

Finance and Corporate Committee - 12 September 2018 Attachments

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Minutes of a meeting of the Finance and Corporate Committee
held in the ORC Council Chambers at Philip Laing House, Dunedin
on Thursday 2 August, commencing at 10:58 am

Membership

Cr Doug Brown	<i>(Chairperson)</i>
Cr Andrew Noone	<i>(Deputy Chairperson)</i>
Cr Graeme Bell	
Cr Michael Deaker	
Cr Carmen Hope	
Cr Trevor Kempton	
Cr Michael Laws	
Cr Ella Lawton	
Cr Sam Neill	
Cr Gretchen Robertson	
Cr Bryan Scott	
Cr Stephen Woodhead	

Welcome

Cr Brown welcomed Councillors, staff, members of the public, Port Otago Ltd Chairman, Chief Executive and Chief Financial Officer to the meeting.

1. APOLOGIES

The apologies of Crs Laws and Neill were noted.

2. LEAVE OF ABSENCE

No Leave of Absence was advised.

3. ATTENDANCE

Sarah Gardner	<i>(Chief Executive)</i>
Nick Donnelly	<i>(Director Corporate Services)</i>
Tanya Winter	<i>(Director Policy, Planning & Resource Management)</i>
Michelle Poole	<i>(Acting Director Stakeholder Engagement)</i>
Gavin Palmer	<i>(Director Engineering, Hazards & Science)</i>
Scott MacLean	<i>(Director Environmental Monitoring & Operations)</i>
Sally Giddens	<i>(Director People & Safety)</i>
Ian McCabe	<i>(Executive Officer)</i>
Lauren McDonald	<i>(Committee Secretary)</i>
Eleanor Ross	<i>(Strategic Communications Manager)</i>
Stuart Lanham	<i>(Finance Manager)</i>
Gerard Collings	<i>(Support Services Manager)</i>

4. CONFIRMATION OF AGENDA

The agenda was confirmed as tabled.

5. CONFLICT OF INTEREST

No conflicts of interest were advised.

6. PUBLIC FORUM

No public forum was held.

7. PRESENTATIONS

Mr David Faulkner (Chairman), Mr Kevin Winders (CEO), Mr Stephen Connolly (CFO) in attendance.

Mr Faulkner summarised the Statement of Corporate Intent and highlighted the dredging work in the shipping channel, ongoing land development through Chalmers Properties Ltd and health and safety focus on critical risks. He responded to questions from councillors.

Resolution

That the attached Draft Statement of Corporate Intent for Port Otago Limited and its subsidiaries and associates for the three years to 30 June 2021 be endorsed.

Moved: Cr Woodhead
Seconded: Cr Noone
CARRIED

8. CONFIRMATION OF MINUTES

Resolution

That the minutes of the (public portion of the) meeting held on 13 June 2018 be received and confirmed as a true and accurate record.

Moved: Cr Noone
Seconded: Cr Hope
CARRIED

9. ACTIONS (Resolutions of the Finance & Corporate Committee)

Actions were noted as per the action list tabled.

Report No.	Meeting 13/6/18	Resolution	Status as at 2 August 2018
10.1. 2018-2018 Long Term Plan Hearing Committee recommendations		State of the Environment Water Monitoring <i>Amendment - install all three lakes buoys in the next financial year. (Year 1 of the LTP)</i>	Implemented
		Biodiversity & Pests - Predator free Dunedin <i>Approves \$300,000 to Predator Free Dunedin in year 1 LTP funded equally from the environmental enhancement fund and general reserve and that potential funding and funding method for years 2 – 5 is consulted as part of the 2019 Annual Plan.</i>	Implemented
		Lake Dunstan – Lagarosiphon control <i>Consider an additional \$25,000 funding in our next year's LTP</i>	For consideration in the 2019 Annual Plan.
		Regional Leadership - establishment of an Alpine Lakes Technical Advisory Group (TAG) <i>Direct staff to consider and report back to Council benefits and risks on the establishment of an Alpine Lakes Technical Advisory Group (TAG).</i> <i>The Chief Executive is asked to report on establishing a water advisory group with technical expertise.</i>	OPEN Being progressed by Executive Management Team
		<i>Directs Council staff to implement the recommendations in attachment 1 along with any amendments decided at the 13 June 2018 Finance and Corporate meeting to complete the Long-Term Plan for Council approval at its 27 June 2018 meeting</i> <i>Notes that the Council's external auditors will complete the legal requirement of auditing and reporting on the Long-Term Plan 2018-28 based on the recommendations of the 13 June Finance & Corporate Committee meeting</i> <i>Notes that the Council Rates Resolution will be put to the 27 June Council meeting following adoption of the Long-Term Plan 2018-28.</i>	CLOSED. Tabled at Council meeting 27 June 2018
Wanaka Depot leasing proposal		<i>That the motion be left to lie on the table and discuss at next round.</i> <i>That Council considers whether it wishes to financially support community groups such as ALREC either financially or in-kind.</i>	OPEN Report to Finance & Corporate Committee on 12/9/18
Passenger Transport Update		<i>That no further action be taken on the development of a central city bus loop and the DCC be advised of this decision and provided a copy of the attached report.</i>	CLOSED DCC have been advised.
Director's Report Peninsula Bus Service Petition		a) <i>Council grant the ten-minute timetable change 7:47 am bus from Portobello as soon as practicable.</i> b) <i>That Council make a small route adjustment as requested in option B of the petition for the now 7:47 am bus and for the new 3:08 pm bus when implemented.</i> c) <i>That the introduction of 3:08 pm service is investigated further including undertaking negotiations with the operator and seeking NZTA funding approval and do this as soon as practicable.</i> <i>That legal comment is sought on the trip point for significance policy of the RPTP and a report be brought back to the 27 June Council meeting</i>	CLOSED Update on target consultation included in Item 10.2 of the agenda CLOSED Tabled at 27 June 2018 Council meeting.

10. MATTERS FOR COUNCIL DECISION

10.1. Port Otago Ltd - Statement of Corporate Intent

The Draft Statement of Corporate Intent detailed the objectives and the intended activities for the three-year period to 30 June 2021.

The recommendation was moved and resolved at the conclusion of the presentation by Port Otago Ltd, under item 7 of the agenda.

10.2. Passenger Transport Update

This report provides the Finance and Corporate Committee with an update on the required change to the Regional Public Transport Plan (RPTP) for the Peninsula Service and an overview of the performance of both the Dunedin and Wakatipu public transport networks.

The report provided an update on the required change to the Regional Public Transport Plan (RPTP) for the Peninsula Service and an overview of the performance of both the Dunedin and Wakatipu public transport networks. Mr Collings, Manager Support Services in attendance.

Mr Donnelly responded to a question in regard to completion of an independent safety assessment of the scheduled service. He advised an assessment was not being completed or consulted on as part of the route change to the Peninsula service.

Resolution

That a safety assessment is commissioned specifically to the journey of users going to Tahuna Intermediate and consultation documents include a summary of this assessment.

Moved: Cr Kempton
Seconded: Cr Deaker

Discussion held on Council's responsibility for health & safety in regard to routes and the pedestrian journey from bus stops to destination. It was advised that Council was not responsible for a passenger's safety once departed from the bus (as detailed in the Act). It was also confirmed that Council had undertaken an audit of all bus stops in the network in 2016.

Motion lost (Cr Noone abstained from voting).

Cr Scott left the room at 11:56am

Queenstown and Dunedin services

Mr Collings advised good patronage growth continued and confirmed a report on the review of the Wakatipu Basin services was intended to be brought to the September committee round.

Resolution

That this report be received.

Moved: Cr Brown
Seconded: Cr Noone
CARRIED

10.3. Insurance Renewal

The report provided the finalised renewal of Council's insurance cover, with an overall premium increase of 8%. Mr Collings, Manager Support Services in attendance.

Mr Donnelly advised that the Insurance Renewal report was presented to the Audit and Risk Subcommittee on 20 June 2018. He confirmed the insurance cover was in place for the current financial year and the premium increase was as expected.

Resolution

That this report be noted

Moved: Cr Woodhead
Seconded: Cr Hope
CARRIED

10.4. Director's Report

The report detailed the significant financial and corporate activity and presented account payments to the Committee for endorsement.

Resolution

- a) *That this report is received.*
- b) *That the payments summarised in the table above and detailed in the payments schedule, totalling \$16,055,486.11 be endorsed.*

Moved: Cr Noone
Seconded: Cr Lawton
CARRIED

11. MATTERS FOR NOTING

11.1. Financial Report to 31 May 2018

The report provided a summary of the Council's financial performance compared to budget for the eleven months ended 31 May 2018, and a summary of the financial position as at that date.

Resolution

That this report is received.

Moved: Cr Kempton
Seconded: Cr Noone
CARRIED

11.2. Council Meeting and Workshop Schedules

The report detailed the changes to scheduling for council meetings, committees, and workshops to test options for better utilising councillor and staff time and engagement.

Cr Hope left the room at 12:05 pm and returned 12:07 pm.

Councillors supported the opportunity for good discussion and understanding of the details on matters in advance of presentation as a formal agenda item.

Resolution

That Council:

- 1) **Receive** this report.
- 2) **Note** changes to the scheduling of this committee round and subsequent council meeting are testing options for better and more efficiently utilising councillor staff time and engagement.
- 3) **Provide** feedback to the Chief Executive on the effectiveness or otherwise of the changes to scheduling for this round and on potential further changes and/or improvements for future rounds.

Moved: Cr Noone
Seconded: Cr Robertson
CARRIED

12. NOTICES OF MOTION

No Notices of Motion were advised.

13. RECOMMENDATIONS OF MEETINGS

13.1. Recommendations of the public portion of the Audit and Risk Subcommittee - 20 June 2018

Resolution

That the recommendations of the public portion of the Audit and Risk Subcommittee meeting held on 20 June 2018, for adoption.

Moved: Cr Noone
Seconded: Cr Robertson
CARRIED

14. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution

That the public be excluded from the following parts of the proceedings of this meeting, namely:

Recommendations of the public excluded Audit & Risk Subcommittee meeting held on 20 June 2018.

Moved: Cr Brown
Seconded: Cr Noone
CARRIED

The meeting resumed in public session on the motion of Crs Brown and Hope.

15. CLOSURE

The meeting was declared closed at 12:10 pm.

Chairperson

Appendix 1 - Dunedin Public Transport Report

July 2018

Dunedin fare revenue and patronage continues to rise compared to the previous year. July shows a decrease in revenue and patronage compared to June, which reflects previous year's seasonal trends. Fare Revenue from 2018 to date shows revenue is up by 10% as we reach the middle of the year. Patronage to date is also showing an 11% increase compared to the same time last year.

Fare Revenue July 2018

\$450,207

▲ 8% vs 2017

2018 Fare Revenue to date

\$3,285,790

▲ 10% vs 2017

Patronage July 2018

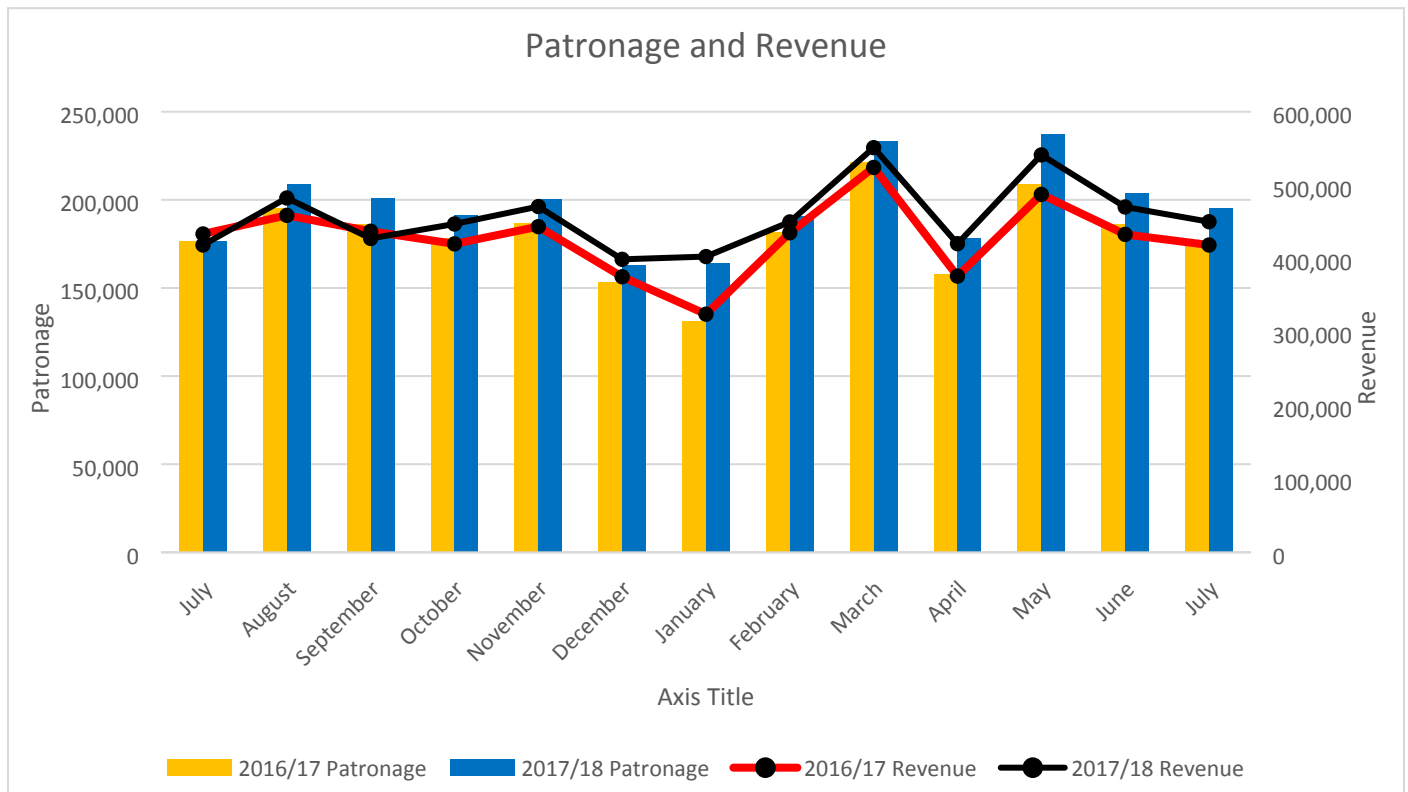
195,191

▲ 11% vs 2017

2018 Patronage to date

1,403,004

▲ 11% vs 2017



The graph above shows revenue and patronage for the 2017/2018 compared to the previous year 2016/2017. We can clearly see that seasonality is reflected in the figures, whilst 2018 data continues to outperform 2017, tracking at a premium of around 10-11%.

