



COUNCIL MEETING PUBLIC AGENDA

Wednesday 14 August 2019

2 p.m., Council Chamber

Level 2 Philip Laing House, 144 Rattray Street, Dunedin

Members of the public are welcome to attend.

Meeting documents and attachments are available online at: www.orc.govt.nz

Membership

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

Attending

Sarah Gardner	<i>(Chief Executive)</i>
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Disclaimer

Please note that there is an embargo on agenda items until 48 hours prior to the meeting. Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

For our future

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1. APOLOGIES

No apologies have been notified.

2. LEAVE OF ABSENCE

No leave of absence has been requested.

3. ATTENDANCE

4. CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

5. CONFLICT OF INTEREST

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

6. PUBLIC FORUM

No public forum has been notified.

7. PRESENTATIONS

1. Representatives from Queenstown Lakes District Council will be present to provide an update on the Victoria Landfill and odour abatement works underway. Those present will include Erin Moogan, QLDC Maintenance and Operations Manager, Laura Gledhill, QLDC Contracts Manager and Simonne Eldridge, Environmental Engineering Consultant from Tonkin + Taylor.
2. Dr Trudi Webster, Conservation Science Advisor, will present on the Yellow-eyed Penguin Trust Annual Report

8. CONFIRMATION OF MINUTES

8.1. Minutes of the 26 June 2019 Council Meeting

Recommendation

That the minutes of the (public portion of the) Council meeting held on 26 June 2019 be received and confirmed as a true and accurate record.

Attachments

1. Minutes of the 20190626 Council Meeting [**8.1.1** - 9 pages]

8.2. Minutes of the 1 August 2019 Extraordinary Council Meeting

Recommendation

That the minutes of the (public portion of the) Extraordinary Council meeting held on 1 August 2019 be received and confirmed as a true and accurate record.

Attachments

1. Extraordinary Council Meeting minutes 20190801 [**8.2.1** - 3 pages]

9. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Status report on the resolutions of the Council Meeting

11.3 Delegations	3 April 2019	Direct CE to bring a review of delegations to the next Council Meeting	IN PROGRESS
11.1 Policy Committee Appointment of Iwi Representation	15 May 2019	Review and define partnerships of the 2003 MoU and Protocol between ORC and Ngai Tahu/Kai Tahu for Effective Consultation and Liaison	IN PROGRESS
11.3 Disposal of Poison Services Assets	15 May 2019	ORC to consult with community on proposed sale of poison services assets and include the Galloway land as part of a proposed sale	ASSIGNED
11.1 Annual Plan 2019/20	26 June 2019	Provide an updated report on status of reserves to an upcoming F & C committee meeting	ASSIGNED
11.3 Finalise Biodiversity Action Plan	26 June 2019	Develop business case options for resourcing biodiversity and biosecurity activities to inform the next LTP (2021 - 2031) and enable implementation of the Biodiversity Action Plan.	ASSIGNED
11.6 Delegation where ORC is both applicant and regulatory authority	26 June 2019	Amend delegations where ORC is both applicant and regulatory authority to an independent decision maker(s) appointed by the Commissioner Appointment Subcommittee.	COMPLETE

10. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

10.1. Chairperson's Report

Prepared for:	Council
Activity:	Governance Report
Author:	Cr Stephen Woodhead, Chairperson
Date:	6 August 2019

LOCAL GOVERNMENT CONFERENCE

- [1] Pre-conference tour was hosted by Greater Wellington Regional Council (GWRC). We started the tour with a presentation and visit to CentrePort. CentrePort has a current depth of 11.3m, handles approximately 90,000 TEU, 100 plus cruise ships a year with the normal mix of fuel and logs. 85% of ship movements are inter-island traffic.
- [2] This Port suffered extensive damage and liquefaction from the 2016 earthquakes. Immediately after the earthquake they had no water, electricity, phone lines or email. There was significant damage to the Port wharfs, infrastructure and many buildings. Amazingly, over several weeks the Port slowly started operating again. Land that was originally reclaimed with unconsolidated fill from the harbour has been badly affected and is still settling following the earthquakes. New piles for wharfs were needed and a programme of driving gravel columns at 6m centres into the ground to consolidate the area as a method of ground improvement is still underway. Many buildings have been or are about to be demolished. The commercial properties insurance claim has been settled for \$170 million. This covers a lump sum settlement for the former BNZ building, Statistics House and Shed 35, and repairs to Customhouse, Shed 39 and other sundry properties.
- [3] The earthquake has given the Port the chance to plan almost from a clean slate. Plans for a new, quake-resistant multi-user Cook Strait Ferry Terminal have been made public, and the decision has been made that no new multi-story commercial buildings will be built on Port ground. The similarities in risk with Dunedin's reclaimed land were sobering.
- [4] The next day we visited Lake Ferry at the bottom of the Wairarapa. A presentation on the history of Wairarapa Moana covered Iwi history of the area, future river management and flood scheme funding challenges and sea level rise.
- [5] On the way back to Wellington we called into the Dowse Art Museum and viewed a large model showing the proposed River Link project at Lower Hutt, a joint effort between NZTA, GWRC and Hutt City. This encompasses a significant lift in flood protection to one in 400 years protection for the urban/commercial area of Lower Hutt, some large-scale roading projects including the replacement of the Melling Bridge, an interchange on State Highway 2, and a new rail station. The evening was spent at Zealandia.
- [6] The next day we caught the train to Paekakariki and visited Queen Elizabeth Park, a coastal park that is being affected by coastal erosion. At this Regional Park, GWRC have started implementing their plans to manage the impacts of sea level rise by moving infrastructure such as toilets and walking tracks/access back from the coast. New toilets will be constructed so they are moveable again in the future rather than be demolished.

[7] We then visited the Transmission Gully base at Lanes Flat. This is a large project working in very difficult conditions with many workers with specialist skills from offshore. It is being built as Public/Private Partnership, a 27km, four-lane motorway with four interchanges and two link roads due to open in 2020 at a cost of \$850M. I was surprised to hear that travel times would only improve by 8-10 minutes. There will be significant benefits with respect to improved safety and resilience of the transport network. We travelled the second part of the day in one of the ten Tranzurban electric double decker buses. The cost benefit of the extra \$200,000 purchase price against the lower operating cost and environmental benefits was still being worked through.

LGNZ CONFERENCE AGM

[8] Cr Hope and I attended the AGM. Lawrence Yule, former Mayor of Hastings and former LGNZ President was awarded a life membership. The LGNZ rules were amended as proposed. Updates on the results of the 24 remits can be viewed at <https://www.lgnz.co.nz/news-and-media/2019-media-releases/local-government-debates-remits-at-agm/>. 2020 AGM and Conference is in Blenheim on the 18th of July.

[9] Cr Hope's report on the conference is included in the agenda.

OTHER MEETINGS

[10] Air Rescue Helicopters launch.

[11] British High Commission staff, ORC climate change work.

[12] Manuherehia Reference Group.

[13] Mark Patterson MP.

ATTACHMENTS

Nil

10.2. Chief Executive's Report

Prepared for:	Council
Activity:	Governance Report
Author:	Sarah Gardner, Chief Executive
Date:	9 August 2019

PURPOSE

- [1] To consider options for representation arrangements with a view to endorsing a preferred option for public consultation.

KEY MEETINGS ATTENDED

- [2] Friday 28 June – meeting with CEO of OSEA Virginia Nicholls
- [3] Friday 28 June – SOLGM Executive teleconference
- [4] Friday 28 June – attended farewell for David Guard, FENZ
- [5] Monday 1 July – conducted interview for the Senior Advisor Mayoral Forum position with Chief Executives from Dunedin City Council and Waitaki District Council
- [6] Monday 1 July – met with Minister’s Investigator on Deemed Permits
- [7] Tuesday 2 July – met with ORC’s Health & Safety representatives
- [8] Thursday 4 July – met with Richard Saunders, new GM Regulatory
- [9] Friday 5 July – regular catch-up meeting with Dr Sue Bidrose, CE of Dunedin City Council
- [10] Friday 5 July – participated in a meeting with iwi partners in regard to Water Plan Review
- [11] Monday 8 July – MfE engagement regarding Minister’s Investigation
- [12] Tuesday 9 July – 3 Waters meeting with Otago CE’s and Department of Internal Affairs
- [13] Thursday 11 July – Transport meeting with Minister Twyford, NZTA and DCC
- [14] Wednesday 24 July – met with Decipher Group
- [15] Wednesday 24 July – attended the DCC/ORC candidates’ evening
- [16] Thursday 25 July – SOLGM local branch meeting President/Secretary
- [17] Tuesday 30 July – met with James Caygill and Jeremy Anderson from Fonterra
- [18] Friday 2 August – met with Sally Rae, Business & Rural Editor, ODT
- [19] Friday 2 August – hosted a visit of two staff from the British High Commission for a discussion on climate change
- [20] Friday 2 August – attended teleconference with Mayor of Central Otago District Council regarding Mayoral Forum agenda
- [21] Friday 2 August – Cr Woodhead and I attended the Federated Farmers local board meeting
- [22] Tuesday 6 August – attended the Regional Chief Executive Officers’ meeting in Wellington
- [23] Wednesday 7 August – attended the Chief Executives Environment & Economy Forum in Wellington
- [24] Thursday 8 August – met with Catchment Group Leaders Geoff Crutchley, Randall Aspinall, Lloyd McCall and Lyndon Strang
- [25] Monday 12 August – regular catch-up meeting with Kevin Winders, CEO of Port Otago Limited

- [26] Tuesday 13 August – attended Connecting Dunedin Operational Group meeting followed by a Connecting Dunedin Governance meeting
- [27] Tuesday 13 August – met with Dr Barry Law and Megan Gibbons from Otago Polytechnic for an update on the application for Otago becoming a Regional Centre of Excellence
- [28] Tuesday 13 August – met with Robin Thomas from QEII National Trust

RECOMMENDATION

That the Council:

- 1) ***Receives*** this report.

DISCUSSION

Otago Mayoral Forum

- [29] The position of Senior Advisor for the Mayoral Forum has been filled and Marianna Brook will begin with Otago Regional Council in late September. Discussions held with the Chair, Mayor Tim Cadogan will inform consideration of the forum's work and mandate at the next meeting. This is part of the work being doing to further develop the forum and define its work programme.

Dunedin Transport Discussion with Minister Twyford

- [30] At the Minister's request officials met to detail the progress of transport planning and public transport in Dunedin. The public transport network changes and yearly improvement in patronage were discussed and followed by a visit to the Bus Hub. The Minister later reported that Dunedin was doing very well and was ahead of the game in the way it works on transport matters. There was also some discussion about Queenstown and its transport challenges.

British High Commission Climate Change Discussion

- [31] The Commission is looking into climate adaptation and the challenges of local government ahead of the next international climate discussion to be held in Britain next year. The discussion focused on some of the challenges our region faces, including issues like natural hazards and our current programme to assess infrastructure impacts.

Governance Support

- [32] Staff attended standing orders training to understand the latest advice around standing orders and support for effective and efficient meetings with a view to assisting the Chair of Council at the start of the new triennium. This is to be followed up by some further investment in best practice training for Council advisors.

11. MATTERS FOR COUNCIL DECISION

11.1. Reserves and Other Lands Disposal Acts

Prepared for: Council
Report No. GOV1847
Activity: Governance Report
Author: Peter Kelliher, Legal Counsel
Endorsed by: Nick Donnelly, General Manager Corporate Services
Date: 19 July 2019

PURPOSE

- [1] To consider its response to Land Information New Zealand regarding its proposal to repeal various sections of historic legislation applicable to the Otago region.

EXECUTIVE SUMMARY

- [2] Land Information New Zealand (“LINZ”) has identified over 90 Reserves and Other Lands Disposal Acts that they consider are suitable for repeal in whole or in part.
- [3] LINZ are consulting with the Regional Council on sections within three Acts (which relate to the Otago region) on whether there is a current or future need for any of the sections to remain in the statute book.
- [4] This paper considers the sections and proposes a response to LINZ.

RECOMMENDATION

That the Council:

- 1) **Receives** this report.
- 2) **Approves** the following response to Land Information New Zealand, regarding consultation on repealing outdated land-related legislation:
 - a. *“The Otago Regional Council does not object to the repeal of the following sections that apply to the Otago Region, subject to preserving all estates, interests, authorisations and titles in the land:*
 - i. *Section 69 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1920;*
 - ii. *Section 136 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1922; and*
 - iii. *Section 136 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1922.*

BACKGROUND

- [5] Land Information New Zealand (LINZ) administers, amongst other acts, Reserves and Other Lands Disposal Acts. These acts are technical pieces of legislation used to deal with issues relating to land administration and use.

- [6] LINZ has identified over 90 Reserves and Other Lands Disposal Acts that they consider are suitable for repeal in whole or in part, because the issues they were created to resolve have been addressed.
- [7] LINZ are consulting with the Regional Council regarding sections within three Acts (which relate to the Otago region) on whether there is a current or future need for any of the sections to remain in the statute book.

DISCUSSION

- [8] LINZ are consulting with Council on sections within three pieces of legislation, namely:
- a. Section 69 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1920;
 - b. Section 109 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1921-22; and
 - c. Section 136 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1922

Copies of the relevant sections are set out in full in Appendix 1.

- [9] Section 69 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1920 authorised the Otago Harbour Board to erect and maintain an automatic light on Heywards Reserve for the purpose of the safe navigation of vessels entering Otago harbour. As this navigation light is now operated and maintained by Port Otago Limited, and not the Regional Council, we consider that this section is no longer current.
- [10] Section 109 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1921-22 authorised the Otanomomo River Board to borrow £3,000 for the purpose of paying portion of cost of certain river-works on the Clutha River constructed by the Minister of Public Works. Given the passage of time, we consider the section which authorises the loan superfluous.
- [11] Section 136 of the Reserves and Other Lands Disposal and Public Bodies Empowering Act 1922 authorised an exchange in lands between the Otago Harbour Board and the Otago Education Board. Once registration of the land transfers was completed, the principle of indefeasibility of title applies. As such, we consider that the section authorising the exchange is superfluous.
- [12] Repealing the above sections will not affect the validity of anything done by the Regional Council's predecessors. The Interpretation Act 1999 ensures that any and all existing rights that a repealed section provides for will continue to be in effect after its repeal.
- [13] LINZ have also advised that it will ensure that legislation to repeal sections of old land-related laws will include appropriate savings provisions.

OPTIONS

- [14] LINZ have sought comment from the Regional Council on whether there is a current or future need for any of the above sections. The decision on these sections is ultimately for LINZ to make. There is no requirement on the Regional Council to respond, favourably or otherwise.

CONSIDERATIONS

Policy Considerations

- [15] There are no policy considerations arising from this report.

Financial Considerations

- [16] There are no financial considerations arising from this report.

Significance and Engagement

- [17] No matters in this report trigger the Council's significance policy or require additional or specific consultation.

Legislative Considerations

- [18] LINZ are consulting on repealing in whole or in part the legislation referred to within this report.

Risk Considerations

- [19] Given the application of the Interpretation Act 1999 and the savings provisions proposed by LINZ, we consider any risk of the proposed repeals as low.

ATTACHMENTS

Nil

Appendix 1.

Reserves and Other Lands Disposal and Public Bodies Empowering Act 1920

69 Otago Harbour Board authorized to erect automatic light on a scenic reserve

Whereas by a Proclamation published in the Gazette of the tenth day of August, nineteen hundred and five, Section 50, Block V, North Harbour and Blueskin Survey District, in the Otago Land District, was permanently reserved as a scenic reserve under the Scenery Preservation Act 1908: And whereas the Otago Harbour Board is desirous of erecting an automatic light upon Heyward Point which is part of the said scenic reserve: And whereas for the purpose of the safe navigation of vessels entering Otago Harbour it is desirable that authority be given for the erection of such a light: Be it therefore enacted as follows:—

The Otago Harbour Board is hereby authorized to erect and maintain an automatic light upon such portion of the said reserve as may be considered most convenient for the purpose.

Reserves and Other Lands Disposal and Public Bodies Empowering Act 1921-22

109 Authorizing Otago Harbour Board to borrow £3,000 for the purpose of paying portion of cost of certain river-works constructed by the Minister of Public Works

Whereas the Minister of Public Works has constructed certain protective works on the Clutha River at Otago Harbour on the understanding that the Otago Harbour Board would pay the sum of 3,000 pounds towards the cost of constructing the said works:

And whereas the said works have been completed, and the said Board, not having met its obligation as aforesaid before such completion, has now no authority at law to raise a special loan in respect of such works:

And whereas it is desirable to confer such authority on the said Board:

Be it therefore enacted as follows:

The Otago Harbour Board may, by special order and without taking the steps described in sections 8 to 12 of the Local Bodies Loans Act 1913, borrow by way of special loan under that Act the sum of 3,000 pounds, and shall pay the same into the Public Account to the credit of the Public Works Fund in full satisfaction of the said Board's share of the expenditure incurred by the Minister of Public Works in connection with the construction of the said Clutha River protective works at Otago Harbour.

Reserves and Other Lands Disposal and Public Bodies Empowering Act 1922

136 Authorizing exchange of lands between the Otago Harbour Board and the Otago Education Board

Whereas the Otago Harbour Board (hereinafter called the Harbour Board) is seised of an estate in fee-simple in all those parcels of land, containing seventy-two acres, more or less, situated in the Provincial District of Otago, being part of the Otago Harbour Board endowment, and being all the land comprised in certificate of title, Register-book, Volume 189, folio 132, in the Land Registry Office, at Dunedin: And whereas the Education Board of the District of Otago (hereinafter called the Education Board) is seised of an estate in fee-simple in all that parcel of land, containing one acre one rood one perch and three-fifths of a perch, more or less, situated in the City of Dunedin, being sections numbered respectively 2, 3, 4, 7, and 12, Block LXIX, on the Land Transfer record map of the said city, deposited in the office of the Chief Surveyor at Dunedin, and being all the land comprised in certificate of title, Register-book, Volume 109, folio 211: And whereas the Harbour Board has agreed with the Education Board, subject to the necessary power being conferred by legislation, to exchange part of its said land, not exceeding five acres in area, for the said land of the Education Board, with the buildings

and fences thereon, and to lease part of its said land, not exceeding three acres in area, to the Education Board upon the terms hereinafter mentioned: Be it therefore enacted as follows:—

(1)The Harbour Board is hereby empowered to transfer to the Education Board any part of the said land of the Harbour Board not exceeding five acres in area for the purposes of a school-site, and the Education Board is hereby empowered to transfer to the Harbour Board the said Sections 2, 3, 4, 7, and 12 freed from any trust for educational purposes.

(2)The Harbour Board is hereby empowered to lease to the Education Board and the Education Board is hereby empowered to accept a lease of any part of the said land of the Harbour Board not exceeding three acres in area for the term of fifty years, at such rent and with, upon, and subject to such terms, conditions, and provisions as may be agreed upon between the Education Board and the Harbour Board, including provisions for payment of valuation for improvements and for renewal for one or more recurring periods.

(3)The District Land Registrar for the Land Registration District of Otago is hereby authorized and directed to accept for registration and to register the said lease notwithstanding anything contained in section one hundred and sixteen of the Public Works Act 1908.

This section was amended, as from 29 August 1923, by section [104 Reserves and other Lands Disposal and Public Bodies Empowering Act 1923 \(1923 No 35\)](#) by substituting the reference to “Block LXIX” for a reference to “Block LIX”.

11.2. ORC Climate Change Response Summary

Prepared for: Council
Report No. P&S1804
Activity: Safety & Hazards: Natural Hazards
Author: James Adams, Senior Policy Analyst
Jean-Luc Payan, Manager Natural Hazards
Endorsed by: Gavin Palmer, General Manager Operations
Date: 14 August 2019

PURPOSE

- [1] To present Council main responses to climate change in Otago.
- [2] To discuss the effect of declaring a climate change emergency

RECOMMENDATION

That the Council:

- 1) **Notes** this paper.
- 2) **Considers** if it wishes to declare a climate change emergency.

BACKGROUND

Declaring a climate emergency

- [3] In Council's public forum on 26 June 2019, members of the public asked Council to declare a climate change emergency.
- [4] Other unitary, district and regional councils in New Zealand have declared climate change emergencies, including Auckland, Wellington, Whangarei, Nelson, Dunedin and Environment Canterbury.
- [5] Climate change does not satisfy the definition of an "emergency" under the Civil Defence and Emergency Management Act 2002. A declaration of a "climate emergency" has no inherent statutory or legal implications. It carries symbolic weight, indicating Council's intention to prioritise responding to climate change, as far as its powers and responsibilities permit.

Statutory responsibilities

- [6] Local government's purpose under the Local Government Act 2002 (LGA) includes meeting communities' needs for effective, efficient and appropriate infrastructure and public services, taking account present and anticipated future circumstances. While not explicit, this responsibility inherently encompasses climate change adaptation.

- [7] The Resource Management Act 1991 (RMA) requires all persons exercising powers and functions under it to have particular regard to the effects of climate change. However, it also explicitly restricts the ability of local government to consider the effects on climate change from the discharge of greenhouse gases into the air.¹
- [8] The LGA and RMA focus on adaptation to the effects of climate change, to minimise the effects of climate change on communities and the environment.
- [9] Under the Land Transport Management Act 2003, the Council's Regional Land Transport Plan must be consistent with the Government Policy Statement on Land Transport 2018, which prioritises reducing greenhouse gas emissions from transport and supports a mode shift to lower emission forms of transport, including walking, cycling, public transport and lower emission vehicles (such as electric vehicles).

Climate change in Otago

- [10] Climate change adaptation is a separate activity from Civil defence emergency management. The latter is management of acute emergency, while the former is a response to changes over time that affect Otago's environments and the safety of its communities.
- [11] Climate change in Otago could result in warmer temperatures (more hot days fewer frosts), more wet conditions (winter and spring), significant decreases in seasonal snow, more windy days, increase in storm intensity, local wind extremes and thunderstorms and sea level rise. Research predicts possible sea level rise of 0.3 and 0.5m over the next 30 years.
- [12] Council has incorporated work programmes in the Flood protection and Control works activity and safety and hazards activity to address risks of potential flooding, and a climate change adaptation activity is included in the 2018-2028 Long Term Plan.
- [13] Part of the climate change activity, Council has initiated a climate change risk assessment for the whole of the Otago Region. The purpose of the risk assessment is to describe Otago's climate and how it may change in the future. To understand the impacts of these climate changes across the region and the sensitivity of our natural and human systems to these changes. The outcomes will enable a prioritisation of risk areas for the focus of adaptation plans. It will also identify opportunities created by changes to the climate.

Flood and Drainage

- [14] Council manages the following flood and drainage schemes in addition to the Lower Waitaki Scheme and non-scheme flood assets:
 - a. Flood protection schemes:
 - i. Alexandra
 - ii. Leith (under construction)
 - iii. Lower Clutha
 - iv. Lower Taieri
 - v. Shotover Delta
 - b. Drainage schemes:

¹ Resource Management Act 1991, s70A

- i. East Taieri
- ii. West Taieri
- iii. Lower Clutha
- iv. Tokomairiro

[15] Sea level rise may generate additional flooding and drainage risks, especially for the Taieri and Lower Clutha flood and drainage schemes. The need to adapt to a changing environment to maintain the level of service that schemes currently provide is recognised as one of 4 drivers for capital investment in flood and drainage schemes. In 2019/20 and 2020/21 Council will consult with the communities benefiting from the flood and drainage schemes to ensure their level of service remains appropriate (excepting the Leith flood protection scheme, which is currently being upgraded).

[16] The Lower Taieri Flood Protection Scheme and Lower Clutha Flood Protection and Drainage Scheme (Figure 1 and Figure 2) are undergoing performance assessments. This will ensure the schemes perform as designed and assess the potential effects of climate change on the level of protection provided. The assessment results will guide engagement with affected communities and stakeholders on acceptable risk levels and future improvements to the schemes.

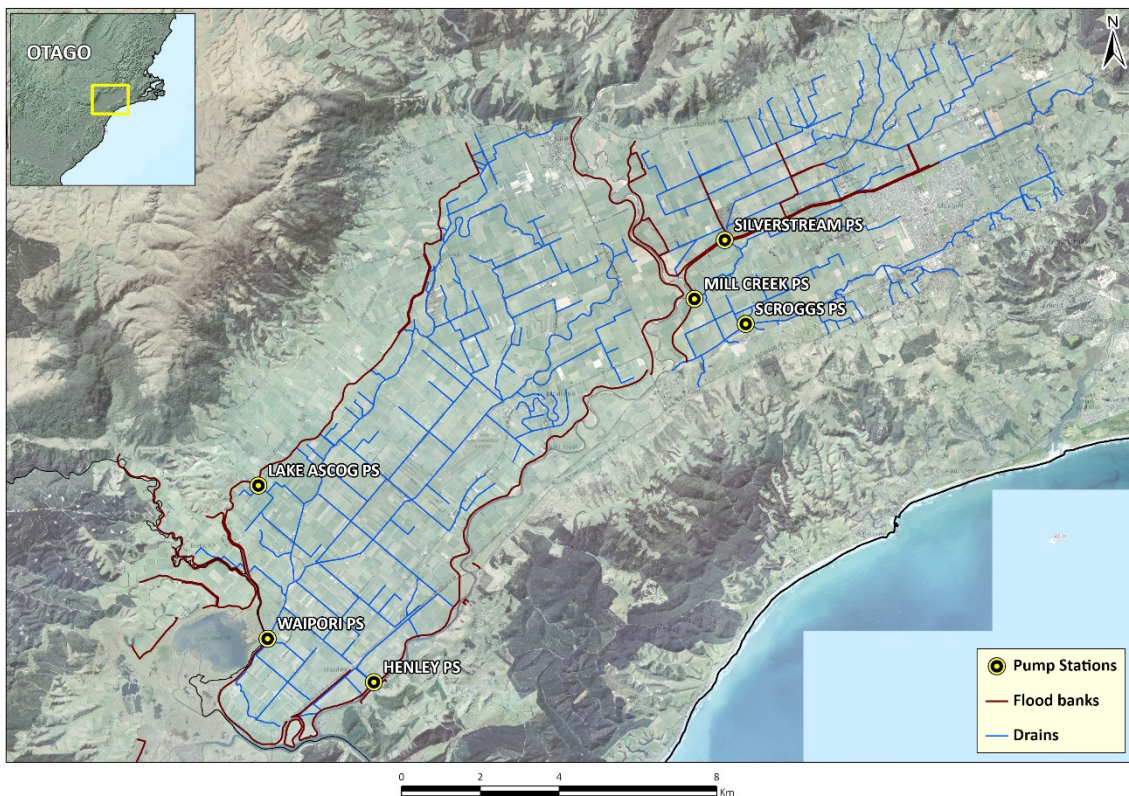


Figure 1. Lower Taieri Flood Protection, West Taieri Drainage and East Taieri Drainage Schemes

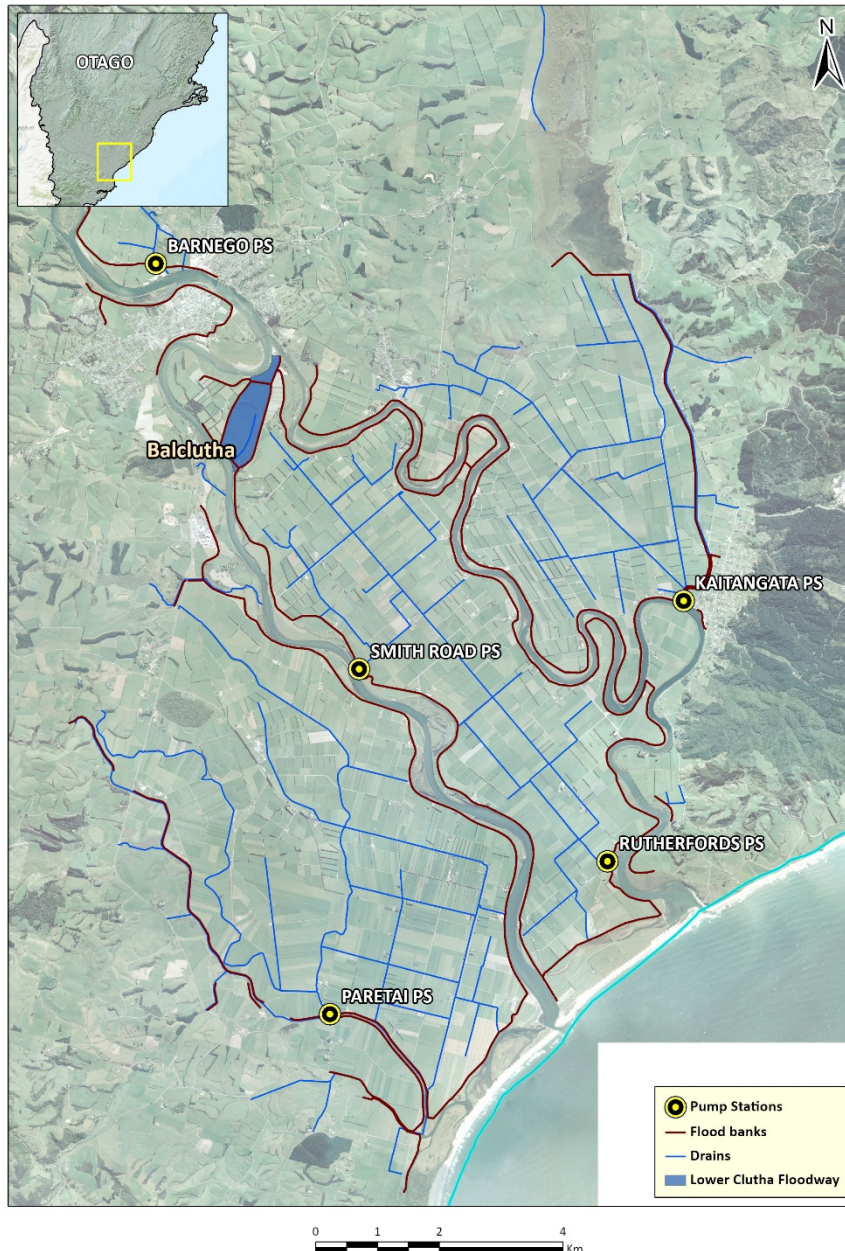


Figure 2. Lower Clutha Flood Protection and Drainage Scheme

Investigations

- [17] ORC supports Dunedin City Council (DCC) in the South Dunedin Future programme. ORC has been collecting and analysing information on the natural hazard risk facing South Dunedin (*The Natural Hazards of South Dunedin*, ORC, July 2016) and is continuing to invest in research in this area.
- [18] ORC has a complementary programme of technical work underway to provide better understanding of the South Dunedin natural environment, and how the physical environment influences natural hazards and the likely impacts of climate change in Dunedin.

- [19] The scope of this programme extends beyond the South Dunedin flat with the plan for encompassing all low-lying areas around the coast of Dunedin's Central Business District (CBD), from the Oval to the University of Otago (Harbourside). The aim of the ORC programme of technical work is progressing the development of a multi-hazard 'Climate Change Adaptation Plan' for South Dunedin/Harbourside.
- [20] In 2018, ORC joined the NZSeaRise research venture with the research Trust of Victoria University of Wellington and GNS Science. The project objective is to improve sea-level rise projections for New Zealand to better anticipate and manage the impacts of rising sea level on low-lying cities. The project will deliver an authoritative, scientifically robust set of national probabilistic sea level rise projections to the end of the 21st century and beyond.
- [21] South Dunedin has been selected as a regional case study as it is a low-lying densely populated urban area likely to be impacted by sea level rise. The case study outcome will be used to develop planning and risk assessment toolkits for planners, decision makers, iwi and the public who require technical and risk information to effectively adapt to sea level rise. The ORC contribution to the project is to improve understanding of groundwater and to work with GNS scientists to collate information about the physical environment of South Dunedin to inform a robust geological model of the area. The NZSeaRise project is due for completion in June 2022.
- [22] ORC and DCC are working in partnership on a communications plan for the upcoming and future technical work in South Dunedin. ORC and DCC are also working collaboratively to ensure the data will be shared collectively to ensure its effective use.
- [23] Investigations on the potential effects of climate change on the Clutha Delta is also ongoing (*Natural Hazards on the Clutha Delta*, ORC, May 2016). A programme of technical work including monitoring is currently being scoped. The purpose of this work is to assist the development of an adaptation plan in collaboration with the Clutha District Council and inform the next ORC Long Term Plan.
- [24] ORC and Queenstown Lakes District Council (QLDC) are developing, in collaboration with affected communities and stakeholders, a long-term natural hazards adaptation strategy for the wider area located at the northern end of Lake Wakatipu (including the Dart and Rees rivers delta, Kinloch and Glenorchy). The strategy will consider future climate change, multiple and cascading natural hazards and pressure for land use intensification. The development of a long-term natural hazards adaptation strategy is a two-year project that has started in the 2019/20 financial year.

ISSUE

- [25] The question for Council is whether there is a benefit in declaring a climate change emergency, and how this may impact ORC's programme of work.

DISCUSSION

- [26] Council policy and strategy clearly acknowledges the effects of climate change and is positively engaged in research and activities to determine its effects and plan for them.
- [27] Council's governing legislation restricts the actions it can take on climate change.

[28] Declaring a climate emergency is a public acknowledgement of the action that needs to be taken to restrict the adverse effects of climate change on future generations and the environment they inhabit.

[29] However, there has been some criticism of other councils that have declared climate emergency, on the grounds that it is tokenism. The public expects action to result from such a declaration.

OPTIONS

[30] Council may choose whether to declare a climate change emergency.

[31] Staff consider this is a conscience matter for council members and therefore, are not recommending a preferred option in this instance.

CONSIDERATIONS

Significance and Engagement

[32] There is likely to be a high level of public interest in this decision.

[33] Following Council's decision, ORC will need to be prepared for potential public responses.

[34] A decision not to declare an emergency may be negatively received by sections of the public.

[35] A decision to declare an emergency may create expectation of further action.

[36] Declaring or not declaring an emergency is unlikely to affect ORC's programme of work. As discussed, there is already substantial work underway or planned to address climate change effects.

ATTACHMENTS

Nil

12. MATTERS FOR NOTING

12.1. Council Activity Review FY2019

Prepared for:	Council
Report No.	CS1911
Activity:	Governance Report
Author:	Mike Roesler, Manager Corporate Planning
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	8 August 2019

PURPOSE

- [1] This report presents the Council's review of activity performance for the period 1 July 2018 to 30 June 2019.

EXECUTIVE SUMMARY

- [2] Key changes reflected in this final quarter four Activity Review compared to the previous quarter three review are summarised in paragraph 7 below.

RECOMMENDATION

That the Council:

- 1) **Receives** the Council Activity Review for the period 1 July 2018 to 30 June 2019.

BACKGROUND

- [3] Council has reporting requirements under the Local Government Act including the preparation and adoption of an annual report each financial year. This Activity Review informs the content of the Council's Annual Report, with the latter scheduled for adoption in October 2019.
- [4] The Council has flexibility in how it reports ongoing progress throughout the financial year. It has chosen a quarterly reporting regime with Council receiving activity reports for the three, six, nine, and month twelve periods.
- [5] The purpose of this Activity Review Report is to:
- Compare actual activity performance with the planned work programme as set out in the LTP.
 - Assist with achieving accountability and transparency of Council activity to Councillors and the community.

DISCUSSION

- [6] The report titled 'Council Activity Review, incorporating performance commentary for the period 1 July 2018 to 30 June 2019' is attached. It is the final quarterly report for the 2018/19 financial year.

- [7] The Council Activity Review provides some financial information (i.e. expenditure) and should be considered in conjunction with the 'Provisional Financial Report for the 12 months to 30 June 2019' also reported to this Council meeting.
- [8] The Executive Summary section of the Activity Review provides commentary and graphs at a consolidated Group Activity level. The body of the report provides non-financial and expenditure commentary at the Activity level. The format of the forecast information differs from that reported in quarter three because it is year-end. The non-financial 'forecasted' traffic light show what was reported to Council at quarter three and can be compared to the actual year-end result.
- [9] Differences in reported results compared to the forecast in the previous quarter include:
- State of the Environment - completing and reporting the analysis programme as per the Monitoring Schedule. Forecasted green in Q3 - yellow result. The programme was substantively completed there was however some slippage.
 - Biodiversity Implementation - significant wetland compliance monitoring. Forecasted green in Q3 - yellow result.
 - Governance and democracy – response to local government official information requests. Forecasted green in Q3 – yellow result. Due to a very small number of requests (i.e. 4) that were misplaced in the administrative process.
 - Regional Consent Compliance – forecasted green in Q3 – yellow result. A significant amount of work occurred however there was slippage due to staff capacity.
 - Emergency Management – emergency activation and the role of the Group emergency co-ordination centre. Forecasted green in Q3 – yellow result.
 - Public Transport:
 - Vehicle quality and the compliance of buses. Forecast green in Q3 – red result. The testing of vehicles for Queenstown occurred after 30 June 2019 (i.e. in July).
 - Malaghans Road loop service. Forecast yellow in Q3 – red result. This was due to a deliberate reprioritisation of Queenstown related work.

CONSIDERATIONS

Policy Considerations

- [10] No policy considerations

Financial Considerations

- [11] This report is to be considered with the 'Provisional Financial Report to 30 June 2019' also provided to this Council meeting.

Significance and Engagement

- [12] Matters in this report do not relate to the Significance and Engagement Policy

Legislative Considerations

- [13] This Activity Review contains information that will form the basis of the Otago Regional Council 2018/19 Annual Report with the latter subject to external audit.

Risk Considerations

[14] No risk considerations

NEXT STEPS

[15] Staff will prepare the 2018/19 Annual Report for Council adoption. Staff are also preparing a Council Activity Review for quarter one of the current financial year being 2019/20. This will be provided to a Council or Committee meeting in November.

ATTACHMENTS

1. Council Activity Review FY 2019 [**12.1.1** - 65 pages]

12.2. Provisional Financial Report to 30 June 2019

Prepared for: Council
Report No. CS1910
Activity: Governance
Author: Sarah Munro, Manager Finance – Reporting
Sean Geary, Management Accountant
Endorsed by: Nick Donnelly, General Manager Corporate Services
Date: 6 August 2019

PURPOSE

- [1] This report provides a provisional summary of the Council’s financial performance for the 12 months ended 30 June 2019 and a summary of the financial position as at that date. Council’s auditor, Deloitte, is yet to complete the audit of this financial information and a number of year-end adjustments are yet to be finalised. As such this report is provisional and remains subject to change. The final audited financial results will be presented to Council for adoption in the Annual Report at the September 2019 Council meeting.

EXECUTIVE SUMMARY

- [2] This report includes two financial statements:
- A Statement of Comprehensive Revenue and Expenses.
 - A Statement of Financial Position.
- [3] Activity expenditure and funding is reported for all Council significant activities:
- Policy and Planning
 - Environmental
 - Community
 - Regulatory
 - Flood Protection and River Management
 - Safety and Hazards
 - Transport

Non-financial activity performance is excluded from this report and is included in the Activity Review report.

Statement of Comprehensive Revenue and Expenses

- [4] The Statement of Comprehensive Revenue and Expenses shows the year to date deficit after tax of \$7,641,000 to be \$4,210,000 higher than the budgeted deficit of \$3,430,000.
- [5] This variance is the net result of expenditure of \$69,805,000 being \$10,153,000 (17%) above budget and revenue of \$62,161,000 being \$5,940,000 (11%) over budget. These variances are largely due to the budget excluding activities carried forward from the previous financial year.

Statement of Financial Position:

- [6] The Statement of Financial Position shows the balance sheet position at 30 June 2019 as well as the prior year comparative as at June 2018 and the Long-Term Plan budgeted position for June 2019.

RECOMMENDATION

That the Council:

- a) ***Receives*** the Provisional Financial Report for the 12 Months to 30 June 2019.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

- [7] The following Statement of Comprehensive Revenue and Expenses shows income from all external revenue sources, and all external operating expenditure for the period of the report.

