration and Building Control Authority update.

DPPRM, 24/5/16

Details of consent processing, consent administration and building control authority activity for the period 4 April to 20 May 2016.

A question was raised in regard to Mt Campbell Station Ltd appeal as to a timeline for a decision.

Mrs Weaver advised that mediation was adjourned while the applicants considered their options, and report back to Court was requested for the end of July.

Moved Cr Croot
Seconded Cr Woodhead

That the report be noted.

Motion carried

Item 3
2016/0828

RMA, Biosecurity Act and Building Act Enforcement Activities.
DPPRM, 23/5/16

Details of Resource Management Act 1991, Biosecurity Act 1993 and Building Act 2004 enforcement activities undertaken by the Otago Regional Council for the period 2 April to 20 May 2016.

Moved Cr Croot
Seconded Cr Shepherd

That this report be noted.

Motion carried

Item 4
2016/084

Progress Report on Implementation of RPW Water Quantity (Plan Change 1C). DPPRM, 24/5/16

This report noted the progress made on implementation of the Regional Plan Water Quantity policies and the promotion of the requirement for deemed permit replacement.

A request was made for an update on progress of collaboration of individual permit holders into groups.

Mr McRae advised a high level of work was underway to assist individuals work together as a group and that there has been a good level of enquiry around group formation. He confirmed that there has been good response to material provided, including relating to form and function of groups.

Moved Cr Woodhead

Seconded Cr Scott

That the report be noted.

Motion carried

Item 5
2016/0855

Appointment of Hearing Commissioners to June 2016
DPPRM, 26/5/16

The report detailed the appointments made in this reporting period to June 2016.

Cr Croot confirmed that the appointment of independent commissioners was completed by electronic meeting for a joint hearing with CODC

Moved Cr Croot
Seconded Cr Woodhead

That the report be noted.

Motion carried

Meeting closed at 2:16pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 8 June 2016 commencing at 2:18pm**

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 Bryan Scott
Cr David Shepherd
Cr Stephen Woodhead

Leave of Absence: **Cr Sam Neill**

In attendance:

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

CONFIRMATION OF AGENDA

There were no changes to the agenda.

CONFLICT OF INTEREST

There were no conflicts of interest noted

MINUTES

The minutes of the meeting held on 20 April 2016, having been circulated, were adopted on the motion of Crs Bell/ Croot with one correction being removal of the comment on the attendance of Councillors to the University of Third Age meetings, as the comment was incorrectly noted.

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.

The report was taken as read.

Moved Cr Shepherd
Seconded Cr Eckhoff

That the report be noted.

Motion carried

Meeting closed at 2:21pm

Chairperson