Unit 1 <ul style="list-style-type: none"> Balaclava Logan Park Concord Port Chalmers Northern services Peninsula 	Unit 2 <ul style="list-style-type: none"> St Clair Normanby Corstorphine Wakari St Clair Park Helensburgh 	Dunedin Transitional Services <ul style="list-style-type: none"> Pine Hill Lookout Point Shiel Hill Opoho Ridge Runner 	Unit 4 <ul style="list-style-type: none"> Brockville/Half. Bush/St Kilda Waverley Ocean Grove Ross Creek Belleknowes Kenmure 	Unit 5 <ul style="list-style-type: none"> Mosgiel Mosgiel Loop Abbotsford
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Unit 1 Revenue July 2018
\$77,196
 Unit 1 Patronage
30,333

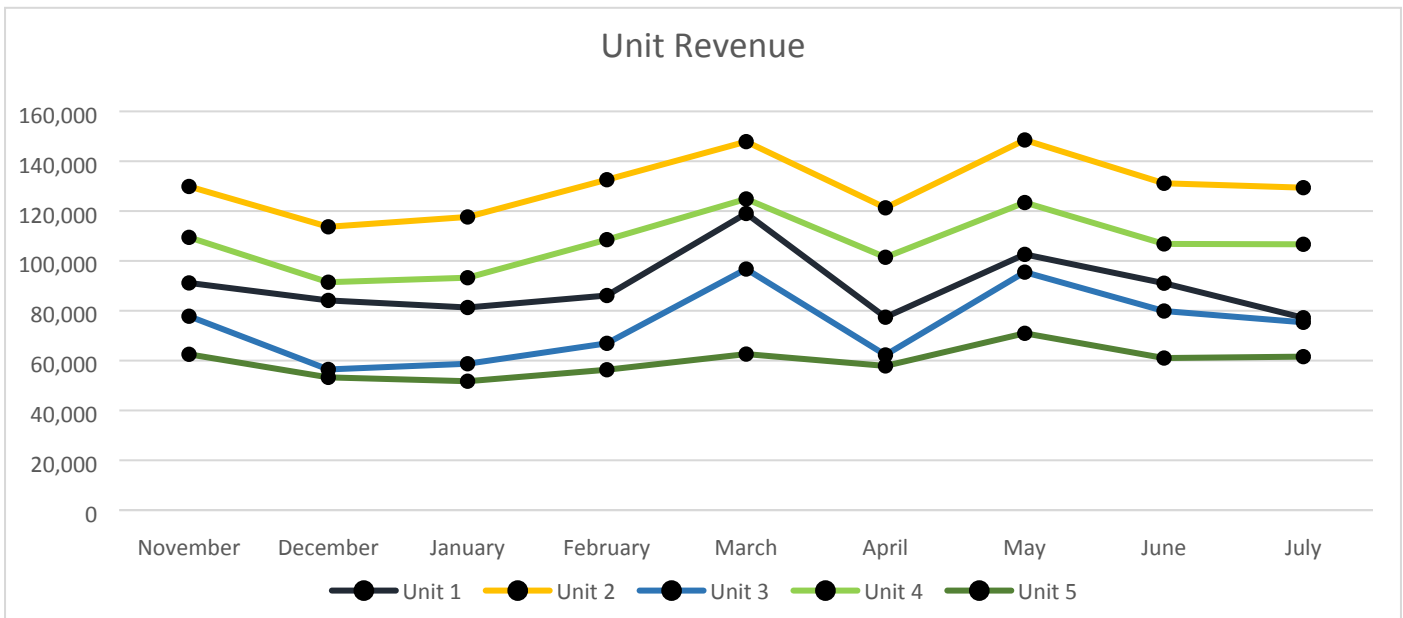
Unit 2 Revenue July 2018
\$129,389
 Unit 2 Patronage
60,048

Transitional Services July 2018 Revenue
\$75,361
 Unit 3 Patronage
35,697

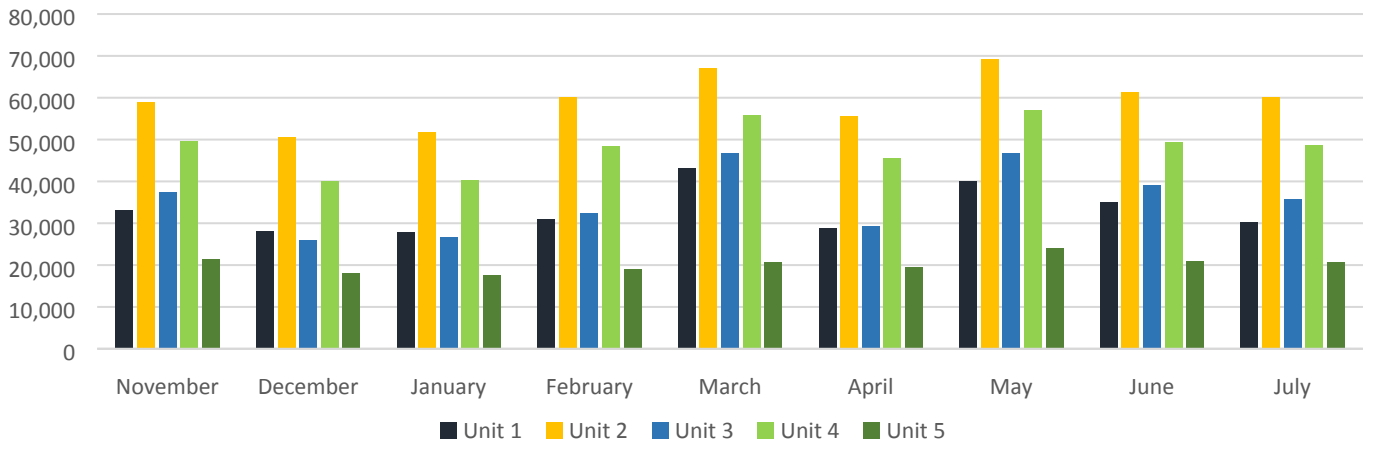
Unit 4 Revenue July 2018
\$106,668
 Unit 4 Patronage
48,526

Unit 5 Revenue July 2018
\$61,587
 Unit 5 Patronage
20,584

Unit revenue and patronage continues track steadily, again following seasonal trends.



Unit Patronage



Appendix 2 - Queenstown Public Transport

July 2018

Queenstown fare revenue and patronage continues to rise compared to the previous year. July shows a slight increase in revenue and patronage compared to the previous month. Fare Revenue from 2018 to date shows revenue is up by 5% as we reach the middle of the year, continuing to outperform projections. Patronage to date is also showing a 157% increase compared to the same time last year. July patronage is a high point for the network, being 167% higher than July 2017, with an additional 14,500 trips compared to June 2018.

Fare Revenue July 2018

\$282,332

▲ 3% vs 2017

2018 Fare Revenue to date

\$1,854,477

▲ 5% vs 2017

Patronage July 2018

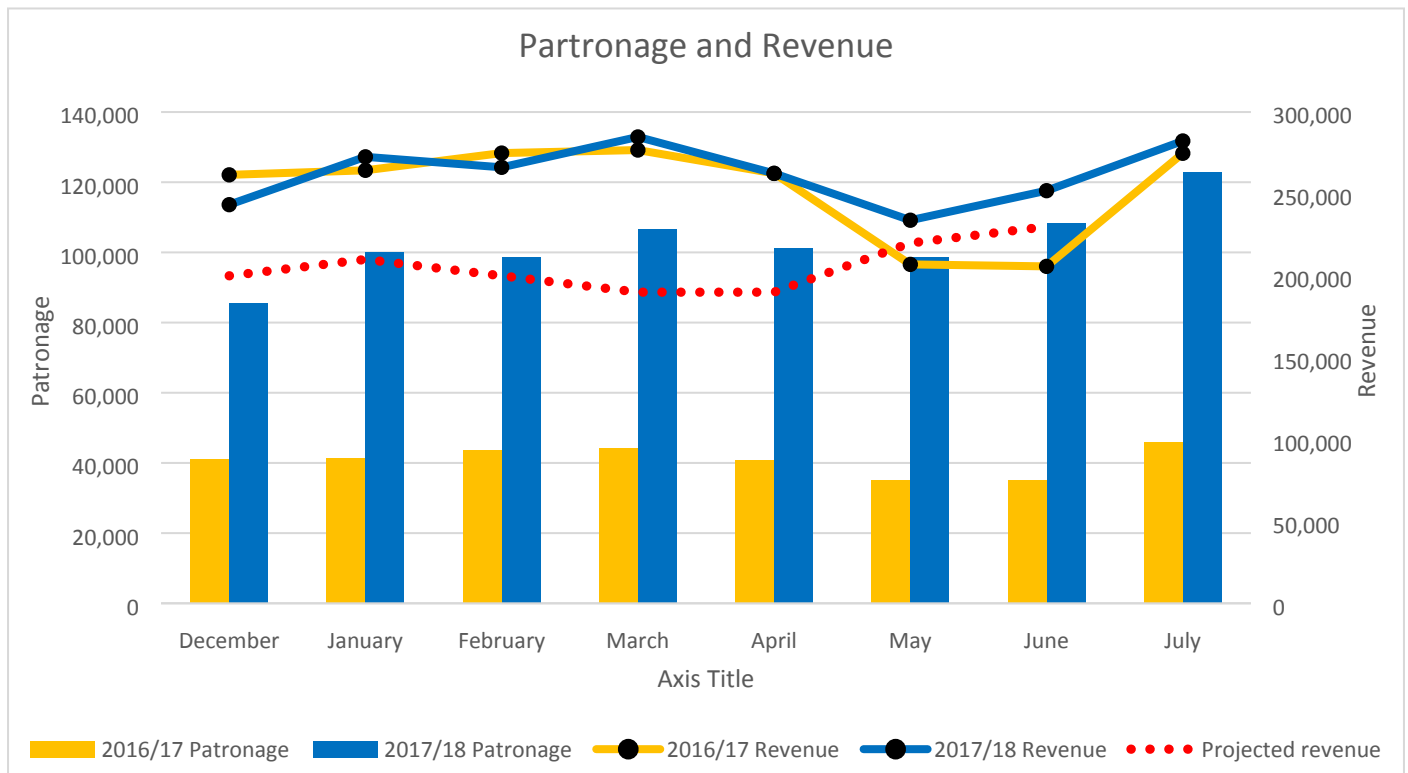
122,774

▲ 167% vs 2017

2018 Patronage to date

736,369

▲ 157% vs 2017



The graph above shows revenue and patronage for 2017/2018 compared to the previous year 2016/2017.

Unit 6

- Fernhill – Remarkables Park
- Lake Hayes – Jacks Point

Unit 7

- Arthurs Point – Arrowtown
- Kelvin Heights – Frankton Flats

Unit 6 Revenue July 2018

\$223,021

Unit 6 Patronage

95,953

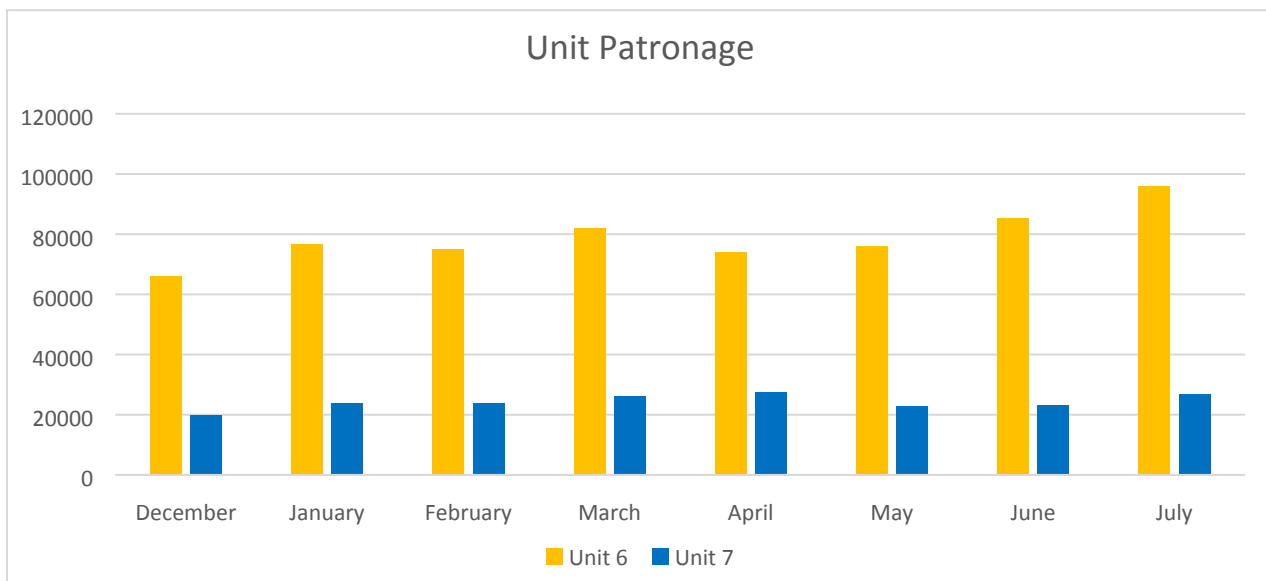
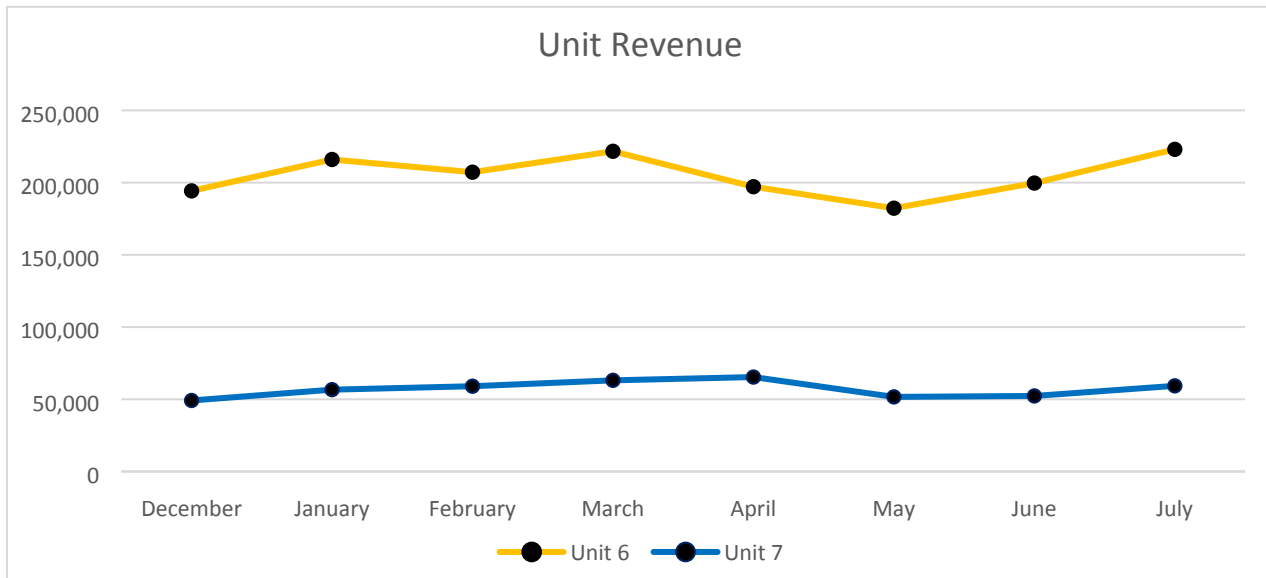
Unit 7 Revenue July 2018

\$59,296

Unit 7 Patronage

26,815

Unit revenue and patronage for Queenstown Unit 7 continues track evenly with very slight increases and decreases since December 2017. Unit 6 remains higher for both revenue and patronage, with July data exceeding the peaks that were reported in the previous report for March and June.



Public Transport Satisfaction Survey Dunedin

Survey taken from 1 July - 5 July 2018

Overall satisfaction

93 %

The overall level of satisfaction with the Dunedin public transport system has increased from 2017.

▲ Increase from 87 % in 2017



Participants

31 %

 aged 65+

31% of participants were over the age of 65 years followed by 20% in the 18-24 age group.



31 %

 supergold cardholders

31% of participants were supergold card holders.



28 %

 travelling to work

28% of participants used the bus to get to work. 22% used the bus for shopping and 10% used the bus to visit family or friends.



87 %

 would recommend using bus

87% of participants would likely or very likely recommend public transport to friends or colleagues



28 %

 use the bus for 2 - 4 trips per week

28% of participants use the bus 2-4 trips per week. 28% use the bus 2 or more trips per day. 23% use the bus 5 or more trips per week. 20% use the bus 1 or less trips per week.



Passenger satisfaction

94 % exterior of the bus
▲ Increase from 80 % in 2017

96 % interior of the bus
▲ Increase from 84 % in 2017

87 % bus is on time
▲ Increase from 69 % in 2017

90 % how often the services run
▲ Increase from 70 % in 2017

88 % value for money of fare
▲ Increase from 71 % in 2017

98 % having enough seats available
▲ Increase from 92 % in 2017

92 % ease of getting on and off the bus
▶ No increase from 92 % in 2017

92 % comfort of inside temperature
▶ No increase from 92 % in 2017

95 % helpfulness and attitude of driver
▲ Increase from 93 % in 2017

97 % personal security during trip
▲ Increase from 96 % in 2017

98 % satisfaction with current trip
▲ Increase from 93 % in 2017

76 % information about services and delays
▲ Increase from 54 % in 2017

96 % travel time
▲ Increase from 83 % in 2017

88 % convenience of paying
▲ Increase from 75 % in 2017

92 % ease of getting route information
▲ Increase from 73 % in 2017

Public Transport Satisfaction Survey Wakatipu

Survey taken from 18 - 21 August 2018

Overall satisfaction

95 %

The overall level of satisfaction with the Wakatipu public transport system is 95%



Participants

42 % 25-34 years

42% of participants were aged between 25-34 years followed by 35% in the 18-24 age group.



94 % not supergold card users

94% of participants were not using a supergold card.



58 % travelling to work

58% of participants used the bus to travel to work, followed by 19% travelling to a place of study.



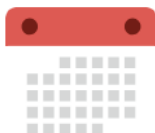
92 % would recommend using bus

92% of participants would likely or very likely recommend public transport to friends or colleagues



40 % use the bus for two or more trips a day

40% of participants use the bus for two or more trips a day followed by 24% of participants using the bus five or more times per week.



Passenger satisfaction

95 % exterior of the bus

95 % interior of the bus

85 % bus is on time

78 % how often the services run

96 % value for money of fare

99 % having enough seats available

99 % ease of getting on and off the bus

97 % comfort of inside temperature

92 % helpfulness and attitude of driver

95 % personal security during trip

98 % satisfaction with current trip

71 % information about services and delays

94 % travel time

92 % convenience of paying





95 % ease of getting route information

12 Month Review to 30 June 2018

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Key

	Target is being achieved, either to date, or in total.
	Target progress is marginal, or target partially achieved.
	Target has not been achieved.
	Target not due to commence until a later date

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EXECUTIVE SUMMARY

Introduction

This document provides a summary of the results achieved across all Council activity for the financial year 1 July 2017 to 30 June 2018. It also includes details of how those activities performed against budgets.

Activity Achievement - Environment

Water

Activities undertaken include ongoing monitoring of water quality, commencement of desk top assessments and a pilot project for rural water quality environmental risk assessment work. Work is ongoing with industry groups, farmers, and other working groups to promote rural water quality.