Otago Regional Council Statement of Comprehensive Revenue and Expenses For the 12 months ended 30 June 2019					
Description	Note	Prelim Result \$000's	Budget \$000's	Variance \$000's	Prior year \$000's
Revenue:					
Rate revenue	(a)	23,283	23,173	110	20,908
Government subsidies	(b)	14,840	9,790	5,050	10,893
Other revenue	(c)	12,686	12,332	354	9,498
Dividend from Port Otago Ltd	(d)	8,450	8,450	-	9,000
Interest & investment income	(e)	1,882	1,512	370	1,069
Rental income		1,020	964	56	1,051
Investment property revaluation gain	(f)	-	-	-	-
		62,161	56,221	5,940	52,419
Less expenses:					
Operating expenses	(g)	52,517	40,020	12,497	39,494
Employee benefits expense	(h)	14,921	17,561	(2,640)	15,542
Depreciation & amortisation		2,509	2,402	107	2,083
Other (gains)/losses		(144)	(335)	191	(1,750)
Finance expenses		2	2	-	-
		69,805	59,650	10,155	55,369
Surplus/(deficit)					
Income tax benefit	(i)	3	-	3	101
Surplus/(deficit) after tax		(7,641)	(3,430)	(4,211)	2,849
Other comprehensive revenue and expense:					
Revaluation gain on POL shares	(j)	7,000	7,000	-	49,471
Net Comprehensive Revenue and Expense		(641)	3,570	(4,211)	46,622

- [8] In the statement above, bracketed variances indicate revenue less than the budgeted level, and expenditure in excess of the budgeted level.

Note (a) – Rate revenue

Annual rates are struck annually based on the rating base at 1 July. Annual rates revenue increased by \$110,000 above budget due to changes in the rating database between the rates resolution being adopted on 27 June 2018 and the completion of the rating base on 1 July.

Note (b) – Government subsidies

Council receives subsidies from Government agencies on eligible expenditure. In most instances the level of subsidy income is directly related to the level of eligible expenditure incurred.

Overall subsidy income is up \$5,050,000 on the budget of \$9,790,000, with the most significant individual variances being within the transport activity.

The bus hub, electronic ticketing system and the stock truck effluent disposal sites (STED's) projects are significantly up on the budgeted income level due to the related expenditure being budgeted in previous years but only being undertaken in the current year. In addition to the variance in government subsidy revenue there is also a corresponding operating expenditure variance for these projects (see Note g).

Note (c) – Other revenue

The budgeted other revenue income category largely comprises revenue that is directly related to the level of activity undertaken. The amount of other revenue earned of \$12,686,000 is \$354,000 greater than budget. Other revenue includes fees and charges and cost recoveries from territorial authorities including contributions in relational to the bus hub.

Note (d) – Dividend income from Port Otago Limited

The actual dividend received during the year to June 2019 amounts to \$8,450,000 and includes a special dividend of \$750,000. Actual dividends are in line with budget.

Note (e) – Interest and investment income

Interest and investment income revenue is comprised of interest earned on term deposits and bank accounts of \$637,000 and an increase in the fair value of the managed fund portfolio for the 12 months period of \$1,245,000.

The net change in fair value of the managed fund is an increase in the market value of the investment due to price changes, and foreign exchange rates where applicable. The overall change in fair value is subject to monthly fluctuations due to movements in the market valuation factors.

Note (f) – Investment property revaluation gain

Investment property is revalued by an external valuer annually as at 30 June, with the next revaluation date being 30 June 2019. The valuation has not been completed at the time of preparation of this preliminary result.

Note (g) – Operating expenses

Operating expenses exceeded budgeted expenditure by \$12,497,000 due to increases in contract / casual labour and payments to external suppliers.

An increase in staff vacancies reduced the available permanent workforce to complete Council work targets. Contract / casual labour expenditure of \$1,436,000 was incurred to complete this work. There was an offsetting reduction in employee benefit expense due to staff vacancies of \$1,908,000 as outlined in Note h below.

A \$9,326,000 increase in external supplies and services was mainly due to the timing of major projects which were carried forward and completed in this financial year but budgeted in previous years:

- Expenditure of \$6,110,000 was incurred for the bus hub resulting in a variance to budget as this project was originally planned and budgeted in previous years but completed in the current financial year. The bus hub is part funded through Government subsidies and there was a corresponding increase in unbudgeted government subsidies (refer to Note b.).
- Stock Truck Effluent Disposal site expenditure was \$355,000 above budget due to the construction of a new STED site in the current year which was budgeted for in previous years.
- Expenditure of \$1,350,000 was incurred in the Leith flood protection scheme compared to a budget of \$550,000. Expenditure was greater than budget due to the timing of the works on the ITS bend and increased costs experienced as a result of flood event during construction.

Note (h) – Employee benefits expense

The employee benefits expense of \$14,921,000 is \$2,640,000 less than budget. This includes \$1,908,000 due to employee vacancies. When there are employee vacancies, Council engages temporary contracted resource to achieve required work targets. The cost of contracted resource is included in operating expenses (as referred to in Note g), not employee benefits expense.

Note (i) – Income tax benefit

Council obtains a tax benefit from the tax-deductible donation made to support the Otago Rescue Helicopter operation. The tax benefit can be realised as the Council and Port Otago Limited entities are regarded as a group for financial reporting and tax purposes. At the time of completing the preliminary 30 June 2019 position the tax calculation for the group was still to be finalised.

Note (j) – Revaluation gain on Port Otago Limited shares

The Council's 100% shareholding in Port Otago Limited is externally revalued annually as at 30 June. The valuation comprises Port Otago Limited and all entities in which the company has an interest, including Chalmers Properties Limited. The valuation has not been completed at the time of preparation of this preliminary result and the budgeted revaluation has been accrued.

STATEMENT OF FINANCIAL POSITION

[9] This report shows Council's preliminary financial position as at 30 June 2019, the budgeted amounts for that date and comparative amounts as at 30 June 2018.

Otago Regional Council					
Statement of Financial Position					
As at 30 June 2019					
Description	Note	Prelim Result \$000	Budget \$000's	Variance \$000's	Prior year \$000's
Current assets					
Other financial assets	(k)	22,502	43,557	(21,055)	40,311
Cash and cash equivalents	(l)	15,432	148	15,284	8,125
Trade and other receivables	(m)	9,615	3,556	6,059	8,709
Property held for sale		-	1,093	(1,093)	214
Other current assets		447	261	186	231
Total current assets		47,996	48,615	(619)	57,590
Non-current assets					
Shares in Port Otago Ltd	(n)	495,508	456,037	39,471	488,508
Property plant and equipment		94,667	93,452	1,215	90,212
Investment property	(o)	11,137	11,493	(356)	11,137
Intangible assets		3,884	4,233	(349)	2,724
Deferred tax asset		98	98	-	98
		605,294	565,313	39,981	592,679
Total assets		653,290	613,928	39,362	650,269
Liabilities – all current					
Trade and other payables	(p)	12,737	7,159	5,578	9,019
Employee entitlements		1,640	1,665	(25)	1,701
Revenue in advance		-	-	-	-
Total current liabilities		14,377	8,824	5,553	10,720
Net assets		638,913	605,104	33,809	639,549
Public equity and reserves					
Public equity		123,114	129,712	(6,598)	130,499
Available-for-sale revaluation reserve	(n)	475,508	436,037	39,471	468,508
Asset revaluation reserve	(o)	9,075	9,432	(357)	9,076
		607,697	575,181	32,516	608,083
Other reserves					
Building reserve		13,248	14,499	(1,251)	13,248
Kuriwao endowment reserve		6,182	6,391	(209)	6,432
Asset replacement reserve		6,070	3,979	2,091	6,070
Emergency response reserve		4,182	4,320	(138)	4,182
Water management reserve		1,039	403	636	1,039
ECO fund		495	331	164	495
		31,216	29,923	1,293	31,466
Total equity and reserves		638,913	605,104	33,809	639,549

Note (k) – Other financial assets

Other financial assets of \$22,502,000 comprises the managed fund investment portfolio. There are no term deposits with a maturity date greater than 4 months at 30 June 2019.

The investment portfolio is managed by JBWere Limited and is held at fair value. The portfolio at 30 June includes the following investments:

- Cash and call deposits (including foreign currency) \$3,247,000
- Fixed interest securities \$7,660,000
- Equity securities \$11,595,000

Note (l) – Cash and cash equivalents

Cash and cash equivalents of \$15,432,000 includes current bank balances and any term deposits with a duration of less than four months. Cash and cash equivalents have increased by \$15,284,000 compared to budget and \$7,307,000 from the prior year due to term deposits of \$3,500,000 maturing in June and \$5,500,000 of term deposits maturing in July and August 2019. In the prior year and budget, the term deposits were for a longer maturity and were included in other financial assets.

Note (m) – Trade and other receivables

The trade and other receivables amount of \$9,615,000 is \$6,059,000 greater than budget due to the timing of invoicing and receipts. The trade receivable balance includes the following:

- \$6,738,000 trade debtors including a provision for doubtful debts of (\$101,000). The majority of the trade debtors balance is \$3,591,000 receivable from the New Zealand Transport Agency for government subsidies relating to transport.
- \$606,000 rate debtors
- \$640,000 GST receivables
- \$1,731,000 accrued income

Note (n) – Shares in Port Otago Limited and available-for-sale revaluation reserve

The shares in Port Otago Limited are revalued annually for financial reporting purposes and were last revalued to \$488,508,000 as at 30 June 2018. The budgeted value at June 2019 of \$456,037,000 is significantly less than the June 2018 valuation, and was set prior to the June 2018 valuation increase of \$49,471,000 being known. The increase/decrease in the valuation of the shares in Port Otago Limited is reflected in the available-for-sale revaluation reserve.

The valuation has not been completed at the time of preparation of this preliminary result.

Note (o) – Investment property and asset revaluation reserve

Investment property is revalued annually and was last revalued at June 2018. All revaluation gains on investment property are transferred to the property revaluation reserve. The increase/decrease in the value of investment property is reflected in the asset revaluation reserve.

The valuation has not been completed at the time of preparation of this preliminary result and the budgeted revaluation amount has been accrued at this time.

Note (p) – Trade and other payables

The Trade and other payables amount of \$9,615,000 is \$5,578,000 greater than budget due to the timing of large project payments including the following:

- \$4,642,000 trade payables in relation to transport expenses
- \$300,000 trade payables in relation to the Leith flood protection project

ACTIVITY EXPENDITURE AND FUNDING

The summary of total 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
Policy & Planning			
- Regional Plans & Policies	3,399	3,390	9
- Strategies & Plans	846	764	82
Environment			
- Water	2,527	3,351	(824)
- Air	335	300	35
- Coast	11	80	(69)
- State of the Environment	3,841	4,190	(350)
- Biodiversity	2,352	1,935	417
- Biosecurity	1,564	1,740	(176)
- Incident Response	1,847	1,671	176
Community			
- Governance & Community	5,061	3,860	1,201
Regulatory			
- Consents & Compliance	4,054	3,786	267
Flood & Rivers			
- Flood Protection	8,822	8,608	215
- Rivers Management	2,097	2,230	(133)
Safety & Hazards			
- Emergency Management	2,385	2,454	(68)
- Natural Hazards	1,487	1,586	(99)
Transport	34,364	24,276	10,088
Total Costs	74,992	64,221	10,772

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
General Rates	8,849	8,808	41
Dividends & Investment Income	9,681	9,614	67
Targeted Rates	14,434	14,366	67
Fines & Infringements	155	520	(365)
Other Revenue	10,678	9,349	1,329
Grants	14,840	9,790	5,050
Fees & Charges	1,465	2,407	(942)
Internal Recoveries	321	300	22
Reserves – General	3,403	755	2,648
Reserves – Other	10,669	7,755	2,915
Reserves – Asset Replacement	498	558	(60)
Total Revenue	74,992	64,221	10,772

Financial comments:

Key variances in revenue include:

Fines and infringements were underbudget due to a lower level of fines awarded by the courts.

Other revenue was more than budgeted largely due to contributions received from the DCC for watermain and intersection costs related to the construction of the bus hub.

Grant revenue was more than budgeted due to increased transport costs including construction of the bus hub and the stock truck effluent disposal site in Central Otago.

Fees and charges were below budget mainly due to a lower level of expenditure in compliance monitoring – both audit inspections and performance monitoring.

General reserve contributions are more than budgeted mainly due to additional expenditure in the response to proposals activity (\$809,000), Regional Pest Plan review (\$402,000), Lakes Hayes activity (\$364,000), consents administration and appeals (\$299,000) and incident response (\$275,000). Also impacting the general reserve is a lower level of enforcement fines and performance monitoring recoveries.

POLICY AND PLANNING

Actual and Budget Costs – Regional Plans & Policies

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Minimum Flows & Allocations			
- Operating cost	2,808	2,284	523
Total Cost	2,808	2,284	523
Regional Plan Water			
- Operating cost	355	844	(489)
Total Cost	355	844	(489)
Regional Plan Air			
- Operating cost	7	8	(1)
Total Cost	7	8	(1)
Regional Plan Coast			
- Operating cost	22	98	(76)
Total Cost	22	98	(76)
Regional Planning			
- Operating cost	208	155	53
Total Cost	208	155	53
Total Costs	3,399	3,390	9

Actual and Budget Revenue – Regional Plans & Policies

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	3,410	3,390	20
Reserves – General	(11)		(11)
Total Revenue	3,399	3,390	9

Financial comments:

In the Regional Plan Water activity, work continued on the minimum flow plan changes for Manuherikia, Cardrona & Arrow rivers. Work also continued on the Lindis minimum flow plan change appeals.

The Regional Policy Statement activity expenditure was overspent by \$53,000 due to the procedural decision from the Environment Court and High Court appeals.

Actual and Budget Costs - Strategies & Plans

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Biodiversity Strategy			
- Operating cost	15	6	8
Total Cost	15	6	8
LTP, Annual Plan & Reporting			
- Operating cost	246	367	(120)
Total Cost	246	367	(120)
Regional Pest Plan Review			
- Operating cost	450	48	402
Total Cost	450	48	402
Regional Land Transport Planning			
- Operating cost	135	343	(209)
Total Cost	135	343	(209)
Total Costs	846	764	82

Actual and Budget Revenue – Strategies & Plans

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	593	589	3
Grants	29	175	(146)
Reserves – General	224		224
Total Revenue	846	764	82

Financial comments:

Regional Pest Plan Review work continued into this financial year with expenditure of \$450,000. The plan is expected to be made operative in October/November 2019 if no appeals are received.

Offsetting the additional Pest Plan Review expenditure are underspends in Regional Land Transport Planning activity due to staff vacancies and savings in the LTP, Annual Plan and Reporting activity.

ENVIRONMENT

Actual and Budget Costs – Water

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Water & Deemed Permit Renewal			
- Operating cost	198	498	(300)
Total Cost	198	498	(300)
Urban Water Quality			
- Operating cost	61	172	(111)
Total Cost	61	172	(111)
Rural Water Quality Implementation			
- Operating cost	2,264	2,631	(367)
- Capital cost	4	50	(46)
Total Cost	2,268	2,681	(413)
Total Costs	2,527	3,351	(824)

Actual and Budget Revenue – Water

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	1,392	1,384	8
Targeted Rates	1,296	1,292	3
Other Revenue	(14)	0	(14)
Grants	66	0	66
Reserves – General	(159)	158	(316)
Reserves – Other	(54)	468	(521)
Reserves – Asset Replacement	0	50	(50)
Total Revenue	2,527	3,351	(824)

Financial comments:

Planned Urban Water Quality work was no longer required due to the decision to implement the NPSFM.

Work to facilitate water management groups in the Water and Deemed Permit Renewal activity was reduced due to staff changes and to align with an improved understanding of freshwater management unit (FMU) objectives.

Work continued in the Rural Water Quality Implementation activity with the implementation of the forestry compliance project and assessments in accordance with the Water Plan and NES. Dairy inspections were undertaken for the year. Risk assessment work was also completed as part of the Good Water Project. Reduced R&D work occurred due to staff changes.

Actual and Budget Costs – Air

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Clean Heat			
- Operating cost	150	145	5
Total Cost	150	145	5
Air Strategy Implementation			
- Operating cost	184	155	29
Total Cost	184	155	29
Total Costs	335	300	35

Actual and Budget Revenue – Air

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	156	155	1
Reserves – General	28	0	28
Reserves – Other	150	145	5
Total Revenue	335	300	35

Financial comments:

\$105,000 in financial assistance was paid out in the Clean Heat programme and payments also made to the Cosy Homes Trust as agreed. Air Strategy communications and engagement continued during the year.

Actual and Budget Costs – Coast

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Coastal Strategy Implementation			
- Operating cost	11	80	(69)
Total Cost	11	80	(69)
Total Costs	11	80	(69)

Actual and Budget Revenue – Coast

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	81	80	0
Reserves – General	(70)	0	(70)
Total Revenue	11	80	(69)

Financial comments:

Coastal Implementation activity was underspent due to the development of the Coastal Strategy being deferred until the next LTP.

Actual and Budget Costs – State of the Environment

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Ambient Air Monitoring			
- Operating cost	240	271	(30)
- Capital cost	84	80	4
Total Cost	324	351	(26)
LAWA			
- Operating cost	518	547	(29)
Total Cost	518	547	(29)
Water Quality & Quantity SOE			
- Operating cost	2,730	2,705	26
- Capital cost	268	588	(320)
Total Cost	2,998	3,293	(295)
Total Costs	3,841	4,190	(350)

Actual and Budget Revenue – State of the Environment

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	2,783	2,766	16
Other Revenue	300	364	(64)
Internal Recoveries	299	265	35
Reserves – General	144	280	(136)
Reserves – Other	0	127	(127)
Reserves – Asset Replacement	314	388	(74)
Total Revenue	3,841	4,190	(350)

Financial comments:

Ambient Air Quality and LAWA activity work continued during the year with expenditure close to budget.

State of the Environment (SOE) was underspent due to lake buoys yet to be installed at Lake Wanaka and Lake Wakatipu. Lake buoys are funded from the General Reserve.

Actual and Budget Costs – Biodiversity

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Biodiversity Implementation			
- Operating cost	228	236	(8)
Total Cost	228	236	(8)
Environmental Enhancement			
- Operating cost	1,003	808	195
- Capital cost	150	0	150
Total Cost	1,153	808	345
Wilding Pines			
- Operating cost	971	891	80
Total Cost	971	891	80
Total Costs	2,351	1,935	417

Actual and Budget Revenue – Biodiversity

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	320	318	2
Targeted Rates	211	209	3
Grants	682	650	32
Reserves – General	512	0	512
Reserves – Other	626	758	(132)
Total Revenue	2,351	1,935	417

Financial comments:

Biodiversity Implementation activity expenditure was close to budget with work continuing monitoring significant wetlands and the development of a Biodiversity Action Plan.

In the Wilding Pines activity financial contributions to the Wakatipu and Central Otago wilding conifer control groups were made and the MPI national control programme continued.

The Environmental Enhancement activity was overspent due to Lake Hayes enabling expenditure being \$228,000 against a budget of \$100,000 and the technical and funding proposal work for the remediation of Lake Hayes costing \$172,000 against a budget of \$35,000.

Actual and Budget Costs – Biosecurity

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Control of Pests			
- Operating cost	101	136	(35)
Total Cost	101	136	(35)
Pest Management Plan Implementation			
- Operating cost	1,353	1,389	(36)
- Capital cost	0	5	(5)
Total Cost	1,353	1,394	(41)
Regional Services Contracting			
- Operating cost	111	210	(99)
Total Cost	111	210	(99)
Total Costs	1,564	1,740	(176)

Actual and Budget Revenue – Biosecurity

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	1,458	1,450	9
Other Revenue	91	240	(148)
Fees & Charges	0	80	(80)
Reserves – General	14	(30)	44
Total Revenue	1,564	1,740	(176)

Financial comments:

Pest Management Plan Implementation and Biocontrol of Pests activity work continued with expenditure close to budget. Pest contracting service work was reduced in line with Council’s decision not to undertake any further pest destruction services for landholders.

Actual and Budget Costs – Incident Response

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Contaminated Sites			
- Operating cost	143	103	40
Total Cost	143	103	40
Enforcement Action			
- Operating cost	542	596	(54)
Total Cost	542	596	(54)
Incident Response			
- Operating cost	1,159	972	187
- Capital cost	4	0	4
Total Cost	1,162	972	191
Total Costs	1,847	1,671	176

Actual and Budget Revenue – Incident Response

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	1,062	1,056	6
Fines & Infringements	155	510	(355)
Other Revenue	3	0	3
Grants	72	55	17
Fees & Charges	0	50	(50)
Reserves – General	552	0	552
Reserves – Asset Replacement	4	0	4
Total Revenue	1,847	1,671	176

Financial comments:

Incident Response expenditure is overspent due to increasing numbers of incidents received and processed.

COMMUNITY

Actual and Budget Costs – Governance & Community

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Dunedin Head Office Replacement			
- Operating cost	524	82	442
Total Cost	524	82	442
Financial Contributions			
- Operating cost	350	450	(100)
Total Cost	350	450	(100)
Governance & Democracy			
- Operating cost	1,768	1,772	(4)
Total Cost	1,768	1,772	(4)
Public Awareness			
- Operating cost	1,293	1,240	53
Total Cost	1,293	1,240	53
Response to Proposals			
- Operating cost	1,127	316	811
Total Cost	1,127	316	811
Total Costs	5,061	3,860	1,201

Actual and Budget Revenue – Governance & Community

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	3,457	3,437	20
Other Revenue	100	126	(26)
Grants	2	0	2
Fees & Charges	0	15	(15)
Reserves – General	978	100	878
Reserves – Other	524	182	342
Total Revenue	5,061	3,860	1,201

Financial comments:

Significant expenditure has occurred in the Response to External Proposals activity due to ORC's response to QLDC and DCC District Plan reviews. The additional expenditure to budget was \$810,000 predominately relating to the QLDC district plan review.

Public Awareness and Governance and Democracy activities continued throughout the year and were in line with budget.

In the Financial Contributions Activity, ORC provided a \$350,000 financial contribution to the Rescue Helicopter. There were no applications received from the ORC's Water Management Fund.

Dunedin Head Office investigation work continued with concept design, build cost estimates and due diligence completed and reported back to Council. This work was included in previous year budgets and is funded from the Building Reserve.

REGULATORY

Actual and Budget Costs – Consents & Compliance

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Harbour Management			
- Operating cost	598	439	159
- Capital cost	179	120	59
Total Cost	776	559	217
Consents			
- Operating cost	2,065	1,696	369
Total Cost	2,065	1,696	369
Compliance Monitoring			
- Operating cost	993	1,312	(319)
Total Cost	993	1,312	(319)
Regulatory Effectiveness			
- Operating cost	220	219	1
Total Cost	220	219	1
Total Costs	4,054	3,786	267

Actual and Budget Revenue – Consents & Compliance

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	1,367	1,359	8
Fines & Infringements	0	10	(10)
Grants	5	0	5
Fees & Charges	1,472	2,262	(791)
Internal Recoveries	22	35	(13)
Reserves – General	1,008	0	1,008
Reserves – Asset Replacement	180	120	60
Total Revenue	4,054	3,786	267

Financial comments:

Resource Consent, Flood Bylaw and Building Act consent processing continuing through the year with expenditure and revenue in line with budget.

Consent Administration and Consent Reviews expenditure was overspent by \$195,000, largely due to the Consents Function Review and additional Accela software depreciation charges.

Consent Appeals and Objections activity expenditure was also over budget by \$72,000 mainly due to unbudgeted costs relating to the Forest and Bird objection.

Compliance Monitoring activity expenditure was under budget by \$319,000 with Compliance Audit Inspection work under spent by \$200,000 due to staff vacancies and increased work in the Incident Response activity. Performance monitoring work was also under spent by \$95,000 due to staff vacancies.

Regulatory Effectiveness expenditure includes costs associated to the consents function review.

Harbour Management activity was overspent by \$217,000, partly due to increased operational costs and the purchase of the new Harbourmaster vessel costing more than budgeted.

FLOOD AND RIVERS

Actual and Budget Costs – Flood Protection

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Alexandra Flood Protection			
- Operating cost	170	268	(99)
- Capital cost	0	50	(50)
Total Cost	170	318	(149)
Designations & Bylaws			
- Operating cost	13	147	(133)
Total Cost	13	147	(133)
East Taieri Drainage			
- Operating cost	680	734	(53)
- Capital cost	0	225	(225)
Total Cost	680	959	(279)
Leith Flood Protection			
- Operating cost	1,350	550	800
- Capital cost	3,134	2,671	462
Total Cost	4,484	3,221	1,262
Lower Clutha Flood & Drainage			
- Operating cost	1,111	1,117	(6)
- Capital cost	28	217	(189)
Total Cost	1,139	1,335	(195)
Lower Taieri Flood Protection			
- Operating cost	934	646	288
- Capital cost	421	727	(307)
Total Cost	1,355	1,374	(19)
Shotover River Delta			
- Operating cost	8	64	(56)
Total Cost	8	64	(56)
Tokomariro Drainage			
- Operating cost	116	110	6
- Capital cost	0	51	(51)
Total Cost	116	161	(45)
West Taieri Drainage			
- Operating cost	850	736	114
- Capital cost	7	294	(287)
Total Cost	857	1,030	(173)
Total Costs	8,822	8,608	215

Actual and Budget Revenue – Flood Protection

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	595	592	3
Targeted Rates	4,062	4,046	16
Other Revenue	345	557	(212)
Fees & Charges	(7)	0	(7)
Reserves – General	13	147	(133)
Reserves – Other	3,813	3,267	547
Total Revenue	8,822	8,608	215

Financial comments:

Alexandra Flood Protection expenditure was under budget with no issues identified.

Leith Flood Protection was overspent due to completion of the ITS Bend stage of construction which was budgeted for in the previous financial year. The Dundas St bridge section of works has commenced and is continuing.

Lower Clutha Flood and Drainage expenditure is on track with operational work programmes progressed and some capital programmes delayed.

Lower Taieri Flood Protection works were disrupted due to November flood event, maintenance programmes are on track and the capital engineering programme is progressing.

West Taieri Drainage maintenance programmes continued with the November Flood having some impact. Pump station and drainage investigations are continuing whilst bridge removal work is slightly behind programme.

East Taieri Drainage is underspent due to deferral of upper pond drainage improvements.

Tokomairiro Drainage maintenance programmes are on track.

Shotover River Delta scheme expenditure was under budget with no issues identified.

Designations and Bylaws activity was underspent. Mapping of Waitaki district assets was completed in preparation for designation.

Actual and Budget Costs – Rivers and Waterway Management

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Central Otago River Management			
- Operating cost	308	300	9
Total Cost	308	300	9
Clutha River Management			
- Operating cost	377	410	(34)
Total Cost	377	410	(34)
Dunedin River Management			
- Operating cost	543	525	18
Total Cost	543	525	18
Lower Waitaki Flood Protection			
- Operating cost	149	157	8
Total Cost	149	157	(8)
Non-Scheme Asset Management			
- Operating cost	4	51	(47)
Total Cost	4	51	(47)
Waitaki River Management			
- Operating cost	337	351	(14)
Total Cost	337	351	(14)
Wakatipu River Management			
- Operating cost	245	247	(2)
Total Cost	245	247	(2)
Wanaka River Management			
- Operating cost	133	188	(55)
Total Cost	133	188	(55)
Total Costs	2,097	2,230	(133)

Actual and Budget Revenue – Rivers and Waterway Management

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	67	67	0
Targeted Rates	1,682	1,672	10
Reserves – General	(48)	0	(48)
Reserves – Other	395	491	(96)
Total Revenue	2,097	2,230	(133)

Financial comments:

Overall River Management expenditure is largely on track as operations work continues. Some unplanned work occurred in the Dunedin River Management scheme on the Kaikorai Stream stilling basin and in the Waitaki River Management scheme on the Kakanui flood bank repairs.

SAFETY AND HAZARDS

Actual and Budget Costs – Emergency Management

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Emergency Management			
- Operating cost	2,382	2,454	(72)
- Capital cost	4	0	4
Total Cost	2,385	2,454	(68)
Total Costs	2,385	2,454	(68)

Actual and Budget Revenue – Emergency Management

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Targeted Rates	2,464	2,454	10
Other Revenue	2	0	2
Reserves – Other	(80)	0	(80)
Total Revenue	2,385	2,454	(68)

Financial comments:

Emergency Management Activity expenditure was in line with budget.

Actual and Budget Costs – Natural Hazards

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Climate Change Adaptation			
- Operating cost	369	683	(314)
- Capital cost	13	0	13
Total Cost	382	683	(301)
Flow Forecasting			
- Operating cost	298	134	164
Total Cost	298	134	164
Natural Hazards			
- Operating cost	807	769	38
Total Cost	807	769	37
Total Costs	1,487	1,586	(99)

Actual and Budget Revenue – Natural Hazards

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	1,305	1,298	8
Other Revenue	27	50	(23)
Reserves – General	148	100	48
Reserves – Other	7	138	(131)
Total Revenue	1,487	1,586	(99)

Financial comments:

Natural Hazards activity was slightly overspent due to priority work on the Roxburgh debris flow, November 2018 flood debris marks survey and flood hazards studies. Some other projects were deferred to offset and reduce this overspend.

Flow Forecasting activity had unbudgeted expenditure of \$134,000 as a result of November 2018 flooding.

Climate Change Adaptation activity is underspent as work on Clutha Delta and a report on potential physical effects of climate change in Otago were delayed.

TRANSPORT

Actual and Budget Costs – Transport

Activities	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
Public Passenger Transport			
- Operating cost	32,110	24,151	7,959
- Capital cost	1,598	0	1,598
Total Cost	33,708	24,151	9,557
Stock Truck Effluent Disposal			
- Operating cost	479	125	355
- Capital cost	176	0	176
Total Cost	656	125	531
Total Costs	34,364	24,276	10,088

Actual and Budget Revenue – Transport

Revenue	Actual to 30 June \$000s	Budget to 30 June \$000s	Variance () = Under Budget
General Rates	484	481	3
Targeted Rates	4,719	4,694	24
Other Revenue	9,824	8,012	1,811
Grants	13,984	8,910	5,074
Reserves – General	67	2,178	67
Reserves – Other	5,286	0	3,108
Total Revenue	34,364	24,276	10,088

Financial comments:

Stock Truck Effluent Disposal Site activity was overspent by \$531,000 due to the completion of construction of a new Central Otago site that was budgeted for in the previous year.

Public Transport activity expenditure was overspent by \$9,557,000. This included the bus hub and ticketing projects that were budgeted in previous financial years but undertaken in the current year.

There was also increased expenditure in the provision of contracted bus services and network improvements over the amounts budgeted. Offsetting this expenditure is increased subsidies from NZTA and cost recoveries from DCC. The remaining net variance is funded from Transport Reserves for Dunedin and Queenstown.

ATTACHMENTS

Nil

12.3. Otago Regional Economic Wellbeing Strategic Framework

Prepared for: Council
Report No. PPRM1897
Activity: Community: Governance & Community
Author: Sylvie Leduc, Senior Policy Analyst
Endorsed by: Sarah Gardner, Chief Executive
Date: 14 August 2019

PURPOSE

- [1] To update Council on the progress made on the Otago Regional Economic Development Strategic Framework; and central government funding received for its implementation.

EXECUTIVE SUMMARY

- [2] On 12 June 2019, the Otago Mayoral Forum endorsed the Otago Regional Economic Development Strategic Framework (in Appendix).
- [3] This framework was developed over the last year, by a cross-council working group. It identifies economic development objectives and priorities for the region, and will assist in the screening and review of Provincial Growth Funds (PGF) applications.
- [4] MBIE has since granted funding for the positions of two advisors, to manage and support PGF activities in the region.

RECOMMENDATION

That the Council:

- 1) **Receives** this report.
- 2) **Notes** the final Otago Regional Economic Development Strategic Framework 2019.
- 3) **Notes** Government funding of \$200,000 per annum available for two years (2019/20 - 20/21) to build capacity, portfolio-manage and support Provincial Growth Fund (PGF) activities across the Otago region.
- 4) **Notes** the approval from Otago council chief executives to appoint two advisors for two years:
 - a. A Coastal Otago portfolio advisor covering Clutha, Dunedin, Waitaki and hosted by Enterprise Dunedin (Dunedin City Council)
 - b. An Inland Otago Portfolio advisor covering Central Otago and Queenstown Lakes, and hosted by Central Otago District Council.

BACKGROUND

- [5] In 2018, a project team comprised of economic development managers from across the Otago region (including Central Otago District Council) was formed and has been working with the Ministry of Business, Innovation and Employment (MBIE) on the development of an Otago Regional Economic Development Strategic Framework.

- [6] The idea to develop a framework came from advice from MBIE who indicated that it would be advantageous for the Otago region to develop a high-level plan to support applications to the PGF.
- [7] This activity was supported by the chief executives and mayors through an initial \$60,000 contribution (\$10,000 per organisation). MBIE matched this commitment dollar for dollar i.e. \$60,000. This funding enabled the development of the Otago Regional Economic Development Strategic Framework.
- [8] On 12 June 2019, the Otago Mayoral Forum endorsed the attached Otago Regional Economic Development Strategic Framework.

DISCUSSION

Otago Regional Economic Development Strategic Framework

- [9] The ORED Working Group (composed of council economic development officers, MBIE and Ministry of Social Development officials) has continued to develop and finalise the ORED strategic framework over the last year. The ORED strategic framework is intended to:
- a. Identify and assess the strategic priorities for economic development across Otago
 - b. Provide a tool for the ORED Working Group to identify, assess and recommend economic development activities and projects - including PGF applications within the proposed themes
 - c. Provide a basis for strengthening the partnership with Ngāi Tahu and engaging with Government and stakeholders
- [10] The framework has been informed by the Better Business Case methodology, workshops and interviews with stakeholders (including MBIE) and industry across Otago.
- [11] The framework is centred around four high level **outcomes**:
- a. Our people – improved wellbeing for all
 - b. Our communities – more vibrant, prosperous and resilient communities
 - c. Our environment – improved environmental sustainability
 - d. Our culture - stronger, more productive partnerships with Ngāi Tahu
- [12] In order to achieve these outcomes, the framework highlights the following **objectives** to focus on:
- a. To provide multi-district benefits through economic development initiatives
 - b. To increase regional productivity
 - c. To assist the Otago region to access the skills and experience it needs to prosper
 - d. To improve the ability of Otago communities to respond to social, environmental, economic and cultural challenges.
- [13] The framework highlights five key themes that will help us meet our objectives and contribute to the outcomes. These are:

- a. **Connectivity** – Enabling greater connections between people, between districts, across the region, and nationally and internationally
- b. **Productivity** - Fostering innovative new ideas with productivity growth impacts
- c. **Talent** – Making Otago the place for skilled and experienced people to live, study, work and invest
- d. **Housing** – Improving the availability, choice and quality of accommodation for individuals, families, seasonal and migrant workers
- e. **Sustainability** – Improving the resilience of key sectors and the sustainable use of the region’s human, social, economic and natural assets
- f. **Commitment** to collaborate between districts, with iwi, industry, neighbouring regions and central government has been emphasised as the key for successfully achieving good outcomes for economic development in the Otago region.

[14] Members of the ORED Working Group met with local rūnaka regarding the role of Ngāi Tahu in the framework on 16 April 2019. The rūnaka welcomed a partnership approach on the framework and indicated their overall support for the approach and interest in the identified themes.

[15] The ORED Working Group considers the framework is sufficiently developed and robust to inform the consideration of potential collaborative economic development activities. The ORED strategic framework was presented to the Chief Executive Forum held on 23 May 2019 and to the Mayoral Forum on 17 June 2019. Both Otago chief executives and mayors have endorsed the framework.

[16] As a first-generation framework the ORED Working Group will review the framework at the end of the first year.

[17] The ORED Working Group will continue:

- a. Tracking, recording and regularly updating the Otago council chief executives on potential PGF ideas, concepts and applications
- b. If requested, providing general feedback on proposed PGF applications (not assessing PGF applications – noting that this will be undertaken by the Ministry of Business Innovation and Employment (MBIE) as part of the PGF decision-making process)
- c. Notifying Otago chief executives of any requests for regional support of applications
- d. On receipt of a request, discussing the application and assessing its alignment with the framework.

Provincial Development Unit: Enterprise Capacity Funding

[18] On 15 July 2019, MBIE advised it granted \$200,000 per annum for two years to fund the positions of two Portfolio Advisors to support PGF portfolio management and regional coordination in Otago.

[19] Those positions are proposed to be fixed-term, for a period of two years from 2019/20, and will be split as follows:

- a. A Coastal Otago portfolio advisor covering Clutha, Dunedin and Waitaki, and hosted by Enterprise Dunedin, Dunedin City Council;

- b. An Inland Otago portfolio advisor covering Central Otago and Queenstown Lakes, and hosted by Central Otago District Council.

[20] Under the proposal, Central Otago District Council and Dunedin City Council will appoint each advisor in accordance with their recruitment policy. The appointment is intended to be rates neutral.

CONSIDERATIONS

Policy Considerations

[21] The framework is not inconsistent with ORC's key strategic and policy documents.

Financial Considerations

[22] There are no budget or cost implications resulting from the decision.

Significance and Engagement

[23] The Otago Regional Economic Development Strategic Framework has been developed collaboratively through a cross-council working group.

[24] Government representatives and key regional stakeholders were consulted. Input was also provided by key stakeholders through a series of interviews held across the region

Legislative Considerations

[25] The framework is in line with the roles and functions of council under the Local Government Act (2002).

Risk Considerations

[26] There are no significant risks associated with this decision.

ATTACHMENTS

1. FINAL ORED framework - 30 July 2019 [12.3.1 - 55 pages]

12.4. Documents Signed under Council Seal

Prepared for:	Council
Report No.	GOV1850
Activity:	Governance Report
Author:	Liz Spector, Committee Secretary
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	7 May 2019

PURPOSE

- [1] To inform the Council of delegations which have been exercised during the period 15 May through 8 August 2019.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.

DOCUMENTS SIGNED UNDER THE COUNCIL SEAL

- [2] Deed of Extension of Transfer of Building Act Function – Southland Regional Council
- [3] Deed of Extension of Transfer of Building Act Function – West Coast Regional Council
- [4] Warrant 2019/35 - Appointment of Neville John Pearce as an enforcement officer under S177 under LGA2002 for the purposes of exercising the functions, powers and duties pursuant to the Act and the ORC Flood Protection Management Bylaws.
- [5] Warrant 2019/36 - Appointment of Neville John Pearce as an enforcement officer under S177 of the LGA2002 for the purposes of exercising the functions, powers and duties pursuant to the Act and the Land Drainage Act 1908.
- [6] Water Race License 3072A and 3073C – Certificate under S.417 (2) of the Resource Management Act 1991, BSTGT Limited, 117 Glencoe Rd, Crown Terrace.

ATTACHMENTS

Nil

13. REPORT BACK FROM COUNCILLORS

14. RECOMMENDATIONS ADOPTED AT COMMITTEE MEETINGS

14.1. Recommendations of the 31 July 2019 Communications Committee

Recommendation

That the Council:

- 1) **Adopts** the resolutions of the 31 July 2019 Communications Committee.

Recommendations of the Committee:

10.1. ECO Fund Review

Resolution

That the Council:

- 1) *Approves a change from three funding rounds per year to two (1-20 March and 1-20 October), effective immediately.*

Moved: Cr Robertson

Seconded: Cr Scott

CARRIED

Resolution

That the Council:

- 1) *Due to the election timeframe and the new Council not meeting for the first time until after the October funding round, it is recommended that the appointment of the October Councillor decision panel be delegated to the Chief Executive.*

Moved: Cr Deaker

Seconded: Cr Hope

CARRIED

Resolution

That the Council:

- 1) **Approves** to keep the current funding level of \$250,000 per year.

Moved: Cr Noone

Seconded: Cr Scott

CARRIED

Resolution

That the Council:

- 1) **Approves** the holding of annual functions for successful applicants and asks that consideration be given to conduct annual functions in various Otago locations.