An Urban Water Quality Strategy was adopted by Council, and a review of plan provisions on stormwater and wastewater discharges is in progress. This will be included in a full review of the Water Plan.

An accelerated programme of work to progress the establishment of minimum, groundwater and environmental flows, involving monitoring, science and policy work has continued during the period. Analysis work, including hydrological and ecological assessments, is progressing well for a number of catchments. Work is continuing on the remaining Environment Court hearing processes for the Lindis River minimum flow appeal. Minimum flow setting for the priority catchments of the Manuherikia River, the Upper Cardrona River and the Arrow River have been combined into one plan change. Technical studies including economic and social impact assessments are in progress for this plan change.

Forty groups of water users who are looking to replace their mining privileges have had one meeting with ORC staff with a number of those groups holding a second meeting and, in some cases, a third round of meetings has commenced.

Air

Air quality monitoring was undertaken on the following sites:

- Alexandra
- Arrowtown
- Balclutha
- Clyde
- Cromwell
- Dunedin
- Milton
- Mosgiel

All sites, excluding Dunedin, monitored over the 2017 winter months did not comply with the National Environmental Standard air quality standards.

A new air quality strategy was adopted by Council in June 2018, after community consultation. It lays out the foundation for ORC's future air quality programme. A detailed implementation plan is under preparation.

Land

Work continued on monitoring compliance with the Pest Management Plan provisions for pest plants and animals and responding to 154 pest complaints received. Where non-compliance was found, follow up action was undertaken.

An educational campaign is being developed for rabbit management. A Biodiversity Strategy was adopted by Council in June 2018 and an implementation plan is being developed.

Two applications to the Environmental Enhancement Fund were approved, and five further applications have been received. This fund is being reviewed and the applications will be considered once the process and criteria have been amended and endorsed by Council.

River Management

Inspection of rivers has been completed to schedule, with blockages investigated and actioned appropriately.

In the Dart/Rees delta areas, Council investigated residents' concerns related to bank erosion affecting the Glenorchy-Kinloch Road. A new three-year plan to investigate, manage and adapt to the natural hazards posed by the Rees and Dart Rivers will start in July 2018. This will also include small scale and short-term bank protection work to be undertaken by the Council.

River Morphology and Riparian Management Plans (RMRMP) have been completed for the Shag River and Waianakarua River. The implementation of the RMRMP for the Kakanui, Pomahaka and Strath Taieri is on-going.

Environmental Incident Response

During the period, council received 1913 incident complaints, and all were responded to within the required time frames. Work with the territorial authorities is continuing on a contaminated sites database.

Activity Achievement - Community

Council's statutory timeframes and requirements for a Long Term Plan and Annual Report were met. The Long Term Plan 2018-28 and 2016/17 Annual Reports were approved during the 2017/18 financial year. Importantly, legislative timeframes and requirements relating to Council elected member meetings and meeting agenda were met.

Liaison between Council leadership and iwi representatives occurred through the year. In addition to the iwi meetings, three Te Roopu Taiao meetings have been held, including:

- Waitangi Day celebrations held at Te Rau Aroha Marae; followed by,
- A joint Otago/Southland Te Roopu Taiao in Invercargill
- A recent mana to mana meeting.

The Council met its funding commitments in relation to the Otago Rescue Helicopter Trust with contributions provided during the 2017/18 financial year.

Activity Achievement - Regulatory

The Council has progressed towards making the agreed Regional Policy Statement sections operative, anticipating that the issues that have gone to Environment Court hearing may be the subject of further appeals. All but two appeal topics on the Regional Policy Statement have been resolved out of court

(e.g. mediation). The Court is yet to release its decisions on these two matters and has not indicated when it might do this.

552 resource consent applications were received during 2017/18. Compliance monitoring for performance monitoring shows that 8092 performance monitoring returns were assessed (2016/17: 5,336 returns; 2015/16: 4,086 returns; 2014/15: 3,616 returns). The level of returns is high due to significant work being completed in respect of water metering returns. Consent audits show an 94% compliance rate. Enforcement work is being undertaken as necessary. One building consent application for an irrigation dam was received in 2017-18 and the bi-annual IANZ audit on Council's Building Consent Authority was undertaken.

A new harbour master commenced work during the period. Drafting of harbour bylaws was completed, and preparation for consultation on the bylaws completed.

Activity Achievement - Flood protection and control works

The flood and drainage schemes performed as designed during the period. Damage from the July flood event was identified, and repairs were prioritised in the catchment and progressed. Construction of the Union to Leith footbridge (ITS bend) stage of the Leith Flood Protection Scheme was progressed.

Activity Achievement - Safety and hazards

Work continues on planning and being ready in the emergency management activity. Otago now has five nominated Group Controllers in place.

The warning system and dissemination of information during heavy rainfall events, including the major July 2017 flood event being the second highest flow recorded in the Taieri River at Outram, operated effectively. Information was provided effectively through the Waterinfo website, text alarms, ring lists and media releases.

Work on natural hazards continued, including work on the South Dunedin Future programme, and working with Queenstown Lakes District Council on a flood awareness campaign in Queenstown and Wanaka. In addition, work also include consideration of the Roxburgh debris flows.

A comprehensive review of information displayed in the Otago Regional Council Natural Hazards Database and supporting information has been completed. Areas identified as needing attention have now being worked on and updates on the database will continue as required.

Investigations on the causes, severity and effects of the November 2017 Roxburgh debris flow and possible mitigation options have started in response to the event and will continue in the next financial year.

Activity Achievement - Transport

Dunedin network improvements to bus services were implemented during September 2017. Wakatipu network tender and contract negotiations were undertaken, and services commenced in November 2017. Since these changes both Dunedin and Wakatipu are performing ahead of the same period last year.

Systems design and development is underway for the ticketing system replacement scheduled for 2018. Construction contract tender has been received for the Dunedin bus hub with costs exceeding the budget allocation. Council have approved its share of the cost increase, at year end seeking NZTA

approval for its component of cost which has subsequently been approved. The project is now on track for completion of construction component late November 2018.

Financial Achievement

Actual and budgeted costs and their revenue sources are shown below:

Actual and Budget Cost

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Water	9,031	9,848	(818)
Air	463	423	41
Land	3,769	4,113	(345)
River management	1,689	1,889	(200)
Enviro. incident	1,639	1,411	228
Community	4,677	5,024	(346)
Regulatory	4,010	3,684	326
Flood protection	8,843	7,382	1,461
Safety & hazards	4,213	3,741	473
Transport	22,813	25,183	(2,370)
Total costs	61,147	62,699	(1,552)

Variances in actual versus estimated expenditure are discussed within each section of this report.

Actual and Budget Revenue

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Total costs	61,147	62,699	(1,552)
Funded by:			
General rates *	20,004	17,549	2,455
Targeted rates / scheme reserves	19,453	19,098	354
Fees and charges	1,907	3,215	(1,308)
Infringement fines	192	510	(318)
Grants	10,748	11,926	(1,177)
Other income	7,220	7,718	(498)
Internal charges	220	315	(95)
General reserves	42	164	(122)
Other reserve	1,362	2,204	(843)
Total revenue	61,147	62,699	(1,552)

*before applying dividends and interest income to reduce the general rate requirement.

Financial comments:

Total expenditure was \$61.147 million compared to the \$62.699 million budgeted, an underspend of \$1.552 million.

Further explanation of the expenditure by activity and variances to budget is provided below:

Water

This activity is underspent by \$818,000 made up as follows:

- Regional Plan: Water is underspent by \$522,000. Commencement of some plan changes has been reliant on the adoption of the Urban Water Quality Strategy which was delayed while other work was completed. Work on the Lower Waitaki Aquifer plan change is not confirmed. Other water related work including the risk management methodology contract and next urban water forum was delayed.
- Water quality and quantity state of the environment was overspent by \$413,000. This was largely due to additional staff time spent on the review of the NIWA SOE review.
- Rural water quality is underspent by \$1,020,000. Delays in this activity have occurred due in part to the flood event in July impacting on dairy inspection work. In addition, a review of the way the environmental risk assessments are being delivered needed to be undertaken before work could start. That work is progressing with the Shag River pilot project initiated and approximately 70% of the 206 properties greater than 10 hectares in size completed. Desktop assessment of the properties sized between 2 and 10 hectares continued with 4,033 properties assessed.
- Deemed permit work is underspent by \$212,000. Targets are being met however this activity is required less resource than budgeted.
- Coastal strategy activity is underspent by \$296,000. The priority of this activity was reconsidered as part of the 2018-28 Long Term Plan planning process, and as a result, it is proposed that preparation of a strategy be undertaken in later years.
- Minimum flows and allocation limits is overspent by \$974,000 due to an acceleration of the work programme which meant required expenditure has been higher than was anticipated at the time of budgeting, particularly for Science and Operations. Additional inputs for Cardrona and Arrow have been required to update work following reviews. For the Manuherikia, science inputs were required for briefings which have been higher than anticipated. The Lindis minimum flow is going to an Environment Court hearing and time across departments has increased in order to prepare for this.

Land

This activity is underspent by \$345,000 made up as follows:

- Pest management strategy implementation is underspent by \$232,000. This relates to vacancies earlier in the year and staff time being prioritised to the development of the Regional Pest Management Plan and the release of the K5 rabbit virus.
- Control of pests is overspent by \$225,000 due to the release of the K5 rabbit virus.
- Regional services contracting is underspent by \$291,000. Less rabbit contracts were undertaken than budgeted for in the contracting project, which has resulted in less expenditure and less fees and charges being received.
- Environmental enhancement is underspent by \$119,000. The environmental enhancement fund was reviewed and relaunched as the Eco Fund. While this review was undertaken applications were on hold and the fund was \$147,000 under allocated for the year. Other activity including investigation work around Lake Hayes was slightly over budget.

River Management

This activity is underspent by \$200,000 largely due to Dunedin river management which was underspent by \$225,000. Investigations on Lindsay Creek (erosion hazard) and on the Waitati River (flood and erosion hazards) have been deferred to next financial year due to commitment to other projects not initially included in the budget and to responses to large events i.e. July 2017 flood and November 2017 Roxburgh debris

Environmental Incidents

This activity is overspent by \$228,000 made up as follows:

- Incident response was overspent by \$325,000 due to the higher number of reported incidents being received by council. The 1,913 complaints received was significantly higher than the annual average of 1,350.
- Enforcement activity was \$110,00 under budget. Council undertook 6 prosecutions, issued 26 infringements and 12 abatement notices.

Community

This activity is underspent by \$346,000 made up as follows:

- Public information and awareness was overspent by \$123,000 due to increased consents public enquiry \$98,000 and additional Enviroschools expenditure of \$21,000.
- The Dunedin head office replacement project was underspent by \$602,000 as the preferred site was not yet been secured and therefore further detailed design work wasn't undertaken.

Regulatory

This activity is overspent by \$326,000 made up as follows:

- Regional Policy Statement was overspent by \$561,000 due to two appeals received which resulted in additional staff time, legal and expert costs.
- Consents processing was underspent by \$344,000. This activity is demand driven activity and fewer applications were received than budgeted for.
- Compliance monitoring was underspent by \$281,000 due to delays in filling vacancies and staff being diverted to attend the significant increase in incidents reported to Council.
- The contracting out of harbour master services in the first half of the financial year and the navigational bylaws review has resulted in an overspend in harbour management of \$389,000.

Flood and drainage schemes

This activity is overspent by \$1,461,000 made up as follows:

- The Leith flood protection scheme was overspent by \$1,449,000. This was largely due to the timing of the works undertaken. The actual expenditure related to the Union to Leith footbridge stage of the scheme whereas the budget reflects the cost for the Dundas Street works. The Union to Leith works were planned for the 2016/17 financial year but carried over into the 2017/18 year due to delays caused by flood events and the discovery of buried asbestos that required removal. The Dundas Street section has been deferred to 2018/19.
- The overspends in relation to Lower Taieri flood \$283,000, East Taieri drainage \$12,000 and West Taieri drainage \$320,000 are due to the July 2017 flood response and subsequent repair and maintenance activities.
- The underspend in relation to the Lower Clutha flood and drainage scheme of \$471,000 is predominately timing in relation to Factory Road remedial works.

Safety and Hazards

This activity is overspent by \$473,000 made up as follows:

- Emergency management activity was overspent by \$166,000 which included unbudgeted costs of \$109,000 in relation to the July 2017 flood event.
- Flood risk management is overspent by \$310,000 as the July 2017 flood event and the Roxburgh November 2017 debris flow have resulted in time and resources being spent on flood risk management, and assessment of the events and their effects on rivers and flood protection schemes.

Transport

This activity is underspent by \$2,370,000 made up as follows:

- Public passenger transport activity is underspent by \$2,084,000 mainly due to the replacement electronic ticketing system which is \$2,131,000 underspent. This project was originally budgeted for completion in the 2017/18 year but is still being tested and will now be implemented in late 2018 / early 2019.
- Queenstown bus services were underspent by \$761,000 as the new service was budgeted to commence in October 2017 but was implemented in late November 2017.
- The bus hub project was budgeted in the 2016/17 year with only maintenance costs budgeted in the 2017/18 year. This timing has resulted in an overspend of \$950,000 in the 2017/18 year. The remaining construction budget for the bus hub will be carried forward to 2018/19 and construction is expected to be completed in November 2019.
- Stock truck effluent disposal is underspent by \$272,000 as concerns regarding one of the preferred sites resulted in the tender for construction being awarded for one site, not two as assumed in the budget. Operating costs for STED's were under budget as stock movements reduced due to the mycoplasma bovis disease.

Funding

Of this amount, general rate funded activity was overspent by \$2.455m. This included overspends in minimum flows \$955,000, pest control \$225,000, incidents and enforcement \$596,000, Regional Policy Statement \$561,000, consents and compliance \$336,000, harbour management \$372,000 and flood risk management \$310,000. These overspends were partially offset by underspends in the Regional Plan Water \$522,000, coastal management planning \$286,000 and rural water quality \$442,000.

Targeted rates / scheme reserves were underspent by \$354,000. This is largely due to the timing of the electronic ticketing project which was \$746,000 underspent and rural water quality \$581,000. This was offset by an overspend in Leith flood protection works which includes construction on the Union to Leith footbridge (ITS bend) section of the scheme. This was budgeted in the 2016/17 year but was completed this financial year and overspends in the Taieri flood schemes due to the July 2017 flood.

Fees and charges were under budget \$1.308m including regional services contracted services \$308,000, consent applications and review \$322,000 and compliance monitoring \$544,000.

Grants were \$1,177 under budget due to the timing of transport related activity including the commencement of new contract bus services in Dunedin and Queenstown and the electronic ticketing project.

Other income was \$498,000 under budget due to lower bus fare revenue as the new services in Dunedin and Queenstown commenced later than originally budgeted. Other reserves were \$843,000 underspent. This includes the building reserve underspend of \$602,000.

ENVIRONMENT

Water Quality

Level of service – Maintain or improve water quality		Achieved
Measure:	State of the Environment monitoring.	●
Performance target:	Monitor to assess that water quality that meets thresholds set out in the Regional Plan: Water continues to be met.	
Result:	Monitoring is on-going. A 5-year state and trends report has been prepared and will be presented to Council early in the 2018/19 financial year. The State of the Environment monitoring network was reviewed. Following the Long Term Plan consultation, new sites will be added to the network from the next financial year.	

Water quality thresholds for surface water have been set in Schedule 15 of the Regional Plan: Water.