Moved: Cr Bell

Seconded: Cr Scott

CARRIED

Resolution

That the Council:

- 1) *Approves the ECO Fund's purpose.*
- 2) *Approves amendments to terms and conditions.*
- 3) *Approves amendments to criteria.*
- 4) *Notes that a review of the ECO Fund Councillor decision panel terms of reference is needed.*

5) *Approves the yearly review of the ECO Fund.*

Moved: Cr Brown
Seconded: Cr Noone
CARRIED

**11.1. General Manager's Report on Progress
Resolution**

That the Council:

1) ***Receives*** *this report.*

Moved: Cr Hope
Seconded: Cr Neill
CARRIED

**14.2. Recommendations of the 31 July 2019 Regulatory Committee
Recommendation**

That the Council:

- 1) **Adopts** the resolutions of the 31 July 2019 Regulatory Committee.

Recommendations of the Committee:

**10.1. Memorandum of Understanding with Environment Canterbury on Wallaby Control
Resolution**

That the Council:

- 1) *Receives this report.*
- 2) *Affirms Council's commitment to collaborate, cooperate and communicate with Environment Canterbury on wallaby management and control.*
- 3) *Endorses the proposed Memorandum of Understanding with Environment Canterbury for Wallaby management and control.*
- 4) *Authorises the Council Chairman to make further minor amendments in consultation with Environment Canterbury and to sign the Memorandum of Understanding.*
- 5) *Notes the proposed implementation timetable.*

Moved: Cr Woodhead

Seconded: Cr Noone

CARRIED

11.1. General Manager's Report on Progress

Resolution

That the Council:

- 1) *Receives this report.*

Moved: Cr Woodhead

Seconded: Cr Neill

CARRIED

11.2. Consents and Building Control

Resolution

That the Council:

- 1) *Receives this report.*

Moved: Cr Woodhead

Seconded: Cr Kempton

CARRIED

11.3. Enforcement Activity

Resolution

That the Council:

- 1) *Receives this report*

Moved: Cr Neill

Seconded: Cr Bell

CARRIED

**14.3. Recommendations of the 31 July 2019 Policy Committee
Recommendation**

That the Council:

- 1) **Adopts** the resolutions of the 31 July 2019 Policy Committee.

Recommendations of the Committee:

10.1 Proposed Regulatory Frameworks for Dam Safety 2019

Resolution

That the Council:

- 1) **Approves** the attached draft ORC feedback to MBIE on the Proposed Regulatory Framework for Dam Safety 2019.

Moved: Cr Kempton

Seconded: Cr Hope

CARRIED

11.1 General Manager's Report on Progress

Resolution

That the Council:

- 1) **Receives** this report.

Moved: Cr Woodhead

Seconded: Cr Brown

CARRIED

11.2. NZ Drinking Water Report

Resolution

That the Council:

- 1) **Receives** this report.
- 2) **Directs** staff to provide a report on the ORC's responsibilities in the provision of safe drinking water to the next Regulatory Committee meeting.

Moved: Cr Hope

Seconded: Cr Noone

CARRIED

14.4. Recommendations of the 1 August 2019 Finance and Corporate Committee

Recommendation

That the Council:

1) Adopt the resolutions of the 1 August 2019 Finance and Corporate Committee.

Recommendations of the Committee:

10.1. Port of Otago Statement of Corporate Intent

Resolution

That the Finance and Corporate Committee:

1) Receives this report and the attached Draft Statement of Corporate Intent for Port Otago Limited.

2) Endorses the Statement of Corporate Intent.

Moved: Cr Woodhead

Seconded: Cr Neill

CARRIED

10.2. General Manager's Report

Resolution

That the Finance and Corporate Committee:

a) Receives this report.

b) Endorses the May and June 2019 payments summarised and detailed in the payments schedule, totalling \$15,438,619.35.

Moved: Cr Noone

Seconded: Cr Brown

CARRIED

11.1. Public Transport Update

Resolution

That the Council:

1) Receives this report.

Moved: Cr Brown

Seconded: Cr Hope

CARRIED

**14.5. Recommendations of the 1 August 2019 Technical Committee
Recommendation**

That the Council:

1) Adopt the resolutions of the 1 August 2019 Technical Committee.

Recommendation of the Committee:

**10.1. General Manager Operations Report to Technical Committee
Resolution**

That the Council:

1) *Receives* this report.

Moved: Cr Noone

Seconded: Cr Hope

CARRIED

**14.6. Recommendation of the 14 August 2019 Policy Committee
Recommendation**

That the Council:

- 1) *Adopts* the resolution of the 14 August 2019 Policy Committee**

Recommendation of the Committee:

7.1 PPRM1899 Plan Changes for Water Quality

15. RESOLUTION TO EXCLUDE THE PUBLIC

The following resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest(s) protected by Section 7 of that Act.

On the grounds that matters will be prejudiced by the presence of members of the public during discussions on the following items, it is **resolved**:

That the following items are considered with the public excluded:

- 2.1 Leith Flood Protection Scheme, Leith Dundas Construction Project

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>Leith Flood Protection Scheme, Leith Dundas Construction Project</i>	<p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist,</p>	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)</p>

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

16. CLOSURE

Council Meeting 20190814 Attachments

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Minutes of an ordinary Council Meeting held on Wednesday,
26 June 2019 in the Council Chamber, Level 2 Philip Laing House,
144 Rattray St, Dunedin at 1 p.m.

Membership

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

Welcome

Cr Woodhead welcomed Councillors, members of the public and staff to the meeting.

1. APOLOGIES

Resolution

That the apologies for Cr Deaker, Cr Lawton be accepted. It was noted that Cr Laws and Cr Bell would arrive late.

Moved: Cr Woodhead

Seconded: Cr Hope

CARRIED

2. LEAVE OF ABSENCE

Resolution

That the request for leave of absence from Cr Woodhead be accepted.

Moved: Cr Scott

Seconded: Cr Noone

CARRIED

3. ATTENDANCE

Sarah Gardner	<i>(Chief Executive)</i>
Nick Donnelly	<i>(General Manager Corporate Services and CFO)</i>
Gavin Palmer	<i>(General Manager Operations)</i>
Sally Giddens	<i>(General Manager People, Culture and Communications)</i>
Peter Winders	<i>(Acting General Manager Regulatory)</i>
Andrew Newman	<i>(Acting General Manager Policy, Science and Strategy)</i>
Liz Spector	<i>(Committee Secretary)</i>
Stuart Lanham	<i>(Manager Finance)</i>
Anita Dawe	<i>(Acting Manager Policy and Planning)</i>
Rachael Brown	<i>(Senior Policy Analyst)</i>
Sylvie LeDuc	<i>(Senior Policy Analyst)</i>

4. CONFIRMATION OF AGENDA

The agenda was confirmed as tabled.

5. CONFLICT OF INTEREST

No conflicts of interest were advised.

6. PUBLIC FORUM

Shelly Sutherland spoke to the Council as part of a group requesting the Council declare a climate and ecological emergency. Cr Woodhead thanked the group for coming and said any further discussions should be held on an informed basis.

Kathryn Bowden addressed the Councillors to request their support of an increase for bus driver remuneration to the living wage threshold. Cr Woodhead thanked Ms Bowden for

attending the meeting and said the ORC will be part of the Public Transport Operating Model (PTOM) review recently announced by the Ministry of Transport.

Cr Laws joined the meeting at 01:11 pm.

Cr Bell joined the meeting at 01:28 pm.

7. PRESENTATIONS

No presentations were held.

8. CONFIRMATION OF MINUTES

8.1. Minutes of the 15 May 2019 Council Meeting

Resolution

That the minutes of the (public portion of the) Council meeting held on 15 May 2019 be received and confirmed as a true and accurate record.

Moved: Cr Robertson

Seconded: Cr Brown

CARRIED

8.2. Minutes of the 12 June 2019 Extraordinary Council Meeting

Resolution

That the minutes of the (public portion of the) Extraordinary Council Meeting of 12 June 2019 be received and confirmed as a true and accurate record.

Moved: Cr Woodhead

Seconded: Cr Hope

CARRIED

9. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Status report on the resolutions of Council

11.3 Delegations	3 April 2019	Direct CE to bring a review of delegations to the next Council Meeting	IN PROGRESS
------------------	--------------	--	-------------

10. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

10.1. Chairperson's Report

Resolution

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

Moved: Cr Woodhead

Seconded: Cr Brown

CARRIED

11. MATTERS FOR COUNCIL DECISION

11.1. Annual Plan 2019-2020

Nick Donnelly, GM Corporate Services, presented the final draft of the 2019/20 Annual Plan to the Councillors. Cr Laws raised a question about the state of reserves report and Mr Donnelly said that information will be provided in greater detail to an upcoming Finance and Corporate Committee Meeting. After further general discussion, Cr Woodhead asked for a motion.

Resolution

That the Council:

- 1) **Receives** this report.
- 2) **Notes** the recommendation from the 12 June 2019 Finance and Corporate Committee meeting that Council adopts the proposed Otago Regional Council Annual Plan 2019-20.
- 3) **Adopts** the Otago Regional Council Annual Plan 2019-20 as circulated with this report.
- 4) **Provide** an updated report on the status of reserves to an upcoming Finance and Corporate Committee Meeting.

Moved: Cr Brown

Seconded: Cr Noone

CARRIED

11.2. Rating Report and Rating Resolution 2019 - 2020

Stuart Lanham, Manager Finance and Nick Donnelly, GM Corporate, were present to answer questions about the rates resolution formally setting the rates specified in the 2019/20 Annual Plan adopted earlier in the meeting by Council. The resolution will adopt the General Rates, River Management Rates, Flood and Drainage Scheme Rates, Transport Rates, the Rural Water Quality Rate, the Dairy Monitoring Rate, the Wilding Tree Rate, the Civil Defence and Emergency Management Rate, and payment and penalty dates for unpaid rates. After a discussion, Cr Woodhead asked for a motion.

Resolution

That the Council:

- 1) **Receives** this report.
- 2) **Adopts** the Rating Resolution for the 2019/2020 financial year

Moved: Cr Brown

Seconded: Cr Noone

CARRIED

11.3. Finalising the Biodiversity Action Plan

Andrew Newman, Acting General Manager Policy, Science and Strategy, Anita Dawe, Acting Manager Policy and Planning, and Rachael Brown, Senior Policy Analyst presented the Biodiversity Action Plan to the Council. Cr Robertson said the plan seems broad, and signals the ORC is serious about developing a plan, but she encouraged staff to reduce the implementation timeframe from 5 years down to 1 or 2. Cr Scott said the community wants

the ORC to take the lead in these programs and show solid outcomes and Cr Laws suggested the plan be further refined prior to adoption. Ms Brown responded that there could be reputational risk to the organisation if plans aren't able to be accomplished as set out. CE Gardner said she will take the comments on board and suggested the biodiversity action plan be adopted as a work in progress, allowing staff to finish the mapping, due in March 2020. Mr Newman said he would like to see the results of the mapping and recommended an in-depth workshop once the mapping is completed, inviting staff from Hawkes Bay and Taranaki regional councils to discuss their biodiversity and biosecurity strategies. There was no further discussion and a motion was made.

Resolution

That the Council:

- 1) **Approve** the Biodiversity Action Plan as a living document / Te Mahi hei Tiaki Koiora (Attachment 1), which sets out the Council's intended biodiversity work programme.
- 2) **Note** that work is underway to integrate the Council's biodiversity and biosecurity activities, and to develop business case options for resourcing these, which will inform the next Long-Term Plan process (2021-2031) and enable implementation of the Biodiversity Action Plan.

Moved: Cr Robertson

Seconded: Cr Hope

CARRIED

11.4. Building Act Transfer

Peter Winder, Acting General Manager Regulatory was present to answer any questions about the request to extend the transfer of Building Act functions from Environment Southland and the West Coast Regional Council. He noted the request was first considered by the Regulatory Committee at the 12 June 2019 meeting and was recommended for Council approval. There were no questions and Cr Woodhead asked for a motion.

Resolution

That the Council:

- 1) **Receives** this report.
- 2) **Approves** the Deeds and authorises the Chairman and any other Councillor to execute and witness the affixing of the Common Seal of the Otago Regional Council to the Deeds of Extension and Variation of Transfer of Building Act Functions for West Coast Regional Council and Southland Regional Council.

Moved: Cr Neill

Seconded: Cr Brown

CARRIED

11.5. Consideration of Election Protocols for Elected Members

Cr Woodhead summarised the report detailing the election protocols. He noted the item had been adjourned from the 12 June Finance and Corporate Committee meeting to the current Council meeting. Cr Brown withdrew his motion to adopt the protocols from the previous

meeting and this was agreed to by the Councillors. A general discussion about the protocols was then conducted. Nick Donnelly, GM Corporate, said the protocols were about protecting Council processes and ensuring the ORC is not seen to provide an unfair advantage to existing Councillors during the election period. Chief Gardner reminded the Councillors the protocols are extracted by SOLGM from the document originally released from the Office of the Auditor General. There was a general discussion about the guidelines and Cr Woodhead asked for a motion.

Resolution

That the Council:

- 1) **Receives** this report.
- 2) **Notes** the attached Protocols for Elected Members in an election year.

Moved: Cr Woodhead
Seconded: Cr Laws
CARRIED

11.6. Delegation Where ORC is both applicant and regulatory authority

Peter Winder, Acting GM Regulatory, summarised the report. He said the recommendation is to make minor changes to delegations where the ORC is both the applicant and the regulatory authority for resource consents or approval under Council bylaws. Mr Winder said best practice separates the roles of applicant and decision maker and staff recommends an independent Commissioner be appointed by the Commissioner Appointment Subcommittee. After a general discussion, Cr Woodhead asked for a motion.

Resolution

That the Council:

- 1) *Receives this report.*
- 2) *Resolves to change its delegations so that, in circumstances where the ORC is the applicant, decisions to approve or decline applications under the Otago Regional Council Flood Protection Bylaw or the Navigational Safety Bylaw and decisions under sections 42A(1AA)(b), 42A(5), 88(3), 91, 92, 92(2), 92A(2), 92B(2), 95 to 95F, 99, 101, 104 to 104F, 105, 107, 108, 108A, and 217 of the Resource Management Act 1991 are delegated to an independent decision maker(s) appointed by the Commissioner Appointment Sub Committee.*

Moved: Cr Neill
Seconded: Cr Kempton
CARRIED

11.7. Local Government New Zealand 2019 Annual General Meeting - Remits

Cr Woodhead reviewed the agenda item. He said the Annual General Meeting of member authorities is held as part of the Local Government New Zealand Conference. The ORC has appointed Cr Woodhead, Cr Hope and CE Gardner as this year's delegates. Cr Woodhead suggested the Council resolve to allow the delegates discretion in voting on the remits as they had all read through the large number of proposals. He asked if there were any specific items

to be noted. Cr Kempton said there were several important items, an item asking central government to focus on provision of social housing and an item calling on the Government to include local representation in all levels of policy development, risk and resilience assessment, and data acquisition on climate change policies. After further discussion, a motion was made.

Resolution

- 1) *That the Council:*
- 2) **Receives** this report.
- 3) **Notes** the proposed remits for member authority consideration at the 7 July 2019 Local Government New Zealand Annual General Meeting are attached to this report.
- 4) **Gives** the Council's delegates discretion to vote on remits supported by the Otago Regional Council for voting purposes at the 7 July 2019 Local Government New Zealand Annual General Meeting.

Moved: Cr Woodhead

Seconded: Cr Noone

CARRIED

12. MATTERS FOR NOTING

12.1. Remuneration Authority Determination

Nick Donnelly, GM Corporate, presented the Remuneration Authority Determination report to the Councillors. He noted the Authority has completed its annual review of elected member remuneration and issued the final determination for the 1 July - 12 October 2019 period. He said the Determination also outlines a new remuneration method post the election wherein a pool process will be implemented. Mr Donnelly also noted mileage rates and claim limits for vehicle use have been amended and a new allowance has been introduced for childcare. He said each local authority will be required to adopt the childcare allowance if the reimbursement will be offered. Mr Donnelly said the allowance, if resolved by the Council, will be added to the Expenses, Reimbursements and Allowances Policy and will be payable on an actual reimbursement basis, submitted by invoice. Cr Deaker noted the membership to the Dunedin Club that is provided to the Chair as part of compensation and suggested this should be discontinued. Cr Woodhead said this can be addressed in the new triennium. There was no further discussion and a motion was made.

Resolution

That the Council:

- 1) **Receives** this report.
- 2) **Receives** the Remuneration Authority's Local Government Members (2019/20) Determination 2019.
- 3) **Notes** the increase in Councillor remuneration from 1 July 2019.
- 4) **Approves** the introduction of a childcare allowance as outlined in the draft Expenses, Reimbursements and Allowances Policy.
- 5) **Adopts** the attached Expenses, Reimbursements and Allowances Policy.

Moved: Cr Hope
Seconded: Cr Brown
CARRIED

13. REPORT BACK FROM COUNCILLORS

No reports were given.

14. NOTICES OF MOTION

No Notices of Motion were advised.

15. RECOMMENDATIONS ADOPTED AT COMMITTEE MEETINGS HELD ON 12 JUNE 2019

15.1. Recommendations of the Communications Committee Resolution

That the Council adopt the recommendations of the 12 June 2019 Communications Committee

Moved: Cr Hope
Seconded: Cr Kempton
CARRIED

15.2. Recommendations of the Public Portion of the Finance and Corporate Committee Resolution

That the Council adopt the recommendations of the 12 June 2019 Finance and Corporate Committee.

Moved: Cr Brown
Seconded: Cr Noone
CARRIED

15.3. Recommendations of the Policy Committee

There were no recommendations from the 12 June 2019 Policy Committee.

15.4. Recommendations of the Regulatory Committee Resolution

That the Council adopt the recommendations of the 12 June 2019 Regulatory Committee.

Moved: Cr Scott
Seconded: Cr Neill
CARRIED

15.5. Recommendations of the Technical Committee

Resolution

That the Council adopt the recommendations of the 12 June 2019 Technical Committee.

Moved: Cr Noone
Seconded: Cr Bell
CARRIED

16. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution

The following resolution was made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest(s) protected by Section 7 of that Act. On the grounds that matters will be prejudiced by the presence of members of the public during discussions on the following items, it was **resolved**:

1. *That the following items are considered with the public excluded:*
 - a. *Approval of minutes of the 15 May 2019 Public Excluded Council Meeting*
 - b. *Approval of minutes of the 12 June 2019 Public Excluded Council Meeting*
 - c. *Consideration of Provincial Growth Fund Applications*

It was further moved that Clutha District Council Mayor Bryan Cadogan be permitted to remain at this meeting, after the public was excluded, because of this knowledge of Clutha's PGF application.

Moved: Cr Woodhead
Seconded: Cr Noone
CARRIED

The meeting adjourned to public excluded at 3:15 p.m.

Resolution

That the meeting resume in public session at 03:46 pm.

Moved: Cr Woodhead
Seconded: Cr Hope
CARRIED

17. CLOSURE

The meeting was declared closed at 03:47 pm.

Chairperson

Date

Minutes of an extraordinary meeting of Council held in the
Council Chamber at Level 2 Philip Laing House, 144 Rattray
Street, Dunedin on
Thursday 1 August 2019 at 3:00 pm

Membership

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

Welcome

Cr Woodhead welcomed Councillors, members of the public and staff to the meeting at 02:37 pm.

1. APOLOGIES

Resolution

That the apologies for Cr Lawton be accepted.

Moved: Cr Woodhead

Seconded: Cr Laws

CARRIED

2. ATTENDANCE

Sarah Gardner *(Chief Executive)*

Nick Donnelly *(General Manager Corporate Services and CFO)*

Gavin Palmer *(General Manager Operations)*

Peter Winder *(Acting General Manager Regulatory)*

Amanda Vercoe *(Executive Advisor)*

Liz Spector *(Committee Secretary)*

3. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

4. CONFLICT OF INTEREST

Councillor Robertson and Councillor Noone are hearings commissioners for the Pest Management Plan and will not vote on this item. This is a procedure that will allow them to remain in the room during discussion on the report.

5. PUBLIC FORUM

No public forum was held.

6. MATTERS FOR COUNCIL DECISION

6.1. Pest Management Plan Delegations

The review of Otago Pest Management Strategy 2009 has been undertaken and submissions received during four days of public hearings. Submissions received indicated an extension of the gorse- and broom-free areas would be needed. This report was provided to obtain a Council decision to determine how further consultation with property occupiers affected by a proposed extension to the Gorse and Broom Free Areas in the proposed regional pest management plan is to be undertaken and to delegate to the Hearing Panel the necessary powers to consider any written views received as part of the further consultation as part of its recommendations to Council.

Resolution

That the Council:

1. **Note** that the Hearings Panel has determined in accordance with section 72(4) of the Biosecurity Act 1993 that further consultation on the Proposed Regional Pest Management Plan be undertaken with property occupiers affected by the proposed extension to the Gorse and Broom Free Areas in the Cardrona Valley;

2. **Resolves** in accordance with section 72(5) of the Biosecurity Act 1993 that consultation be undertaken by informing the property occupiers in writing of the proposed extension to the Gorse and Broom Free Areas and giving the property occupiers an opportunity to provide their views in writing;
3. Acting under clause 32 of Schedule 7 of the Local Government Act 2002, **delegates** to the Hearing Panel the necessary powers, functions and duties under the Local Government Act 2002 and Biosecurity Act 1993 to consider any written views received from the Property Occupiers as part of its recommendations to Council as to the Council's decision on the proposed regional pest management plan.

Moved: Cr Scott

Seconded: Cr Neill

CARRIED

7. CLOSURE

The meeting was declared closed at 02:54 pm.

Chairperson

Date

Council Activity Review

**Incorporating performance commentary for
the period 1 July - 30 June 2019**

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Key

	Target is being achieved, either to date, or in total
	Target progress is marginal, or expected to be partially achieved
	Target has not been achieved
	Target programmed for start in future

EXECUTIVE SUMMARY

Introduction

This document reports progress on the delivery of Council service for quarter one of the financial year 1 July - 30 June 2019. It includes details of how the Council activities have performed against non-financial measures and financial budgets.

Policy & Planning

Including: Regional plans & policies; Strategies & plans

The focus has been on considering and agreeing a framework to meet legislative, national standards and community expectations regarding the management and regulation of Otago’s Fresh Water. Progress included:

- National Policy Statement Fresh Water process and Water Plan Review endorsed. Stocktake report of NPSFM
- Progressive Implementation Programme (PIP) adopted. Gives effect to National Policy Statement Fresh Water Management
- Review of Regional Plan: Water underway
- Fresh Water Management Units (FMU) adopted
- Work programme for priority minimum flow catchment aligned to the PIP and underway
- Priority catchment work gaining momentum following revision of fresh water planning programme
- Response to the procedural decision on the Otago Regional Policy Statement
- Regional planning work on Waste, Coast deferred in response to other priorities.

Q3 Non Financial Performance



Graph1: Of the 12 reported measures, 2 relating to Regional Air Plan, and the Regional Pest Management Plan are red

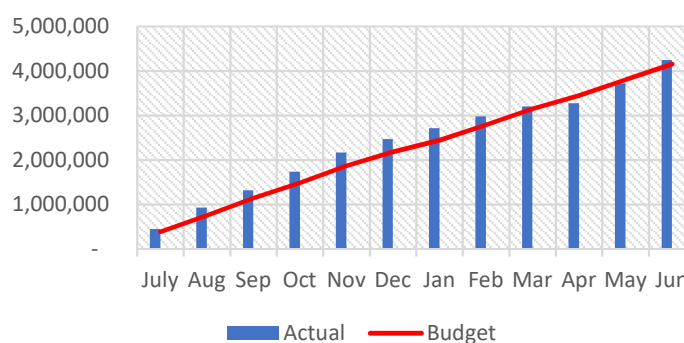
- Revising air quality standards was delayed by Min for the Environment
- Regional Pest Management Plan will be adopted early in the new financial year

Overall expenditure is within financial performance parameters as previously forecast.

This result incorporates ‘under and over’ expenditures including:

- Overspend - Regional Pest Plan review unbudgeted expenditure
- Overspend - Minimum Flows
- Overspend – Regional Planning
- Underspend – Regional Plan Water
- Underspends - Annual Plan
- Underspend - Transport Planning
- Underspend - Coastal Plan Activity

Policy & Planning



Environment

Including: Water; Air; Coast; State of the Environment; Biodiversity; Biosecurity (Pests); Environmental Incident Response

Fresh Water - Council resource under 'Environment' is substantively directed into work that relates to fresh water. During 2018/19 the result of Council's review of its planning framework for fresh water management was significant and influenced fresh water implementation work under 'Environment'.

While work was progressed under the 'Good Water Project', including Farm Catchment Risk Assessments, some work was not delivered to the level planned. For example, engagement with catchment groups and stakeholders.

The Urban Water Quality activity was deferred reflecting the need to reprioritise staff time on the fresh water framework.

Associated environmental inspection, compliance and enforcement work was delivered but at reduced levels. This was largely due to staff capacity with the activity operating below budgeted FTE. The dairy farm inspection programme, while not meeting the target, did inspect the farms identified from the risk assessment exercise. Implementation of the forestry compliance project was also advanced.

The planned work for SOE monitoring and reporting water quality was delivered. However, under delivery occurred on other aspects of science work needed to support regional planning and implementation. Again, staff capacity was a contributing issue with the science team operating below budgeted FTE. Importantly the science team started planning work to address capacity issues and align with the science requirements of the new freshwater framework.

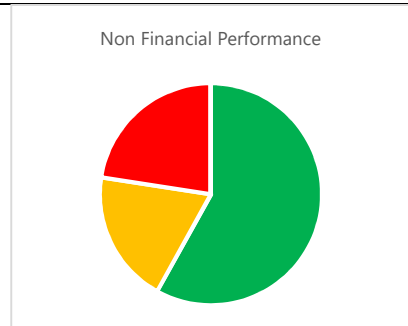
Other Activity

The Air Implementation approach was clarified and agreed with Council.

Biosecurity (pests) work was delivered to programme. The Biodiversity activity saw Council adopt an implementation plan and a key element of that plan, being the ecological mapping.

Wilding Pines activity was delivered.

The Environmental Enhancement activity was completed to programme and included substantive work associated with Lake Hayes.



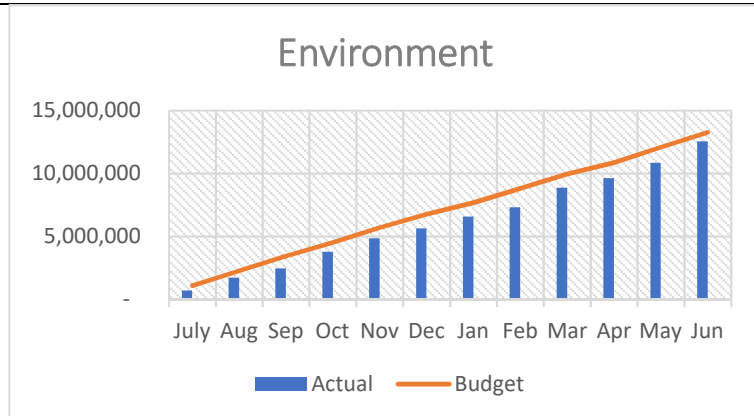
Graph: Of the 31 reported measures, 7 are reported red being:

- Monitoring Buoys;
- response to contaminated site enquiries;
- Biodiversity good practice information;
- Lake Snow Research
- Dairy inspection numbers
- SOE wetland monitoring
- Pest Implementation Plan delay

Overall expenditure is approx. \$730k underspent.

This result incorporates 'under and over' expenditures including:

- Underspend Water approx. \$820k
- Underspend SOE approx. \$350k
- Underspend Biosecurity approx. \$180k
- Overspend Environmental Enhancement \$410k.
- Overspend Incident Response approx. \$180k



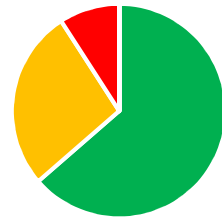
Community

Including: Governance & leadership

Work was delivered to programme with the only exception being the progression of the Council Dunedin head office replacement where a suitable suit is yet to be secured.

A review of the four-year Stakeholder Engagement Strategy was initiated to reflect thinking that shaped the 2018/19 organisation restructure and the opportunity presented by new leadership. The engagement team was fully recruited during 2018/19 and delivered on elements of the existing strategy.

Non Financial Performance

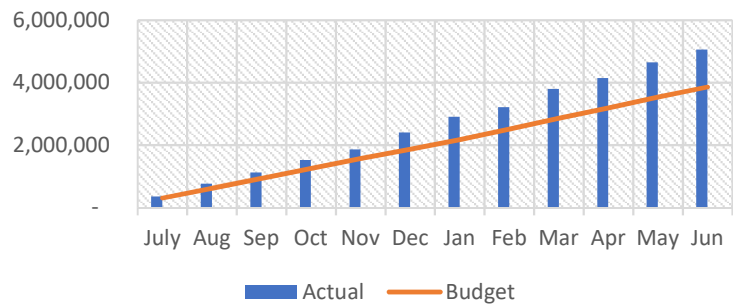


Graph: Of the 11 reported measures, 1 is reported red relating to the Council Head Quarters Project.

Overall expenditure is approx. \$1.2m overspent.

This was largely due to significant expenditure related to the Council's response to the QLDC, and to a much lesser degree, DCC District Plan reviews.

Community



Regulatory

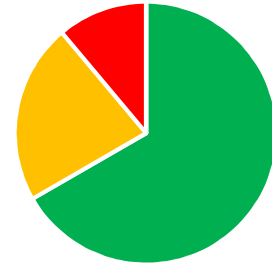
Including: Consent processing; Consent Compliance & Bylaw monitoring; Harbour & waterway management

All decisions on consents, except four, were given within RMA mandated timeframes. Consenting on water permits, including 'Deemed Permits' progressed.

Compliance monitoring and auditing progressed. Progress was made on improving procedures to better integrate tasks. Staff resource levels remained an issue throughout the year and adversely affected service delivery.

Harbour and Waterway Management Activity consolidated throughout the year with completion of the Navigational Bylaw, and the commissioning of the Harbourmaster vessel.

Non Financial Performance



Graph: Of the 9 reported measures, 1 is reported red,

- Processing flood bylaw applications

Two are reported as partial delivered (yellow) being:

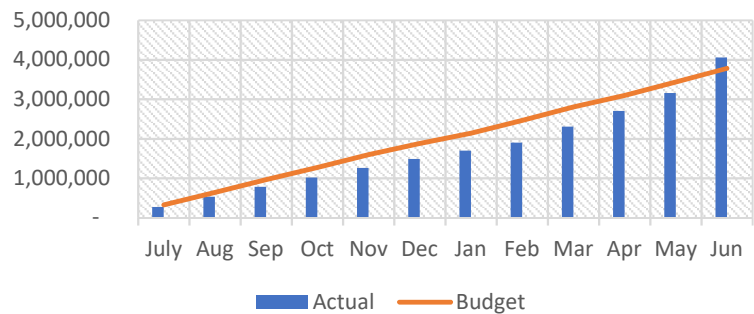
- processing applications under the Flood Protection Bylaw
- Processing of resource applications (4 did not meet statutory timeframe)

Overall expenditure is approx. \$270k overspent.

This result incorporates 'under and over' expenditures including:

- Overspend Consents Administration & Review; and consent appeals and objections approx. \$260k
- Overspend Harbour Management approx. \$220k
- Underspend Compliance Monitoring approx. \$320k

Regulatory



Flood Protection & Control Works, & River Management

Including: Flood & drainage schemes; Rivers & waterway management

Much operational work occurred to river banks/bends (eg rockwork, willow poles) and clearance of November 2018 flood debris. Unplanned work occurred in the Dunedin River Management scheme on the Kaikorai Stream stilling basin, and in the Waitaki River Management scheme on the Kakanui flood bank repairs.

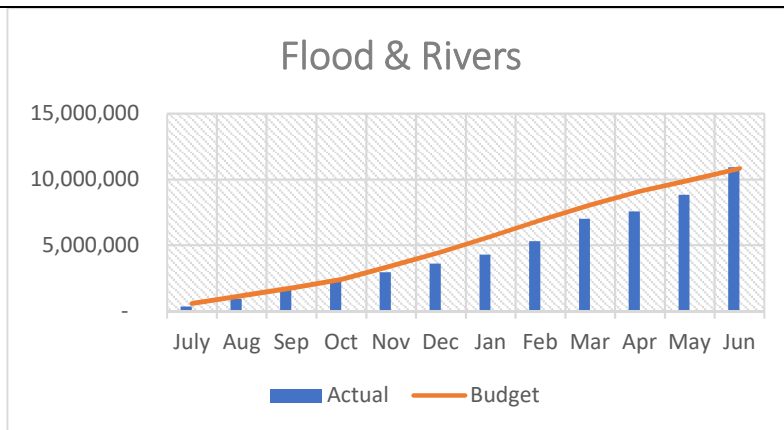
The drainage maintenance program was largely delivered as planned

A significant portion of the planned engineering works were delivered to program. However, prioritisation of the engineering teams programme was required which resulted in either deferral or partial completion of various projects.

Overall the River Management expenditure is largely on track as operations work continues.

Overall expenditure is within financial performance parameters.

Leith Flood Protection was overspent due to completion of the ITS Bend stage of construction which was budgeted for in the previous financial year. Dundas St bridge work is continuing. This overspend was offset by underspends across the other schemes.



Safety and hazards

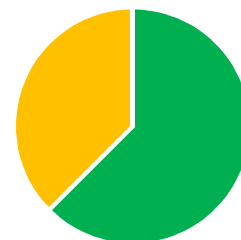
Including: Emergency Management; Hazards

Emergency Management - resolving operational risk associated with a lack of trained and experienced controllers in the Otago Region; a fully equipped co-ordination centre. Progressing operational planning for event response.

Natural Hazards – good progress on support to stakeholders including district councils to respond to natural hazards. This includes the completion of the assessment of the coastal hazards for the Waitaki District coast, and notable progress in the investigation of Roxburgh debris flow mitigation options.

Significant progress has been made on projects associated within the climate change activity. This includes the intensification of the data collection programme for South Dunedin and the Dunedin Harbourside. Work regarding Clutha Delta and the commencement of the Otago climate change risks and opportunities assessment was delayed.

Non Financial Performance



Graph: Of the 8 reported measures, 3 reported 'yellow' being:

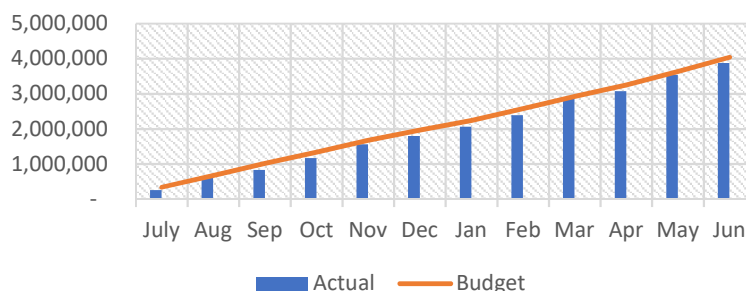
- *availability of group controllers*
- *CDEM Response capacity*
- *Risk assessment work for Climate change adaptation*

Overall expenditure is within financial performance parameters.

This result incorporates 'under and over' expenditures including:

- Overspend flow forecasting activity due to the November flood event.
- Underspend Climate Change Adaptation

Safety & Hazards



Transport

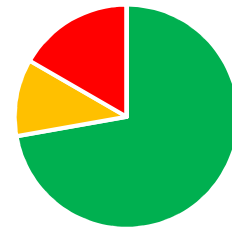
Including: Public Transport; Stock Truck Effluent Disposal Sites

The Dunedin Central City Bus Hub was launched. A staggered implementation of the services supported by the new electronic timetables and digital signage commenced on Thursday 21st March with the hub becoming fully operational on 28th March. No experience of undue delays to buses at the intersections leading to and from the hub. This reflects the close working relationship with the Dunedin City Council staff.

Good progress was made on the completing the business case for the Lake Wakatipu public water ferry service. The business case forms part of the 'Wakatipu Way to Go' collaborative partnership between the ORC, QLDC and the NZTA.

Investigating mass transit options between Frankton and Queenstown progressed via Council's participation in a wider study involving NZTA, Way To Go, and Frankton Master Plan Consultants.

Non Financial Performance



Graph: Of the 18 reported measures 3 are reported red being:

- Vehicle quality Queenstown
- Policy on school bus services which is scheduled early in the new financial year
- Malaghans Road loop service- reprioritised.

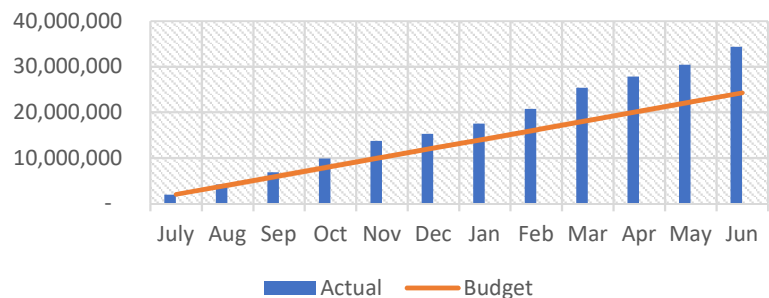
Public Transport activity expenditure was overspent by approx. \$9.5m. This included the bus hub and ticketing projects that were budgeted in previous financial years but undertaken in the current year.

There was also increased expenditure in the provision of contracted bus services and network improvements over the amounts budgeted.

There is a significant 'offset' against the operational overspend via increased subsidies from NZTA.

An overspend for the construction of a Central Otago Stock Truck Effluent Disposal site. The construction occurred in this reporting period but was assumed in the 2017/18 budget.

Transport



POLICY & PLANNING

REGIONAL PLANS & POLICIES

Council’s regional plans set out policies and rules that aim to protect our natural resources, i.e. water, air and coast, and their use. The Resource Management Act requires Council to have a Regional Policy Statement that enables sustainable management of the natural and physical resources of the Otago region. It also has provisions for adopting and reviewing regional plans.

Activities include:

Regional Policy Statement	Regional Plan: Water	Minimum flows and allocation limits
Regional Plan: Air	Regional Plan: Waste	Regional Plan: Coast

Regional Policy Statement (P1)

Summary Comment

Overall this work programme attracted additional expenditure primarily associated with; the procedural decision from the Environment Court, the High Court appeal on Ports and Coastal Landscapes, and mediation to agree wording in Chapter 3.

Key Measures

Measure: • Comply with Resource Management Act legislative planning requirements. • Complete preparation of plan reviews and changes of resource management policies, plans and strategies in accordance with Council’s publicised work programme.

Comment: Work on the revised freshwater planning programme including the three priority catchments commenced. Aside from fresh water, the procedural decision on the Otago RPS has questioned whether it properly gives effect to the Resource Management Act. This decision has been appealed to the High Court.

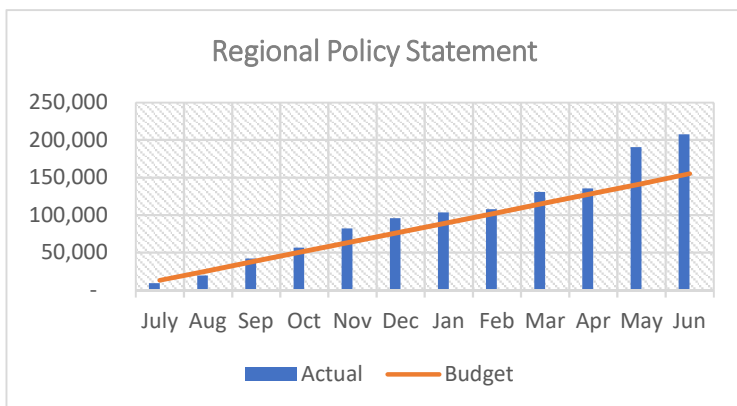
Measure: Completion of required actions for making the RPS operative.

Comment: The procedural decision released in March 2019 has questioned the lawfulness of the proposed RPS. This has required an appeal to the High Court and means the remainder of the RPS not yet operative, will not be made operative until all appeals are settled.