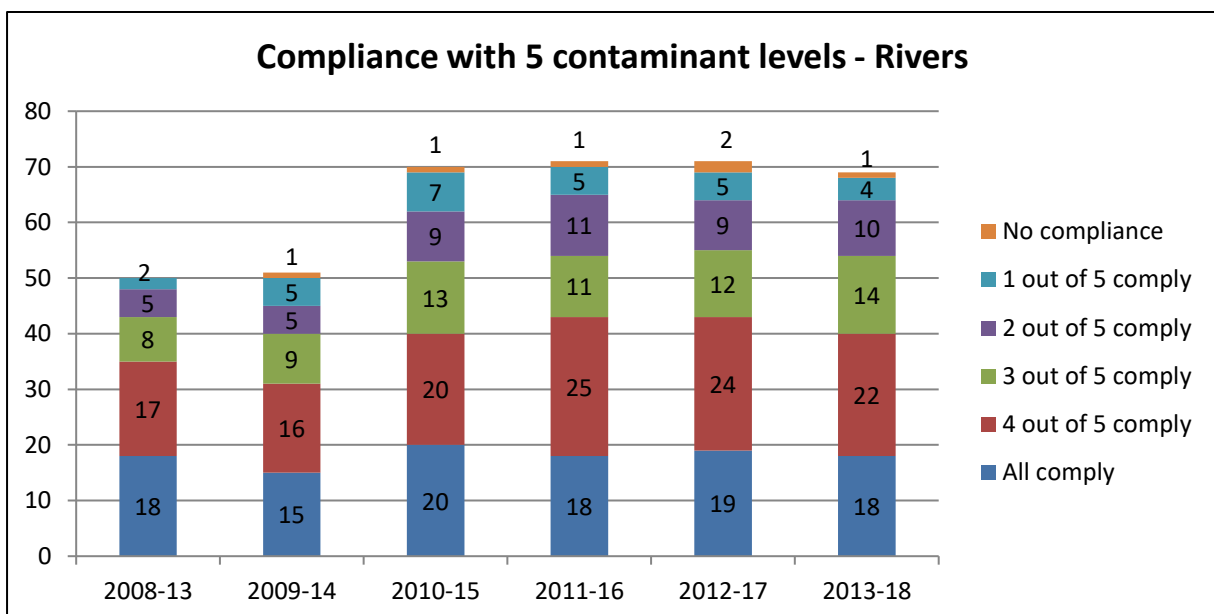
The contaminants measured for rivers are:

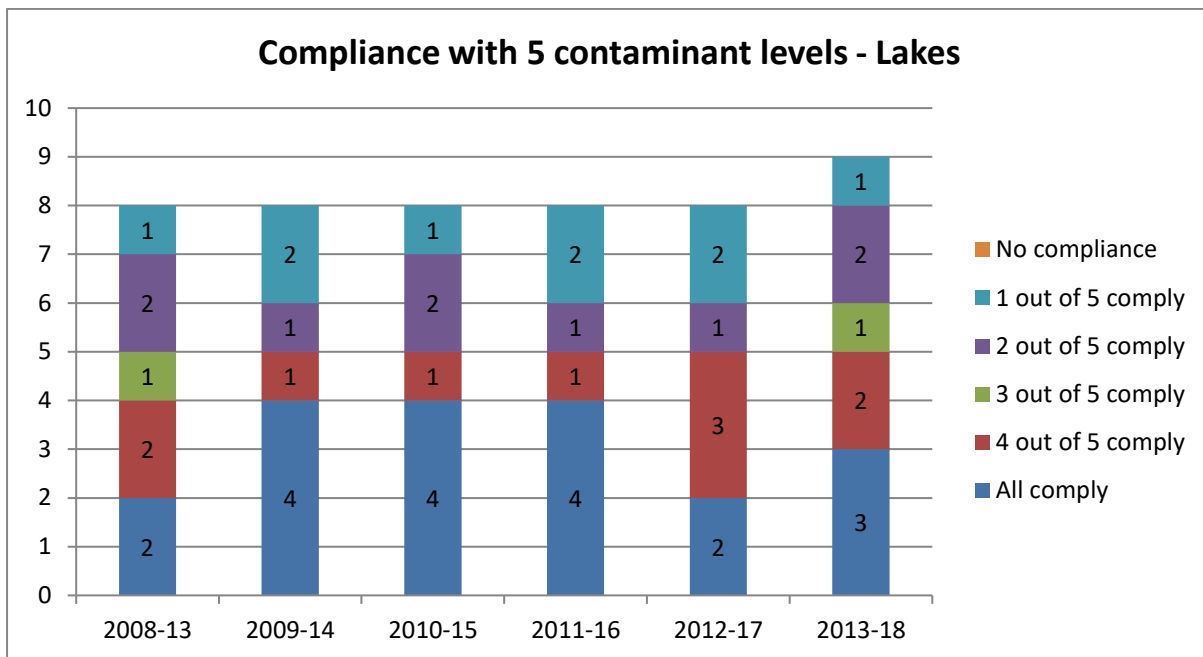
- Nitrite-nitrate nitrogen
- Dissolved reactive phosphorous
- Ammoniacal nitrogen
- Ecoli
- Turbidity

The contaminants measured for lakes are:

- Total nitrogen
- Total phosphorous
- Ammoniacal nitrogen
- Ecoli
- Turbidity

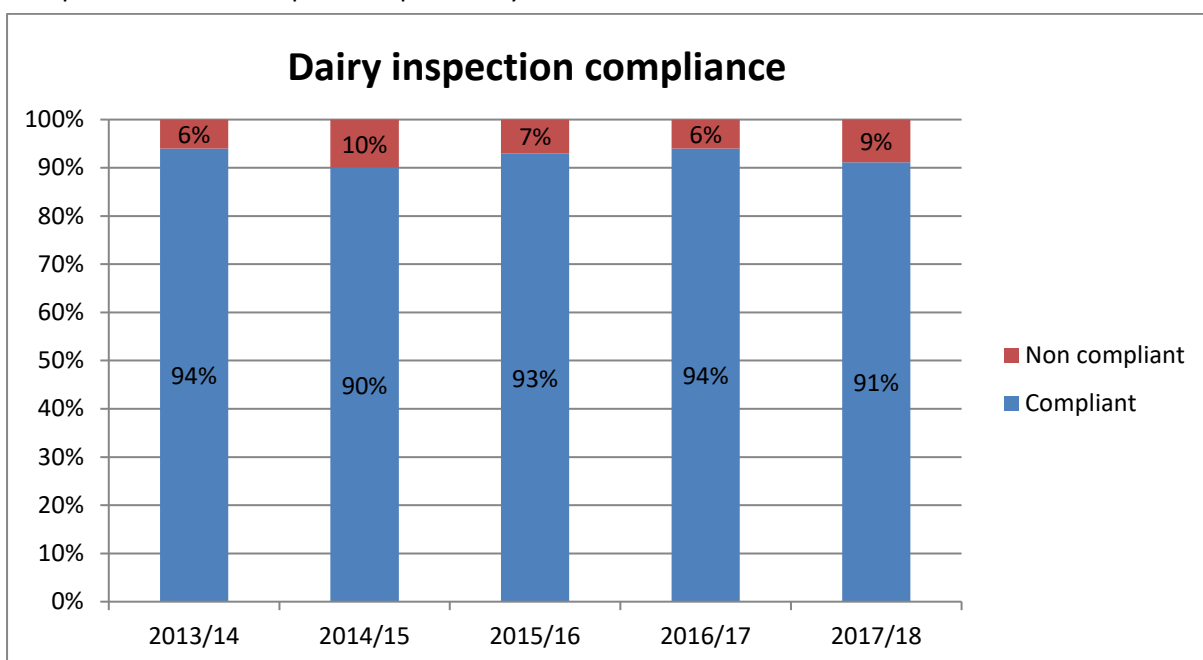
For rivers, water quality is measured as a five year 80th percentile (when flow is at or below median flow), and lakes are measured as a five year 80th percentile, at State of Environment monitoring sites. The results from our monitoring for the last five reporting periods are shown below. Monitoring results for the 2018 year will be reported on at the year end.






Level of service – Maintain or improve water quality		Achieved
Measure:	Dairy inspection and other farm monitoring.	●
Performance target:	Using a risk-based approach, 148 dairy farms will be visited on at least two occasions each and assessed for compliance with prohibited activity rules.	
Result:	The target was exceeded with 158 dairy farm inspections completed with 14 registering a level of non-compliance.	

Compliance results compared to previous years are as follows:




Specific areas of work:

1. Undertake preliminary consultation on a plan change to address human sewage, including on-site treatment system discharges on water quality.

<p>The Council commenced consultation on options at a stakeholder workshop in June 2018.</p> <p>Planning for further consultation with stakeholders on preferred management options in October-November 2018 was also completed. Wider public consultation will be undertaken as part of the full Water Plan review process.</p>	
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2. Undertake preliminary consultation to address the effects of stormwater discharges on water quality.


<p>The Council commenced consultation on options at a stakeholder workshop in June 2018.</p> <p>Planning for further consultation with stakeholders on preferred management options in October-November 2018 was also completed. Wider public consultation will be undertaken as part of the full Water Plan review process.</p>	
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Other initiatives undertaken to promote water quality include:

- Regular communication of key messages through ORC’s quarterly newsletter “Waterlines, monthly e-newsletter “On-Stream”, social media, and targeted advertising/editorial.
- Liaison with industry and groups including Dairy NZ, Beef and Lamb, dairy working groups, forestry, catchment groups, and individuals.
- An urban water quality strategy has been adopted, and an implementation plan is being developed.


Water Quantity







Level of service – Water is managed to meet the needs of the Otago community		Achieved
Measure:	Sustainable environmental flows and allocation limits set on rivers levels, streams, and groundwater resources.	
Performance target:	Publish science work for setting minimum flows / environmental levels for the following catchments: Upper Clutha Fraser River Low Burn Bannockburn/Shepherds Creek Strath Taieri Manuherikia	
Result:	Reporting has started for the Upper Clutha, Fraser River, Bannock Burn / Sheppards Creek and Low Burn but will be completed in 2018/19 financial year due to focus put on plan changes seeking to set minimum flows for priority catchments in Otago (currently Upper Cardrona River, Arrow River and Manuherikia River).	

Measure:	Sustainable environmental flows and allocation limits set on rivers levels, streams, and groundwater resources.	
Performance target:	Monitor compliance with set minimum flows/environmental levels.	
Result:	Compliance levels for all rivers have been monitored during the period for all rivers with set minimum flow levels. During the months of Jan/Feb 2018, all rivers had gone below their set minimum flow levels due to the adverse dry weather conditions. All consent holders within these catchment locations had been notified about their consenting condition for abstractions, and catchment groups informed prior to rostering. Forecasting work on drought conditions and river levels supported early communications to water users and helped manage the resource.	

Specific areas of work:

1. Commence and complete plan changes for minimum flows, allocation regimes and aquifer regimes (work will take multiple years from commencement to completion).

<i>Lindis</i>	The plan change was appealed by the Lindis Catchment group and a further 15 parties joined the appeal under RMA S274. Mediation proved to be unsuccessful. The Environment Court has agreed that the parties proceed to a combined hearing for both the minimum.	
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	flow plan change and a resource consent application to replace existing Deemed Permits in the catchment. The Environment Court hearing is scheduled for November 2018.	
<i>Cardrona</i>	<p>The Cardrona Minimum Flow plan change has been split with the Upper Cardrona now bundled up with a broader Plan Change that seeks to set minimum flows for priority catchments in Otago. The reason for applying this new approach is to improve the efficiency of Council's plan change processes. Economic and Social assessments are underway.</p> <p>The technical work to assist with the development of environmental flows and limits for the Lower Cardrona and Wanaka Basin Aquifer is ongoing.</p>	
<i>Waikouaiti River</i>	Deferred to 2018-19 following a review of work priorities and completion of the Waikouaiti Estuary study.	
<i>Ettrick</i>	This project is now not intended to commence until the 2018/19 financial year.	
<i>Manuherikia</i>	This plan change is now part of the Priority Catchments Minimum Flow Plan Change. Community consultation has been undertaken to provide an update on the plan change process with catchments being brought into one, and a discussion on the science technical work. Work continues on technical inputs for the plan change.	
<i>Clutha</i>	<p>First round of consultation meetings was initiated and completed within the timeframes. The feedback summary has been made available to the public.</p> <p>Further technical work was also undertaken to identify ecological, recreational and natural character values.</p>	
<i>Arrow</i>	This is now part of the Priority Catchments Minimum Flow Plan Change. Consultation with the community and stakeholders has been undertaken and drafting of the plan change for notification underway. All technical work has been completed.	

Other initiatives undertaken to manage water quantity include:

- 40 groups of water users who are looking to replace their mining privileges have had one meeting with ORC staff. A second round of meetings has been had with a number of those groups and a third round of meetings has commenced.
- Information about permit configuration and historic water use is provided on request.
- Staff gave a paper about deemed permits at a Law Society Conference in Queenstown in October.
- A water users guide has been created and is actively being used in communications with permit holders.

Actual and Budget Costs - Water

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Regional Plan: Water			
- Operating cost	571	1,093	(522)
Water quality & quantity (SOE)			
- Operating cost	2,578	2,301	277
- Capital cost	136	0	136
Total cost	2,714	2,301	413
Rural water quality			
- Operating cost	1,966	2,988	(1,022)
- Capital cost	34	32	2
Total cost	2,000	3,020	(1,020)
Deemed Permits			
- Operating cost	338	528	(190)
- Capital cost	0	27	(27)
Total cost	338	555	(217)
Coastal strategy			
- Operating cost	244	530	(286)
- Capital cost	0	11	(11)
Total cost	244	540	(296)
Minimum flows			
- Operating cost	3,049	2,094	955
- Capital cost	19	0	19
Total cost	3,068	2,094	974
Bulk rural water			
- Operating cost	95	245	(150)
Total costs	9,031	9,848	(818)

Actual and Budget Revenue - Water

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	8,841	9,779	(818)
Funded by:			
General rates	7,014	7,031	(18)
Targeted rates / scheme reserves	1,177	1,758	(581)
Internal charges	217	217	0
General reserves	0	0	0
Water management reserve	433	773	(340)
Total funding	8,841	9,779	(938)
Capital costs			
	190	69	120
Funded by:			
Asset replacement reserve	190	69	120
Total funding	190	69	120
Total revenue	9,031	9,848	(818)

Financial comments:

Regional Plan: Water is underspent by \$522,000. Commencement of some plan changes has been reliant on the adoption of the Urban Water Quality Strategy which was delayed while other work was completed. Work on the Lower Waitaki Aquifer plan change is not confirmed. Other water related work including the risk management methodology contract and next urban water forum was delayed.

Water quality and quantity state of the environment was overspent by \$413,000. This was largely due to additional staff time spent on the review of the NIWA SOE review.


Rural water quality is underspent by \$1,020,000. Delays in this activity have occurred due in part to the flood event in July impacting on dairy inspection work. In addition, a review of the way the environmental risk assessments are being delivered needed to be undertaken before work could start. That work is progressing with the Shag River pilot project initiated and approximately 70% of the 206 properties greater than 10 hectares in size completed. Desktop assessment of the properties sized between 2 and 10 hectares continued with 4,033 properties assessed.

Deemed permit work is underspent by \$212,000. Targets are being met however this activity is required less resource than budgeted.

Coastal strategy activity is underspent by \$296,000. The priority of this activity was reconsidered as part of the 2018-28 Long Term Plan process, and as a result, it is proposed that preparation of a strategy be undertaken in later years.

Minimum flows and allocation limits is overspent by \$974,000 due to an acceleration of the work programme which meant required expenditure has been higher than was anticipated at the time of budgeting, particularly for Science and Operations. Additional inputs for Cardrona and Arrow have been required to update work following reviews. For the Manuherikia, science inputs were required for briefings which have been higher than anticipated. The Lindis minimum flow is going to an Environment Court hearing and time across departments has increased in order to prepare for this.

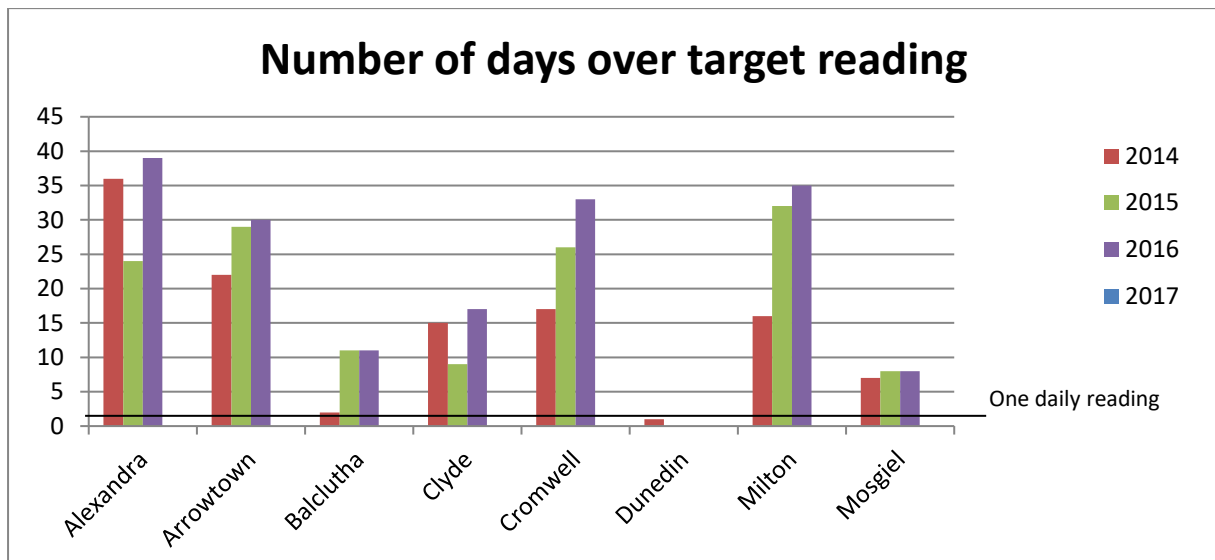
Air

Level of service – Improve air quality		Achieved
Measure:	Ambient (PM ₁₀) air quality in targeted towns.	
Performance target:	Monitor air quality to assess compliance with the NES requirement of no more than one daily average reading of PM ₁₀ per annum to be higher than 50 micrograms per cubic metre (50 mg/m ³).	
Result:	Monitoring has been performed for FY17/18.	