Q3 Forecasted Result



Financial performance – Regional Policy Statement



Reported overspend of approx. \$50k

Regional Plan: Water (W1)

Summary Comment

With the adoption of the Progressive Implementation Programme in October 2018, work to give effect to the National Policy Statement Fresh Water Management (NPSFM), and to review the Regional Plan: Water, was commenced. This included the adoption of Freshwater Management Units (FMUs) in April and work to understand and inform prioritisation of FMU's. In addition, work in the Manuherekia, Arrow and Cardrona catchments is continuing.

Key Measures

Measure: Notification of 'Progressive Implementation Plan'.

Comment: The Progressive Implementation Programme (P.I.P) was approved for notification at October's Council meeting and was publicly notified on Saturday 15 December 2018.

Q3 Forecasted Result

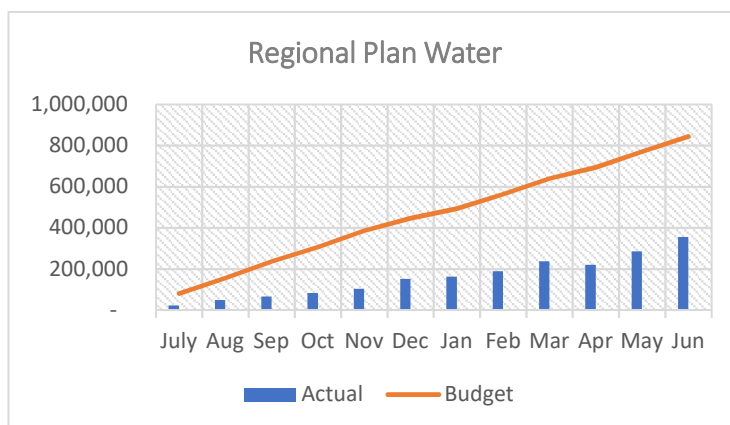


Measure: Complete a stocktake of the NPSFM.

Comment: Draft has been completed.



Financial performance – Regional Plan: Water



Work has commenced on a full Water Plan review with a programme to give effect to the NPSFM. The reported under expenditure of approx. \$500k offsets the over expenditure reported in the 'Minimum Flow' Activity below (ie. MAC priority catchment programme).

Minimum Flows and Allocation Limits (W6)

Summary Comment

The work programme for the priority minimum flows catchment is being aligned with the Progressive Implementation Plan (PIP) and is underway. The Lindis Plan Change hearing recommenced in late January and February 2019 and contributed to the overspend in this activity.

Key Measures

Measure: Progress on 'Priority Catchments Minimum Flow Plan Change' minimum flows and associated water allocation.

Comment: Work on the priority catchments was delayed subject to a revision of the fresh water planning programme. On completion of the revision work on the priority catchments resumed, albeit refocused, and gained momentum to year end. This result in additional expenditure.

Q3 Forecasted Result



Measure: Monitor flows and levels for setting minimum flows/environmental levels and allocation limits for rivers, lakes and aquifers.

Comment: Over the year all agreed sites for Manukerikia, Lindis, Cardrona and Arrow were monitored. Data collected over the summer season has been reviewed. At year end flow conditions increased in all catchments and resulted in a second gauging run not being able to be completed in the Cardrona catchment.

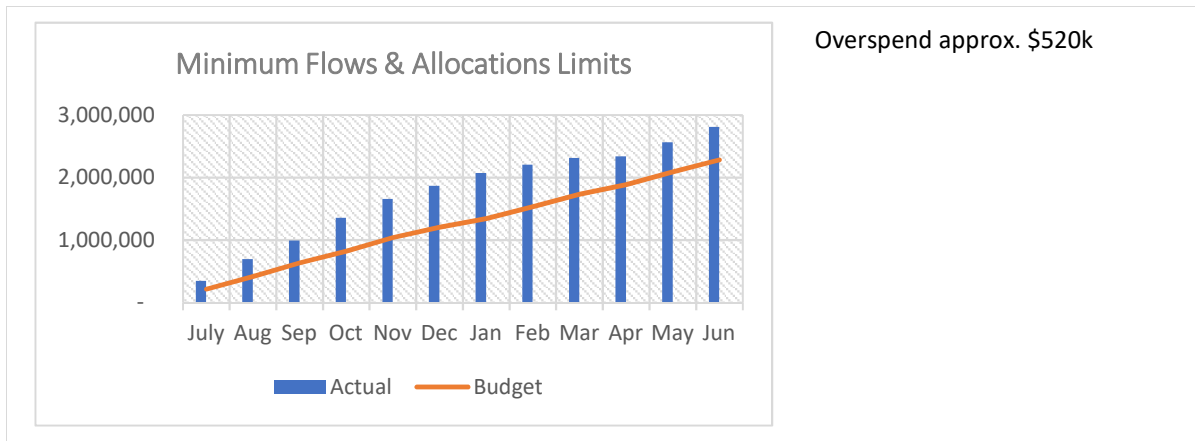


Measure: Publish science work for setting minimum flows/environmental levels.

Comment: Reporting yellow reflecting that while work occurred around the priority catchments some slippage resulted from the revision of the fresh water planning framework and science staff capacity.



Financial performance – Minimum Flows and Allocation Limits



Regional Plan: Air (A4)

Summary Comment

The Air Strategy was approved in June 2018 and a revised Clean Heat, Clean Air funding scheme was approved for the remainder of this financial year, at the March 2019 committee meeting. There is unlikely to be significant expenditure in this budget for the remainder of the financial year.

Key Measures

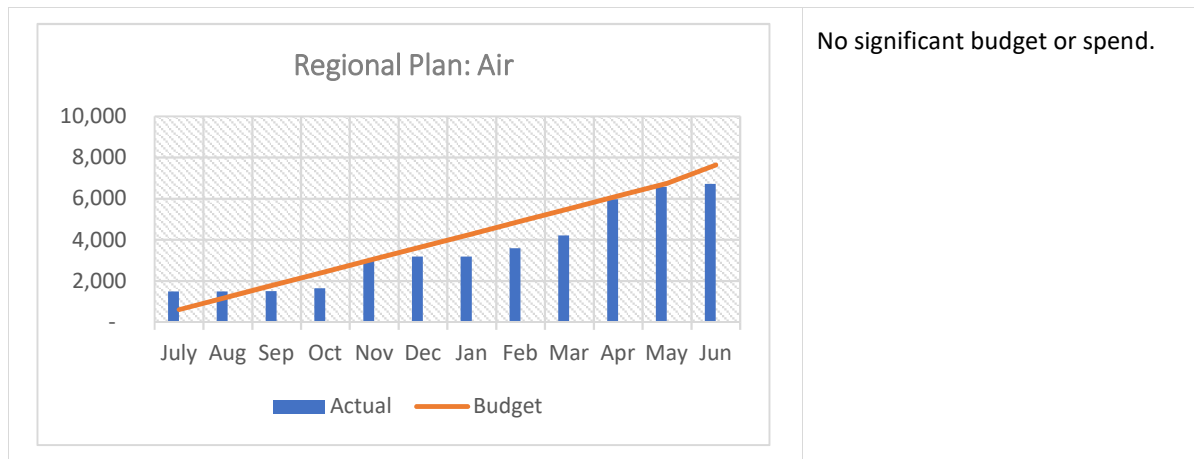
Measure: Review revised NES-AQ and assess consequences for Otago.

Comment: Achieving this target was dependent on the governments NES review being made available for public comment. However, this was not released by MfE within a timeframe enabling Council to make an assessment by 30June2019.

Previous Forecasted Result



Financial performance – Regional Plan: Air



Regional Plan: Waste (P2)

Summary Comment

No work was proposed in the 2018/19 year with a full review of the Waste Plan to be undertaken as part of the formal review of the Regional Water Plan.

Key Measures

No reported measure

Financial performance – Regional Plan: Waste

No financial implications

Regional Plan: Coast (W5)

Summary Comment

Development of the Coastal Strategy was deferred in the LTP to Year 4. In the meantime, plan change work for discharges of wastewater and stormwater to the coastal marine area, were progressed as part of the parallel work for discharges into the freshwater environment. In addition, a draft stocktake of the Regional Coastal Plan against the NZCPS was completed. Discussions with science also occurred to determine monitoring needs and information requirements to support the commencement of the Plan Review in 2023.

Key Measures

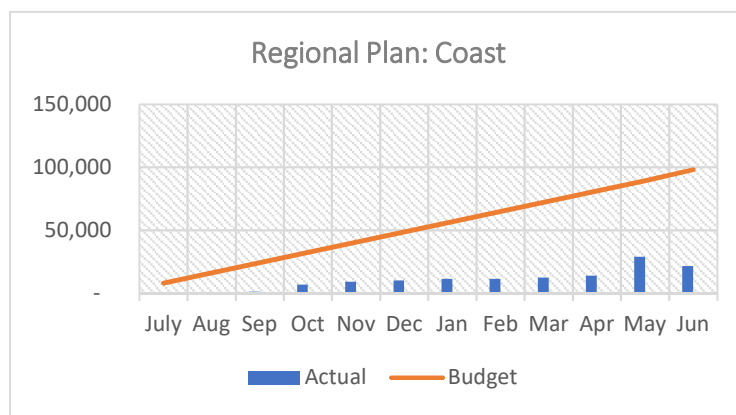
Measure: Undertake an analysis/stocktake of the Regional Coast Plan against the NZCPS and identify gaps where we do not give effect to the NZCPS.

Comment: A draft was completed and programmed for review.

Q3 Forecasted Result



Financial performance – Regional Plan: Coast



Underspend is subject to a decision to carry forward \$60,000 to 2019/20. It relates toward the cost of a biodiversity mapping project initiated in 2018/19. The biodiversity mapping will inform multiple planning work streams, including the Coastal Plan review, the Water Plan review, objective and limit setting under the NPSFM.

STRATEGIES & PLANS

Council prepares Annual and Long Term Plans that detail Council’s significant activities, how much they will cost and how they will be paid for. For certain significant activities, strategies are prepared that provide direction on those activities. They identify what roles Council, the community, other agencies and stakeholders may play in implementing the strategy.

Activities include:

- LTP/Annual Plans & Reporting
- Biodiversity Strategy
- Regional Pest Plan Review
- Regional Land Transport Plan

Long Term Plans and Annual Planning (G9)

Summary Comment

Annual Plan 2019/20 was adopted by Council and met statutory requirements. The Annual Report Annual Report 2017/18 was approved by Council. Quarterly Activity Reporting to Council was delivered. A debrief was provided to Councillors on the 2018-28 LTP process. Improvements to 18/19 Activity Reporting were discussed with Councillors and implemented.

Key Measures

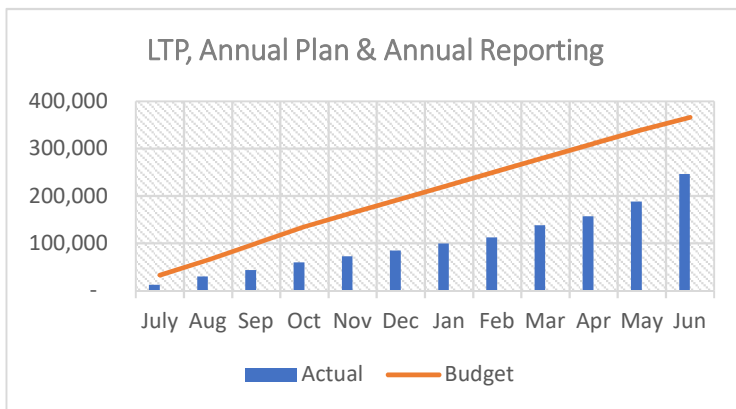
Measure: Long term plans, annual plans and annual reports receive unmodified audit opinions.

Comment: Achieved

Previous Forecasted Result



Financial performance – Long Term Plans and Annual Planning



Underspend of approx. 120k is largely comprised of staff time.

Biodiversity Strategy (B1)

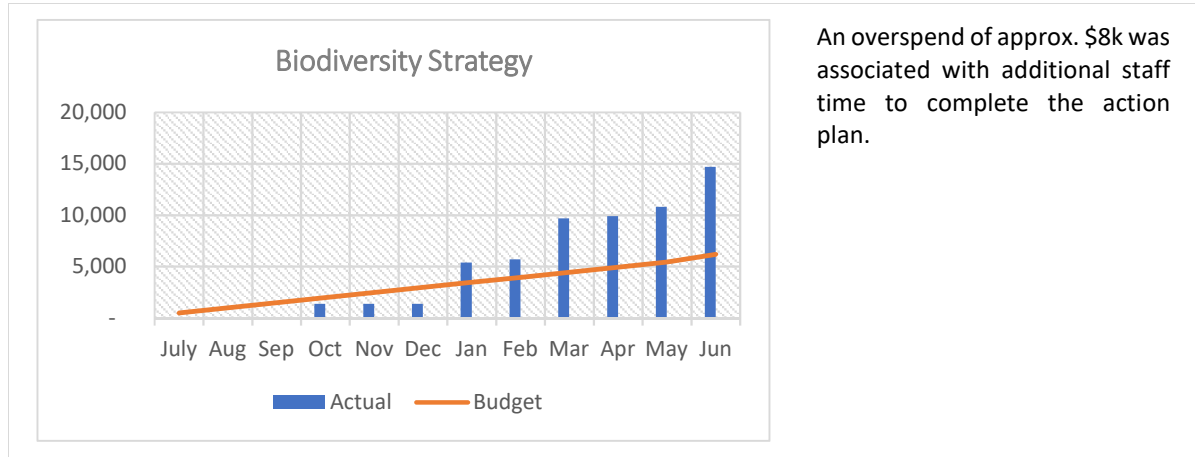
Summary Comment

Biodiversity Strategy and Action Plan completed and adopted by Council.

Key Measures

No reported measure

Financial performance – Biodiversity Strategy



Biosecurity (Pest) Management Plan Review (L5)

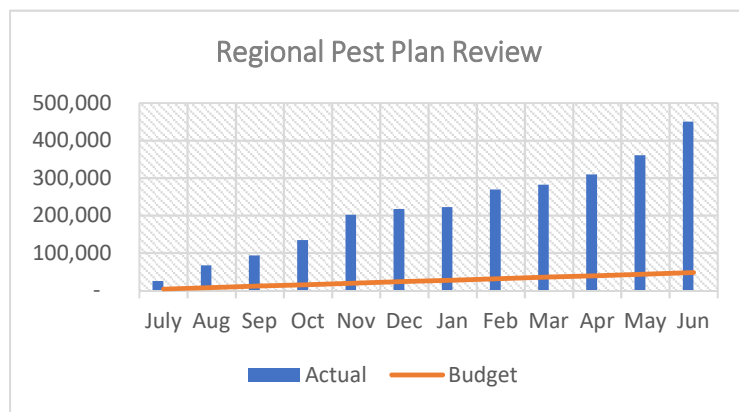
Summary Comment

The new pest plan was planned to be completed early in the 2018/19 financial year. Delays in finalising the draft for consultation has meant Council adoption of the RPMP will occur in 2019/20 and implementation will follow. An unbudgeted one-off expense associated with delivering a consultation document to every letterbox in Otago contributed to an overspend.

Key Measures

	Q3	Forecasted	Result
<p>Measure: The Regional Pest Management Plan is prepared in 2018/19 and implemented 2019/20.</p> <p>Comment: It is anticipated RPMP will be adopted late 2019.</p>	●	●	●
<p>Measure: Achieve a reducing trend in the pest plant and animal species across the Otago Region.</p> <p>Comment: Steady and ongoing progress was achieved across most priority areas.</p> <p>Over the financial year 4401 pest plant inspections were completed of which 73% recorded compliance. Major non-compliance represented 4% of inspections.</p> <p>Reporting on animal pests is provided in the 'Environment' section.</p>	●	●	●

Financial performance – Pest Management Plan Review



An unbudgeted overspend of approx. 400k

ENVIRONMENT

Council has a responsibility for looking after the natural resources of the Otago region. Key components of Council's work on the environment are focused on:

- Water,
- Air
- State of the environment reporting
- Biodiversity
- Biosecurity (Pests)
- Coasts
- Incident response

WATER

The quality of our water and its availability are critical to our way of life. Council's Regional Plan: Water sets out policies and rules that aim to protect both the quality and availability of water in our aquifers, rivers, lakes and wetlands.

For water quality, the Council is focused on the level of contaminants discharged into our waterways. Rural land-use, urban domestic and commercial practices significantly influence water quality. Council works with landowners, and stakeholders to achieve National Standards, planning goals and targets.

For water quantity, the Council is focused on the issues related to the availability of water for irrigation, aquatic habitats, and natural character of the rivers. The Council is required to set limits on how low the flow of certain rivers may get (minimum flows), whilst still protecting the habitats and rivers. Economic, cultural and social values are taken into consideration when setting minimum flows, and these flows determine the amount of water that may be available for use.

Activities include:

Rural Water Quality Implementation Water & Deemed Permit Renewal Urban Water Quality Implementation

Rural Water Quality Implementation (W3)

Summary Comment

This activity has been subject to the review of direction associated with the fresh water management framework (eg decisions on FMUs). During that latter stages of 2018/19 this activity began the process of adapting to the new direction and this will positively influence future work such as the Good Water Project (ie Farm Catchment Risk Assessments) and engagement with catchment groups and stakeholders

Environmental inspection, compliance and enforcement was delivered but at reduced level. This was due to the floods and staff reprioritisation. The dairy farm inspection programme, while not meeting the target, did inspect all farms identified from the risk assessment.

The desktop risk assessment component of Good Water Project was completed allowing Council to consider the next steps.

Engagement activity was progressed, albeit not to the desired level.

Science delivery has been impacted by staffing levels (under budget) however key aspects of water quality reporting has progressed to plan. The planned work for monitoring and reporting water quality was largely delivered.

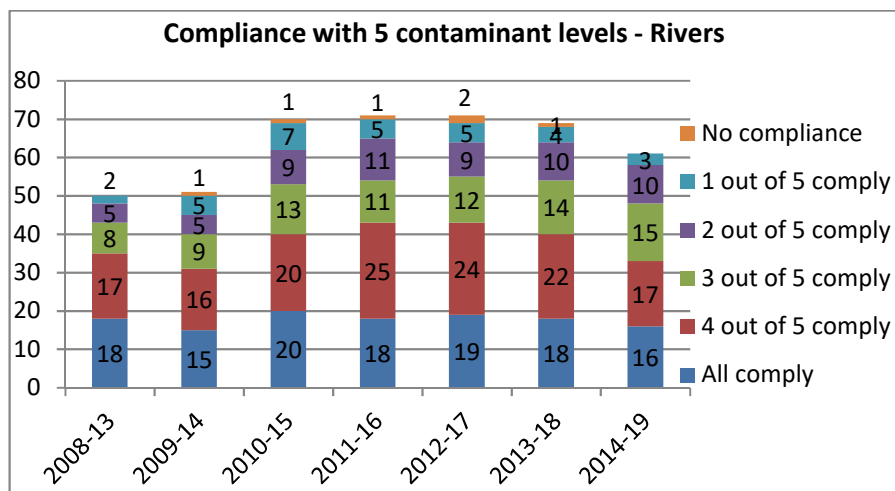
Key Measures

Q3 Forecasted Result

Measure: Water quality previously not meeting the limits set out in the Regional Plan: Water, is improving.

Comment: See the graph below showing rivers.

Note for Lakes, the Council significantly improved its analysis approach in 2016. At this early stage trend analysis cannot be reported as per rivers, but in the future it will be. As it stands the science strongly suggests that the trend in water quality for the 'Lakes' is static, with some uncertainty on turbidity.



Measure: Assessments are carried out to determine if water quality is meeting the limits set out in the Regional Plan: Water.

Comment: Programmed assessments completed.



Measure: Good water project - Undertake and report environmental risk assessments on properties throughout Otago.

Comment: During 2018/19 the 'On-farm' catchment programme of work was paused subject to a Council decision on the pilot work and alignment with the broader freshwater planning approach'

Work achieved included compliance inspections of selected dairy farms and forestry blocks. The desktop risk assessment project was completed. The Shag River project was completed.

Recruitment and training of a second forestry inspector was initiated to help with the implementation of the NES.



Measure: Using a risk based approach, undertake 465 inspections of dairy farms for compliance with the prohibited activity rules.

Comment: Dairy inspections have been completed. 254 inspection completed. The focus was on the Waitaki Plains and South Otago. Four significant non-compliance and four minor non-compliance have been found. The reprioritisation of staff from inspection and enforcement to incident response had a significant impact on this work programme.

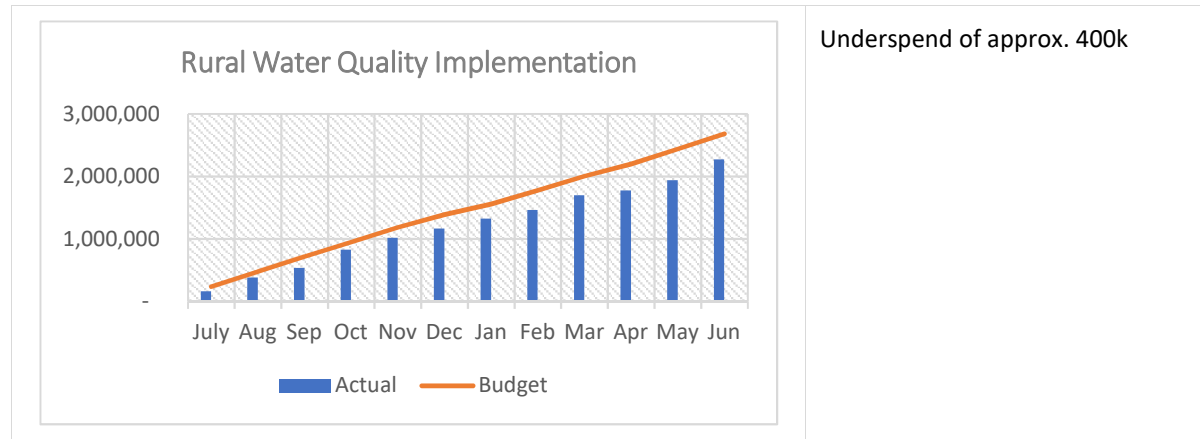


Measure: Report the results of Manuherikia water quality study to the community.

Comment: Manuherikia Report completed by NIWA by year end



Financial performance – Rural Water Quality Implementation



Underspend of approx. 400k

Water and Deemed Permit Renewal (W4)

Summary Comment

Water consenting activity progressed but at a level less than desired or planned. Inputs to this activity, including science information and stakeholder engagement, have been lower than anticipated. Both science and engagement resource have focused on other priorities.

The consents team was more reactive to deemed permit replacement applications with that time charged to the application being considered. A review of the strategy for dealing with deemed permits was initiated and included a communication plan to engage with permit holders.

This new work is expected to align with and benefit from an improving understanding of FMU’s including water quality, quantity, objectives and allocation. Science and stakeholder engagement input will increase as science ‘FTE’ is recruited and engagement priorities shift.

Key Measures

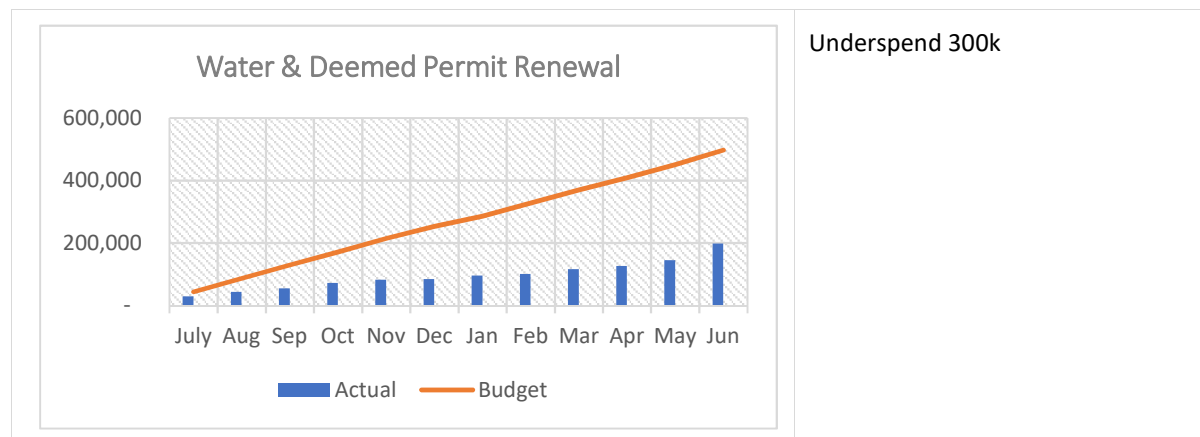
Measure: No less than 25 groups will have had two meetings facilitated by ORC.

Comment: Meetings held with 33 priority catchment groups, with 26 of these being two or more meetings.

Q3 Forecasted Result



Financial performance – Water and Deemed Permit Renewal



Underspend 300k

Urban Water Quality Implementation (W8)

Summary Comment

Work was progressed, albeit at a reduced level due to reprioritisation. During 2018/19 a decision resulted in this activity being consolidated within the Fresh Water Planning review. It is subject to the broader priorities identified under that review.

Key Measures

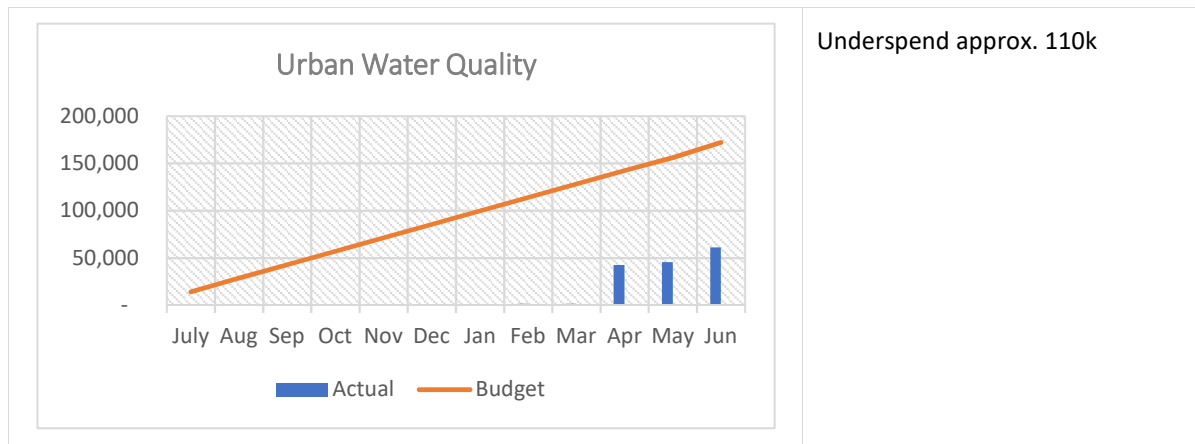
Measure: Complete development of the Urban water quality implementation plan.

Comment: Work progressed but at a reduced level compared to that planned.

Previous Forecasted Result



Financial performance – Urban Water Quality Implementation



AIR

Council is responsible for ensuring compliance with the National Environmental Standard. Under the Resource Management Act, Council is also responsible for controlling the discharge of contaminants to air. This activity is focused on implementing the Otago Region Air Strategy to improve air quality. Implementation involves oversight of a range of actions including; the clean heat, clean air programme, education and awareness, the use of compliance monitoring and enforcement, and the use of air quality.

Air Strategy Implementation (A2)

Summary Comment

During 2018/19 options for implementing the Air Strategy were presented to Council. Importantly Council prioritised this activity against other funding needs, such as freshwater activity. The agreed options resulted in the continuation of the planned work programme including work with Cosy Homes Trust (eg MoU signed) and the Clean Heat Clean Air programme.

Key Measures

Measure: Implement priority year 1-3 projects to achieve goals under the Air Strategy: Yr1. Outcomes and issues for outdoor burning around urban areas are identified.

Comment: A report on Air Strategy implementation options was provided to Council to reassess priorities and actions. It resulted in continued commitment to the Clean Heat Clean Air Programme and direction to complete work in 2019/20, particularly on funding options for encouraging the use of clean technology.

Piloting work exploring clean burning practices was carried out in Arrowtown and involved the community.

Previous Forecasted Result



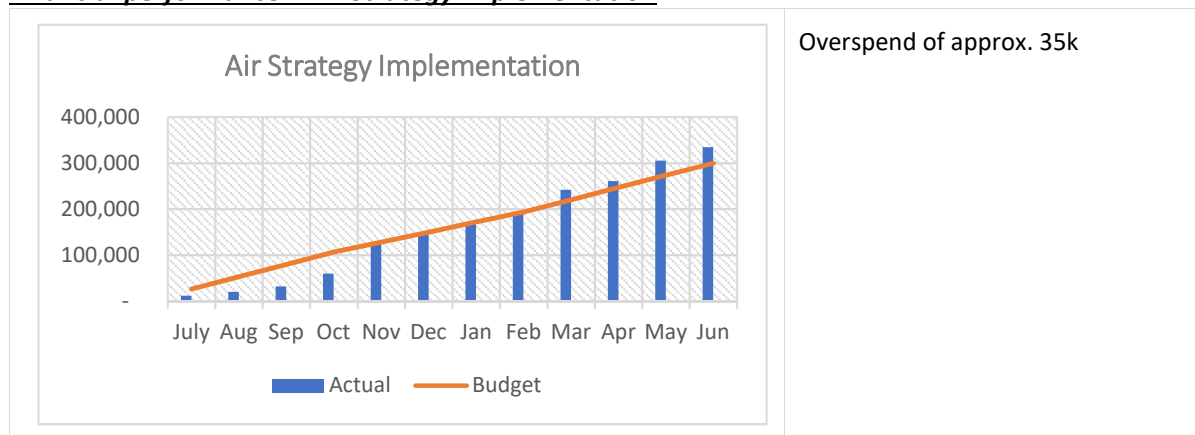
Measure: Administer Clean Heat funding for Air Zone 1 and Milton.

Comment: Support is provided as applications are received. 11 clean heat applications were approved during the past month resulting in a total of 76 for the year.



Breakdown of appliances installed:	Type of fire installed:
<ul style="list-style-type: none"> Alexandra -19 Arrowtown -8 Clyde -9 Cromwell - 27 Milton -13 	<ul style="list-style-type: none"> Gas Fire- 4 Heat pump -4 Pellet Fire -2 Wood burner -64 Diesel fire – 2

Financial performance – Air Strategy Implementation



STATE OF THE ENVIRONMENT

Council's State of the Environment monitoring relates to the information gained from the Council's science programme.

Activities include:

Water quality & quantity (W2) Air Quality (A1) Environmental Monitoring & Reporting (EMaR) (G6)

Water Quality and Quantity Monitoring (W2)

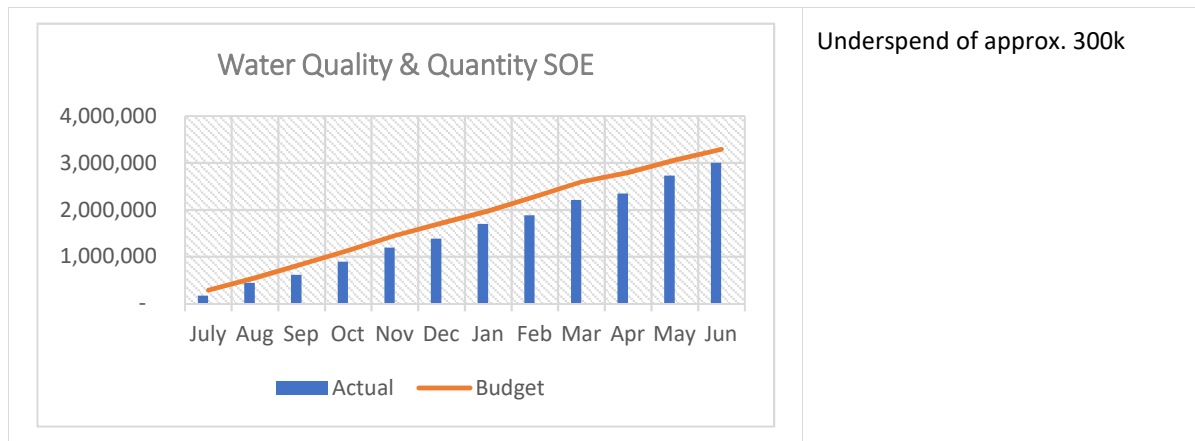
Summary Comment

The ongoing element of the State of the Environment has been delivered as programmed. New or development work in this programme has not been delivered to planned. A key component has been the installation of lake buoys with one of the planned three buoys made operational by 30 June 2019. Work related to 'lake snow' while initiated in 2018/19 is subject to a decision on a co-ordinated approach between Councils' of the region.

Key Measures

	Q3	Forecasted	Result
<p>Measure: Changes and trend in natural resource availability and quality are analysed and reported to the Council as per the schedule entitled "Monitoring Schedule for 2018-28 Long Term Plan".</p> <p>Comment: While a significant component of the scheduled work was completed, slippage did occur. This reflected science staff capacity being well under the planned level. Steps to improve the capacity issue have been initiated.</p>			
<p>Measure: External audit shows good quality control of data collections and analysis as per the schedule entitled "Monitoring Schedule for 2018-28 Long Term Plan".</p> <p>Comment: Data collection and validation processes were ongoing and in accordance with the Environmental Monitoring Team's business practice.</p>			
<p>Measure: Lead research into methods to manage lake snow on water quality.</p> <p>Comment: Outcome of the workshop and research programme presented to Technical Committee in September 2018. Feedback sought from the Otago Chief Executive Forum for a coordinated approach.</p>			
<p>Measure: Install lake monitoring buoys in Lakes Wanaka, Wakatipu and Hayes.</p> <p>Comment: Lake Hayes: installation of a buoy planned for July 2019. Consultant contracted, QLDC consent granted.</p> <p>Lake Wanaka and Wakatipu: preparation work was occurred to define buoys location and characteristics.</p>			

Financial performance – Water Quality and Quantity Monitoring



Ambient Air Quality Monitoring and Reporting (A1)

Summary Comment

This activity was delivered to programme.

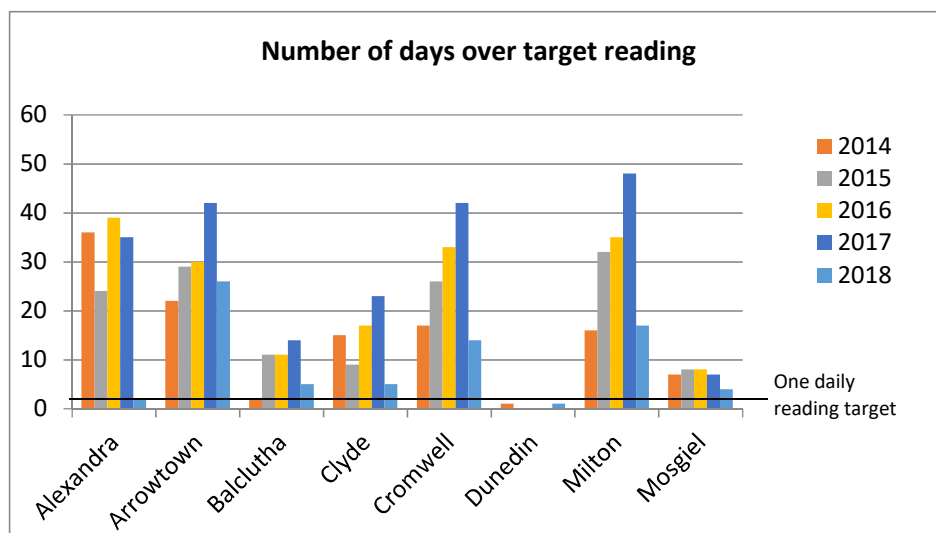
Key Measures

Measure: Monitor air quality to assess compliance with the National Environmental Standard requirement of no more than one daily average reading of PM10 per annum to be higher than 50 micrograms per cubic metre.

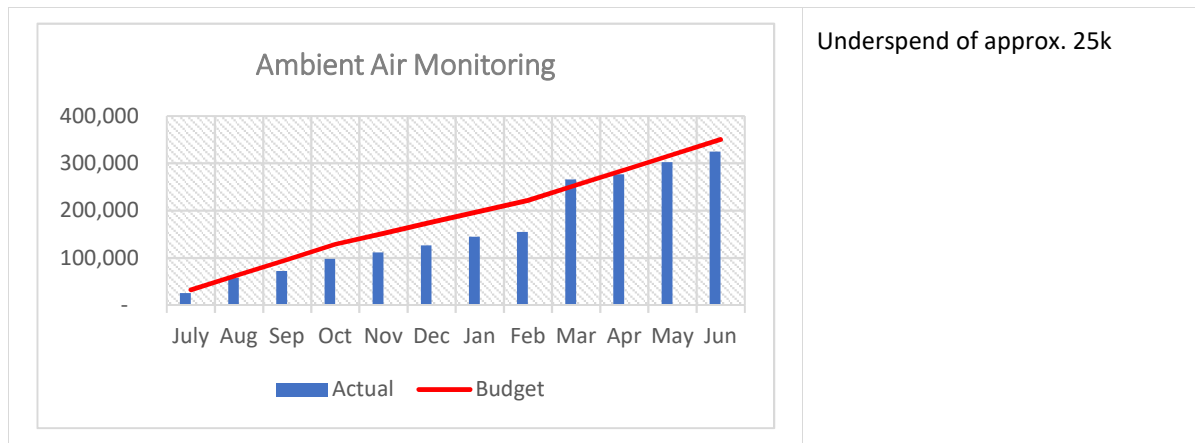
Comment: Winter 2018 programme completed to programme. Winter 2019 programme commenced.

Additional sites where on-stream from May 2019 including a new PM2.5 monitor in Dunedin.

Previous Forecasted Result



Financial performance – Ambient Air Quality Monitoring and Reporting



Underspend of approx. 25k

Environmental Monitoring and Reporting (EMaR) (G6)

Objective: To administer the national EMaR project on behalf of the EMaR partners (Regional Sector, MfE and Cawthron Institute) and to complete Otago’s data contribution.

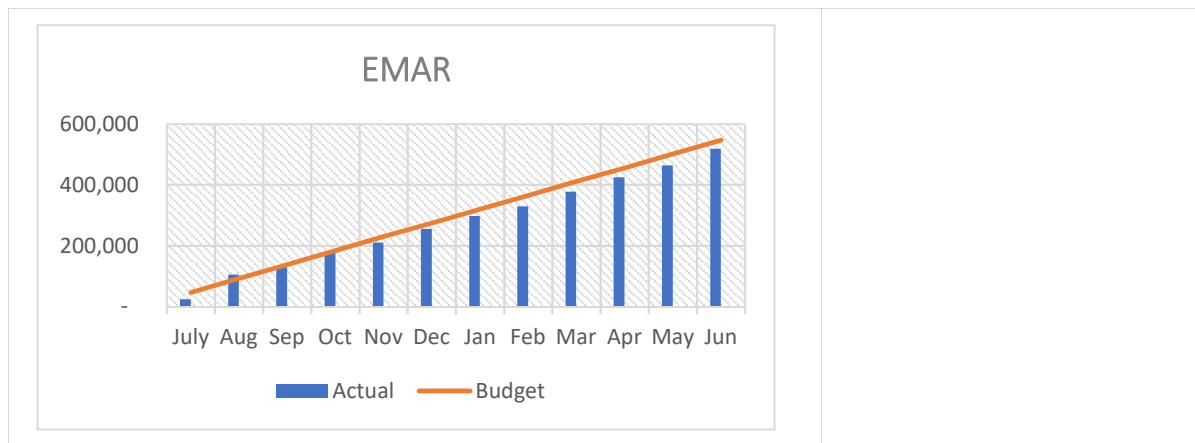
Summary Comment

This activity was delivered to programme. A small underspend associated with the LAWA ‘Groundwater Topic’ is being completed in 2019/20 with expenditure carried forward.

Key Measures

No reported measure

Financial performance – Environmental Monitoring and Reporting (EMaR)



BIODIVERSITY

The Biodiversity Strategy for Otago was completed in 2017/18. A Biodiversity Officer will be recruited to support implementation of the strategy. Preliminary activities will include; developing stakeholder and technical groups, hosting a biodiversity forum, and sharing information on good management practices for indigenous biodiversity.

Environmental enhancement is focused on the ongoing allocation of funding 'ring-fenced' for community and catchment groups working to achieve results that align with Council objectives on Biodiversity. This activity is also focused on providing oversight of a small number of specific enhancement projects such as Lake Hayes, Lake Tuakitoto and Tomahawk Lagoon.

Activities include:










Biodiversity Strategy Implementation (L1) Environmental Enhancement (L6) Wilding Pines (L7)

Biodiversity Implementation (L1)

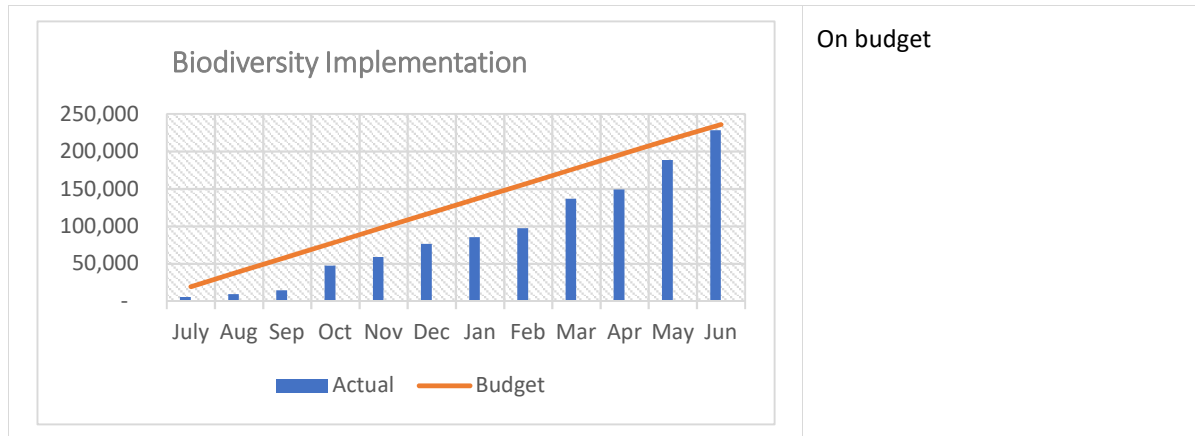
Summary Comment

The Biodiversity activity saw Council adopt an implementation plan and a key element of that plan, being the ecological mapping.

Key Measures

	Q3	Forecasted	Result
<p>Measure: Implement a significant wetlands compliance monitoring programme.</p> <p>Comment: Compliance monitoring as involved 26 'Regionally Significant Wetland' inspections. Three sites have been graded as non-compliant minor due to gorse control needing to be undertaken. The annual target of 70 inspections was not met due to the reprioritisation of staff time.</p>			
<p>Measure: Develop a monitoring programme for SoE reporting on Otago's wetlands.</p> <p>Comment: A new compliance monitoring programme has not been developed due to the reprioritisation of staff time.</p>			
<p>Measure: Develop and disseminate information on good management practices for indigenous biodiversity, and the importance of ecosystem services. Prepare community specific information packages as necessary.</p> <p>Comment: This work was not completed. It needs to follow the completing of strategy and implementation work, which was well advanced, and in some cases complete, at 30 June 2019.</p> <p>Work that was completed included the promotion of specific elements of the biodiversity programmes (e.g. broom gall mite) and the ECO Fund and associated projects. The importance of pest management to support biodiversity, with emphasis on rabbits, wallabies & Old Man's Beard, has also been promoted.</p>			

Financial performance – Biodiversity Strategy Implementation



On budget

Environmental Enhancement (L6)

Summary Comment

Most projects within this activity were delivered as planned. Within this planned component the Council also advanced on the Lake Hayes remediation issue and has continued community engagement planned for 2019/20 financial year.

Key Measures

Measure: 1. At least 75% of annual funding allocated to the Enviro Enhancement fund has been granted to suitable projects and activities. 2. The outcome(s) of all projects and activities have been reported back to Council within the timeframes specified in the funding agreement. 3. Projects and activities funded achieve milestones as per the funding agreement.

Comment: Delivered to programme. It was allocated over three funding application rounds, with the recommendations on the final round approved at the 26 June council meeting. Applicants have been advised of the outcome. The full funding amount of \$250,000 was allocated to projects, and a reporting schedule established for successful applicants.

Q3 Forecasted Result

● ● ●

Measure: Develop and publicly consult on technical and funding proposals for the remediation of Lake Hayes. Initiate the first action relating to piped water to Mill Creek.

Comment: This target was achieved. GHC Consulting was engaged to manage the project planning to develop technical and funding work to level requested by Council. Waiting on modelling and other advice regarding options from University of Waikato. Pipe to Mill Creek and discharge structure was installed with the discharge structure requiring a 'insitu' design change. Report on options was presented at the March 2019 Technical Committee and subsequent direction relevant to future planning years.

● ● ●

Measure: Complete implementation plan and consult on options for Lake Tuakitoto.

Comment: Two workshops and online consultation for potential projects for Lake Tuakitoto was completed. The work programme for 2019/20 was determined. Reporting back to community will occur in the 2019/20 year.

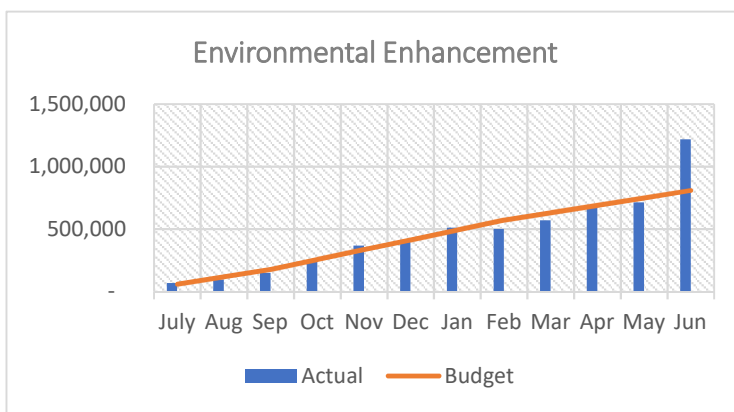


Measure: Complete a policy guiding Council decision-making on allocating the Environmental Enhancement Fund.

Comment: This is complete. The terms of reference were signed off at the 31 October 2018 council meeting.



Financial performance – Environmental Enhancement



Overspend of approx. 400K.

Two components account for the overspend:

- Lake Hayes - Pipe to Mill Creek
- Lake Hayes – economic assessment

Wilding Pines (L7)

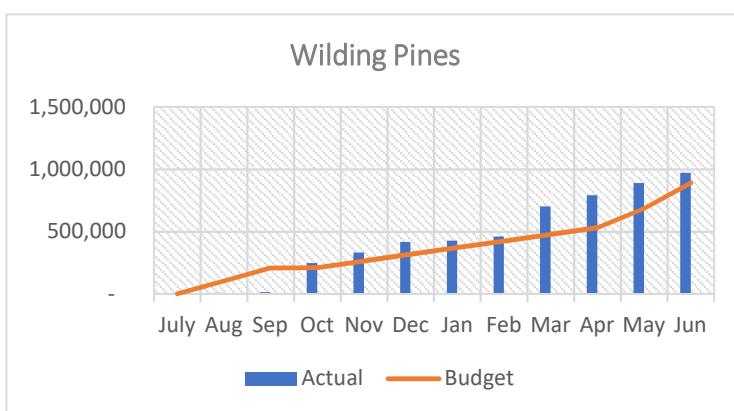
Summary Comment

This programme of work was delivered.

Key Measures

No reported measures

Financial performance – Wilding Pines



Overspend of approx. 80k

BIOSECURITY (PESTS)

The Council's Pest Management Strategy (PMS) for Otago promotes a regionally coordinated approach to address the impacts of specific pest animals and pest plants. Activities are focused on both education, monitoring and compliance regarding private landowners, and Council led work to control pests.

Activities include:

Pest Management Plan Implementation; Biocontrol of Pests; Regional Services Contracting

Pest Management Plan Implementation (L2)

Summary Comment

Inspection work on pest plant and animal species was completed in accordance with the operational plan. Complaint levels were steady throughout the year and were responded to in accordance with Council operational requirements.

Key Measures

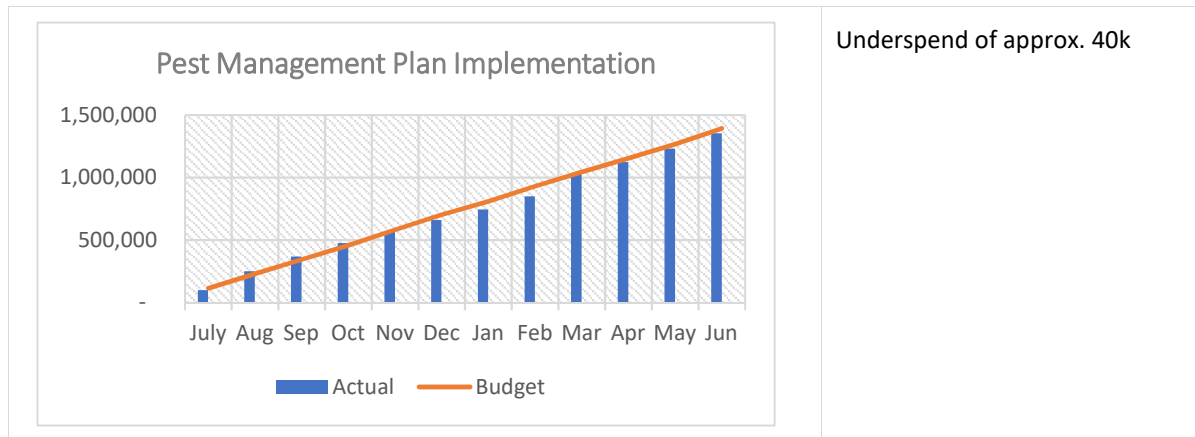
	Previous	Forecasted	Result
<p>Measure: All properties with reported non-compliance of rabbit numbers over MAL3 are contacted regarding the requirement to respond in accordance with the Regional Pest Management Plan.</p> <p>Comment: 105 Rabbit inspections. 77 compliant and 28 non compliant. Work initiated on setting up winter 2019 community meetings to consider control options.</p>			
<p>Measure: All reported non-compliance for pest plants will be followed up to ensure works to control pest plants have been carried out.</p> <p>Comment: 306 complaints all followed up with a request for work to undertaken to achieve compliance. (Includes 18 complaints that were not in our RPMP)</p>			
<p>Measure: All complaints about boundary control of pest plants and pest animals will be responded to within 10 working days, and where necessary control works will be required to be carried out.</p> <p>Comment: 233 pest plant boundary complaints followed. 6 pest animal complaints received.</p>			
<p>Measure: Reported wallaby sightings are investigated and responded to within 3 working days.</p> <p>Comment: All Wallaby sightings were followed-up by the Council.</p>			
<p>Measure: The Council advocates for the community to government agencies conducting Lagarosiphon control in Lakes Dunstan and Wanaka. Lagarosiphon has not established in Lake Wakatipu.</p> <p>Comment: ORC is a member of three lagarosiphon groups. (Dunstan, Wanaka, Wakatipu/Kawarau). The groups meet twice a year and are well represented by government agencies, Councils and the wider community. ORC, LINZ and their contractors have a very good working relationship and are in regular contact. LINZ has agreed to come to ORC at upcoming workshop to provide an update. LINZ and Boffa Miskell are presenting to Council on 1 August 2019.</p>			

Measure: Develop and implement a new Pest Management Implementation Plan in accordance with the new rules of the Regional Pest Management Plan.

Comment: The new RPMP has been notified and has now closed for public for submissions. Hearings were held in Dunedin and Queenstown in June 2019. An Operational Plan will be developed once a new RPMP is in place. It is reported 'red' because of the delay in finalising the RPMP which precedes completion of the implementation plan.



Financial performance – Pest Management Plan Compliance Monitoring



Biocontrol of Pests (L3)

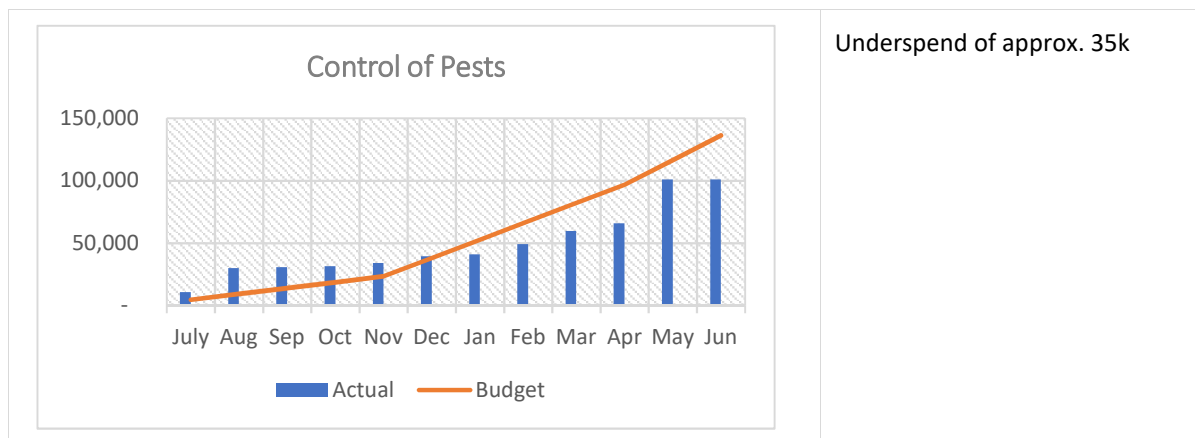
Summary Comment

This work programme is seasonal and has completed RHD sampling, and a monitoring of Broom gall mite establishment.

Key Measures

No reported measure

Financial performance – Biocontrol of Pests



Regional Services Contracting (L4)

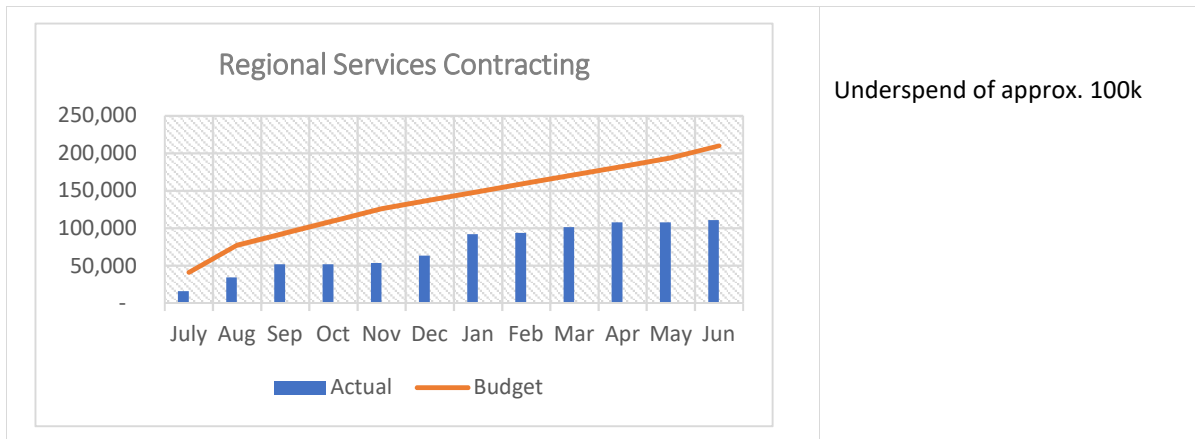
Summary Comment

A report was provided to Council on options for future service delivery and the Council's role.

Key Measures

No reported measure

Financial performance – Regional Services Contracting



COAST

This activity provides for research and information gathering to assist developing a Coastal Strategy in 2021/22. Following the completion of monitoring programmes, Council also plans to report on the health of the Tokomairiro and Kaikorai estuaries.

Coastal Initiatives (C1)

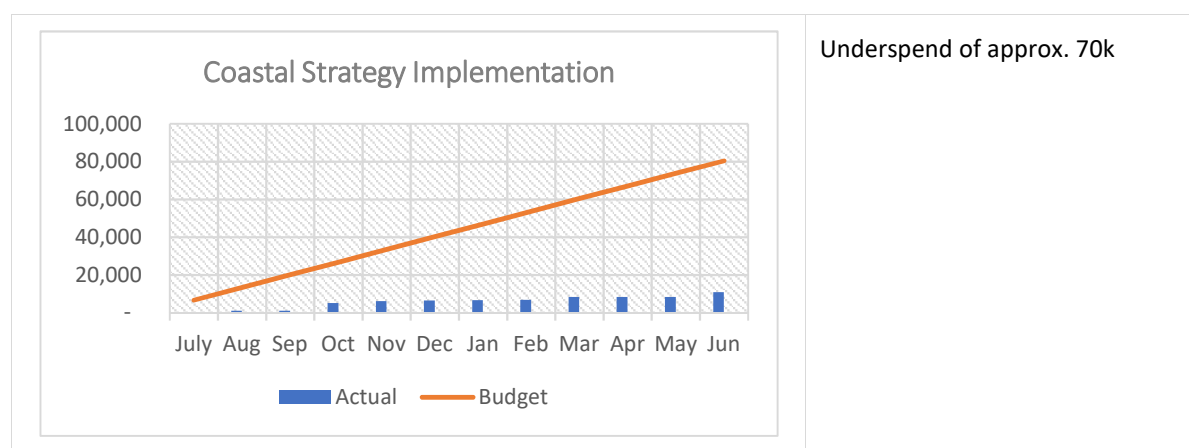
Summary Comment

This programme was not commenced and will start in 2020/2021, dependent on priorities and resourcing. Commitments associated with monitoring of estuary health status was delivered and NIWA was contracted to complete modelling field work for the Tokomairiro and Kaikoria estuaries.

Key Measures

No measure

Financial performance – Coastal Initiatives



ENVIRONMENTAL INCIDENT RESPONSE

Council operates a 24-hour Pollution Hotline. Pollution incidents and other resource management complaints are investigated, and action taken to a level reflecting the adverse effects on the environment that have occurred.

Managing contaminated sites involves investigating and managing historic and active industrial and trade use sites that manufacture, use, or store hazardous substances and may be contaminated. Where necessary, enforcement and clean-up or remedial work is also carried out.

Activities include:

Environmental Incident Response (I1) Contaminated Sites (I2) Investigations & Enforcement Action (I3)

Environmental Incident Response (I1)

Summary Comment

Incident response numbers were a record number this financial year with 2053 incidents recorded. Staff recruitment has been a priority to ensure service delivery and Council is in the process of recruiting a replacement Senior Investigator and three incident response staff.

MNZ and pollution exercises were carried out on 12 February and 27-28 February and 28 May 2019. A draft report was completed on improving and formalising incident receipt procedures. This work will support future efficiency and effectiveness in service delivery. Work was also initiated to develop a Compliance/Consents Strategy.

Key Measures

	Q3	Forecasted	Result
<p>Measure:</p> <ul style="list-style-type: none"> • Maintain 24-hour/7 day a week response for environmental incidents. • Average time taken to respond to oil spills no more than 1.5 hours. <p>Comment: Council is maintaining a 24/7 pollution and incident response service.</p>	●	●	●
<p>Measure:</p> <ul style="list-style-type: none"> • Hold at least one pollution incident response training exercise for each of the following: <ul style="list-style-type: none"> ○ desktop exercise; ○ a field exercise for pollution incident response; ○ an equipment training day. • Hold at least one marine oil spill incident response training for each of the following: o desktop exercise; o a field exercise for marine oil incident response. <p>Comment: Three significant oil spill exercises were held on 12 February and 28 May on Dunedin Harbour to fulfil MNZ obligations. A further exercise was held on 27-28 February in Central Otago.</p>	●	●	●

Measure: Acknowledge and assess the necessary actions of reported incidents within 0.5 hours of receipt.

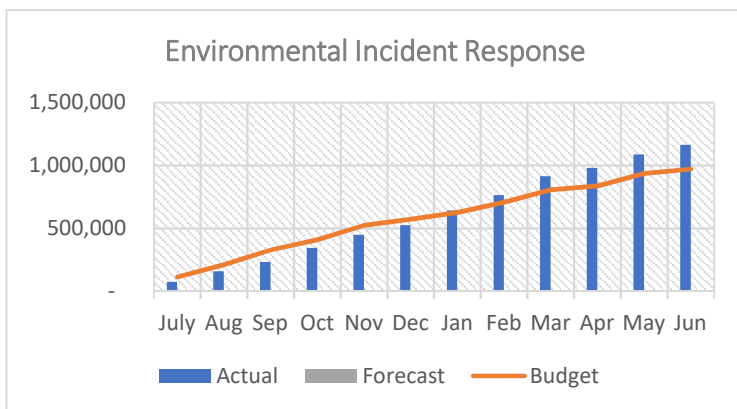
Comment: For the period 1 July to 30 June 2019 Council staff responded to 2053 incidents:

- 144 related to stormwater,
- 281 related to water pollution and
- 540 related to air discharge type complaints.

While Incident response remains a priority, the increasing numbers of calls being experienced stretched the ability to respond in a timely manner. In some situations, calls were only noted for the record. Recruitment of budgeted staff was a primary focus during 2018/19 with gaps exacerbating service delivery.



Financial performance – Environmental Incident Response



Overspend of approx. 230k, reflecting additional staff time to meet increased call rate

Contaminated Sites (12)

Summary Comment

This activity has a high unprogrammed /business as usual work component largely including site investigation reporting and Hazardous Activities and Industry List (HAIL) enquires.

Particular work that stood out included: the Dunedin City Council gasworks Contaminated Sites Remediation Fund (CSRF); project leadership for the Otago Contaminated Sites Working Group involving all TLA's; the old Rosebank sawmill site in Balclutha; and the Waitaki District Council closed landfill site near Oamaru.

HAIL and Public enquires also remain very high at 664 and were responded to within a 5 working day response time. A further 74 site investigation reports were reviewed.

Key Measures

Measure: Respond to public enquiries about potential contaminated land with 24 hours.

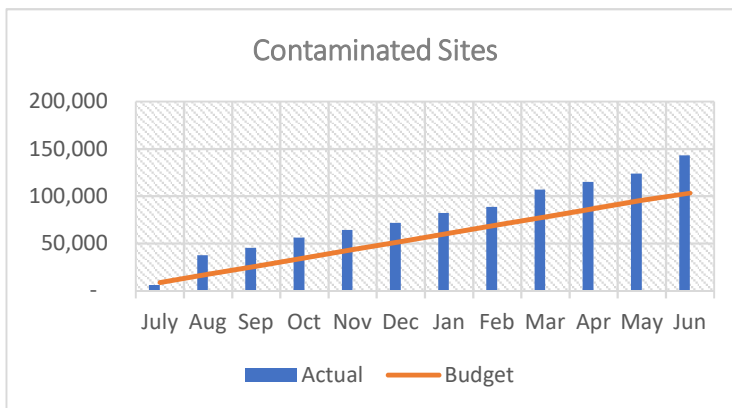
Comment: 664 public enquiries have been received for the 12 month period. In most cases, these have not been responded to within 24 hours. Responding to public enquiries typically takes place within 1-5 working days. Responses have taken longer than 24 hours due to:

- no arrangement for weekend coverage of contaminated land enquiries.
- staff workload, which also involves field work, make a 24 hour response time very difficult.

Q3 Forecasted Result



Financial performance – Contaminated Sites



The overspend relates to CSRF work which is recovered from MfE.

Investigations and Enforcement Action (I3)

Summary Comment

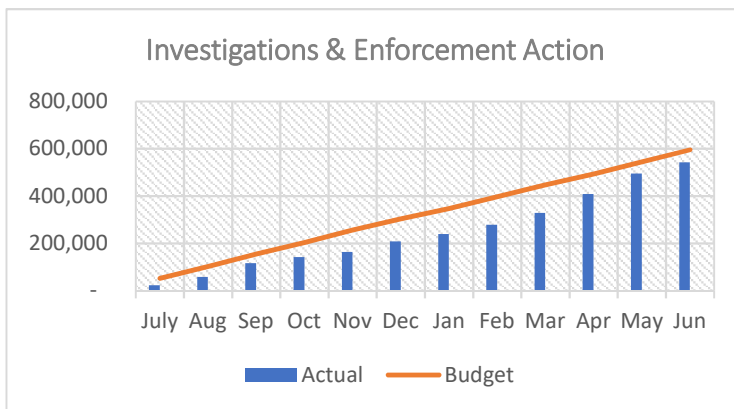
The following relates to the number of RMA cases pending and approved for the 2018/19 financial year:

- 3 authorised legal proceedings (prosecutions)
- 1 Enforcement Order
- 36 infringement notices issued
- 15 abatement notices
- 28 Notice of Direction has also been issued under the Biosecurity Act.

Key Measures

No reported measure(s)

Financial performance – Investigations and Enforcement Action



Budget underspend of approx. 60k

Relates to the number of cases Council considers necessary for enforcement action.

COMMUNITY

GOVERNANCE

Governance & democracy activity involves providing effective representation on behalf of the Otago community. Formal meetings of Council and Council committees are held and open to the public.

Public awareness activities focus on education, consultation and encouraging community participation in decision-making, and to promote awareness of Council plans, policies and activities. Co-ordinating the 'Enviroschools Otago' programme is included.

Matters raised by government or other agencies that require a regional response are co-ordinated and/or completed by Council. This is an important regional advocacy role.

Activities include:













Governance & democracy (G8); Public awareness (G1); Response to external proposals (G4);
 Financial contributions (G3); Dunedin Head Office (G5)

Governance and Democracy (G8)

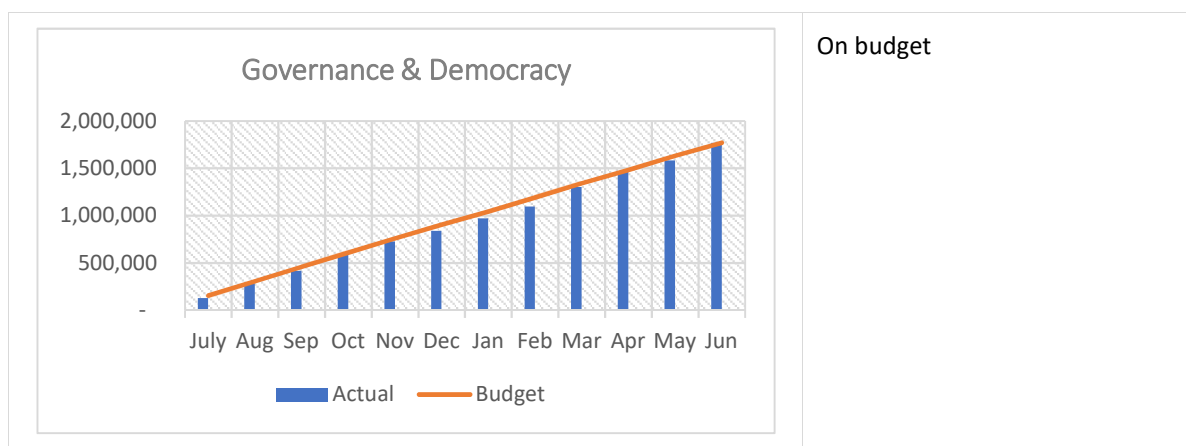
Summary Comment

This activity has provided governance and democratic services to an acceptable level throughout the 2018/19 financial year.

Key Measures

	Q3	Forecasted	Result
<p>Measure: All meetings conducted in accordance with Standing Orders and the Local Government Official Information and Meetings Act 1987.</p> <p>Comment: Achieved</p>			
<p>Percentage of council agendas that are publicly available two working days or more before a meeting.</p> <p>Comment: Achieved</p>			
<p>Measure: Percentage of official information requests responded to within statutory timeframes.</p> <p>Comment: The majority of requests were responded to within the statutory timeframe. Four requests were misplaced in the administrative process and didn't meet the timeframe.</p>			
<p>Measure: Undertake a review of representation for the 2019 elections.</p> <p>Comment: Achieved</p>			

Financial performance – Governance and Democracy



Public Awareness and Education (G1) Lisa Gloag

Summary Comment

With changes to personnel during the year, this activity is now coming into a period of meeting service expectations. Some changes of priority within the Stakeholder Engagement and Communication Strategy are under consideration.

Key Measures

Measure: Implement the four-year Stakeholder Engagement and Communication Strategy.

Comment: This target was only partially met with elements of the existing strategy not aligning the new direction associated with the organisation restructure and changes in executive management. Elements of implementation did occur including improved media operations and introduction of digital engagement to ORC.

Q3 Forecasted Result

● ● ●

Measure: Clearly articulate council policies, purpose and activities through enabling two-way conversations and providing clear information through the production of: • Newsletters, pamphlets and info sheets • Social media releases • Science reports and summaries • Web-based information • Public events

Comment: Throughout 2018/19 there was an ongoing multi-channel communication approach to articulating council policies, purpose and activities. This included newsletters, pamphlets, info sheets, social media, media releases, web-based information, public events and advertising across key services.

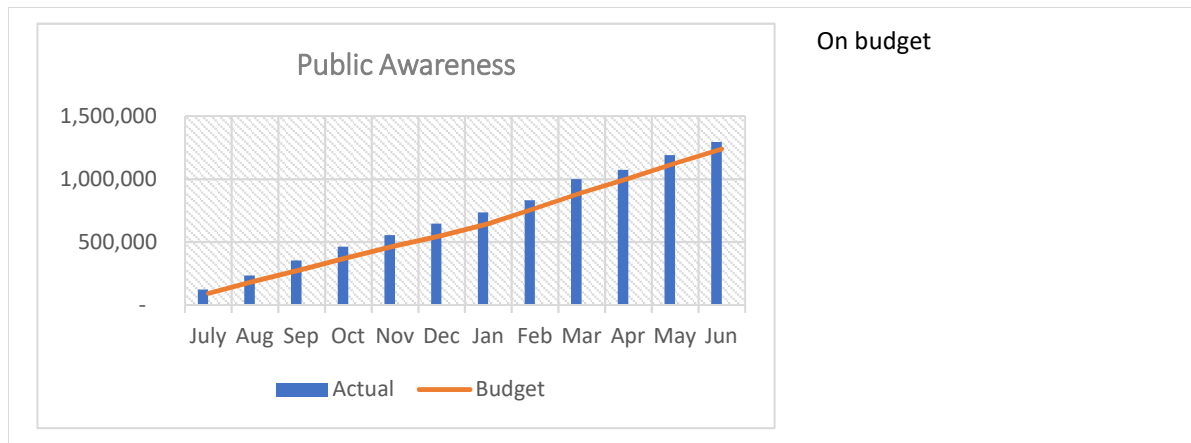
● ● ●

Measure: Respond to all issues, activities and queries on matters that require a regional perspective or impact on regional resource management functions.

Comment: Council’s response to media queries was maintained throughout 2018/19. A ‘partially achieved’ result has been posted as this measure is difficult to assess and will be replaced on completion of the Communication Strategy Review.

● ● ●

Financial performance – Public Awareness and Education



Response to External Proposals (G4)

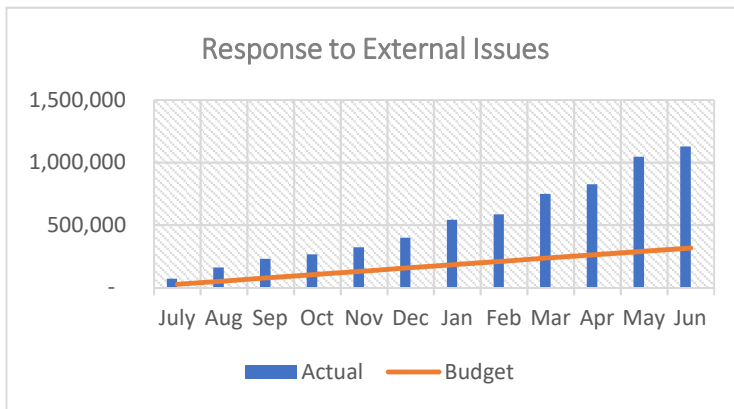
Summary Comment

Responses were made in a timely way through 2019/20 with Council participating in appeal and mediation work as necessary. The Queenstown Lakes District Plan and Dunedin City 2GP dominated the Councils work. It is anticipated that most of the mediation and Environment Court processes associated with the Dunedin City 2GP will be undertaken in the 2019/20 financial year. It is also anticipated that responses to Central Government proposals will now occur in the next financial year.

Key Measures

	Q3	Forecasted	Result
<p>Measure: Make submissions to third parties where they affect Council’s responsibilities and functions, excluding on local government matters, and including:</p> <ul style="list-style-type: none"> • National policies and significant legislation. • Regional and district plans and policies, plan changes and consent applications. • Conservation plans and strategies. • Codes of practice, standards and guidelines. <p>Comment: Response focused on District and City District Plans</p>	●	●	●
<p>Measure: Make submissions to third parties where they affect Council's roles and responsibilities in respect of Local Government Act matters.</p> <p>Comment: No requested submission(s) in relation to ORC's roles and responsibilities have been made during this period. Requests for submission are anticipated in the first quarter of the next financial year.</p>	●	●	●
<p>Measure: Establish a process for responding to submissions and providing feedback/comment on resource consent applications.</p> <p>Comment: The process was reported to the Policy Committee in May 2019</p>	●	●	●

Financial performance – Response to External Proposals



Overspend of approx. \$800k. This is largely a result of unbudgeted expenditure associated with the Queenstown District Council District Plan review. It is a combination of staff time and external consultants.

Dunedin Head Office Replacement (G5)

Summary Comment

Work throughout 2018/19 focused on negotiations on the potential purchase of preferred sites and on completion of concept design, build cost estimates and due diligence.

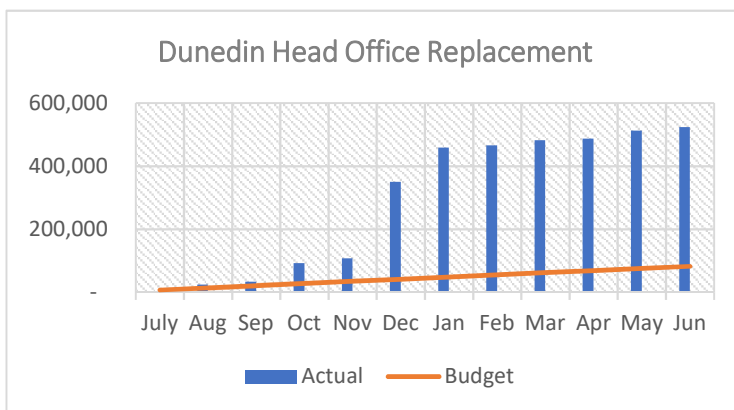
Key Measures

Measure: Construction of the new head office building is completed, and the new building is fully occupied.

Comment:

Q3	Forecasted	Result
●	●	●

Financial performance – Dunedin Head Office Replacement



This 2018/19 overspend reflects concept design work for a new HQ site that was previously budgeted and expected to occur in the 2017/18 year. \$470k was carried forward from 2017/18 into the building reserve fund.

REGULATORY

This group of activities focus on the issuing of resource consents that determine the use of our natural resources, including discharges to water, air, coast and land. Council audits and monitors consents to ensure 'holders' are complying with conditions. Council compliance work also extends to activities in respect of dam safety carried out under the Building Act.

Harbour safety and navigation in the Otago and Karitane harbours is a Council responsibility. This includes ensuring a prompt response to harbour incidents and notifying relevant authorities if required.

Activities include:










Consent Processing (R1)	Regional Plan Compliance Monitoring (R2)	Harbours & Waterways Management (R4)
Regulatory Effectiveness (R3)		

Consent Processing (R1)

Summary Comment

All decisions on consents, except four, were given within RMA mandated timeframes. The four exceptions were for two different applications where one application exceeded the timeframes by three working days and the other application exceeded the timeframes by one working day. 98.37% achievement rate. Only one Building Act application was processed during this period. It was processed within the statutory timeframes. IANZ accreditation has been retained, but ISO has lapsed. Nine decisions on the Otago Flood Protection Management Bylaws was given within this time period. Two of those decisions were released over the 20 working days timeframe.

Key Measures

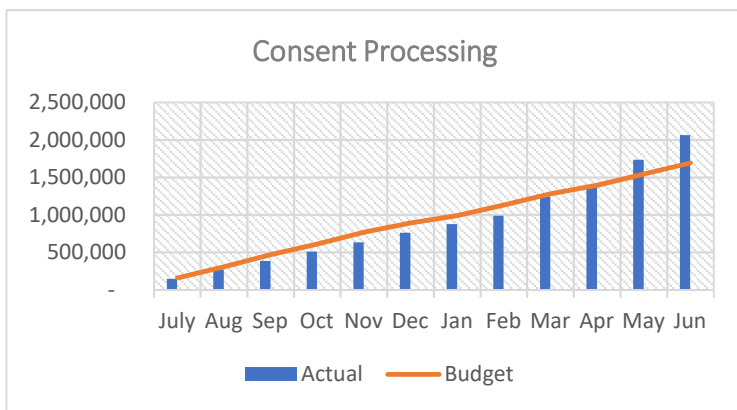
	Q3	Forecasted	Result
<p>Measure: Percentage of resource consent applications processed within the RMA statutory timeframes.</p> <p>Comment: Partial performance recorded due to 4 consents exceeding mandated timeframes.</p>			
<p>Measure: Undertake Building Act functions for dams in Otago, Southland and West Coast in accordance with the quality standards and timeframes prescribed in the Act.</p> <p>Comment: No applications were received in this period. Processing of applications already in the system are in accordance with the quality standards and timeframes prescribed in the Building Act and in line with Council's own procedures.</p>			
<p>Measure: Maintain IANZ accreditation.</p> <p>Comment: Accreditation retained. All matters raised in the external audit undertaken late in the 17/18 financial year were cleared by August 2018. A follow up audit by IANZ is scheduled for July/August 2019. Findings of the annual internal audit have been provided with a list of matters to address before a full audit by IANZ in April 2019. Consideration on updating Council's procedures and examining staffing levels was initiated and on-going.</p>			

Measure: Process applications for approvals under the Otago Flood Protection Management Bylaw within 20 working days of receiving the application and make recommendations.

Comment: One decision on the Bylaws was given within this time period. This decision was made over the 20 working day timeframe. It is expected some decisions on the Bylaws are to be given over the 20 working days of receiving the application due to heavy workloads, the timeframe not being a statutory one that has to be complied with and technical inputs not being provided within a timely manner. Work has been undertaken to streamline the process for seeking technical input.



Financial performance – Consent Processing



Overspend of approx. \$370k.

Reasons include:

- Waiving some processing fees for consenting under specific circumstances. Some are historical.
- Legal fees associated with objections and appeals including the Kyeburn, Otago Harbour Preservation and NZ Ski applications.
- Additional work associated with the 'Consents Function Review'
- Seeking significant legal and planning advice to be prepared for the lodgement of deemed and water permit applications.