Ambient air quality has been monitored for the winter of 2017 (April to September) in the following targeted towns:

- Alexandra
- Arrowtown
- Balclutha
- Clyde
- Cromwell
- Dunedin
- Milton
- Mosgiel
- Palmerston


The requirement of no more than one daily above 50 mg/m³ was not achieved in any location except for Dunedin, which had no readings above 50 mg/m³. The graph below shows the number of days where the daily average reading of PM₁₀ was higher than 50 mg/m³, for the last four years.



Report 11.3.2017 Air Quality Results presented to the technical committee on 29 November provides commentary about the results for the 2017 winter period.

Specific areas of work:

1. Support through funding, the installation of clean heating appliances in targeted towns (Airzone 1 and Milton)

Support is provided as applications are received. 15 clean heating appliances were installed during the period resulting in a total of 51 for the year. An additional \$13,000 has been provided to the Cosy Homes Trust for administering the Milton pilot project. Breakdown of appliances installed: Alexandra 16, Cromwell 13, Milton 13, Arrowtown 3, Clyde 1, Milton - Cosy Homes Trust 5	
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Other initiatives completed:

A new air quality strategy was adopted by Council in June 2018, after community consultation. It lays out the foundation for ORC's future air quality programme. A detailed implementation plan is under preparation

Actual and Budget Costs - Air

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Air monitoring			
- Operating cost	200	256	(56)
- Capital cost	69	35	34
Total cost	269	291	(22)
Clean heat clean air			
- Operating cost	94	103	(9)
Air strategy			
- Operating cost	100	29	71
Total costs	463	423	41

Actual and Budget Revenue - Air

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	394	388	6
Funded by:			
General rates	299	285	15
Targeted rates / scheme reserves	94	103	(9)
Total funding	394	388	6
Capital costs	69	35	34
Funded by:			
Asset replacement reserve	69	35	34
Total funding	69	35	34
Total revenue	463	423	41

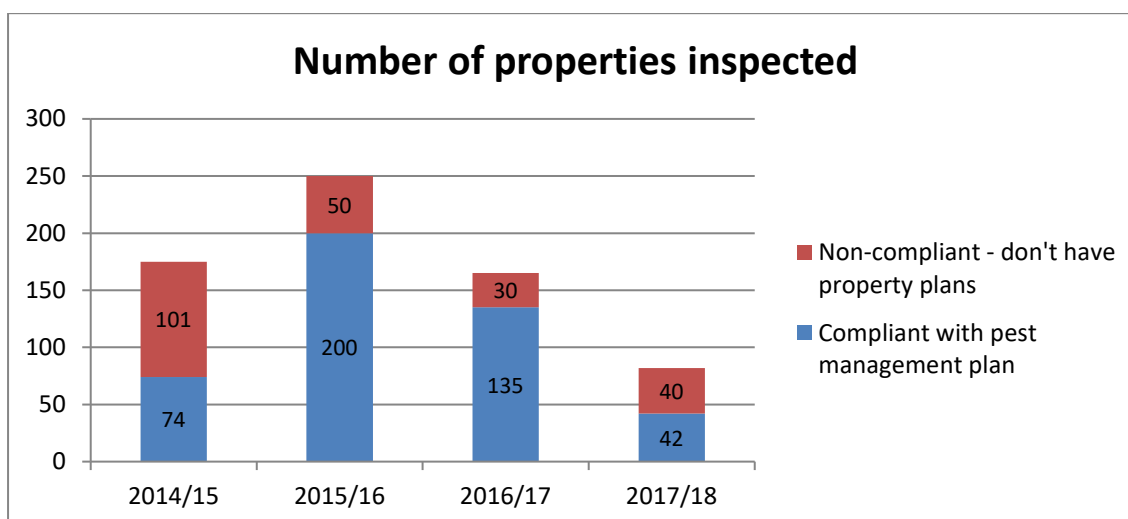
Financial comments:

Activity was largely on budget except for the air strategy activity which was over budget by \$71,000 due to increased policy and science work required to complete that document.

Land

Level of service – Require control of pest animals and pest plants		Achieved
Measure:	Level of rabbit populations in rabbit prone areas.	●
Performance target:	Non-compliance of rabbit numbers over MAL3 will be followed up, to ensure property management plans are in place to reduce rabbit numbers.	
Result:	<p>Scoping inspections were undertaken on approximately 100 properties throughout Otago covering more than 50,000ha's.</p> <p>During this reporting period MAL3 inspections were scaled back to accommodate the release of RHDV1 K5. As such numerous inspections were focused on scoping the K5 release.</p>	

The graph below shows the number of properties inspected and level of compliance. 82 inspections involved a request to view the property management plan, with 40 of those inspections resulting in a non-compliant assessment and request to either complete or amend a property plans.

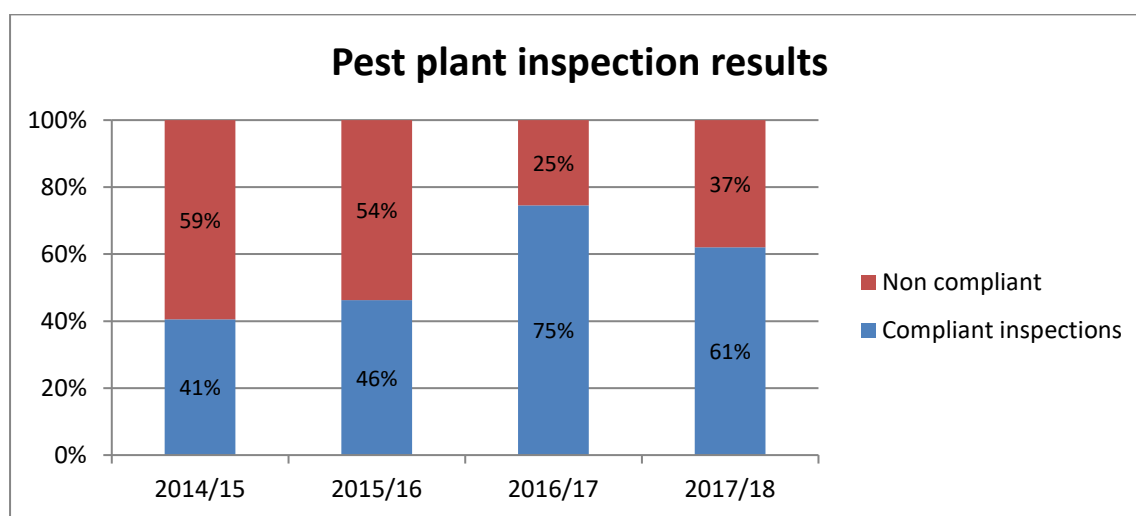


Level of service – Require control of pest animals and pest plants		Achieved
Measure:	Level of pest plants found at known sites.	●
Performance target:	Non-compliance of pest plants will be followed up, to ensure control works to remove pest plants have been undertaken.	
Result:	Enforcement was ongoing with non-compliance resulting in follow up action consistent with the Regional Pest Management Strategy.	

During the period plant inspections included the following:

	2017/18	2016/17	2015/16	2014/15
Bomarea	498	472	447	153
Old Man's Beard	1,918	3,390	1,140	499
Contorta	-	12	61	14
Cape Ivy	29			
Boneseed	32			
Nassela Tussock	30			
African Lovegrass	14			
Total number of properties inspected	2,521	3,874	1,648	666

Results of these inspections are shown in the graph below.



Specific areas of work:

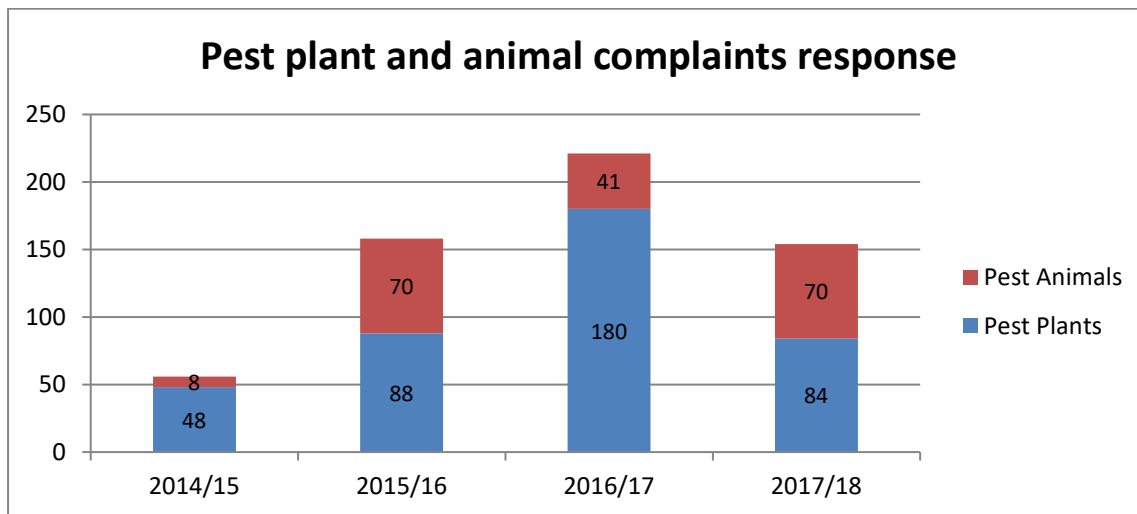
1. Prepare a new Pest Management Plan for Otago.

Substantive progress was made on completing a Pest Management Plan. As at 30 June some additional cost benefit analysis was commissioned with an expectation that the Plan would be ready for public notification in September 2018.	
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Other initiatives undertaken include:

- An educational campaign is being developed for rabbit management, so the community can understand responsibilities and options.
- New resources for pest plants being developed as needed.
- Regular meetings held with the Wakatipu, Dunstan and Wanaka groups, with LINZ and NIWA representation re lagarosiphon.
- Wetlands compliance work is ahead of schedule.
- Drafting of outcomes and issues is in progress towards the development of a Biodiversity Strategy.
- Discussions held with Environment Canterbury staff on how to minimise the numbers of wallabies coming across the Waitaki dams and establishing on the south bank.
- Website reporting developed to enable the public to report wallaby sightings and their location.
- Campaign developed to link with the release of the K5 virus (in March).

Staff responded to pest complaints as follows:



Complaints received related to the following:

	2017/18	2016/17	2015/16	2014/15
Pest plants	84	180	88	48
Rabbits	53	21	41	7
Wallabies	14	19	25	1
Rooks	-	1	2	-
Possums	3	-	2	-
Total	154	221	158	56

All complaints have been followed up where a breach of the Pest Management Plan has been identified.

Actual and Budget Costs – Land

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Biodiversity	182	219	(37)
Pest management strategy implementation			
- Operating cost	1,101	1,345	(243)
- Capital cost	27	15	12
Total cost	1,128	1,360	(232)
Pest control	310	85	225
Contracting	103	395	(291)
Pest plan review	319	211	108
Environmental enhancement	292	411	(119)
Wilding trees	1,434	1,433	2
Total operating costs	3,769	4,113	(345)

Actual and Budget Revenue – Land

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	3,742	4,098	(356)
Funded by:			
General rates	2,059	1,941	119
Targeted rates / scheme reserves	200	233	(33)
Fees & charges	172	520	(347)
Grants	1,234	1,200	34
Other income	17	0	17
General reserves	(44)	(45)	1
Environmental enhancement fund	103	250	(147)
Total funding	3,742	4,098	(356)
Capital costs	27	15	12
Funded by:			
Asset replacement reserve	27	15	12
Total funding	27	15	12
Total revenue	3,769	4,113	(345)

Financial comments:

Pest management strategy implementation is underspent by \$232,000. This relates to vacancies earlier in the year and staff time being prioritised to the development of the Regional Pest Management Plan and the release of the K5 rabbit virus.


Control of pests is overspent by \$225,000 due to the release of the K5 rabbit virus.

Regional services contracting is underspent by \$291,000. Less rabbit contracts were undertaken than budgeted for in the contracting project, which has resulted in less expenditure and less fees and charges being received.

Environmental enhancement is underspent by \$119,000. The environmental enhancement fund was reviewed and relaunched as the Eco Fund. While this review was undertaken applications were on hold and the fund was \$147,000 under allocated for the year. Other activity including investigation work around Lake Hayes was slightly over budget.





Wilding trees activity was on budget for the year with the full years funding received from the Ministry for Primary Industries and control work completed as planned by year end.

Rivers & Waterway Management


Level of service – Ensure waters can flow without obstruction	Achieved
Measure: Time taken to investigate and action reported blockages.	
Performance target: Investigate all reported blockages obstructing scheduled rivers within 10 working days and action appropriately.	
Results: Dunedin: all known Dunedin City river blockages have been addressed. Clutha: all known Clutha river blockages have been addressed. Central: removed fallen tree from Thompsons Creek, Omakau. No other issues within central rivers. Wakatipu: no reported blockages in the Queenstown rivers during this reporting period. Wanaka: no reported blockages in the Wanaka area rivers during this period. Waitaki: all known North Otago river blockages have been addressed.	

Specific areas of work:


1. Implement the developed River Morphology and Riparian Management Plans.

<i>Dunedin</i>	Implementation of the Strath Taieri River Morphology and Riparian Management Plan is in progress.	
<i>Pomahaka</i>	Implementation of the Pomahaka River Morphology and Riparian Management Plan is in progress.	
<i>Cardrona</i>	Cardrona River draft Morphology and Riparian Management Plan completed. <i>For better integration, this work is being aligned with other projects, such as the setting of a minimum flow, currently on going on the Cardrona River catchment.</i>	
<i>Kakanui, Shag, Waianakarua</i>	Implementation of the Kakanui River Morphology and Riparian Management Plan on going. The Shag River and Waianakarua River Morphology and Riparian Management Plans have been completed and their implementation is now on going.	

2. Develop a strategy for the management of the Lindsay Creek erosion hazard.

Deferred to next financial year (2018/19). Delays are due to commitment to other projects not initially included in the 2017/18 Annual Plan and to responses to large flood events (July 2017 and November 2017 Roxburgh debris flow).	
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3. Develop a strategy for the management of the Waitati River flood and erosion hazard.

Deferred to next financial year (2018/19). Delays are due to commitment to other projects not initially included in the 2017/18 Annual Plan and to response to large flood events (July 2017 and November 2017 Roxburgh debris flow).	
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Other initiatives undertaken include:

- In response to the July 2017 flood event, localised river work (such as channel clearing and debris removal) have been completed.
- In the Dart/Rees delta areas, bank erosion has necessitated urgent works to be carried out by QLDC in order to arrest erosion of the Glenorchy-Kinloch Road in places. Concerns by residents who rely on the Glenorchy-Kinloch Road about the danger posed to the road by the rivers were also raised (and submissions were made in the 2018-28 Long Term Plan). Council investigated the concerns and in response is planning to start, in July 2018, a new three-year plan to investigate, manage and adapt to the natural hazards posed by the Rees and Dart Rivers. This will also include small scale and short-term bank protection work to be undertaken by the Council.

Actual and Budget Costs – River Management

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Dunedin	404	629	(225)
Clutha	316	271	45
Central Otago	327	263	64
Wakatipu	132	111	22
Wanaka	104	144	(40)
Waitaki	268	331	(63)
Lower Waitaki River Control	137	139	(2)
Total costs	1,689	1,889	(200)

This activity has no budgeted capital expenditure.

Actual and Budget Revenue – River Management

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	1,689	1,889	(200)
<i>Funded by:</i>			
General rates	14	14	0
Targeted rates / scheme reserves	1,675	1,875	(200)
Total revenue	1,689	1,889	(200)

Financial comments:

Dunedin river management was underspent by \$225,000. Investigations on Lindsay Creek (erosion hazard) and on the Waitati River (flood and erosion hazards) have been deferred to next financial year due to commitment to other projects not initially included in the budget and to responses to large events i.e. July 2017 flood and November 2017 Roxburgh debris flow.

Environmental Incident Response

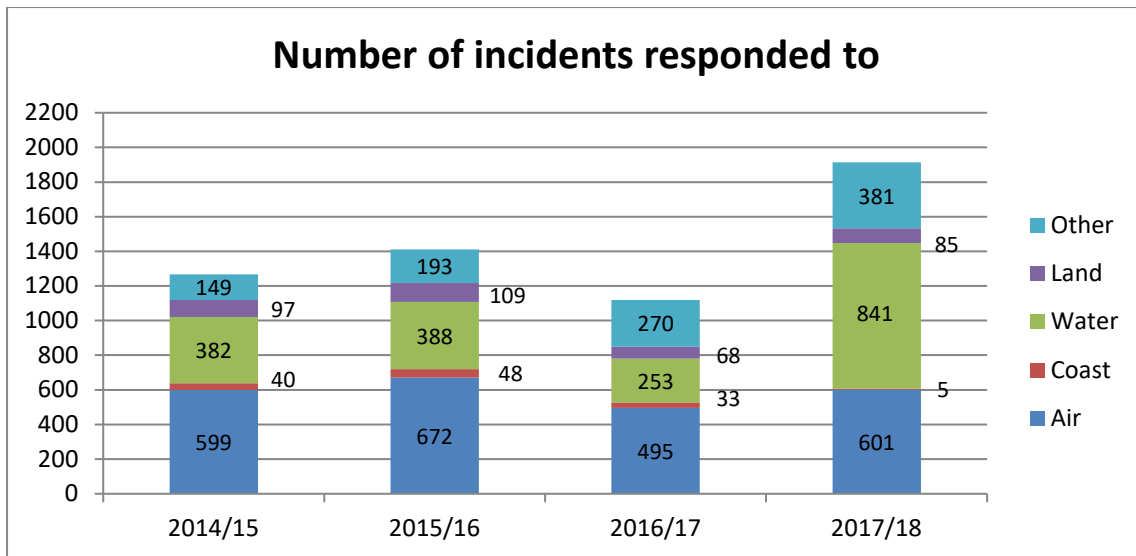
Level of service – Council will be ready and able to respond to all environmental incidents		Achieved
Measure:	Time taken to respond.	●
Performance target:	Acknowledge and assess the necessary actions of reported incidents within 0.5 hours of receipt.	
Result:	A total of 1,913 incidents responded to within 0.5 hours for the period 1 July 2017 to 30 June 2018.	

Specific areas of work:

1. Continue to work with Otago territorial authorities to develop a central contaminated sites database for regional use.

A contaminated sites database continues to be developed as more data is collected and assessed. The content of the database's information was captured on file as at 30 June 2018.	●
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Staff responded to incidents as follows:



Actual and Budget Costs – Environmental Incidents

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Incident response	1,065	740	325
Contaminated sites	120	108	13
Enforcement	454	563	(110)
Total costs	1,639	1,411	228

This activity has no budgeted capital expenditure.

Actual and Budget Revenue– Environmental Incidents

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	1,639	1,411	228
<i>Funded by:</i>			
General rates	1,447	851	596
Infringements fines	192	510	(318)
Fees & charges	0	50	(50)
Total revenue	1,639	1,411	228


Financial comments:


Incident response was overspent by \$325,000 due to the higher number of reported incidents being received by council. The 1,913 complaints received was significantly higher than the annual average of 1,350.

Enforcement activity was \$110,00 under budget. Council undertook 6 prosecutions, issued 26 infringements and 12 abatement notices.

COMMUNITY


Democracy, public information and awareness

Level of service – Effective, open and transparent democratic council processes		Achieved
Measure:	Completion of statutory public accountability processes.	
Performance target:	Complete all planning and reporting within statutory timeframes and requirements.	
Result:	The Long Term Plan 2018-28, including the Annual Plan 2018/19, was adopted by Council on 27 June 2018. The June 2017 Annual Report was completed within statutory timeframes and approved by Council on 27 September 2017.	


Level of service – Provide information to enable the public to be informed of council and committee meetings.		Achieved
Measure:	Time for making meeting agendas available to the public.	
Performance target:	All meeting agendas to be available at least two working days prior to each meeting.	
Result:	Eight committee rounds and eight council meetings were held in 2017/18. Agendas were available at least 2 working days prior to the meetings.	

Specific areas of work:

1. Hold at least two meetings each year with Iwi representatives.

<p>Iwi meetings were held during May and June and attended by senior Council leadership. The meetings included:</p> <ul style="list-style-type: none"> • 24 May – Minimum flow discussion with iwi • 5 June – Mana to Mana meeting • 22 June – Consultation with iwi around minimum flow plan change • 25 June – Te Roopu Taiao Hui. <p>In addition to the Iwi meetings, three Te Roopu Taiao meetings have been held, including Waitangi Day celebrations held at Te Rau Aroha Marae, followed by a joint Otago/Southland Te Roopu Taiao in Invercargill.</p>	
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2. Respond to issues, activities and queries on matters that require a regional perspective or impact on regional resource management functions.

<p>While TLA application activity has been relatively quiet over winter, the Skyline and Balmoral appeals have continued to generate work but are now in their respective end games working towards resolution. ORC has appealed the recent stage 1 QLDC PDP and also joining 37 appeals as a s274 party. this will constitute a significant body of work. The DCC decision on its 2GP looms later in the year and may also involve ORC in an appeal process. Lastly the National Planning standards will require a response from ORC and require some resourcing.</p>	
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Other initiatives undertaken for our community include:

- Information shared via messages fielded on social media channels; Otago Regional Council Facebook, Otago Regional Council Bus Services – Dunedin Facebook, Orbus Queenstown Facebook, Civil Defence and Emergency Management Otago Facebook, Otago Regional Council twitter.
- 112 media releases distributed.
- Waterlines newsletter and On-Stream e-newsletter regularly sent to rural landholders.
- Pamphlet updates included Clean Heat, Clean Air, and monitoring resource consents.
- Communications campaign on Dunedin bus changes, and on the new bus services in Queenstown
- Public information sessions on diverse subjects including flood schemes, minimum flows and Roxburgh debris flows.
- Video and advertorial content developed and published, sharing information subjects including rabbit management, Old Man’s Beard and water quantity.
- Work undertaken on the development of the 2018-28 Draft Long Term Plan, including distribution of a consultation document to all properties in Otago and a roadshow through all Districts.
- Funding contributions to the Otago Rescue Helicopter.
- Administration of EMaR/LAWA on behalf of the National Office.

Actual and Budget Costs - Community

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Democracy	1,587	1,570	18
Public information & awareness	2,135	2,012	123
Financial contributions	350	350	0
LAWA	523	427	96
Dunedin head office replacement	63	665	(602)
Regional economic development	19	0	19
Total costs	4,677	5,024	(346)

This activity has no budgeted capital expenditure.

Actual and Budget Revenue - Community

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	4,677	5,024	(346)
Funded by:			
General rates	3,971	3,816	155
Fees & charges	1	131	(14)
Other income	466	334	16
Building reserves	63	665	(602)
Other reserves	158	78	80
General reserves	19	0	19
Total revenue	5,024	5,024	(346)

Financial comments:

Public information and awareness was overspent by \$123,000 due to increased consents public enquiry \$98,000 and additional EnviroSchools expenditure of \$21,000.


The Dunedin head office replacement project was underspent by \$602,000 as the preferred site was not yet been secured and therefore further detailed design work wasn't undertaken.

REGULATORY


Policy Development

Specific areas of work:

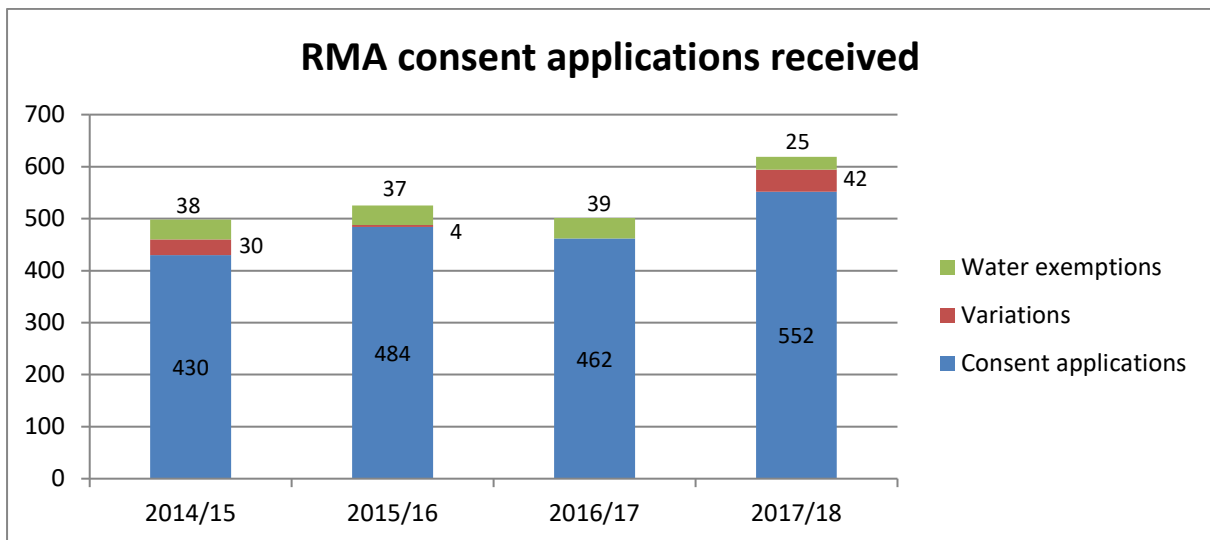
1. Address any appeals made on the Regional Policy Statement and make operative.

<p>Most appeal points have been addressed through mediation. The court has signed off 15 consent orders, and four consent orders are with the court, regarding:</p> <ul style="list-style-type: none"> • Chapter 3: natural resources • Policy 5.3.1: Rural activities • Implementation and Glossary • Introduction (including changes to the Kāi Tahu section, agreed between Waitaha and Ngāi Tahu) <p>Two appeal points regarding Mining and Ports went to an Environment Court hearing in February 2018. The Court is yet to release its decisions and has not indicated when it might do this.</p> <p>The policy team is working towards making the agreed RPS sections operative, anticipating that the issues that have gone to Environment Court hearing may be the subject of further appeals.</p>	
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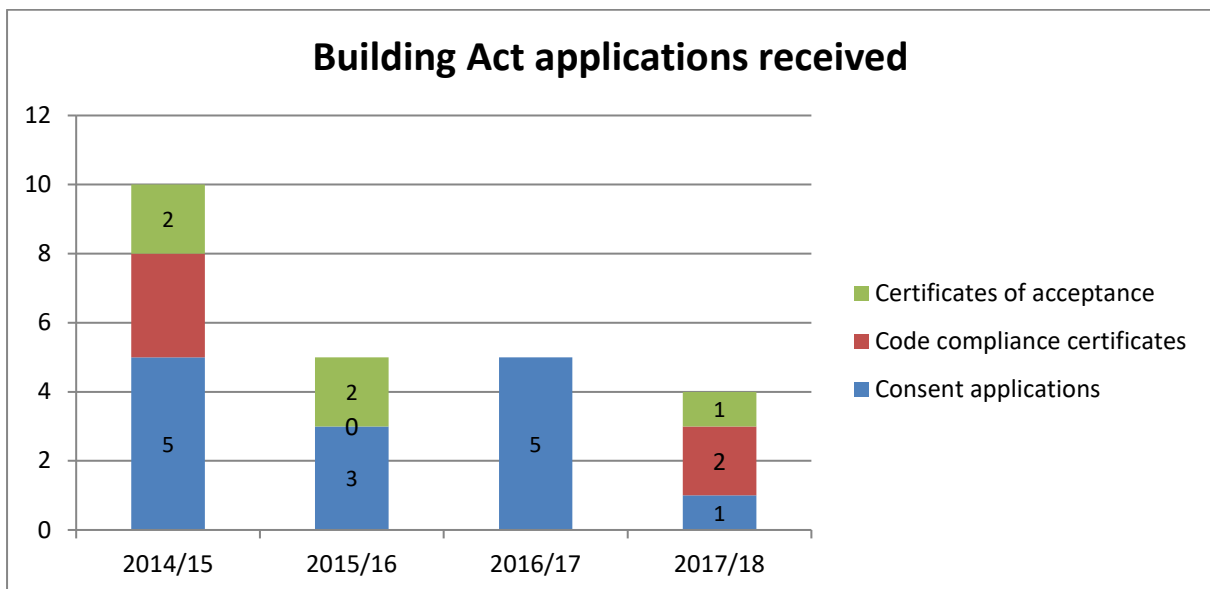
Consents & Compliance

Level of service – Process resource consent applications in a timely manner.		Achieved
Measure:	RMA and Building Act statutory time frames.	
Performance target:	100% of consents are processed within the statutory timeframes.	
Result:	All consents processed within statutory time.	

The graph below shows the number of RMA consent applications received in 2017/18.



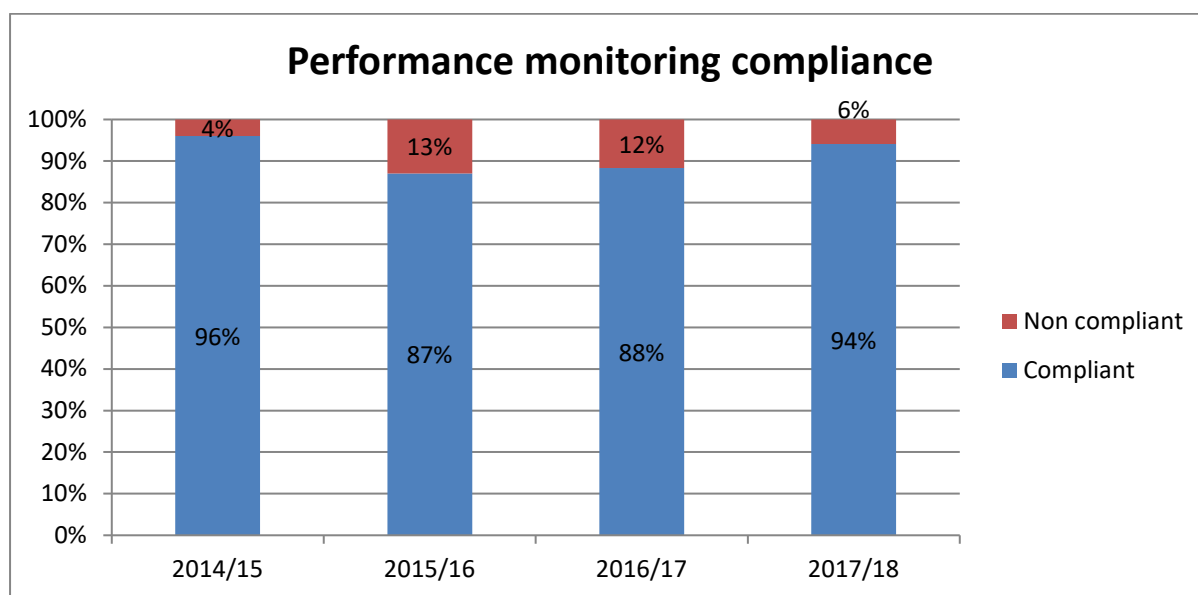
The graph below shows the number of Building Act applications received.



Level of service – Ensure consent conditions for the use of Otago’s air, water and coastal resources are complied with		Achieved
Measure:	Performance monitoring returns show compliance with consent conditions.	●
Performance target:	100% of performance monitoring data received will be assessed for compliance with consent conditions.	
Result:	A significant portion of the performance monitoring data was assessed for compliance against consent conditions.	

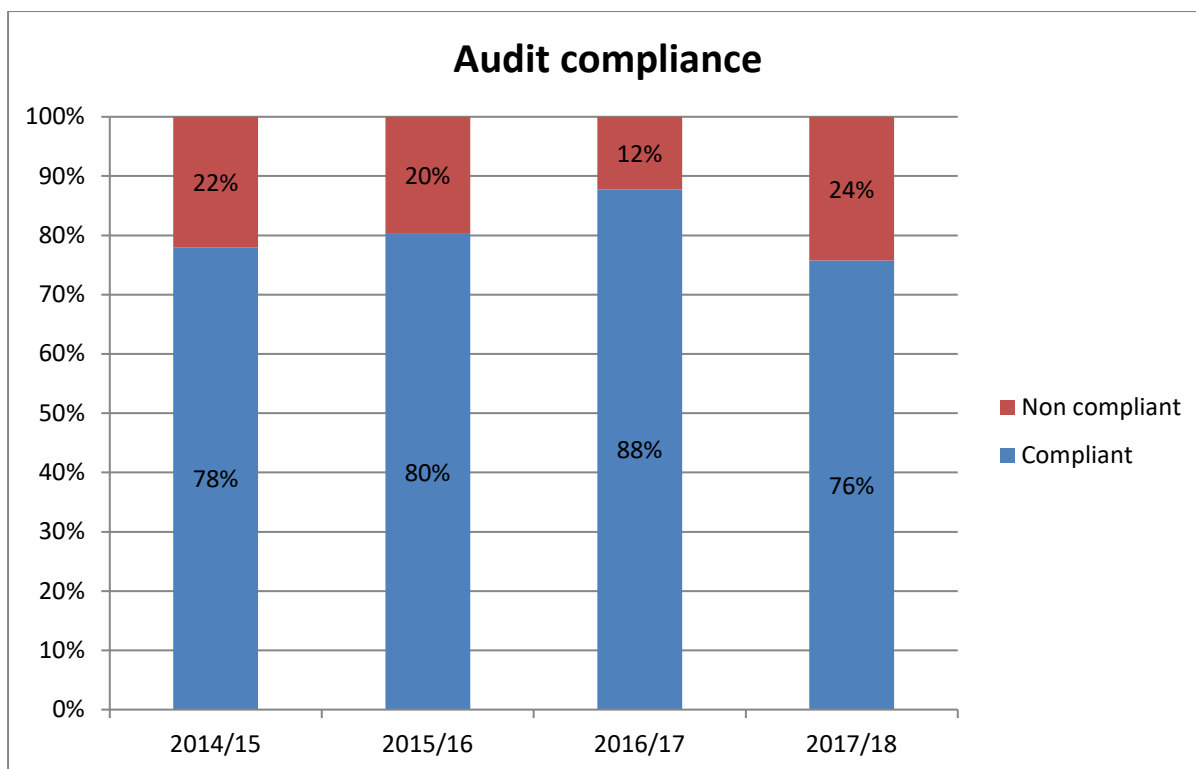
8092 performance monitoring returns were assessed during the 2017/18 financial year (2016/17: 5,336 returns; 2015/16: 4,086 returns; 2014/15: 3,616 returns). The level of returns is high due to significant work being completed in respect of water metering returns.