Regional Consent Compliance and Bylaw Monitoring (R2)

Summary Comment

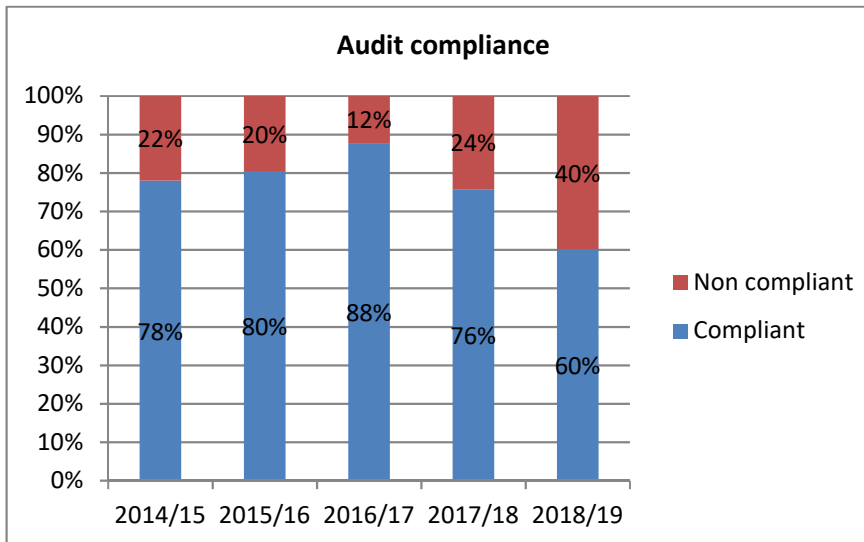
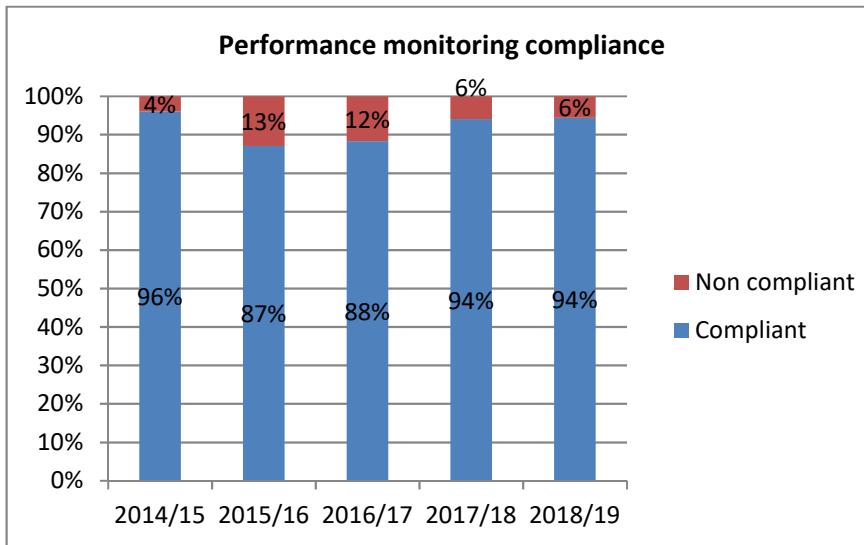
Consent auditing was significantly affected by the need to prioritise staff to incident response work. This contributed to a near 50% reduction of performance monitoring compared to the previous year. Recruitment in quarter four was successful and will positively influence future service delivery.

Key Measures

Measure: Percentage of performance returns received that will be assessed for compliance with consent conditions.

Comment: Service delivery for the year is partial with a backlog and significant catch up in performance monitoring data and auditing of consent needs to occur.

Q3 Forecasted Result



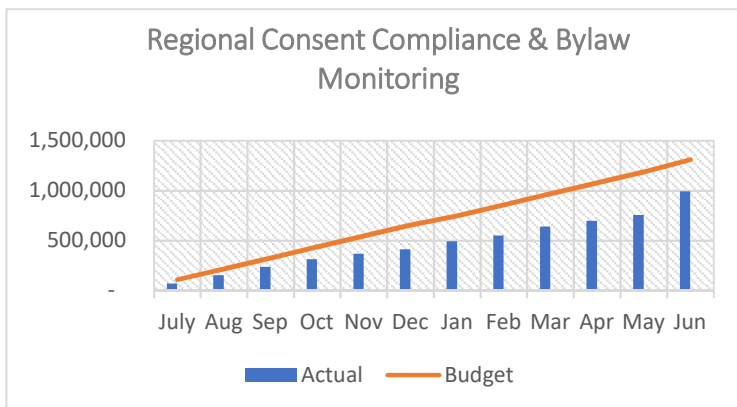
Measure: Percentage of non-compliance found that have been followed up with enforcement action.

Comment: Nineteen investigations into consent non compliance have been initiated. Of these, ten consents were put forward for enforcement action.

A partial result (yellow) has been recorded recognising the impact staff capacity has had on service delivery.



Financial performance – Regional Consent Compliance and Bylaw Monitoring



Underspend of approx. \$320k relates to:

- RMA audit staff being reprioritised to incident response work and other work programs.
- Recruitment of the new Data Administration Manager and gaps within that team have impacted.
- The permitted activity septic tank work planned for this financial year has not progressed

Harbour & Waterway Management (R4)

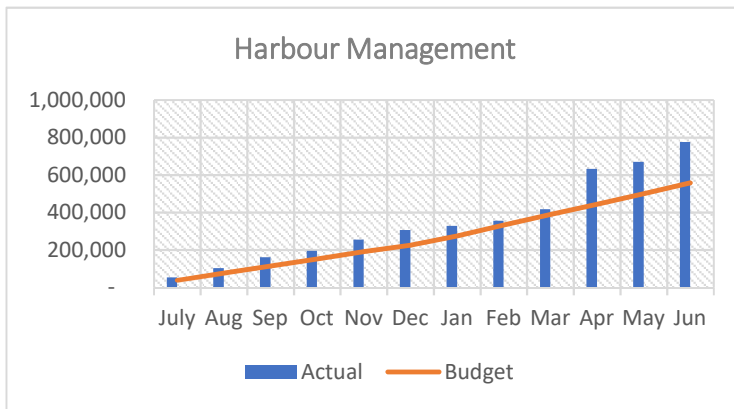
Summary Comment

Otago is now fully compliant with the Port and Harbour Marine Safety Code. Navigational safety bylaw has been signed off by council and will come into force on the 1st May 2019. Deputy Harbourmaster has been recruited and will start 4th June 2019. HM Vessel Kaitiaki has been delivered to ORC and is now fully operational.

Key Measures

	Q3	Forecasted	Result
<p>Measure: Average time taken to respond to notification from harbour control of any incidents in Otago Harbour will be no more than 1 hour.</p> <p>Comment: No incidents to report for 2018/19 period.</p>	●	●	●
<p>Measure: Percentage of enforcement action taken when there are breaches of the Otago Maritime Safety Bylaw.</p> <p>Comment: This will not become active until such time as the navigational bylaws are legally in place and approved by the minister, at that point they will also need aligning with the MNZ common compliance tool for maritime infringements. Best assessment is that this could be active by August 2019</p>	●	●	●
<p>Measure: Establish a Harbour Liaison Group.</p> <p>Comment: 2nd meeting took place 22nd May 2019. Good uptake on attendance. next meeting Nov 2019</p>	●	●	●

Financial performance – Harbour & Waterway Management



Overspend of approx \$220k

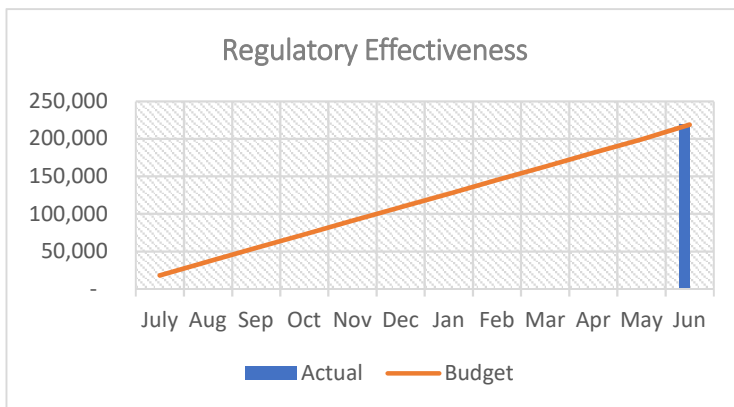
This is the first full year of activity in the HM area and budget will need refining as experience is gained. Consultant fees and 'aids to navigation' contributed to the over spend.

Regulatory Effectiveness (R3)

Summary Comment

This project has not formally commenced because opportunities to improve cross organisational effectiveness have presented through existing projects.

Financial performance – Regulatory Effectiveness



The 'Consents Function Review' was funded from this project

FLOOD PROTECTION AND CONTROL WORKS, AND RIVER MANAGEMENT

FLOOD PROTECTION & DRAINAGE SCHEMES

Flood protection works carried out by Council include constructing and maintaining flood banks, swales, bunds and spillways. Some works are necessary to maintain the safety and integrity of schemes. Management of the Shotover River delta is included in this work

Council is also well advanced with construction of the Leith Flood Protection Scheme located in the Dunedin City area.

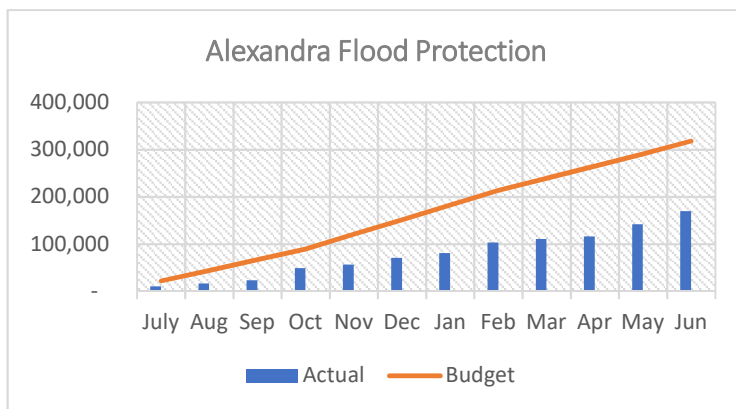
Drainage scheme works carried out by Council include reviewing and maintaining drainage pumps and outfall structures. The following provides a summary of progress over 2018/19.

Flood Protection & Drainage Schemes		
Alexandra Flood Protection(F1);	Leith Flood Protection(F2);	Lower Clutha Flood-Drainage Protection(F3);
Lower Taieri Flood Protection(F4);	West Taieri Drainage (F5);	East Taieri Drainage (F6);
Tokomairiro Drainage (F7);	Shotover River Delta (F8);	Designations & Bylaws (F9)

Alexandra Flood Protection:

Programme largely on target, including routine maintenance, and completion of installation of new outfall screens and asset condition assessment.

Financial Comment: significantly underspent, due to: a focus on other schemes and priorities; no significant issues and response required; and capital project of screen replacement completed significantly under budget.

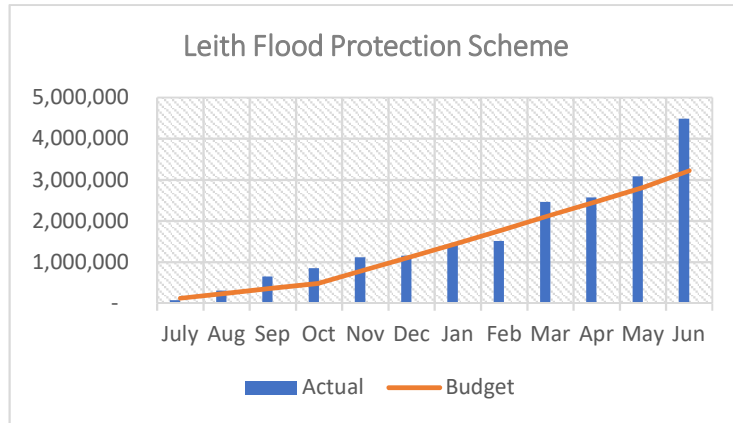


Leith Flood Protection Scheme:

Channel structures review will be completed, ready for review and assessment in 2019/20.

Design and consenting of Lower Leith Amenity still at preliminary stage, with significant work required to assess / get buy-in from Polytech

Financial Comment: Significant expenditure over-budget, due completion of outstanding ITS works, Dundas St bridge construction (65% complete year-end), and progression of Lower Leith amenity.



Lower Clutha Flood & Drainage Scheme:

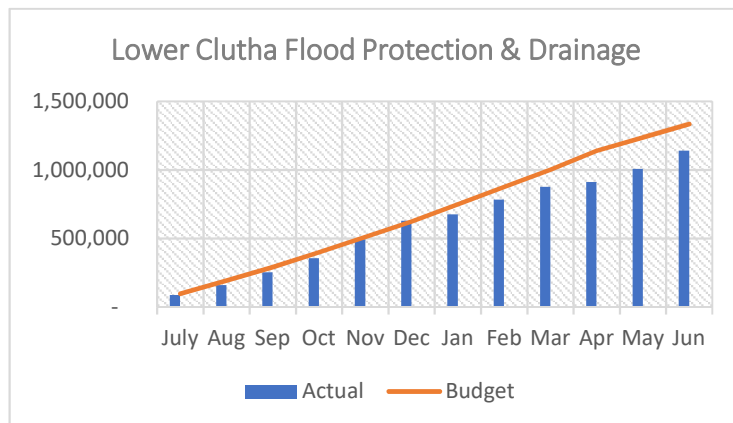
Routine programmes generally on track, however progression of the capital programme and several development works was much more limited. Lower Clutha Scheme had more limited Engineering input and action during 2018/19.

Survey of Clutha River channel substantially complete this financial year and in preparation for performance assessment in the coming year.

Key projects delayed or outstanding include:

- Robsons Lagoon
- Koau right floodbank (Factory Rd) -
- Paretai 3 and Kai 2 and 3 pump motors
- Spit Lagoon outlet at Matau end (as per consent) still to be installed. Linked with F&G culvert (consent expired), regionally significant wetland, and discussions on management and ownership
- Paretai (Puerua) estuary outfall culverts
- Rutherford structure assessment
- Riverbank Road erosion works

Financial:



Lower Taieri Flood Protection Scheme:

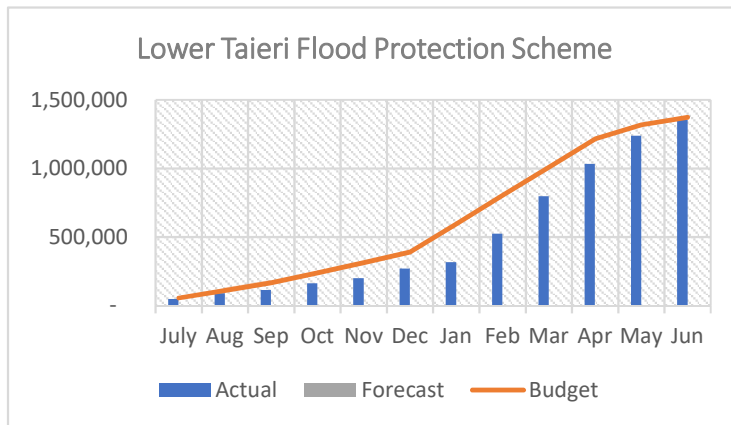
Busy and disrupted year on the Taieri Scheme with floods in November, but projects (both budgeted and unbudgeted) being progressed, and performance reviews on the Taieri River and other tributaries.

Routine maintenance programmes largely on track.

Key projects -

- Performance reviews underway on Taieri River, Silver Stream, and Owhiro stream, and initiated on the Contour Canal. They indicate systems are not performing to standard in areas
- Floodbank integrity repairs at Silver Stream Pump Station completed and Mill Creek Pump Station so the design for final repairs is complete and ready for construction in 2019/20
- Outram weighting blanket - preliminary design work undertaken
- Contour Canal stage 5 deferred and Stage 6 completed
- Riverside Spillway repairs - damage from floods investigated and design for initial repairs complete

Financial:



West Taieri Drainage Scheme:

Routine maintenance programmes on track, with some delay to key projects due to flood, engineering resourcing, and other priorities.

Report on Waipori pump station power supply, identifies clear status and recommended actions.

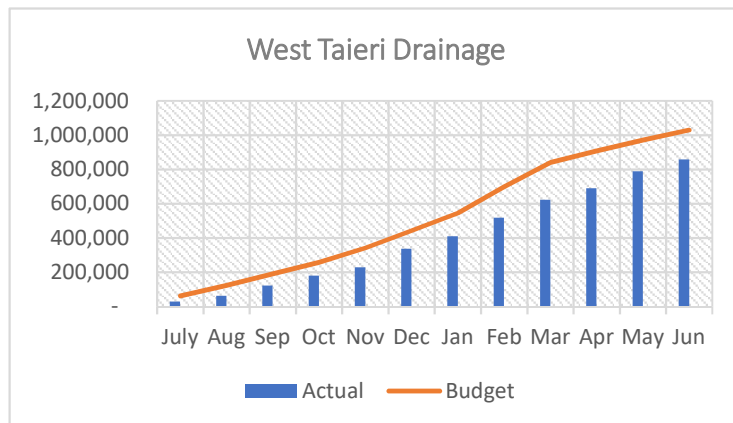
Programme prepared for investigation and improvement of Waipori pump station and initial actions

Refurbishment of Henley Pump Station completed, at a substantially reduced cost.

Waipori D pump and Henley pump refurbishment completed.

Progress on bridge removal initiated (removal of bridge 13 undertaken, and preparation for removal of bridge 4 and Alistair Kerr bridge), but behind programme.

Financial:



East Taieri Drainage Scheme:

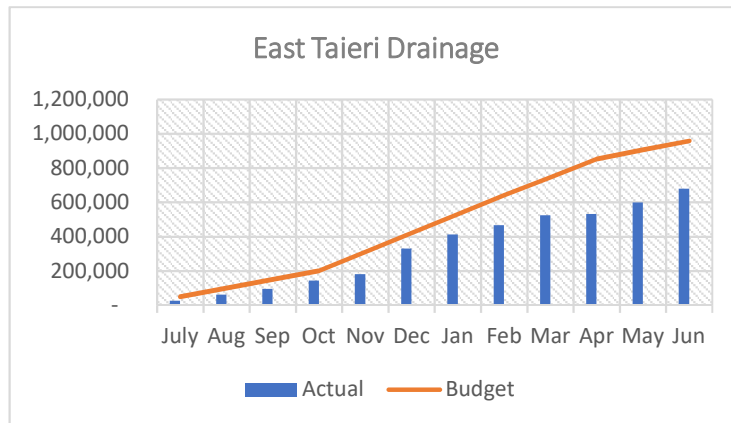
Silver Stream Pump Station repairs completed, including repair of 18/20 discharge pipeline connection, refurbishment of the 18/20 pump unit, recompaction and sealing of embankment and floodwall.

Ponding zone drainage and emptying of the pond is primarily a function of the gravity outlets (A1 and Silver Stream gates), and associated Taieri R levels. Need to consider in conjunction with the Taieri Scheme review.

Significant Operational response required to the November flood, with re-excavation and clearing of drains throughout the area.

Extensive flooding and affected landowners across the area to the west of Silver Stream - requires a significant review of the network and key issues.

Financial Comment: Engineering programme is substantially underspent, primarily due to: the deferral of Scheme oversight engineering and Upper Pond drainage improvements work (3 year project).



Tokomairiro Drainage Scheme:

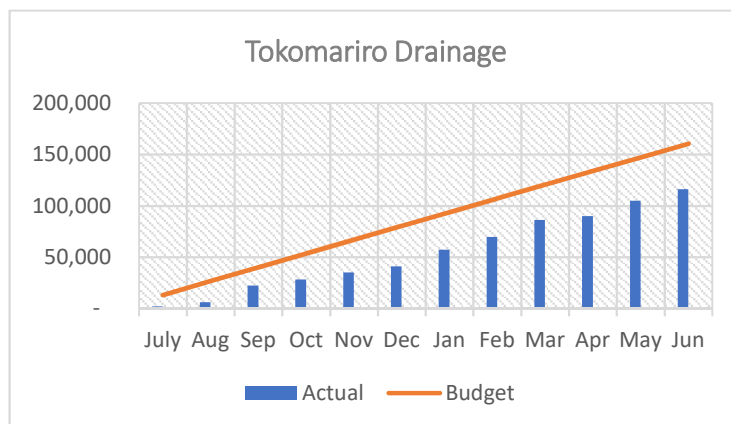
Maintenance programmes on track.

Limited Engineering oversight and asset management focus this year.

Limited progress on planning and implementation of bridge refurbishment and removal.

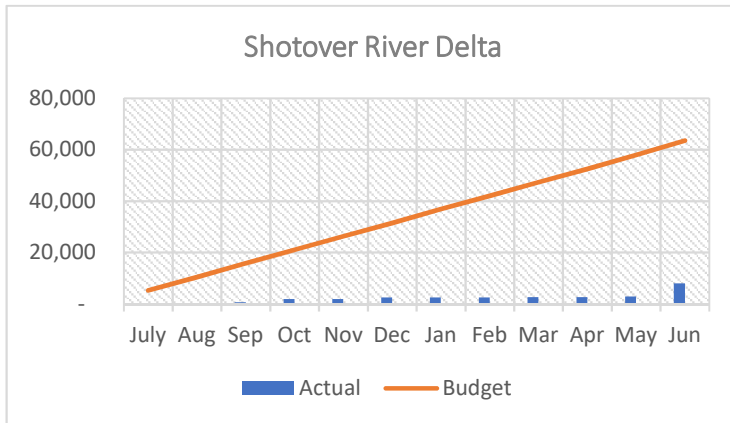
Financial Comment: Underspend reflecting the limited:

- Engineering oversight and asset management focus this year.
- planning and implementation of bridge refurbishment and removal.



Shotover River Delta: No major flood or gravel extraction occurred this financial year and very little maintenance was required. No issues seen during inspection of training line and revetment line. Currently gravel, and trees providing good buffer zone during high flows. Cross sections and long section survey to confirm the surface profile of the river is consistent with the target profil is planned mid 2019 (early 2019/20 financial year).

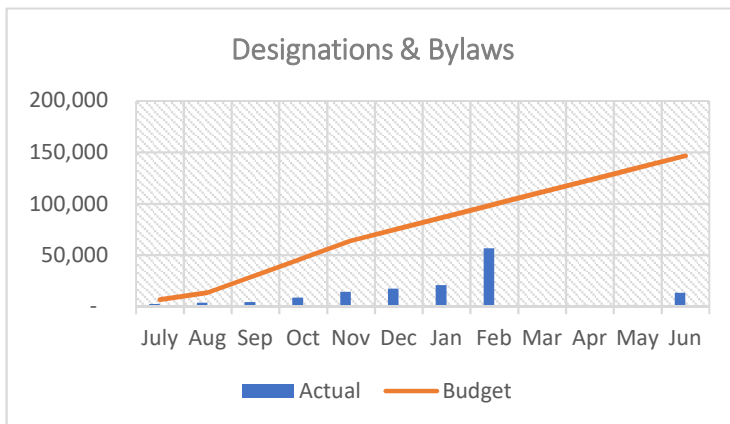
Financial Comment:



Designations and Bylaws:

Completed mapping of Waitaki district assets, in preparation for designation.
Flood preparedness actions updated.

Financial Comment:



RIVERS AND WATERWAY MANAGEMENT

River and waterway management works are carried out to maintain river and stream channel capacity. Such works include willow maintenance, vegetation control and removing obstructions and blockages. This activity also manages some specific flood protection assets, such as Lindsay Creek flood protection assets and Albert Town rock work bank.

Council also carries out a programme of river monitoring that involves surveying the stability and alignment of specific rivers and investigates river changes and erosion.

Rivers & Waterway Management

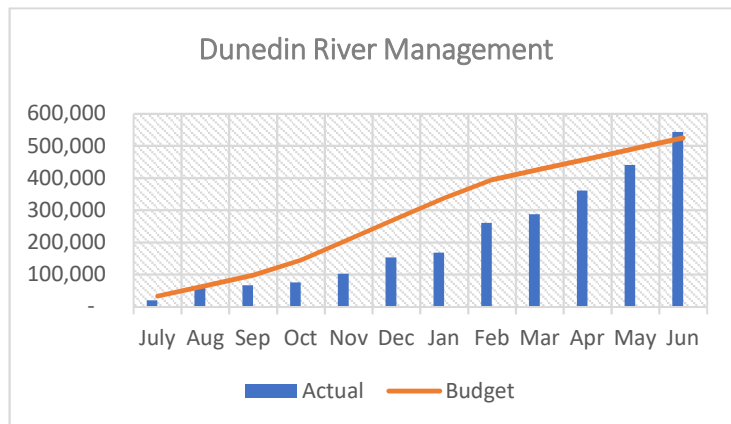
Dunedin Rivers and Waterway Management (M1);	Clutha Rivers and Waterway Management (M2);	Central Otago Rivers and Waterway Management (M3);
Wakatipu Rivers and Waterway Management (M4);	Wanaka Rivers and Waterway Management (M5);	Waitaki Rivers and Waterway Management (M6);
Lower Waitaki Rivers and Waterway Management (M7);	Non Scheme Management (M8)	

Dunedin Rivers & Waterway Management:

Operations work progressed as planned. Unplanned work in Engineering (Kaikorai Stream stilling basin) was progressed this year (ie Kaikorai Stream stilling basin)

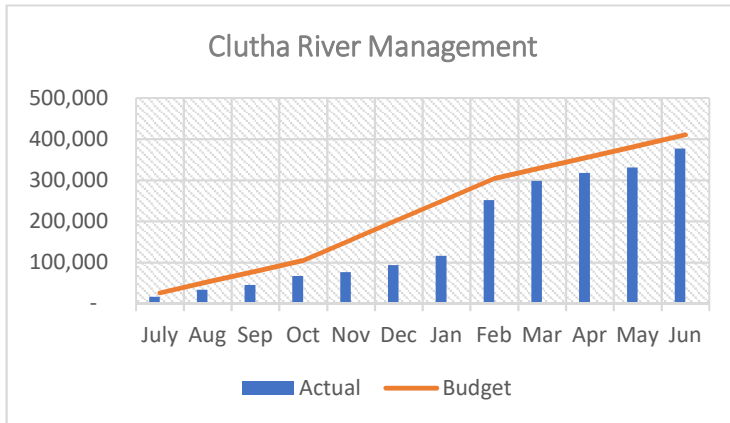
Smaller projects or investigations (Natural hazards) have been delayed due to commitment to other priority work not in 2018/19 budget and response to large flood events.

Financial:



Clutha Rivers & Waterway Management: Operations work ongoing with no major intervention (Operations team) in this period. Natural Hazards work was on-going and delivered to programme.

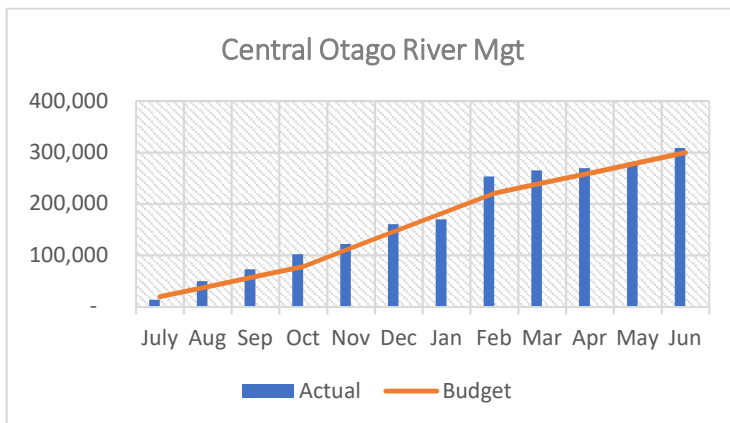
Financial Comment: Operations budget close to budget. Underspent in Natural Hazards mainly due to staff time (commitment to other projects and less time required for River Morphology and Riparian Management Plans compared to budget, \$40k underspent approx.)



Central Otago Rivers & Waterway Management: Operations work was on-going with work in Manuherikia (bank protection US Omakau) completed. Natural hazards team work on-going, with Roxburgh creeks and Manuherikia River flooding key focus.

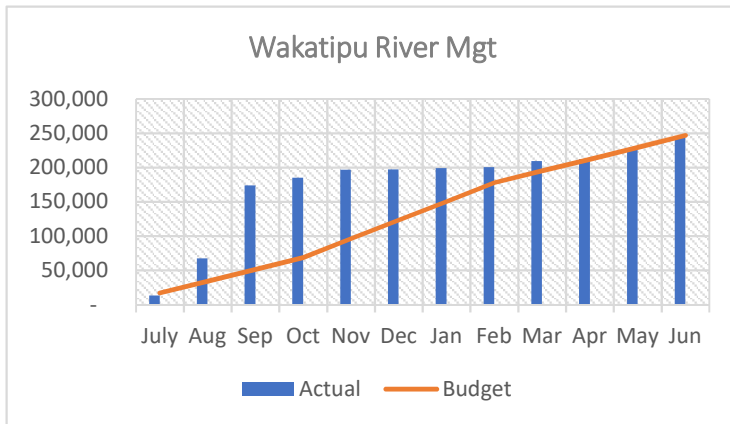
November 2018 flood presented challenges, and post-flood assessment have required unplanned work (in particular on the Manuherikia River). Roxburgh debris-flow assessment underway, but planned survey work to start early 2019/20.

Financial Comment: Operations work over budget (40k) due to November 2018 flooding response.



Wakatipu Rivers & Waterway Management: Operations work on-going with the Rees/Dart river being a focus (short-term and long-term). Extremely heavy rain in March 2019 has resulted in additional work (survey and investigation). Natural Hazards work on the preparing an adaptation strategy started and will continue in 2019/20.

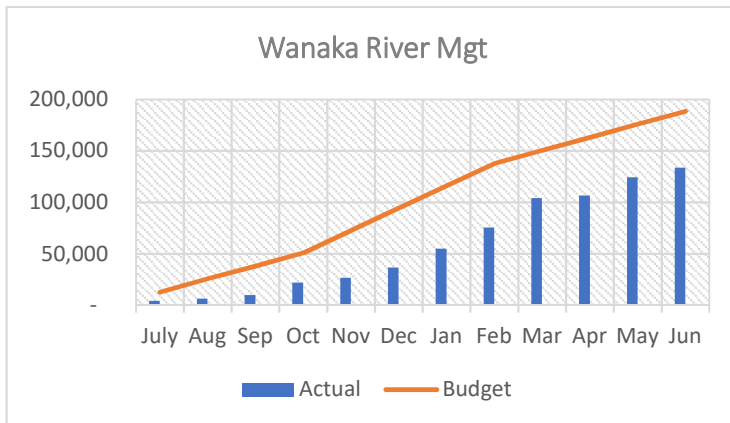
Financial:



Wanaka Rivers & Waterway Management: No large intervention required during this period. Cardrona RMRMP development continues. Cross section surveys delayed and planned for early next financial year.

Operational work on-going with no major issue expected. Cross section survey delayed but with limited consequences on the work programme.

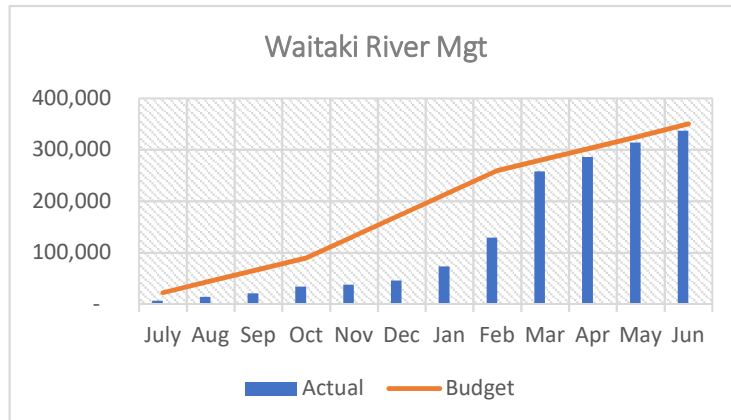
Financial Comment: Operation budget on target Natural hazards budget likely to be underspent (by \$25k approximately, staff time) due to commitments to other projects and cross section survey delayed (\$20k).



Waitaki Rivers & Waterway Management: No large intervention required during this period. Implementation work for Kakanui, Shag and Waianakarua River Management River Morphology Plans (RMRMP) in progress.

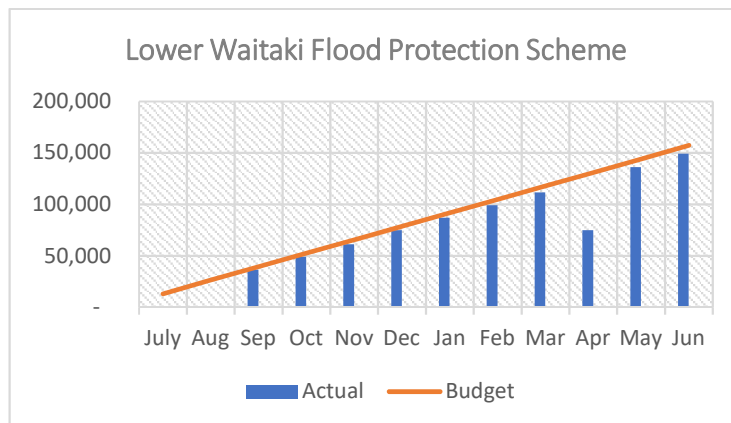
Likely to be underspent mainly due to less Natural Hazards staff time spent than budgeted, delayed survey work, and less maintenance work required.

Financial Comment: Current underspent partly due to less Natural Hazards staff time spent than budgeted, delayed survey work for and less maintenance work required. Q+A shows Engineering work (\$112k) not account for in Opal. Confirm this does not need to be added in Opal.



Lower Waitaki River Control Scheme: Work with Environment Canterbury continues from last year. Meeting to discuss scheme and ORC involvement in Dec 2018

Financial:



Non-Scheme Management:

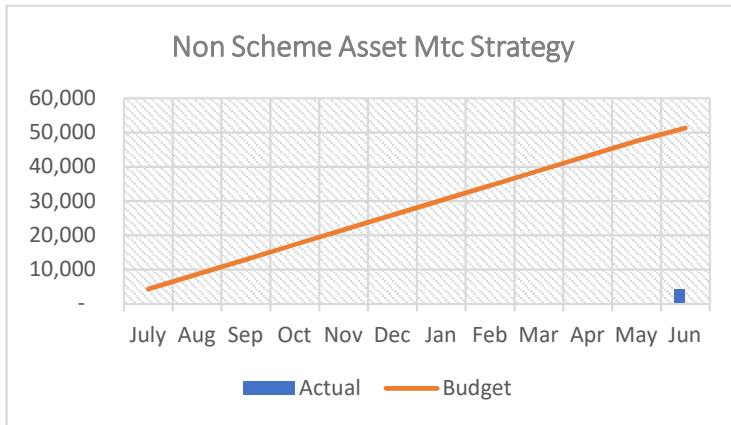
Kakanui Flood bank repair completed.

Kaikorai investigation and design progressing, but direction to be confirmed following peer review by Damwatch.

Albert Town stabilisation - under investigation.

Mapping of non-scheme assets and river management issues completed.

Financial:



SAFETY AND HAZARDS

Council, together with the Otago territorial authorities and emergency services, plan for and provide civil defence emergency management programmes across the region. This service is focused on the national priorities of Reduction, Readiness, Response and Recovery. Work includes identifying and reducing risks (eg dams), broad based community planning, maintaining effective communication links across all sectors of CDEM, conducting training exercises and contributing towards the welfare of our community.

EMERGENCY MANAGEMENT (E1)










Summary Comment

The EM Otago team has made excellent progress this year with a number of key projects now coming to fruition. Training in the first three months of this year has been lacking due to non availability of national funding from Min Civil Defence Emergency Management (MCDEM) and absence of a training adviser, however progress was made across a number of areas to ensure training was ongoing.

Other projects included:

- operational systems development & integration (D4H and radio communications),
- completion of the Group Plan, Group Welfare Plan, and stage 1 of the Group Animal Emergency Management Plan,
- implementation of some priority activities required by the Project AF8 SAFER Framework,
- Significant progress around community engagement and planning.
- Improved public information and education via upgraded website, revised community public education plan, and more usable collateral for public events.

Key Measures

	Q3	Forecasted	Result
<p>Measure: A Group CDEM controller or alternate controller is available to respond 24 hours, 7 day a week, 365 days a year.</p> <p>Comment: Currently there is one approved and experienced Group Controller for Otago. An external deputy controller (from FENZ) has been approved by the Joint Committee as backup. The new ORC General Manager will be trained as a Group Controller. Until such time as these people are in place, Plan B remains our fall back with controllers from other regions assisting as they are able.</p>			
<p>Measure: Time taken for the Group Emergency Coordination Centre to be activated in response to a civil defence event or emergency.</p> <p>Comment: The facility at Phillip Lang House has been resourced with basic equipment and an operational layout resolved. Backup power has not yet been installed. Staff capability is being developed through a combination of ORC staff and external volunteers and secondments from a variety of agencies and organisations is being sourced and appointed as we are able, noting operational agreements will be required for external staff including delegations and remuneration.</p>			
<p>Measure: An operative Group CDEM Plan is reviewed within statutory timeframes and fully implemented.</p> <p>Comment: Development of the Group Plan is proceeding within statutory time frames. Submissions were heard by the Joint Committee on 17 June 2019 and the Plan approved subject to edits which have been actioned. The plan has been submitted to the</p>			

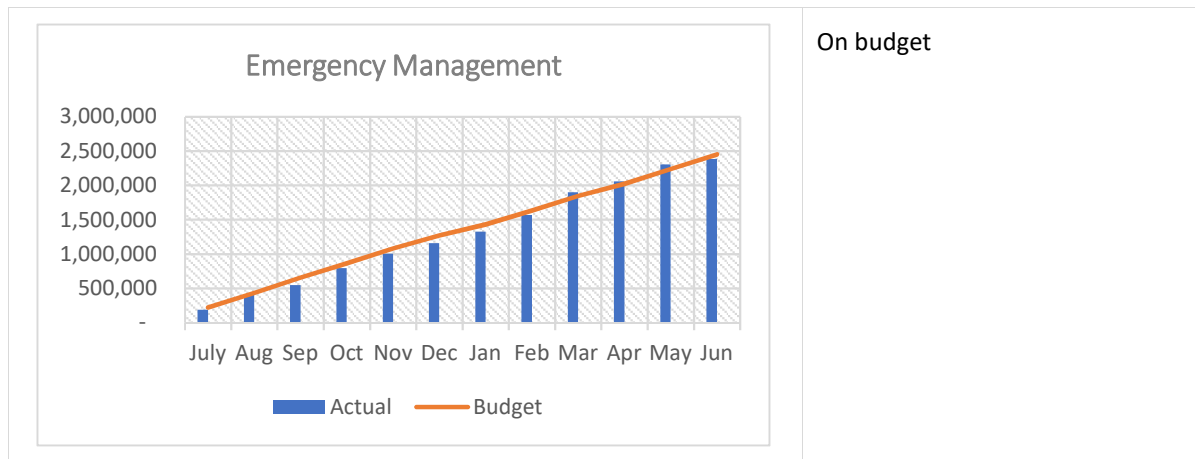
Minister for review and comment and subject to any comments the Minister wishes to make, the Plan will be approved and operative.

Measure: Full suite of region-wide issues plans to in place and reviewed according to each plan. These will include: • Regional Dam Failure Plan • Regional Animal Response Plan • South Island Alpine Fault Plan • Coast Tsunami Plan

Comment: Operational planning for event response was advanced in multiple areas both locally, regionally, and in partnership with bordering regions and national agencies. The first iteration of the Otago/Southland Fuel plan was completed, the Otago Risk Register review is on-going, and the next stage of the air operations plan was initiated. The regional animal response plan (stage 1) is in place, coastal tsunami preparedness activities continue with the next stage focused on education within tsunami evac zones and additional warning capability. Implementation of Project AF8 continues to give effect to the SAFER Framework implementation plan.



Financial performance – Emergency Management



On budget

Natural hazards, flow forecasting & climate change adaptation

Work to identify natural hazards involves assessing the scale and significance of natural hazards in Otago, including seismic, tsunami and flooding. Information obtained is published in the Otago Natural Hazards database, which is maintained by Council.

Council assists territorial authorities with managing natural hazards in their areas through collaborative initiatives such as the Wakatipu/Wanaka Flood Study, the Milton 2060 Strategy and working with the Dunedin City Council on the South Dunedin Future programme.

Flood events are a key focus for Council. It has systems in place to continually monitor and provide warnings and information on rainfall and river levels. In the case of an event, interested and potentially affected parties are provided directly with information in a timely manner.

Activities include:

Natural hazards (N1)

Flood & flow risk management (N2)

Climate change adaptation (N3)

Natural Hazards (N1)

Summary Comment

Most annual plan projects for this year have been completed. Data and information was provided to public via Natural Hazards Database as planned. Some unbudgeted priority work on Roxburgh debris flow and November 2018 flood debris-mark survey required the deferral of some lower priority projects. This included; land instability monitoring programme, assessment of mapped landslide, and data collection programme in anticipation of an Alpine fault earthquake.