The graph below shows the level of compliance with consent conditions in respect of performance monitoring returns.



842 audits were undertaken during the 2017/18 financial year (2016/17: 744 audits; 2015/16: 1,099 audits; 2014/15: 420 audits).

The graph below shows the level of compliance with consent conditions in respect of audits undertaken:




Measure:	Enforcement of non-compliance found through audits and performance monitoring returns.	●
Performance target:	All non-compliance found (grade 4 and 5) will be followed up and enforced in accordance with Council procedures.	
Result:	123 instances of non-compliance from audits and performance monitoring over the 2017/18 financial year. Recommendations for enforcement action have been made where appropriate.	

Compliance monitoring enforcement action undertaken to date compared to previous years was as follows:

	2017/18	2016/17	2015/16	2014/15
Infringement notices	24	40	14	19
Prosecutions authorised	6	14	3	6
Abatement notices	12			


Specific areas of work


1. Review consents for a catchment, subcatchment or aquifer within two months of a minimum flow or water quality standard being operational to assess water allocation.

Waiwera completed with no others required during the financial year.	
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Harbour Management

Level of service – Safe recreational use and navigation for all users of the Otago harbour.		Achieved
Measure:	Respond to harbour incidents in a timely manner.	
Performance target:	Respond within one hour of notification from Harbour Control.	
Result:	LEDA MAERSK went aground 10th June off Port Chalmers. HM informed and witnessed incident. TAIC investigation opened. No other incidents to report	


Level of service – Council will be ready to respond to oil spills and ensure restoration.		Achieved
Measure:	Respond to oil spills in a timely manner.	
Performance target:	Respond within 1.5 hours of notification.	
Result:	Nine marine pollution events were reported for the year. These events did not require a tier 2 response.	

Specific areas of work:

1. Hold one desk top and one field exercise for marine oil incident response.

A desktop exercise was held on 23 May involving EMO staff, Communications staff from Civil Defence and liaison with Environment Southland.	
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2. Draft a scoping document and consult on harbour bylaws for Otago.

The draft Harbour Bylaws were completed with consultation programmed from 20 July 2018.	
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Actual and Budget Costs – Regulatory

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Regional Policy Statement	752	191	561
Consents	1,455	1,798	(344)
Compliance monitoring	1,008	1,289	(281)
Harbour management	795	406	389
Total costs	4,010	3,684	326

This activity has no budgeted capital expenditure.

Actual and Budget Revenue – Regulatory

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	4,010	3,684	326
Funded by:			
General rates	2,445	1,175	1,270
Grants	72	55	17
Internal charges	3	98	(95)
Fees & charges	1,490	2,356	(866)
Total revenue	4,010	3,684	326

Financial comments:

Regional Policy Statement was overspent by \$561,000 due to two the appeals received which resulted in additional staff time, legal and expert costs.


Consents processing was underspent by \$344,000. This activity is demand driven activity and fewer applications were received than budgeted for.


Compliance monitoring was underspent by \$281,000 due to delays in filling vacancies and staff being diverted to attend the significant increase in incidents reported to Council.


The contracting out of harbour master services in the first half of the financial year and the navigational bylaws review has resulted in an overspend in harbour management of \$389,000.

FLOOD PROTECTION & CONTROL WORKS

Alexandra flood protection

Level of service – Reduce the flood risk to people and property by maintaining, repairing and renewing flood protection works to agreed standards.		Achieved
Measure:	Respond to flood events or damage.	
Performance target:	Flood damage identified, prioritised and repaired.	
Result:	No flood events in this period.	


Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	
Performance target:	Contain all floods up to 142.75m (above mean sea level) at Alexandra Bridge with 0.5m freeboard, corresponding with a flood flow of approximately 4,350 m ³ /s and being equivalent to the greatest recorded flood (in 1878) but with the Lake Hawea control gates closed.	
Result:	133.68 m highest for period - No flood events during the period. Highest level reached was 142.27 m on 19 November 1999.	

Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	
Performance target:	Pump capacity will be available 320 out of 365 days per annum*.	
Result:	<p>The Alexandra Linger & Die Pumping Station had reduced pump capacity (33.3%), or the equivalent of one pump out for 70 days, during the reporting year. This included:</p> <ul style="list-style-type: none"> • Pump 1 out for overhaul from 8 March to 26 April • Pump 2 out for overhaul from 26 March to 16 May • Pump 3 out for overhaul from 16 May to 31 May 2018 	

*Planned maintenance on pumps will require the pump to be out of service during the maintenance period, timing of which will be managed through risk assessment.

Specific areas of work:





1. Undertake total overhaul of the three Linger and Die pumps.


Overhaul completed	
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Leith flood protection

Level of service – Reduce the flood risk to people and property by maintaining flood protection works to agreed standards.		Achieved
Measure:	By 2019/20, increase capacity to 171 m ³ /s (measured at St David Street footbridge). Represents 1 in 100 year flood with freeboard.	●
Performance target:	Undertake works between Union Street and Leith Street (including Leith Street bridge and the ITS building/bend).	
Result:	Works have been progressed during the reporting year. Problems associated with asbestos and noise from the site slowed progress. All asbestos contaminated material has been removed. In addition, the site was shut down during the end of year examination period to reduce noise.	
Measure:	By 2019/20, increase capacity to 171 m ³ /s (measured at St David Street footbridge). Represents 1 in 100 year flood with freeboard.	●
Performance target:	Complete investigations and design works at Dundas Street bridge.	
Result:	While this program of work has and will continue to run behind initial estimated target dates, good progress has been made on investigations, physical modelling, and completion of detailed design work.	

Lower Clutha flood and drainage


Level of service – Reduce the flood risk to people and property by maintaining, repairing and renewing flood protection works to agreed standards.		Achieved
Measure:	Respond to flood events or damage.	
Performance target:	Flood damage identified, prioritised and repaired.	
Result:	No flood events in this period.	
Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	
Performance target:	No flooding of Barnego in all flows up to 2,850 m ³ /s, Kaitangata, Inch Clutha and Paretai up to 4,000 m ³ /s, and Balclutha up to 5,400 m ³ /s (all flows measured at Balclutha) based on past observed floods.	
Result:	No flooding occurred during the year with the highest recorded flow being 1,012 cumecs.	
Level of service –Improve the productive capability of land by maintaining, repairing and renewing land drainage works to agreed standards.		Achieved
Measure:	Respond to events or damage.	
Performance target:	Damage identified, prioritised and repaired.	
Result:	No flood damage to drainage works for the period. A slump up drain from the Kaitangata Pumping Station has still not been repaired from a last year, still waiting for contractor with log reach excavator to provide price.	
Measure:	Maintain and renew drainage works to ensure design standards are met.	
Performance target:	Provide drainage modulus of 7.5mm per day pumped drainage capacity for Matau District, 9mm per day for Inch Clutha, and 10mm per day for Paretai District.	
Result:	Target achieved.	

Measure:	Maintain and renew drainage works to ensure design standards are met.	
Performance target:	Pump capacity will be available at each station 320 out of 365 days per annum.*	
Result:	Target achieved.	


*Planned maintenance on pumps will require the pump to be out of service during the maintenance period, timing of which will be managed through risk assessment.

Specific areas of work:

1. Complete altering the drainage infrastructure of Lake Tuakitoto/Robsons Lagoon to improve wetland ecosystem values.

Extensive consultation with Stakeholders was undertaken. Resource consents have been applied for and tenders for construction invited.	
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2. Construct the improvements to the Koau right floodbank at Factory Road (Paretai) that reduce the risk of floodbank failure at that location.


Detailed design completed, and consent application lodged for this improvement work. Construction has been deferred to the latter half of the 2018/19 financial year	
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Lower Taieri flood protection

Level of service – Reduce the flood risk to people and property by maintaining, repairing and renewing flood protection works to agreed standards.		Achieved
Measure:	Respond to flood events or damage.	●
Performance target:	Flood damage identified, prioritised and repaired.	
Result:	Flood damaged from the July 2017 flood was quickly assessed and prioritised. In some instances, repairs from this flood were ongoing for a number of months. Risks were managed including urgent and temporary repairs. Further works are being implemented through the 2018/27 LTP.	
Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	●
Performance target:	No flooding of the East Taieri upper ponding area from Taieri River flows up to 800 m ³ /s or Silver Stream flows up to 160 m ³ /s.*	
Result:	No flooding occurred in the Upper Ponding area arising from the Taieri River and Silver Stream flows.	

*Taieri River flows measured at Outram, Silver Stream flows measured at Gordon Road), being equivalent to the 1980 flood, nominally a 100 year event.


Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	
Performance target:	No flooding of the East Taieri lower ponding area from Taieri River flows up to 2,500 m ³ /s or Silver Stream flows up to 260 m ³ /s.	
Result:	No flooding occurred in the Lower Ponding area arising from the Taieri River and Silver Stream flows.	

Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	
Performance target:	No flooding of West Taieri from Taieri River flows up to 2,500 m ³ /s.	
Result:	No flooding occurred in the West Taieri scheme from Taieri River flows. All flows contained within design scheme specifications.	




Measure:	Maintain and renew flood mitigation works to ensure design standards are met.	
Performance target:	No flooding of Mosgiel from Silver Stream flows up to 260 m ³ /s.	
Result:	No Flooding in the Mosgiel area from the Silver stream this period.	

Specific areas of work:

1. Undertake design and obtain approvals and consents (if required), for constructing new upper/lower pond link spillways or the alternative option of relocating the floodbank(s) through the chute of the Taieri River.


This work was delayed due to the July 2017 flood. It will be informed by a 'scheme hydraulic performance investigation' that has programmed in the new financial year.	
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West Taieri drainage


Level of service –Improve the productive capability of land by maintaining, repairing and renewing land drainage works to agreed standards.		Achieved
Measure:	Respond to events or damage.	
Performance target:	Damage identified, prioritised and repaired.	
Result:	Flood damaged from the July 2017 flood was quickly assessed and prioritised. In some instances, repairs from July 2017 flood where ongoing for a number of months. Risks where being managed with urgent and temporary repairs having been completed. Further works are being implemented in the new financial year.	
Measure:	Maintain and renew drainage works to ensure design standards are met.	
Performance target:	Provide drainage modulus of 10mm per day pumped drainage capacity.	
Result:	The drainage moduli was provided over the period.	
Measure:	Maintain and renew drainage works to ensure design standards are met.	
Performance target:	Pump capacity for Waipori, Ascog and Henley will be available 320 out of 365 days per annum*.	
Result:	The target was missed by 4 days for the Waipori Pump Station. The Station capacity was reduced by 25% during this period, with no effect to land drainage. The target was achieved for Ascot and Henley.	

*Planned maintenance on pumps will require the pump to be out of service during the maintenance period, timing of which will be managed through risk assessment.

East Taieri drainage

Level of service –Improve the productive capability of land by maintaining, repairing and renewing land drainage works to agreed standards.		Achieved
Measure:	Respond to events or damage.	
Performance target:	Damage identified, prioritised and repaired.	
Result:	Flood damaged from the July 2017 flood was quickly assessed and prioritised. In some instances, repairs from July 2017 flood where ongoing for a number of months. Risks where being managed with urgent and temporary repairs having been completed. Further works are being implemented in the new financial year.	


Measure:	Maintain and renew drainage works to ensure design standards are met.	
Performance target:	Provide drainage modulus of 8mm per day pumped drainage capacity for East Taieri upper ponding area and 18mm per day for East Taieri lower ponding area.	
Result:	Drainage moduli has been provided for throughout the period. A temporary pump was installed at Silverstream to compensate for a leakage from the discharge pipe.	

Measure:	Maintain and renew drainage works to ensure design standards are met.	
Performance target:	Pump capacity will be available 320 days out of 365 days per annum.*	
Result:	East Taieri – the target was not met due to the unplanned shutdown of Silverstream Pump duty pump 1 to mitigate risks of seepage from the discharge pipe. Options to repair the problem were progressed. In addition, a portable pump was installed to help compensate. The target was met for the Scroggs and Mill Creek Pumping Stations.	

*Planned maintenance on pumps will require the pump to be out of service during the maintenance period, timing of which will be managed through risk assessment.

Specific areas of work:

1. Undertake design and consenting (if required), of drainage improvements for the upper pond.


Preliminary options review complete. Further investigation and design to be undertaken through the 2018-28 LTP.	
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Tokomairiro drainage

Level of service –Improve the productive capability of land by maintaining, repairing and renewing land drainage works to agreed standards.		Achieved
Measure:	Respond to events or damage.	●
Performance target:	Damage identified, prioritised and repaired.	
Result:	Flood damaged from the July 2017 flood was quickly assessed and prioritised. In some instances, repairs from July 2017 flood where ongoing for a number of months. Risks where being managed with urgent and temporary repairs having been completed. Further works are being implemented in the new financial year.	
Measure:	Existing land drainage works perform to agreed standards, and drainage works are monitored and maintained to agreed standards.	●
Performance target:	The drains and channel flow paths within the scheme are maintained to ensure hydraulic capacity.	
Result:	Flood damaged from the July 2017 flood was quickly assessed and prioritised. In some instances, repairs from July 2017 flood where ongoing for a number of months. Risks where being managed with urgent and temporary repairs having been completed. Further works are being implemented in the new financial year.	

Shotover River Delta

Level of service –Ensure waters can flow without undue obstruction.		Achieved
Measure:	Difference between actual and target profiles for surface.	
Performance target:	Surface of Shotover river delta is consistent with the target profile.	
Result:	Cross section survey results received in January. Analysis of the current delta surface and report completed. Shotover Delta is a case study for the GeoTerm project which will be completed in August 2018. The tools from this project will help manage the delta in relation to the target profile.	

Actual and Budget Costs – Flood protection & control works

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Alexandra flood protection			
- Operating cost	248	278	(30)
Leith flood protection			
- Operating cost	997	440	557
- Capital cost	3,445	2,553	892
Total cost	4,442	2,993	1,449
Lower Clutha flood & drainage			
- Operating cost	1,231	1,078	153
- Capital cost	131	755	(624)
Total cost	1,362	1,833	(471)
Lower Taieri flood			
- Operating cost	775	478	296
- Capital cost	8	20	(13)
Total cost	782	499	283
West Taieri drainage			
- Operating cost	1,168	586	582
- Capital cost	6	268	(262)
Total cost	1,174	855	320
East Taieri drainage			
- Operating cost	672	543	129
- Capital cost	0	117	(117)
Total cost	672	660	12
Tokomairiro drainage			
- Operating cost	100	99	1
- Capital cost	0	45	(45)
Total cost	100	144	(44)
Shotover river delta			
- Operating cost	29	72	(43)
Land drainage response			
- Operating cost	33	48	(15)
Total costs	8,843	7,382	1,461

Actual and Budget Revenue – Flood protection & control works

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	5,253	3,624	1,629
Funded by:			
General rates	601	587	13
Targeted rates / scheme reserves	4,135	2,489	1,646
Fees & charges	242	273	(30)
Other income	275	275	0
Total funding	5,253	3,624	1,629
Capital costs	3,590	3,759	(168)
Funded by:			
Targeted rates / scheme reserve	3,240	3,509	(168)
Kuriwao reserve	250	250	0
Total funding	3,590	3,759	(168)
Total revenue	8,843	7,382	1,461

Financial comments:


The Leith flood protection scheme was overspent by \$1,449,000. This was largely due to the timing of the works undertaken. The actual expenditure related to the Union to Leith footbridge stage of the scheme whereas the budget reflects the cost for the Dundas Street works. The Union to Leith works were planned for the 2016/17 financial year but carried over into the 2017/18 year due to delays caused by flood events and the discovery of buried asbestos that required removal. The Dundas Street section designs took place.


The overspends in relation to Lower Taieri flood \$283,000, East Taieri drainage \$12,000 and West Taieri drainage \$320,000 are due to the July 2017 flood response and subsequent repair and maintenance activities.

The underspend in relation to the Lower Clutha flood and drainage scheme of \$471,000 is predominately timing in relation to Factory Road remedial works and Robson Lagoon works which have been deferred to 2018/19.

SAFETY & HAZARDS


Emergency management

Level of service – Be ready and able to respond to civil defence emergencies, assist with recovery after such events, and to co-ordinate and promote reduction through group strategies and plans.		Achieved
Measure:	Timeliness in response to a civil defence event/emergency.	
Performance target:	The Group Emergency Co-ordinating Centre can be fully operational within one hour of activation.	
Result:	Phillip Lang House is being completed and the Regional Group Emergency Coordination Centre (GECC) will operate from it. Until then Stafford Street and/or the Dunedin City Council Bunker can be stood up as an Emergency Co-ordinating Centre.	