Key Measures

Measure: Natural hazard information is available to the public and to communities via an effective web-based Otago Natural Hazards Database 24 hours a day/7 days a week.

Comment: Natural hazard database has been online and accessible over the reporting period. The database was updated with recent flood hazards layers (DCC district plan review and updated Milton 2060 layers). Work was started to improve the 'update system platform' with a new version tested in May and June and programmed for delivery early 2019/20.

Measure: Natural hazards events and consequences are properly and timely reported on so that appropriate measures to reduce risk are taken.

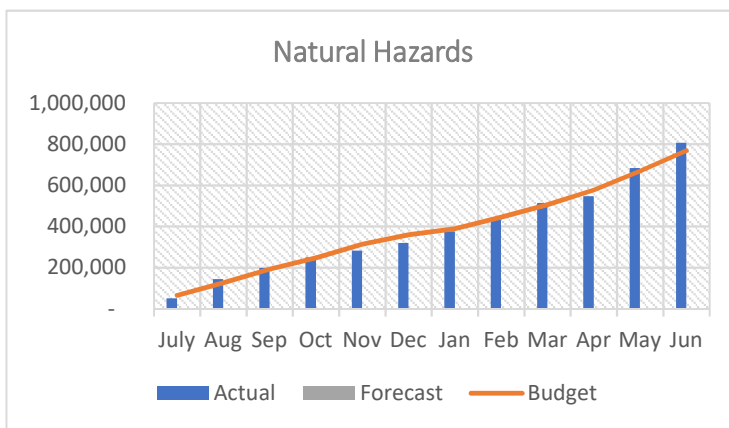
Comment: General work and reporting on hazards was on-going with the November 2018 floods and Roxburgh debris flow being key events. A landslide recently activated on the Shotover was investigated and reported on in June.

Q3 Forecasted Result

● ● ●

● ● ●

Financial performance – Natural Hazards



There was significant pressure on this budget largely associated with unbudgeted priority work as reported above. Also, and to a lesser extent some planned projects exceeded budget (ie Owhiro flood hazard study, Ophir/Lauder flood hazard study, WDC coastal hazard study).

The year-end financial result (below 5%) was achieved through deferring lower priority projects as reported above.

Climate Change Adaptation (N3)

Summary Comment

Climate change risk assessment methodology completed in June 2019 and enables the risk assessment to start in July 2019. Report on potential physical effects of climate change in Otago delayed due to staff time and for better coordination with the results of risk assessment (\$100k) work. Drilling programme in South Dunedin and Harbour side completed and data is being processed and analysed in the new financial year. Work with DCC on South Dunedin adaptation was on-going and will continue in 2019/20. Work on Clutha Delta delayed due to staff time (mainly involved in Natural Hazard N1 activities) and was initiated in June 2019.

Key Measures

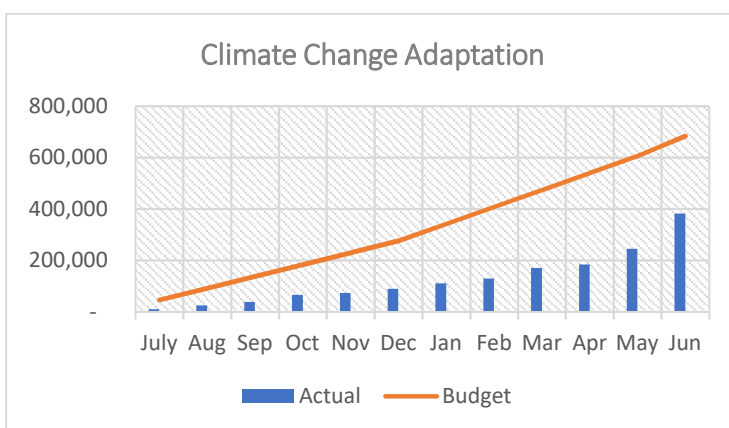
Measure: Knowledge and understanding of the likely effects of climate change in Otago are properly and timely disseminated so that informed decisions and responses can be made.

Comment: Good progress made with the climate change risk assessment workshops and methodology complete. Data acquisition in South Dunedin complete. A 'green' result would have been reported if risk assessment work on the Clutha Delta hadn't been delayed due to staff being reprioritised to other immediate hazard activity.

Q3 Forecasted Result



Financial performance – Climate Change Adaptation



Underspend of approx. \$300k due to:

- Clutha Delta work delayed
- report on potential physical effects of climate change in Otago delayed
- modest budget overestimation

Flow Forecasting (N2)

Summary Comment

A large organisational response to November flooding was initiated. While the response was positive improving our response is on-going with the number of flood managers extended to support the 24/7 roster and large events. Significant progress on updating the 'Flood Procedures Manual' and process. Improving flood forecasting models and setting up new models progressed well. Training provided to staff to run flood models to ensure redundancy if key staff away. Low flow forecasting programme was initiated with a focus on Lower Clutha.

Key Measures

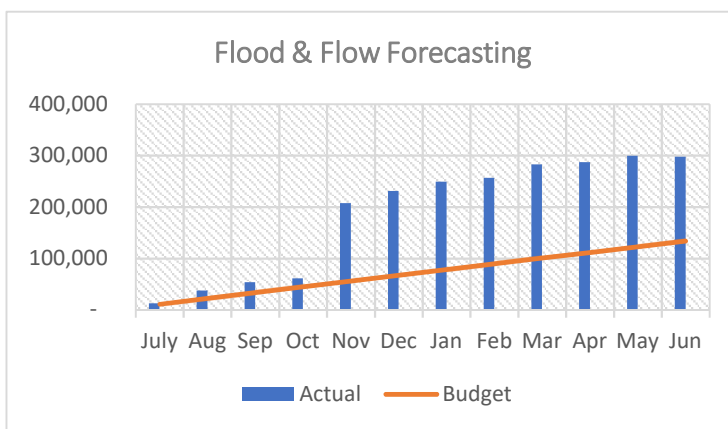
Measure: Accurate and reliable rainfall and river flow information is provided to territorial authorities and the community, and is provided in an efficient and timely fashion.

Comment: Rainfall and flow info has been disseminated to the public mainly through the Waterinfo website.

Q3 Forecasted Result



Financial performance – Flow Forecasting



Budget overspend of approx. \$170k

Due to:

- unbudgeted November 2018 flooding and smaller scale events (\$155k).
- Work on the Manuherikia flood forecasting model.
- More training to flood duty officers and more procedure improvements.

TRANSPORT

Under the Land Transport Management Act, Council is responsible for developing and implementing a Regional Land Transport Plan. Council must report on progress with implementing the plan and carry out reviews to ensure it remains appropriate for the region.

Public passenger transport services are provided in Dunedin and Queenstown and Council contracts the provision of those services. It aims to ensure a viable, affordable, quality service that will attract patronage growth. Council also administers the Total Mobility scheme in Otago to meet the transport needs of those with disabilities that are unable to access public transport.

Providing public transport services is undertaken with the financial assistance of the NZ Transport Agency.

Activities include:

Regional Land Transport Planning (T1); Public Transport (T2); Stock Truck Effluent Disposal (T3)

Regional Land Transport Plan (T1)

Summary Comment

Recruitment of a senior land transport planner has been a key matter during 2018/19 with an appointment made in the latter stages of the year. This contributed to the reported underspend.

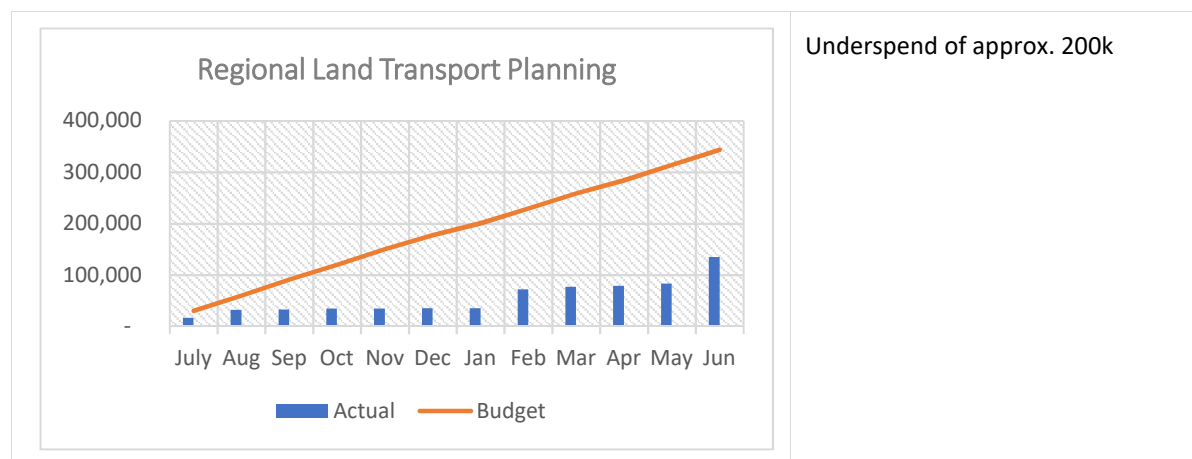
Key Measures

Measure: To collaborate with Environment Southland and other South Island local authorities to establish and deliver on pan-regional priorities for transport investment.

Comment: The Otago Regional Council has continued to be involved and provide input to the South Island Regional Transport Committee Chairs.

Q3	Forecasted	Result
●	●	●

Financial performance – Regional Land Transport Plan




Public Passenger Transport (T2)

Summary Comment

Both networks are experiencing growth in patronage and revenue. The significant projects currently underway are in the implementation of the Dunedin Central Bus Hub and the replacement ticketing system, it is expected that both of these projects will enhance the customer experience and will support the growth experienced in the two networks.

Key Measures - Dunedin

	Q3	Forecasted	Result
<p>Measure: Reliability of Dunedin service - at least 95% of monitored services leave the terminus on time.</p> <p>Comment: Target has been met.</p>			
<p>Measure: Vehicle quality Dunedin - 100% of vehicles comply with Regional Passenger Transport Vehicle quality standards.</p> <p>Comment: Fleet has been inspected and meets NZTA R.U.B. standards.</p>			
<p>Measure: Public Satisfaction Dunedin – at least 85% of bus users are satisfied with the overall standard of service.</p> <p>Comment: Survey conducted over three days by Transport Operations Officer using revised electronic surveying system. 88% satisfaction recorded. Survey attached.</p>			
<p>Measure: Investigate the feasibility of a Dunedin City to Momona Airport public transport service.</p> <p>Comment: Aecom produced an indicative proposal for the Manger Transport in May 2019. This was put on hold and discussions between ORC and Aecom about costing an alternative scope for the project commenced but has not been progressed.</p>			
<p>Measure: Implement increased off-peak frequency in Dunedin.</p> <p>Comment: Improved off-peak frequency for route 19 service introduced with the opening of the central Bus Hub, moving from an hourly frequency to 30 minutes.</p>			
<p>Measure: Formally explore with the DCC the establishment of a joint governance group for the Dunedin public transport bus service.</p> <p>Comment: The 'Connecting Dunedin' group has been established as the forum for governance oversight of Dunedin Public Transport. NZTA, DCC and ORC make up the governance group, including 3 Councillors each from ORC and DCC together with the Mayor, NZTA Director Jim Harland and others.</p>			
<p>Measure: Consider the RTPP and current policy on school bus services under that plan and report.</p> <p>Comment: This has not been progressed. ORC continues to provide contracted school services within unexpired contracts, which have been extended until Unit 3 is tendered.</p>			

Key Measures - Queenstown

	Q3	Forecasted	Result
<p>Measure: Reliability of Queenstown service – at least 95% of monitored services leave the terminus on time.</p> <p>Comment: Target has been achieved.</p>			
<p>Measure: Vehicle quality Queenstown – 100% of vehicles comply with Regional Passenger Transport Vehicle quality standard.</p> <p>Comment: Vehicles in the Queenstown fleet have not previously been inspected for RUB (NZTA's Requirement for Urban Buses) compliance. Staff have been attending to this in July and have inspected 3 vehicles to date, all of which have compliance issues - albeit not sufficient enough to withdraw them from service.</p>			
<p>Measure: Public Satisfaction Queenstown – at least 85% of bus users are satisfied with the overall standard of service.</p> <p>Comment: Survey conducted over three days by Transport Operations Officer using revised electronic surveying system. 97% satisfaction recorded. Survey attached.</p>			
<p>Measure: Patronage in Queenstown – at least 105% percentage growth on contracted services above 2017/18 levels.</p> <p>Comment: Queenstown 2018/19 patronage is 64% higher than 2017/18 FY. However, the ORC Annual Plan Patronage Target is to achieve a 105% increase on the 2017 calendar year. On this measure, there has been 182% patronage growth.</p>			
<p>Measure: Implement improved off-peak frequencies in Queenstown.</p> <p>Comment: Increased frequency has been added to the Lake Hayes Estate services.</p>			
<p>Measure: Consider the feasibility, implementation and operation of a small ferry service in the Wakatipu basin.</p> <p>Comment: Consultants are close to finalising the Detailed Business Case for the Public Water Ferry Service. NZTA has since recommended that the business case undergo a peer review by an independent consultant to ensure assumptions and calculations underpinning the economic model are sound.</p>			
<p>Measure: Provide additional series to support major events in Dunedin and Queenstown.</p> <p>Comment: Dunedin events have been supported to date on an ad hoc basis; to plan better for 2019 and beyond and to formalise plans, a working group has been set up with ORC, DCC, DVML, NZTA, traffic management and other key stakeholders. Trigger points, tentatively based on anticipated crowd sizes, for multi level transport support levels are being investigated.</p>			

Measure: Investigate introducing a Malaghans Road loop service into the Queenstown network between Arrowtown and Queenstown.

Comment: This was deferred due to higher priority projects such as the Lake Hayes Estate express service.

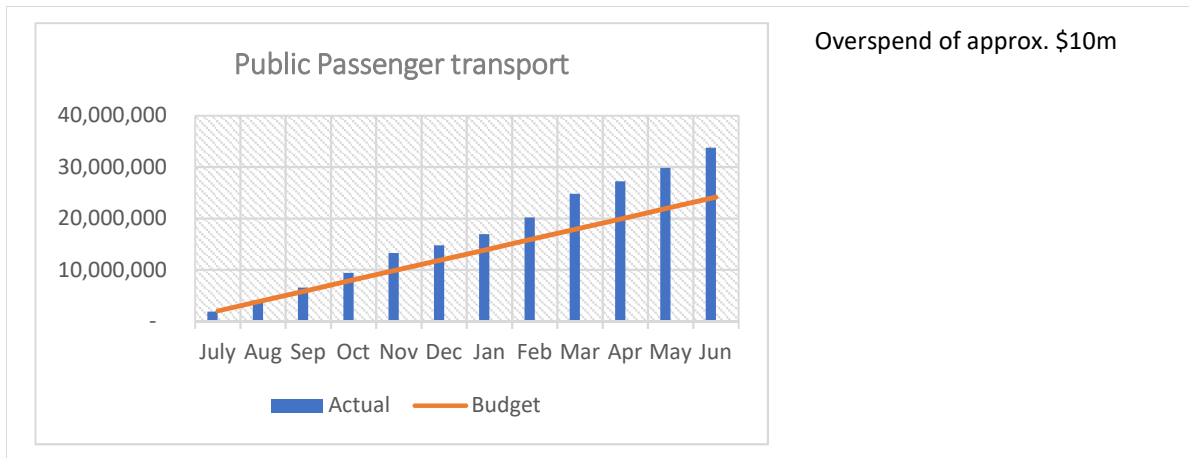


Measure: Investigate mass transit options for increased passenger transport capacity between Queenstown and Frankton.

Comment: Council engaged in on-going discussions with NZTA, Way To Go, Frankton Master Plan consultants regarding mass transit options.



Financial performance – Public Passenger Transport



Overspend of approx. \$10m

Stock Truck Effluent Disposal Sites (T3) Garry LaHood

Summary Comment

The 'Brass Knocker' site was commissioned May 2019. Effluent disposal for the two sites are under contract and monitoring is in place. Council agreed on the commissioning of an additional Otago site.

Key Measures

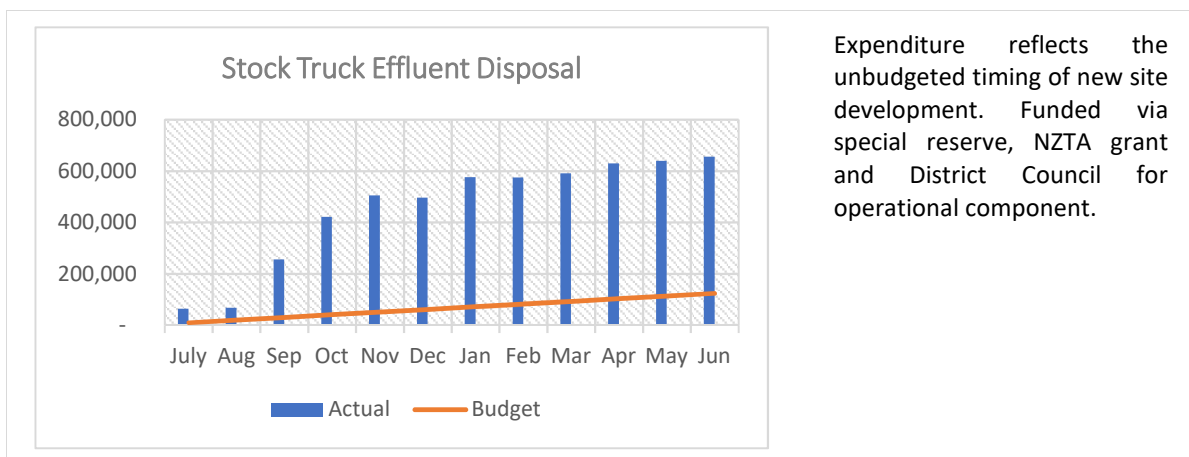
Measure: Reduction on the number of complaints received.

Comment: There were no complaints received for the reporting period.

Q3 Forecasted Result



Financial performance – Public Passenger Transport



Expenditure reflects the unbudgeted timing of new site development. Funded via special reserve, NZTA grant and District Council for operational component.



OTAGO REGIONAL
ECONOMIC
DEVELOPMENT

STRATEGIC FRAMEWORK

JUNE 2019

20
19

Document control

Document Information

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4.0	11 April 2020	For review by mana whenua
6.0	16 May 2019	For review by Council Chief Executives
7.0	7 June 2019	For review by Mayors

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Appendix THREE: Stakeholder interviews page 52



Foreword



Otago is New Zealand's second largest region, spanning 32,000 square kilometres (or 12 per cent of New Zealand's total land area). It incorporates the districts of Waitaki, Queenstown Lakes, Clutha and Central Otago and the city of Dunedin, and boasts a diverse landscape - from rugged coastlines to spectacular mountains.

The region's economy is as diverse as its landscapes. All of Otago have experienced growth over the past year, with Queenstown Lakes and Central Otago districts experiencing significant growth.

While Otago's locality, size and diversity are strengths that create economic opportunities, they also present some challenges – and if the region's economic potential is to be fully realised, these must be considered and addressed.

Focusing on collaboration

The region comprises five territorial authority areas administered by the Dunedin City, Waitaki District, Central Otago District, Clutha District and Queenstown Lakes District councils. Under the Local Government (Community Wellbeing) Amendment Act 2019, in addition to enabling democratic decision-making and action by and on behalf of the community, each council is responsible for promoting the social, economic, environmental and cultural wellbeing of their respective communities. Working across each territorial authority area, the Otago Regional Council is responsible for managing the region's land, air and water resources on behalf of the community – while also taking into account the region's economic wellbeing.

Although Otago's economic performance is typically driven by external influences outside anyone's direct control, we cannot rely solely on market forces to drive our destiny. As councils, we have a responsibility to help both identify and address the challenges and opportunities that will contribute to unlocking Otago's full economic potential.

The key to doing this is through proactive, consistent and sustained collaboration firstly within our region, and then ultimately with other regions and beyond.

Previous experience has highlighted that collaboration across the Otago region on economic development is particularly challenging - due mainly to our geographic remoteness, dispersed population and diverse local economies.

With this in mind, the economic development units from Otago's five local authorities, along with representatives from Otago Regional Council, have come together to form the *Otago Regional Economic Development (ORED)*

Working Group to set a clear intent, and establish a sound basis, for ongoing collaboration. The purpose of the group is to help identify and progress economic development opportunities to improve the economic wellbeing of people within the Otago region.

The group's intention is to work collaboratively with each other, and to develop productive long-term relationships with key stakeholders throughout the region – including our Treaty partners Ngāi Tahu, government agencies, businesses and education providers – for Otago's benefit.

Creating a framework to support success

To establish this shared understanding and provide a reference point for navigating our collective journey, the Working Group has developed this Strategic Framework. The process addressed three key questions: ***Why does Otago need to change and why now? What does Otago want to achieve and what needs to change? How does Otago get to where it wants to be?***

The Strategic Framework is intended to support effective collaboration and help guide decision-making that is in the best interests of, and produces the best outcomes for, the Otago regional economy. It will also help stakeholders have confidence that any initiatives progressed reflect local aspirations and expectations and are strategically aligned with New Zealand's future direction.

Coming together to develop this strategic framework, and engaging with key stakeholders during the process, has been pivotal in establishing sound working relationships and a shared understanding of what we need to focus on collectively to help progress Otago's economy.

The Framework is intended to be a living document that will be tested, reviewed and updated in consultation with stakeholders over the next 12 months and brought back to Otago council chief executives for their agreement.

We would like to acknowledge and thank Lewis Weatherall, Director of Business Case Consulting, for his work in facilitating and developing this framework, along with the Ministry of Business, Innovation and Employment for their support and guidance throughout the process.

The Otago Regional Economic Development Working Group



*Fraser Liggett
Dunedin City Council*



*Linda Moore
Clutha Development*



*Rebecca McElrea
Central Otago District Council*



*Gerard Quinn
Waitaki District Council*



*Peter Harris
Queenstown Lakes District Council*



*Ian McCabe
Otago Regional Council*

Framework Overview



Purpose and structure

The Otago Regional Economic Development Strategic Framework ('the Framework') has been developed collaboratively through an Advisory Group consisting of Working Group members, Government representatives and key regional stakeholders. Input was also provided by key stakeholders through a series of interviews held across the region (refer Appendix ONE).

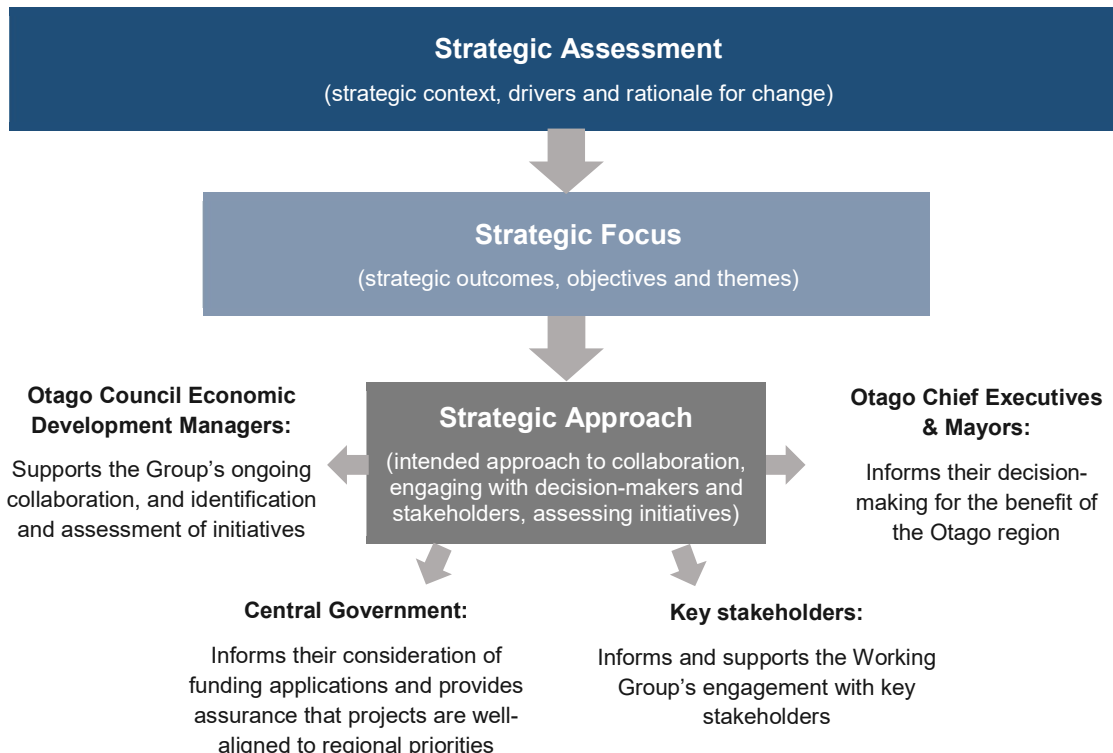
The Framework is a living document that will be revised and updated over the coming months as it is tested further with a wider group of stakeholders, more information comes to hand, and economic development initiatives are identified and progressed. Implementation of the Framework will be supported by processes that will be developed by the Working Group in consultation with stakeholders.

Overall, the Framework is intended to support focused and productive long-term collaboration between the Otago councils. It will:

- Help us identify and assess the strategic priorities for economic development across Otago
- Provide a basis for the Working Group to identify, assess and prioritise economic development activities and projects which align with the strategic priorities and provide the greatest regional benefits
- Provide a basis for further and ongoing engagement with stakeholders within and beyond the Otago region

It incorporates three key components:

- **Strategic Assessment:** the strategic context, strategic drivers and rationale for change
- **Strategic Focus:** the specific outcomes, objectives and themes we will focus on (based on the Strategic Assessment)
- **Strategic Approach:** how we intend to collaborate as a group, report to decision-makers, engage with stakeholders, and identify and assess initiatives (based on our Strategic Focus)



Strategic assessment at a glance

The Otago context – what we have

- The second-largest land area for any region in New Zealand
- A dispersed population
- A history of rich resources – including gold and fresh water
- A diverse, multi-speed economy
- Steady growth and strong economic fundamentals
- Education providers offering a diverse range of educational opportunities
- A growing pool of creative and high-technology enterprises

The national context - Central Government priorities

- Economic development that improves all New Zealander's wellbeing and living standards
- The four capitals (resources needed to lift living standards) – natural, human, social, financial/physical
- Commitment to the principles of Te Tiriti o Waitangi
- Five dimensions of higher living standards - sustainability, equity, risk, economic growth, social cohesion
- Other priorities and policy – such as those for climate change, water quality and housing

Drivers for change – factors that impact economic progress

- Barriers to connectivity and collaboration – geographical remoteness and diversity, a dispersed population, diverse local economies
- A shortage of skilled labour for some sectors
- Maximising the contribution of skilled and experienced people
- Relatively low business productivity
- Areas of narrow economic focus with potentially low resilience
- A shortage suitable housing in some areas to support employment growth
- Variability and sustainability of our water supplies
- Sustainability of the region's natural, human, social and economic resources



Strategic focus at a glance

Based on the strategic assessment and discussions with key stakeholders, the following outcomes, objectives and themes are the focus of the framework.

High level OUTCOMES: What outcomes do we want to contribute to?	Our people	Our communities	Our environment	Our culture
	Improved wellbeing for all	More vibrant, prosperous and resilient communities	Improved environmental sustainability	Stronger, more productive partnerships with Ngāi Tahu

Our OBJECTIVES: What do we want to focus on improving in order to help achieve those outcomes?	To provide multi-district benefits through economic development initiatives	To increase regional productivity	To assist Otago to access the skills and experience it needs to prosper	To improve the ability of Otago communities to respond to social, environmental, economic and cultural opportunities
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Our THEMES: What are the priority areas for change that will help us meet our objectives and contribute to the outcomes?	Connectivity		Productivity	
	Enabling greater connections between people, between districts, across the region, and nationally and internationally		Fostering innovative new ideas with productivity growth impacts	
	Talent	Housing	Sustainability	
Making Otago the place for skilled and experienced people to live, study, work and invest	Improving the availability, choice and quality of accommodation for individuals, families, seasonal and migrant workers	Improving the resilience of key sectors and the sustainable use of the region's human, social, economic and natural assets		

Our COMMITMENT: What is key for successfully achieving our objectives and contributing to the outcomes?	Collaboration
	Greater collaboration that extends more widely than just between districts, but also with iwi, industry, the neighbouring regions and central Government. This will be proactively supported across the region through the provision of appropriate and targeted resources.

Strategic approach at a glance

The Working Group will develop detailed terms of reference over the coming 12 months and processes to support implementation of the Framework. In general, within the terms of reference the role of the Working Group will include:

- Identifying and assessing economic development projects of regional interest
- Reporting to the region's decision-makers on current and proposed economic development projects
- Seeking support and/or funding from the region's decision-makers for projects that can deliver multi-district benefits
- Reporting to the region's decision-makers on the progress of regional projects
- Facilitating connections between stakeholders (regional, national and international) where it is of benefit to the region's economy
- Providing feedback, guidance and/or support to stakeholders undertaking projects that deliver multi-district benefits
- Reviewing and updating the Strategic Framework over the next 12 months, in collaboration with key stakeholders, and bringing it back to Otago council chief executives for agreement
- Continuing to review and amend the framework, as required

Identifying and assessing projects under the framework

Project ideas will either be generated through the Working Group or by other parties via the Working Group. The Working Group will identify projects through discussion at its regular forums, and through ongoing engagement with key stakeholders and the region's decision-makers. The Stakeholder Engagement Plan, which underpinned the development this framework, will be reviewed and further developed to support this.

Assessing projects using multi-criteria analysis

A prioritisation approach has been developed to help assess whether projects and initiatives are well-aligned to the Framework and are likely to provide significant benefits to Otago stakeholders.

The Working Group will take a multi-criteria analysis approach to assessing and prioritising projects. Multi-criteria analysis is a structured method that will enable the group and decision-makers to transparently and consistently assess and rank proposals against a set of pre-determined objectives and assessment criteria.

Engaging with stakeholders

The Working Group will engage with the following stakeholders in accordance with its Stakeholder Engagement Plan, which will be regularly revised and updated:

- Otago Chief Executives and Mayors
- Central Government departments and agencies
- Key stakeholders
- All other stakeholders (including Otago residents and national and international stakeholders)

The Framework

PART ONE: Strategic assessment



Why a framework?

The Otago Regional Economic Development Working Group

In 2017, economic development units from the six Otago local authorities began discussing opportunities to work more closely together to identify and progress opportunities for economic development across the Otago region.

Subsequent advice from Ministry of Business, Innovation and Employment that funding applications for regional economic development projects have greater strength when they are aligned to a regional framework or strategy added further momentum to the group's discussions.

As a result, the Otago Regional Economic Development Working Group was formed to provide a structure for ongoing collaboration and in mid-2018 the Group commissioned the development of a Strategic Framework to inform regional decision-making.

This framework is intended to support focused and productive long-term collaboration between the Otago councils, including the identification and progression of economic development activities and projects which align with the strategic priorities and provide regional benefits.

The Strategic Framework consists of two main deliverables:

- **a strategic assessment** intended to provide a compelling case for change – a logical line of sight from where Otago is now to where Otago wants to be (which becomes our strategic focus)
- **a strategic approach** to inform and support the development of, and decision-making on, initiatives which will best meet the identified regional economic development objectives and priority themes.

Approach taken

The Government's Better Business Cases (BBC) framework was used as a basis for developing the framework. This provides:

- a structured approach based on consideration of five dimensions of planning and implementing change – strategic, economic, commercial, financial and management
- stakeholders with early opportunities to engage, to challenge the thinking and to shape the direction of proposals, and
- decision-makers with confidence and assurance that they are doing the right things and in the right way.

A key aspect of the approach taken was a series of externally facilitated workshops with an advisory group and key stakeholder interviews which enabled:

- ✓ collaboration – working together on the analysis and thinking
- ✓ challenge – robust testing and challenging of ideas using empirical data, and
- ✓ consensus – building support for the key issues and recommendations.

Overall, development of the strategic framework addressed three overarching questions:

- 1) **Why does Otago need to change and why now?**
- 2) **What does Otago want to achieve and what needs to change?**
- 3) **How does Otago get to where it wants to be?**

To answer the 'big three' questions, the process involved sequentially working through more detailed questions under the following groupings:

	<p>The Current Context</p>	<p>What is our strategic context? Our region, our history, our people. Does our strategy align with current government, sectoral and regional policies and goals?</p>
	<p>Drivers for Change</p>	<p>What is driving us to consider change? What opportunities and strengths can we leverage? What threats and weaknesses need to be managed?</p>
	<p>Rationale for Change</p>	<p>Why change and why now? What is our call to action?</p>
	<p>Our Objectives</p>	<p>What do we want to achieve from change? And what outcomes will we contribute to improving?</p>
	<p>Strategic Themes</p>	<p>What needs to change? Where are we now? What are the strategic priorities that will inform our decision-making and focus our change effort?</p>
	<p>Prioritisation</p>	<p>How will we prioritise our efforts? Which potential initiatives will best meet our needs and optimise value to our stakeholders? (i.e. the optimal combination of benefits, costs and risks – the preferred way forward)</p>



The current context

New Zealand's second-largest region

Otago is New Zealand's second largest region, spanning 32,000 square kilometres, or 12% of New Zealand's total land area. Otago boasts a diverse landscape - from rugged coastlines to spectacular mountains.

The Otago region extends from the Waitaki River in the north to The Brothers Point in the south and inland to Lake Wakatipu, Queenstown, Hawea, Haast Pass and Lindis Pass. The coastline stretches 480 kilometres from the Waitaki River to Wallace Beach in the south.

Otago spans the local government districts of Queenstown Lakes, Central Otago, Clutha (South and West Otago), Waitaki (North and East Otago) and Dunedin City. The region is covered by the Otago Regional Council, except for part of Waitaki district, which is affiliated with Canterbury Regional Council. While the Waitaki District falls partly within each of the Otago and Canterbury regions, 90% of its population live in Otago.

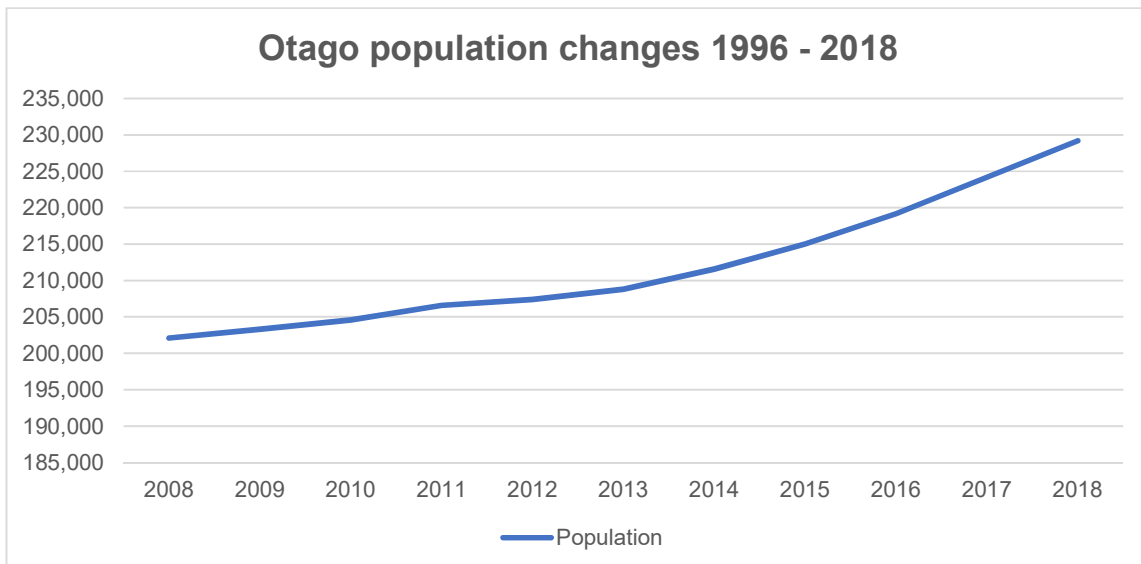
Our Treaty partners - Ngāi Tahu

The principles of the Treaty of Waitangi - Partnership, Protection and Participation, are integral to the implementation of the ORED framework. The Working Group will develop and give effect to this relationship by partnering with local rūnaka and with agencies such as Aukaha. Guidance will be sought from the rūnaka regarding engagement with Ngāi Tahu on specific priorities, themes and activities.

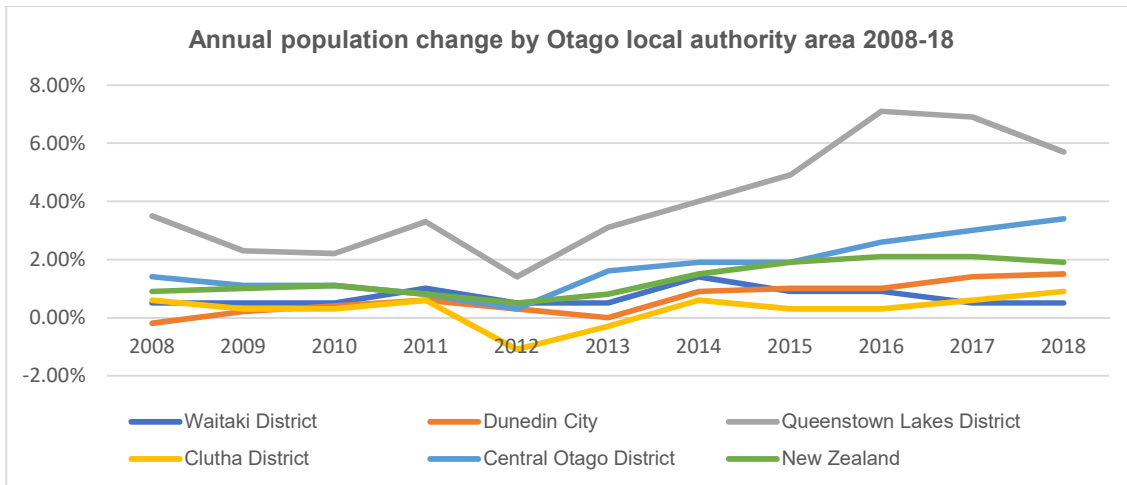
Population

Officially, Otago's resident population is 224,200 (or 4.7 percent of New Zealand's total population of 4,793,900). Dunedin City is the second largest city in the South Island, with a population of 128,800.

For the period from 1996 to 2018, all areas in Otago experienced population growth, with the exception of Clutha District. Queenstown Lakes District has experienced the highest growth over this period, with the population increasing from 14,800 to 39,200.



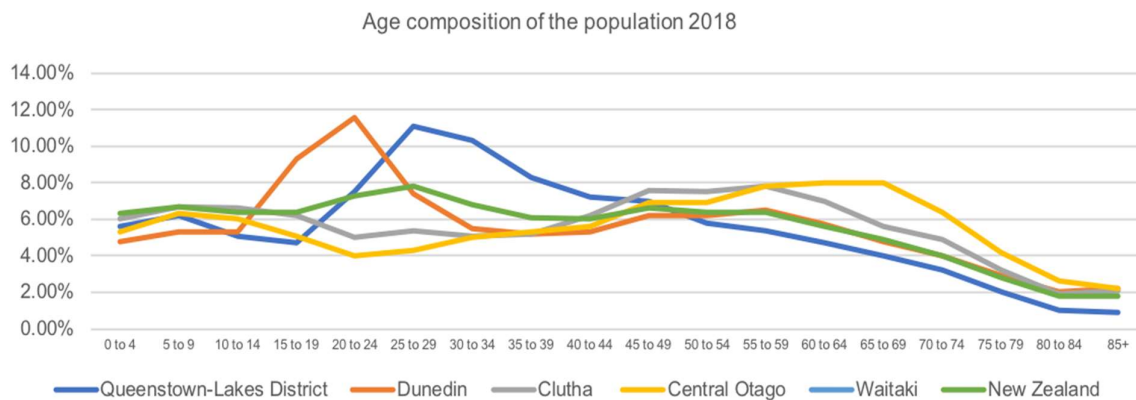
Source: Infometrics (based on Statistics New Zealand subnational population estimates)



Source: Infometrics

Statistics NZ population estimates to June 2018 show all areas of Otago have experienced growth over the past year, with Queenstown Lakes and Central Otago districts experiencing significant growth:

	2017	2018	Increase	%
Dunedin	128,800	130,700	1,900	1.5%
Queenstown Lakes	37,100	39,100	2,000	5.5%
Waitaki	22,200	22,300	100	0.6%
Central Otago	20,300	21,000	700	3.6%
Clutha	17,550	17,700	150	0.7%
NEW ZEALAND	4,793,900	4,885,300	91,500	1.9%



Although both Queenstown Lakes and Dunedin have large youth cohorts, the median age of residents across Otago is still slightly above the national average. Otago's current median age is 38, compared to 37 nationally.