Measure:	Timeliness in response to a civil defence event/emergency.	
Performance target:	A Group CDEM Controller is available 24/7, 365 days a year.	
Result:	There are currently four nominated Group Controllers in place. Three are fully qualified and one yet to complete training. Additional support mechanisms have been put in place as approved (May 2018) by the Joint Committee.	

Specific areas of work:


1. Lead the review and development of the 2017-22 Otago CDEM Group Plan.

The Otago CDEM Group Plan has not yet been approved for notification by the Central Emergency Group or the Joint Committee.	
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2. Complete the development of the Group Risk Reduction Strategy and implement it.


Risk reduction is an important component of the work Emergency Management Otago undertakes. The Otago Risk Register provides the basis and direction for activity in this area and as a living document, new risks are added to the register as they are identified. Activities in the risk reduction area are defined in the Otago Group Plan 2018 – 2028 and in the annual Business Plan.	
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3. Ensure that dam safety and dam failure plans are incorporated into community planning activities.

Dam safety is a key issue within the development of Community Response Plans where a dam forms part of that community's infrastructure. As new plans are	
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<p>developed, dams are identified and appropriate information on flood and/or dam failure evacuation zones are defined and included.</p> <p>As at 30 June 2018 not all communities with dams have a Community Response Plan.</p>	
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Natural hazards

Level of service – Work proactively with communities to improve understanding of the risks posed by natural hazards so that informed decisions and responses can be made.		Achieved
Measure:	Information to be available.	
Performance target:	Provide natural hazards information to the public via an effective web based Otago Natural Hazards database.	
Result:	Following a comprehensive review of information displayed in the Natural Hazards Database and supporting information in 2017, areas identified as needing attention have now been worked on. Updates on the database continue to progress. The Coastal Hazards, Landslides, Alluvial Fan and Seismic layers have been updated and successfully uploaded to the NHDB. The Flooding, Storm Surge and Tsunami layers are now up to date and ready for upload to the database	

Level of service – Provision of accurate and timely flood warnings.		Achieved
Measure:	Warnings of flood events when alarm status is reached.	
Performance target:	Provide rainfall and river flow information to the public when flood levels reach alarm status.	
Result:	Rainfall and flow information has been disseminated to the public mainly through the Waterinfo website. The Waterinfo website has been upgraded to make it more user friendly. One major flood event (July 2017) and several smaller events (including two ex-tropical cyclones (Fehi and Gita) were responded to this year. The July 2017 event required a large response.	

Specific areas of work:

1. Undertake a joint ORC/QLDC flood awareness campaign in Queenstown, Wanaka, Glenorchy and Kingston.

<p>Campaign completed at the end of October/early November 2017. Visits were made to businesses in Queenstown and Wanaka CBD in addition to drop in sessions. Visits were undertaken in association with CDEM.</p>	
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2. Work with the Dunedin City Council on the South Dunedin Future programme.

South Dunedin Future programme scope, roles, and next steps in this project being defined with discussions with DCC. Technical workshop with DCC planned in July. Flood forecasting tool developed and being tested during heavy rainfall events. ORC participation to NZ SeaRise programme on-going and will inform the South Dunedin Future programme next steps.



3. Report on the location and characteristics of known geological faults in Otago.

This project has been deferred to next financial year once GNS Science has completed the investigation on faults in the CODC, QLDC and CDC areas. The purpose of this project is to report on findings from work done or being done by GNS. The GNS work has delayed and will be completed around August/September 2108.



Actual and Budget Costs – Safety & hazards

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Emergency management			
- Operating costs	2,578	2,412	166
Natural hazards			
- Operating costs	1,176	1,179	(3)
Flood risk management			
- Operating costs	460	150	310
Total costs	4,213	3,741	473

Actual and Budget Revenue – Safety & hazards

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	4,213	3,741	473
Funded by:			
General rates	1,554	1,210	344
Targeted rates / scheme reserves	2,518	2,412	106
Kuriwao Reserve	69	69	0
Other income	73	50	23
Total revenue	4,213	3,741	473




Financial comments:

Emergency management activity was overspent by \$166,000 which included unbudgeted costs of \$109,000 in relation to the July 2017 flood event.

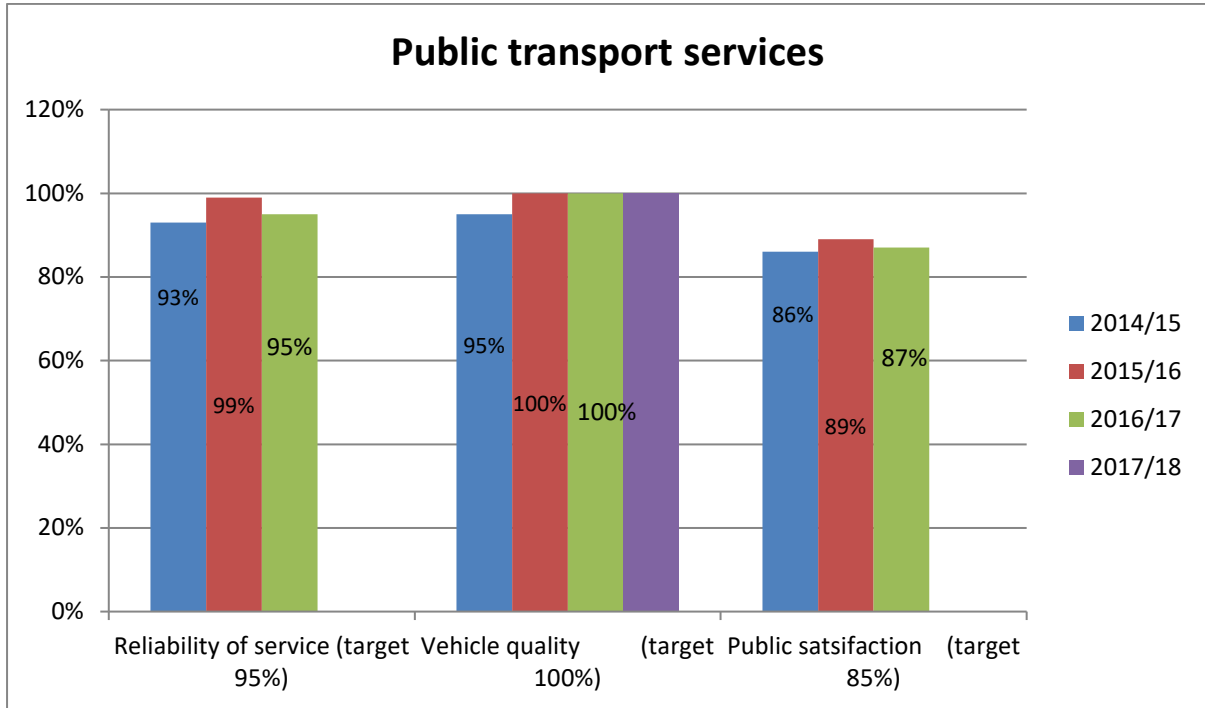
Flood risk management is overspent by \$310,000 as the July 2017 flood event and the Roxburgh November 2017 debris flow have resulted in time and resources being spent on flood risk management, and assessment of the events and their effects on rivers and flood protection schemes.

TRANSPORT

Regional transport planning & public passenger transport

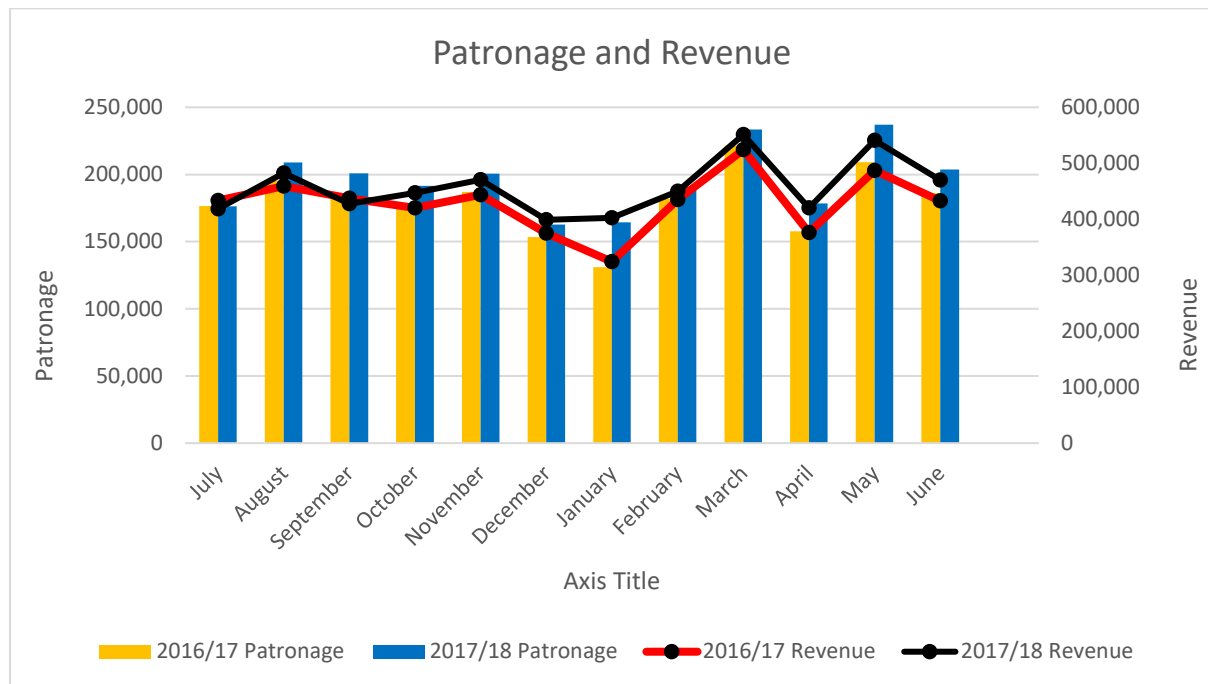
Level of service – Provide passenger transport services that meet community need.		Achieved
Measure:	Reliability of service.	
Performance target:	95% of services monitored depart from the terminus on time.	
Result:	Dunedin - The annual survey (which includes the measurement of the Service Departure time) was not completed in time to report at year end and will be reported in the first quarter of the 2018/19 financial year.	
Result:	Queenstown - The annual survey (which includes the measurement of the Service Departure time) was not completed in time to report at year end and will be reported in the first quarter of the 2018/19 financial year.	
Measure:	Vehicle quality.	
Performance target:	100% of vehicles (PTOM contracts) comply with Regional Passenger Transport Plan Vehicle Quality standards.	
Result:	Dunedin - 100% of vehicles comply with the Vehicle Quality Standards outlined in the Regional Public Transport Plan.	
Result:	Queenstown - 100% of vehicles comply with the Vehicle Quality Standards outlined in the Regional Public Transport Plan.	
Measure:	Public satisfaction.	
Performance target:	Surveys to show at least 85% of bus users are satisfied with overall standard of service.	
Result:	Dunedin - The annual survey was not completed in time to report at year end and will be reported in the first quarter of the 2018/19 financial year.	
Result:	Queenstown - The annual survey was not completed in time to report at year end and will be reported in the first quarter of the 2018/19 financial year.	

The graph below will be updated to show the reliability and satisfaction survey results for the 2017/18 year. This will be publicly reported to the 17 October 2018 Council Committee meeting round.



Measure:	Patronage growth.	
Performance target:	In Dunedin, maintain patronage In Wakatipu, 8% growth.	
Result:	Dunedin - Patronage growth of 8% achieved for the Financial Year.	●
Result:	Queenstown - Patronage growth of 153% achieved since December after the new network commenced.	●

Dunedin Passenger Transport: The graph below shows revenue and patronage for the 2017/2018 compared to the previous year 2016/2017. Seasonality is reflected in the figures, whilst 2018 data continues to outperform 2017, tracking at a premium of around 10-11%.

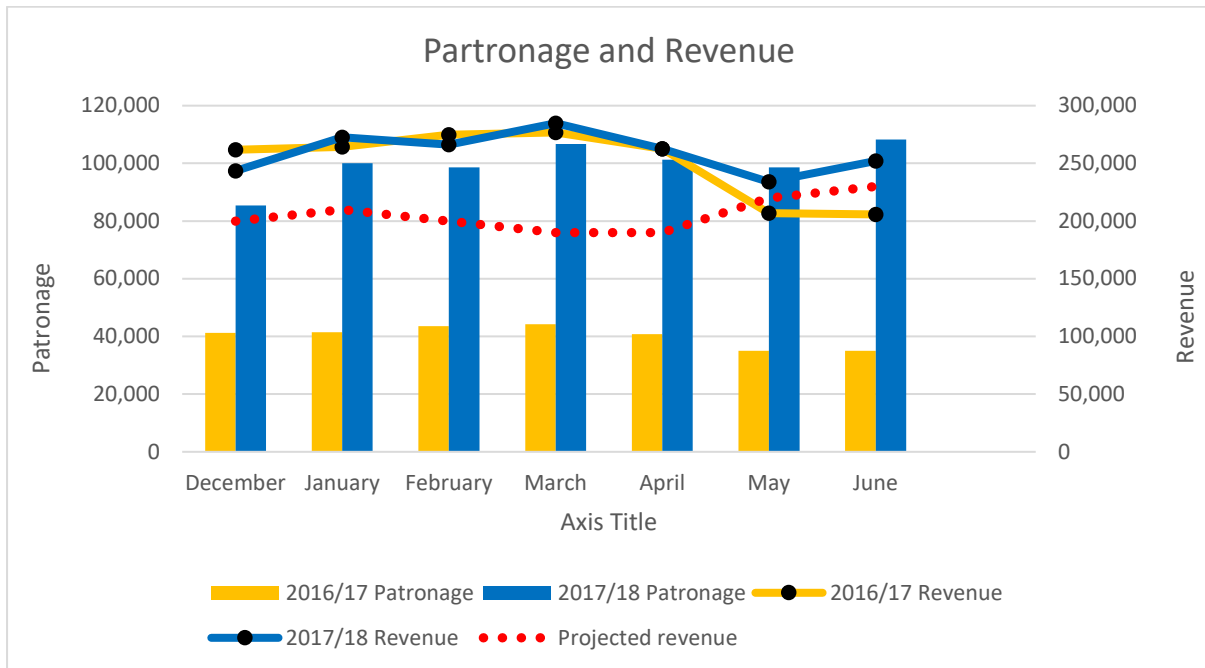


Wakatipu Public Transport

The new Wakatipu Public Transport Network was launched on 20 November 2017. The initial patronage uptake was encouraging with a 107% lift in December compared to the same month last year. This trend continued over the financial year showing a 153% increase compared to the same time last year.


After an initial and expected drop in revenue with the introduction of the flat fares actual revenue recovered and tracked closer to the year-end target.

The graph below shows revenue and patronage for 2017/2018 compared to the previous year 2016/2017.




Specific areas of work:

1. Complete the construction of a central bus hub in Dunedin.

<p>Construction contract tender has been received, costs exceed the budget allocation. Council have approved its share of the cost increase, at year end seeking NZTA approval for its component of cost which has subsequently been approved. The project is now on track for completion of construction component late November 2018.</p>	
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2. Complete the implementation of a replacement ticketing system.

<p>System design and build is underway. Anticipate being operational in Queenstown and Dunedin in late 2018 / early 2019.</p>	
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Actual and Budget Costs - Transport

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Regional transport planning			
- Operating cost	304	318	(14)
Public passenger transport			
- Operating cost	22,272	24,357	(2,084)
Stock truck effluent disposal			
- Operating cost	189	83	107
- Capital cost	47	426	(379)
Total cost	237	509	(272)
Total costs	22,813	25,183	(2,370)

Actual and Budget Revenue - Transport

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Operating costs	22,714	24,757	(2,044)
Funded by:			
General rates	601	638	(38)
Targeted rates / scheme reserves	6,313	6,721	(407)
Grants	9,409	10,453	(1,044)
Fees & charges	1	1	(1)
Other income	6,389	6,943	(554)
Total funding	22,714	24,757	(2,044)
Capital costs	99	426	(327)
Funded by:			
General reserves	67	209	(142)
Grants	32	217	(185)
Total funding	99	426	(327)
Total revenue	22,813	25,183	(2,370)

Financial comments:

Public passenger transport activity is underspent by \$2,084,000 mainly due to the replacement electronic ticketing system which is \$2,131,000 underspent. This project was originally budgeted for completion in the 2017/18 year but is still being tested and will now be implemented in late 2018 / early 2019.

Queenstown bus services were underspent by \$761,000 as the new service was budgeted to commence in October 2017 but was implemented in late November 2017.

The bus hub project was budgeted in the 2016/17 year with only maintenance costs budgeted in the 2017/18 year. This timing has resulted in an overspend of \$950,000 in the 2017/18 year. The remaining

construction budget for the bus hub will be carried forward to 2018/19 and construction is scheduled to be completed in November 2018.

Stock truck effluent disposal is underspent by \$272,000 as concerns of Central Otago District Council regarding one of the preferred sites, resulted in the tender for construction being awarded for one site, not two as assumed in the budget. Operating costs for STED's were under budget as stock movements reduced due to the mycoplasma bovis disease.