The median age in Otago is projected to be 43.5 by 2043, which is consistent with the projected median age of 43 nationally. However, Central Otago is one of 12 districts in New Zealand, and the only one in Otago, projected to have a median age of 50 by 2043.

Economy

There is a diverse economy at play in the Otago region.

The agriculture profile of Otago is different from many other regions. No single industry dominates in the way that dairy does in Taranaki or Southland. Pockets of dairying in Clutha and Waitaki are sat against a strong backbone of sheep and beef across the region. The horticulture, pip and stone fruit industries are strong and growing, and wine growing is a significant sector.

Access to water and irrigation is a major factor in supporting agriculture development in some parts of the region. Weather can be a significant risk to these industries, particularly in Central Otago where it can impact on seasonal workforce demands and the availability of water.

The visitor industry is very strong, with tourism representing 15.3% of the total regional gross domestic product (GDP). The visitor industry is concentrated on Queenstown with over five million international visitor nights each year. It is also multi-seasonal, flattening out the peaks and troughs.

While there is strong tourism growth in Dunedin, it is still significantly reliant on the Government-funded health and education sectors.

Engineering and manufacturing are legacy industries that are expected to show signs of resurgence after having struggled for a long period. This has involved companies re-gearing themselves to a modern technology market or new start-ups. These entities are largely Dunedin and Oamaru-based and form an important platform for future development.

The scale of enterprises is also changing. While Dunedin has lost many of its legacy corporate entities, some remain in the engineering and financial industries. Rather like “ground cover” there are new industries growing on the “forest floor”. Many do not yet have significant scale, but they will in time.

Similarly, the small business profile of the region, especially in the visitor industry, is giving way to growing corporate entities with the scale to mount larger infrastructure projects. Along with the largest hospital build in New Zealand’s history, these are important developments when looking ahead.

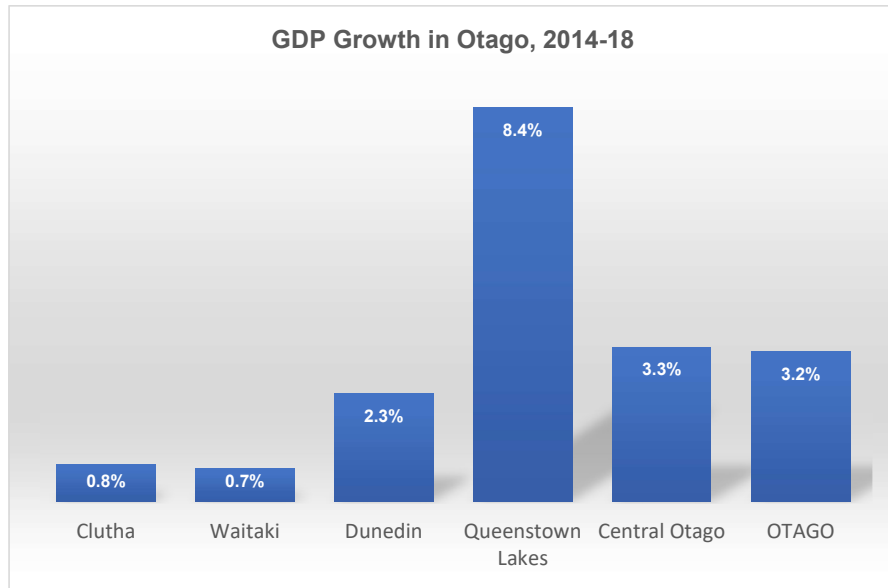
The lagging nature of statistics means not all of these changes are showing up in the data as yet, but the pace at which they are evolving means they will in the near future.

While overall growth in Otago’s GDP has tracked well over the past five years at an average of nearly 3.2 per cent per annum (compared to 3.3 per cent nationally per annum), there was significant variation between the five Otago territorial authorities, highlighted in the following charts:

According to Infometrics, in 2018 Otago’s GDP increased by 3.6% to \$10.4 billion, primarily due to rises in agriculture, rental, hiring, real estate services and construction. This is 4.3% of the national economy. This is part of a pattern of steady growth of 3.2% per annum over the five years 2014-2018 (behind Marlborough, Auckland, Canterbury and Northland).



Growth in GDP by territorial authority 2014-2018



Source: Infometrics

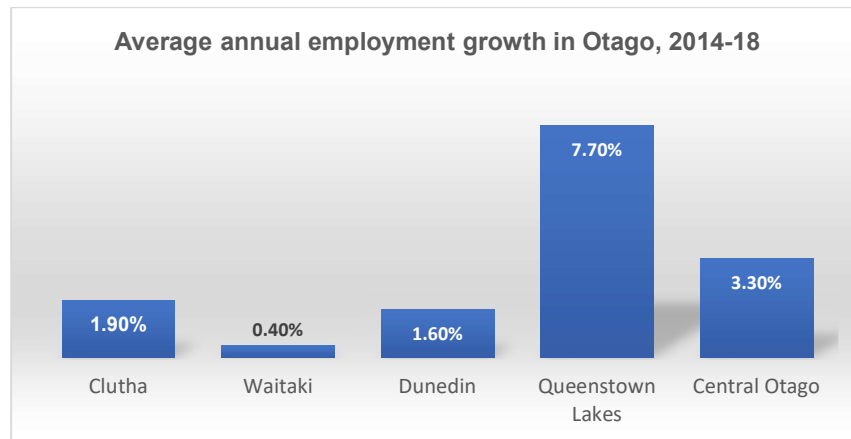
Employment

Across Otago in 2018:

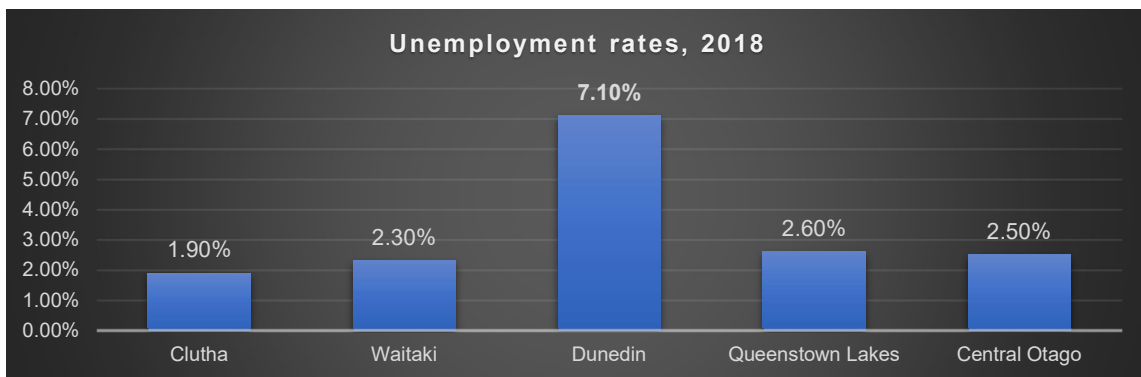
- Average employment growth was **2.6%** (compared with a national rate of 3%)
- Average unemployment was **3.3%** (compared with a national rate of 4.6%)
- The NEET rate (people aged 15-24 Not in Education, Employment or Training) was relatively low at **8.9%** (compared with a national rate of 11.7%).

Overall, Otago has had steady growth in employment over the five years from 2014-18, averaging 2.7 per cent per annum (exceeding the national average of 2.6 percent per annum).

However, as with GDP, there were significant variations across the territorial authorities:



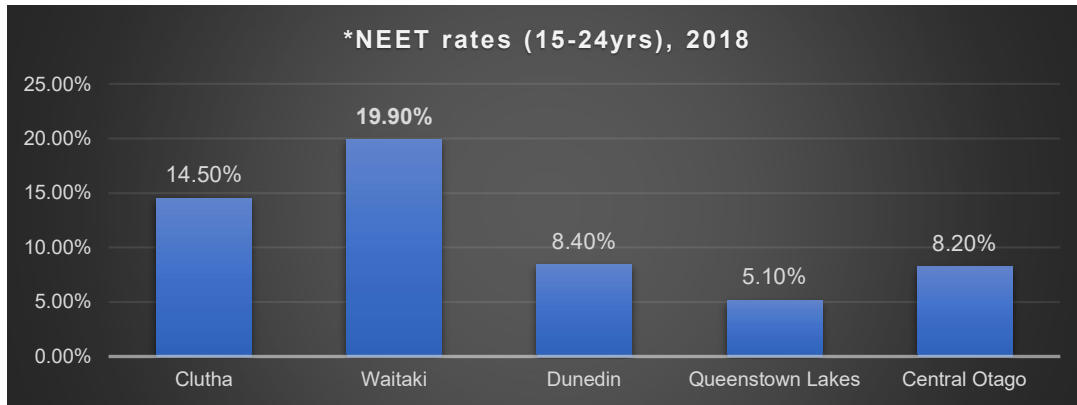
Unemployment rates



Underlying unemployment in Otago is low, but it is higher in Dunedin, even though jobs have been growing in Dunedin. Recent job growth has come at a time where there was still significant structural change in Dunedin's labour market. Longstanding hollowing out in the manufacturing sector has continued, but job gains have been made in industries such as professional services where skills are not so transferable. It may be that migrants from other parts of New Zealand have been more successful in getting these roles than those that were made unemployed in Dunedin. With net migration of 1,700 and employment growth of 1,600 between 2016 and 2017, it's plausible that workers moving into the city are filling the bulk of new jobs, and a small group of residents remain unemployed as they lack the skills that employers want. That said, unemployment in Dunedin is now beginning to show signs of tracking down again.

NEET rates

*NEET - people aged 15-24 Not in Education, Employment or Training

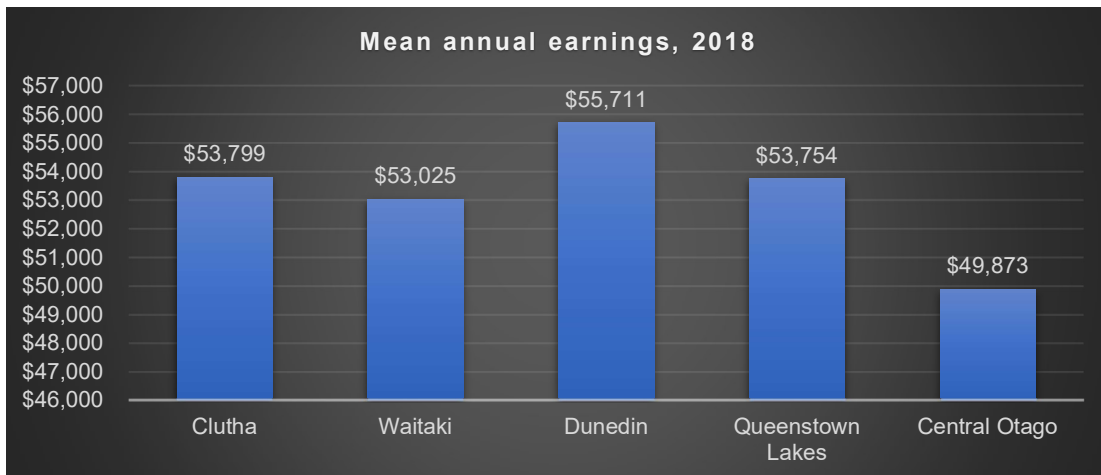


Source: Infometrics

Provincial economies in the rural heartland often have higher NEET rates than in areas attracting new population or that have education opportunities.

Earnings

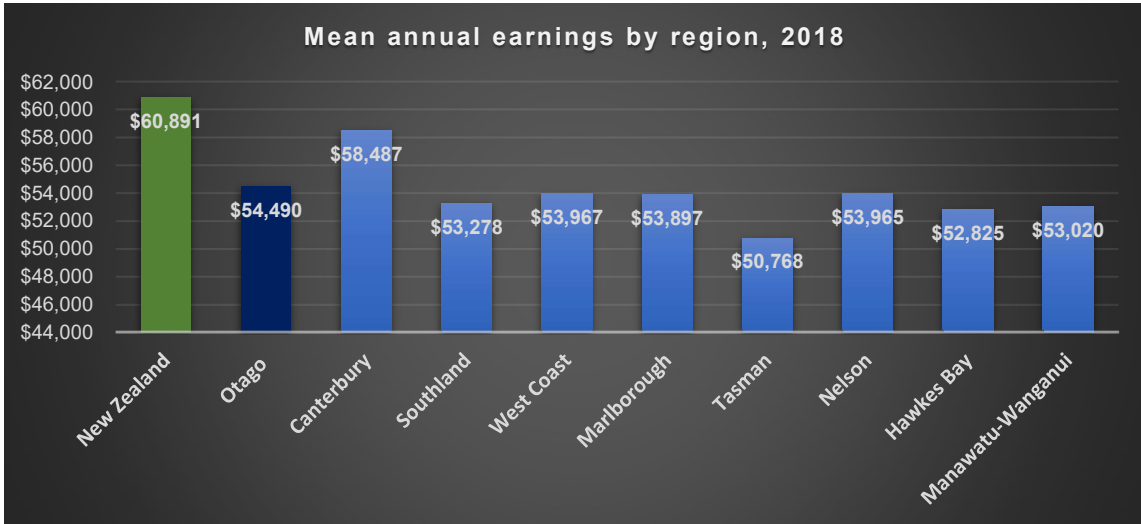
In 2018, mean earnings (income earned in employment) across all areas in Otago sat below the national average of \$60,891:



Source: Infometrics

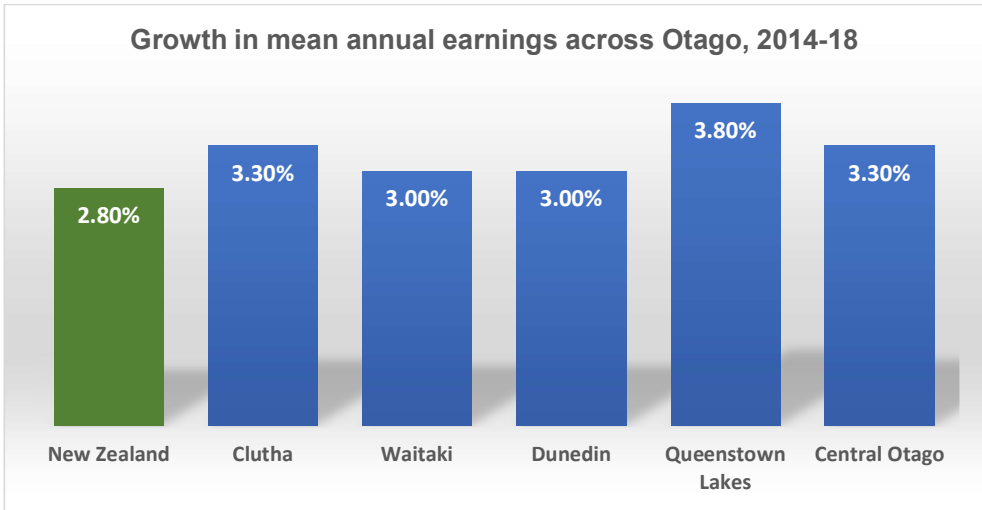
While mean annual earnings in Otago were below the national average, it is worth noting that all provinces in New Zealand's regions have lower earnings than the national average. The national average is inflated by what happens in the big cities, where employment is concentrated in higher-paying professional services roles.

When compared to other regions in the South Island and similar-sized regions in the North Island, mean annual earnings in Otago compare favourably, as illustrated in the following graph:



Source: Infometrics

Otago recorded steady growth in mean annual earnings over the five years from 2014-18, averaging 3.3 per cent per annum (exceeding the national average of 2.8 percent per annum). Of note is growth in earnings over all areas in 2018.

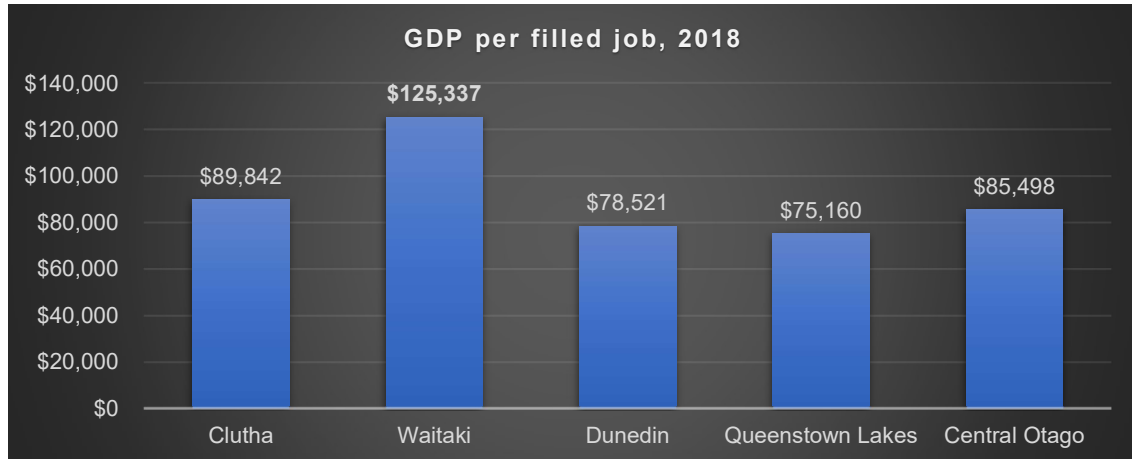


Source: Infometrics

Productivity

Productivity means how many resources – such as labour or capital investment – are needed to produce a certain amount of goods or services.

GDP per filled job averaged \$95,274 across Otago, compared to \$97,174 for New Zealand overall.

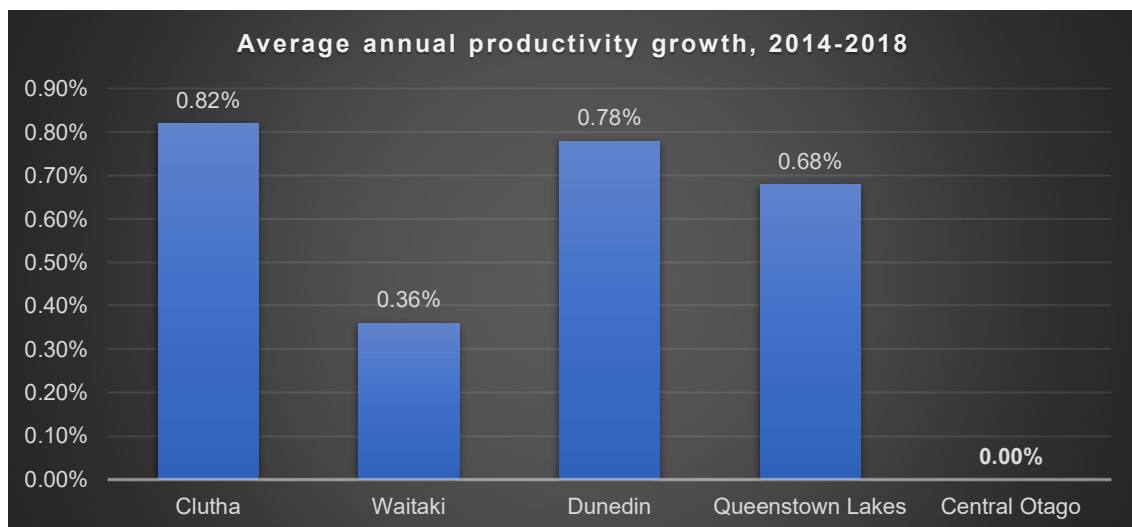


Source: Infometrics

Annual productivity growth from 2014 to 2018 averaged 0.53 percent across Otago (compared to 0.76 per cent for New Zealand overall). However, there was variation across the region, with Central Otago experiencing zero average annual growth while Dunedin and Clutha's average annual growth over the five years was above the national average.

Much of the productivity differences across Otago are driven by different industry mixes in each area. For example, Waitaki District's high level of productivity is driven by earnings in the capital-intensive mining sector. If you look at the productivity of other industries in Waitaki, they are often no higher than other parts of Otago.

At the other end of the spectrum, Queenstown's low productivity is driven by the large number of jobs in the tourism sector. Many of these jobs are less capital-intensive so have lower underlying productivity. There are also a lot of part-time roles tourism that mean there are more filled jobs to a unit of GDP.

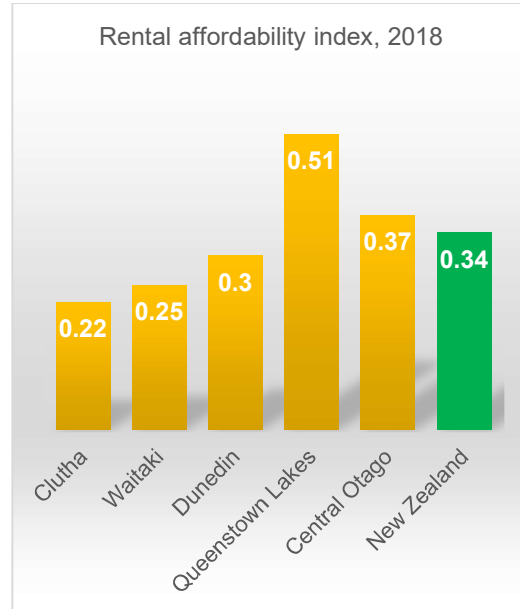


Source: Infometrics

Housing affordability

While average house prices and rents across Otago are appreciably below national averages, as with other indicators, there is significant variation between districts.

The housing and rental affordability indices for each area are shown below. **The higher the housing or rental affordability index, the less affordable housing or rent is in the area.**



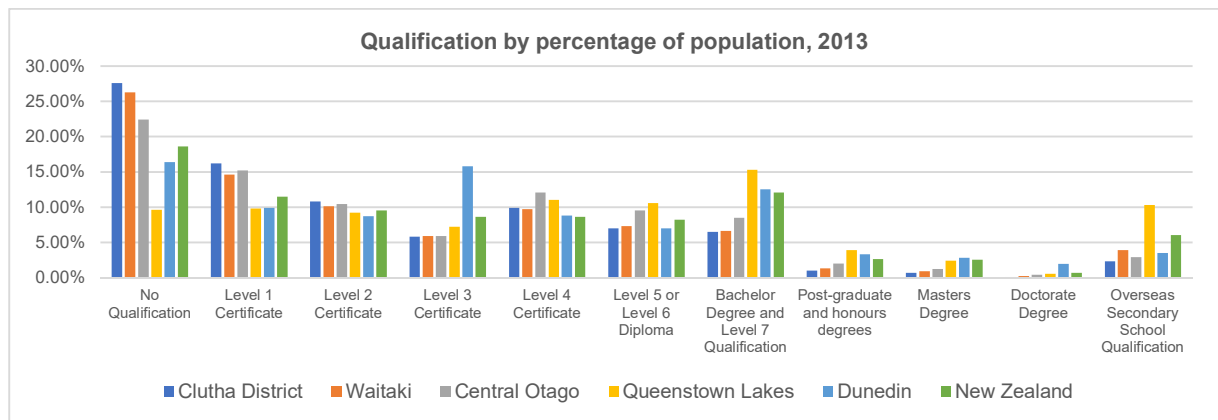
Source: Infometrics





Education

Educational performance across the region at primary, secondary and tertiary levels is generally high when compared to other New Zealand regions.¹



Source: Infometrics

Tertiary education is primarily focused in Dunedin, through the University of Otago and the Otago Polytechnic. The latter has a significant campus presence in Cromwell offering a range of tertiary courses including horticulture, viticulture and hospitality. Telford (a campus of Southern Institute of Technology) is based in Balclutha and Ara (polytechnic) has a campus presence in Oamaru.

There are also some private schools and institutions, notably the Queenstown Resort College which specialises in tourism and hospitality management training.

Environment

Otago's unique and beautiful natural environment is one of its greatest assets and a drawcard for millions of visitors from New Zealand and overseas every year.

Sustainable use of the region's resources is vital to economic progress and sustainability. Issues of key concern for Otago councils and residents include:

- Sustaining water availability and quality, especially in areas of agricultural intensification
- Pest management, notably rabbit and wallaby control
- Maintaining the region's unique biodiversity and ecosystems
- Maintaining and improving air quality
- Coastal protection in the Clutha, Dunedin and Waitaki areas
- Protecting air, land and waterways from hazardous substances

¹ <https://www.educationcounts.govt.nz/know-your-region>

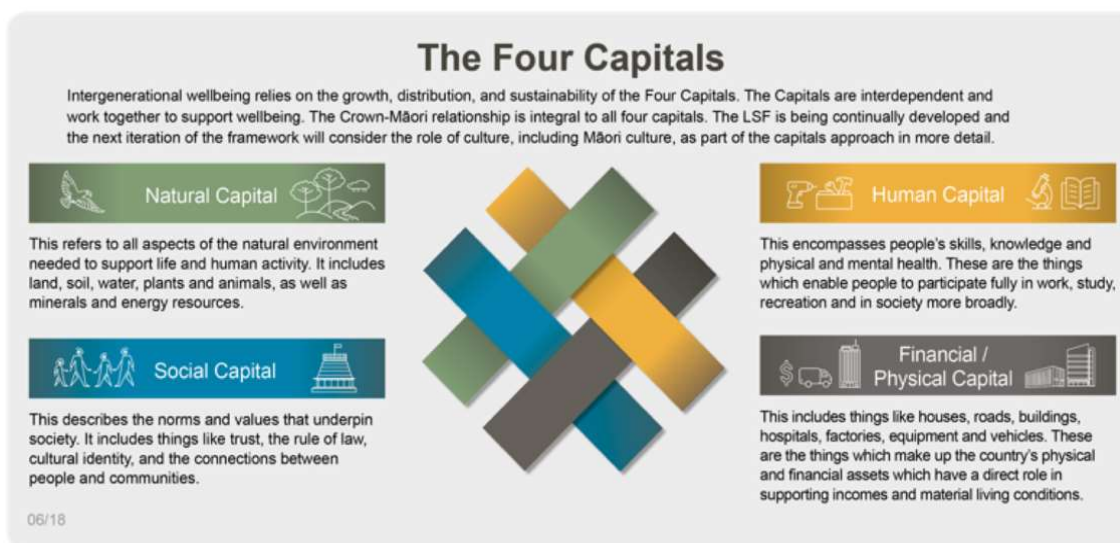
Central Government economic development goals

The Government has signalled a significant change in policy settings towards a focus on greater wellbeing. The November 2017 Speech from the Throne signalled the current Government's economic development strategy:

"This Government is committed to building a strong economy, to being fiscally responsible and to providing certainty... There will be a clear focus on sustainable economic development, supporting regional economies, increasing exports, lifting wages and reducing inequality. This Government ... will encourage the economy to flourish, but not at the expense of damaging our natural resources or people's wellbeing... The economic strategy will focus on how we improve the wellbeing and living standards of all New Zealanders."

A focus on wellbeing

The wellbeing focus leverages the Treasury's Living Standards Framework to inform the Government's investment priorities and funding decisions. The Treasury vision of "higher living standards for New Zealanders" is based on the stewardship of four capital stocks. Capital is defined as a store of future value – the resources needed to lift living standards.



The five dimensions of higher living standards (that Government can have an impact on, are practical and can be measured) are:

- **Sustainability for the future:** human, social and physical/ financial capital as well as natural capital.
- **Equity:** not just about income distribution – also about the distribution of everything of value and also whether there are fair processes.
- **Risk:** not just about economic or natural hazard risk - also about risks to social outcomes and people.
- **Economic growth:** not just about lifting people's incomes - also the resources available to spend on community assets, like schools, hospitals, welfare, and roads.
- **Social cohesion:** not just about lifting social connectedness - also about the role of things like the rule of law in promoting economic growth, and the fairness of government's processes in promoting equity.

The Treasury has commissioned the development of a Living Standards Dashboard, which will be used to monitor inter-generational wellbeing. The Living Standards Framework underpinned decision-making for the 2019 Budget and is set to underpin future wellbeing budgets.

In addition to considering to Government's wellbeing focus in the development of this strategy, consideration has been (and will continue to be) given to other Government priorities and policy.

Drivers for change

Otago has many advantages and strengths which are driving our economic and population growth. However, there are also several factors which are holding our economy back or will hold it back in the future if steps are not taken to address them.

The following issues and opportunities were identified for Otago's economy by the Working Group in consultation with an advisory group and key stakeholders. They are our 'drivers for change' – those things we believe need to be addressed to achieve our objectives.

Geographic remoteness, a dispersed population, and diverse local economies

Reflecting the scale, remoteness and geographical diversity of the region, each of the five districts face unique issues, challenges and economic drivers. The districts are focussed on differing district priorities with local economic benefits. They compete for visitor income and development resources.

Otago's remoteness also means many businesses have to rely on the broader regional, national and international environment to provide resources, talent and investment. When combined with the small local market, some local businesses can struggle to achieve the same economies of scale as those in the same industries in larger markets.

In addition to the disparate economic drivers for each of the districts, the people of Otago have a strong parochial sense of identity - "their place" and "their heritage". In addition, Otago people "do things differently here", which can hamper collaborative attempts across the region to make change.

Currently there is no regional mandate in the existing Local Government Act for the six regional territorial authorities to collaborate for whole of region benefits.

Opportunity

There is an opportunity, through the OREW Working Group, to improve collaboration and connectivity between the territorial authority areas and advance economic development initiatives that will provide multi-district benefits.

A shortage of skilled labour and housing in some areas

Jobs exist - but not always the people or housing.

Otago can often be regarded as a place to visit, play and study, rather than a permanent destination. The region experiences significant flows of visitors, transient workers and non-residents – for example, at any one time, Queenstown hosts 34 visitors for every one resident, and annually, Dunedin attracts thousands of students from outside the region and from overseas.

Its remoteness means that Otago businesses cannot easily benefit from the access to the labour and customer markets, goods, services and infrastructure characteristic in larger commercial centres.

The region has diverse labour market characteristics, with pockets of both low unemployment and high rates of NEETS (people aged 15-24 Not in Employment, Education or Training). While low by national standards, NEET rates do vary considerably across the region, with higher rates in Waitaki, Clutha and parts of Dunedin city.

There are serious concerns about the ongoing availability of skilled labour. This includes not only lack of the right people, but the impacts of an ageing population, non-availability of housing (or affordable or suitable housing) and concerns about the future of immigration policy on labour availability.

Farming, horticulture, viticulture, wine making and tourism are all highly seasonal activities. Seasonality impacts on the financial viability of many businesses, many of which have to earn enough over their peak seasons to sustain them through the rest of the year. Employing more seasonal workers to manage peak demands is a

major challenge for both business and the community, especially as there is a lack of local workers and suitable and affordable accommodation around Queenstown and Central Otago.

Housing concerns are region-wide. In Dunedin it more relates to the quality of existing housing stock and acute shortages of rental accommodation. While housing is more affordable in Clutha and Waitaki, employers also find it difficult to access suitable housing for workers and their families.

Opportunity

There is an opportunity to fill jobs and leverage economic growth by tapping into the significant flows of people through the region while also ensuring there is sufficient and appropriate accommodation for them.

Maximising the contribution of highly skilled and experienced people

There is a high level of pride in the educational status of the region and of its tertiary education institutions - Otago produces many highly educated and skilled people. While a significant number of these seek careers elsewhere, many retain an ongoing affinity with the region.

There are a number of successful and experienced business people that choose to live in Otago but have either retired or manage businesses elsewhere. In addition, there is a migration of capital to the region with high net worth people setting up residence in its most attractive areas. These are New Zealanders who live in the region and regularly commute to Auckland, Australia or further afield. There are also internationals who manage their businesses from a New Zealand base but often operate in an international market.

Besides these high net worth people, the region is also attracting people from the creative and media industries. The film industry is essentially driven by identifying locations, but this is a potential stepping off point for a more complete regional film offering.

Opportunity

There are opportunities to tap into the pool of expertise, talent and investment resources offered by successful and experienced people living in Otago or living elsewhere but with a strong affiliation to the region.



Relatively low business productivity

While parts of the region's economy are experiencing exceptional growth and new jobs are being created, one of the key concerns is that job productivity is not growing at the same pace. The Otago region has lower GDP per filled job and lower productivity growth than New Zealand overall, as outlined in the Strategic Assessment.

The region's tourism and horticultural sectors are made up of small businesses with low-wage, low-skill jobs and high staff turnover, typically generating lower GDP per hour worked than other industries.

Low productivity in itself does not mean an enterprise is not competitive or profitable. However, sustained low productivity growth is seen as a critical barrier to providing opportunities for progression into higher skilled roles and increased business profitability within the region. This is due to the underlying nature of key sectors, and maybe also due to businesses being established for lifestyle reasons rather than long term growth.

The tourism sector, in particular, typically includes small businesses with low-wage and low-skill jobs and high staff turnover. Tourism generates lower productivity growth than other industries that employ people with higher skills, pay higher wages and use information and communications technology (ICT) and other capital to work more efficiently.

Opportunity

While there are issues associated with productivity Otago, there is also a growing pool of creative and high-technology enterprises in the region leveraging off our strong knowledge base, research strengths, and skilled and experienced people. There are opportunities to support existing businesses to increase productivity and to further facilitate and support higher productivity enterprises.

Areas of narrow economic focus with potentially low resilience

While Otago encompasses a diverse range of economies, the economies within each territorial area tend to be quite narrowly focused, resulting in potential low resilience.

Queenstown is a tourism drawcard, which has significant implications for the rest of the region, but also other parts of the country. This important tourism market has a global destination brand, is multi-seasonal with long visitor stays (around four nights on average). The relative narrowness of the tourism-based economy is a potential weakness, as is the lack of resilience to adverse travel, economic or climatic events.

Growing visitor numbers are placing demands on existing transport and social infrastructure. Some parts of the asset base are ageing and struggle to provide capacity and accessibility to cope with both increasing resident growth and visitor numbers.

Demand for housing for the growing resident service population is high, with resulting problems of supply and affordability in areas within commuting distance of Queenstown.

Dunedin relies on the Government for more than 20 per cent of its GDP, primarily through provision of education and health services.

Clutha on the other hand, relies heavily on agriculture (dairy, sheep, beef and grain farming and meat processing), while Waitaki's GDP is heavily reliant on mining, meat and dairy production in 2018. All of these industries are export-focused and at the mercy of international commodity price cycles.

Central Otago's economy is more diverse, with the heaviest reliance for GDP in 2018 on electricity production (accounting for 8.1 per cent) and sheep, beef and grain farming (accounting for 5.4 per cent), followed by heavy and civil engineering construction (also accounting for 5.4 per cent).

Opportunity

There are opportunities to identify and support initiatives to create greater diversity and resilience within Otago's local economies.

Feedback and anecdotal evidence suggest that within Otago there is a desire that growth is not indiscriminate and does not come at the expense of damaging the region's unique environment and lifestyle. There is also awareness of the effects of climate change on the agriculture-based economy, water availability and our coastlines and roading infrastructure.

Approximately 23% of New Zealand's lake surface area occurs in Otago and the region produces 17% of New Zealand's hydroelectric generation. As a significant producer of renewable energy, there is an opportunity for Otago to take a leadership role in contributing to the Government's goal to transition to 100% renewable electricity by 2035.

Although sustainability tends to have an environmental focus, the Working Group views sustainability as including the sustainable stewardship of all four capitals – natural, human, social and economic.

Reactive and short-term responses are likely to be ineffective and have the potential to waste scarce investment resources on disjointed, duplicated and unaffordable infrastructure, limiting the choices available to future generations.

Opportunity

There is an opportunity through the Working Group, the Framework and collaboration with stakeholders for economic development initiatives, which are sustainable across all four capitals, to be identified and promoted within Otago.

Availability and quality of water resources

Otago's agricultural sector and many of its industries rely on a consistent, reliable and good quality water supply.

Predominant westerly winds and strong mountainous influences caused by the Southern Alps result in the Clutha headwaters receiving up to 2,400mm of rainfall annually. However, Central Otago receives much less rain due to the rain shadow effect of the Alps, with Alexandra and the Upper Taieri having a continental climate and receiving on average less than 400mm annually, the lowest in region.

Despite the large total water volumes present in the region, many areas of Otago run short of summertime water. While water has significantly changed local agricultural economies, it is a critical resource for the region that currently risks being over-utilised, as well as creating tensions between the needs of farmers and recreational users.

In Central Otago, water for irrigation is taken under deemed permits originally issued more than 100 years ago for gold mining (and due to expire in 2021). As a result, many local rivers are over-allocated. The Otago Regional Council is working with the local community to consider the best way to manage Otago water resources.

The quality of water in much of Otago is among the highest in New Zealand. However, the effects of urbanisation and intensive farming are putting pressure on some water quality and aquatic ecosystems. Dunedin's urban waterways have experienced stormwater contamination and intensive farming is having a detrimental effect on waterways in areas of south and west Otago.

Opportunity

There is an opportunity through the Working Group, the framework and collaboration with stakeholders for economic development initiatives to be identified and promoted which enhance the sustainability and quality of Otago's water resources.

Rationale for change

Based on the drivers for change identified the Working Group identified and tested the following problem statements for inclusion in an investment logic map (ILM). The ILM forms the basis for development of the strategic objectives and themes (strategic focus):

1. Disparate economic drivers across our districts are limiting opportunities for collaborative regional economic development
2. Opportunities to drive economic growth are being limited by our inability to attract, retain and fully utilise our skills and expertise
3. Reliance on low productivity industries is constraining wage growth and limiting regional growth and investment
4. Otago's sustainability will be undermined if we fail to proactively respond to emerging demographic, environmental and social challenges.

The one-page ILM is included as Appendix ONE.

The Framework

PART TWO: strategic focus



What do we want to achieve?

Ultimately, through implementing this framework, we want to contribute to achieving these high-level outcomes for the Otago Region:

Our people	Our communities	Our environment	Our culture
Improved wellbeing for all	More vibrant, prosperous and resilient communities	Improved environmental sustainability	Stronger, more productive partnerships with Ngāi Tahu

Our Strategic Objectives

Based on addressing the issues raised earlier, the Working Group agreed a set of four main objectives we want to focus on achieving:

1. To provide multi-district benefits through economic development initiatives
2. To increase regional productivity
3. To assist Otago to access the skills and experience it needs to prosper
4. To improve the ability of Otago communities to respond to social, environmental, economic and cultural opportunities.

Successfully achieving these objectives is expected to contribute to achieving the high-level outcomes identified above.

For each objective, some potential measures for success have been included. These will be further developed and refined as the Working Group tests the framework with stakeholders and identifies and progresses projects.

OBJECTIVE ONE:

To provide multi-district benefits through economic development initiatives

The Working Group was established to identify and progress economic development opportunities across the Otago region. The first objective clarifies the commitment of the Group to increase proactive collaboration and co-operation across the five districts, and to ensure that this collaboration is effective in generating significant and tangible benefits for the region as a whole.

The Group identified and prioritised a genuine need to work more effectively together, particularly where initiatives potentially impact on two or more districts or where resources could be effectively pooled for better effect. The focus is also on economic development initiatives that would not otherwise be implemented by the districts independently, usually because the benefits, costs and risks are borne unequally across the five districts.

The Group also noted the potential for avoiding the costs of competition and duplicated effort within the region, particularly around potential visitor attractions and infrastructure decisions.

Maintaining effective working relationships between all five councils is critical to the successful achievement of the objective. This objective reinforces the need to leverage existing governance mechanisms to enable the region to engage more effectively nationally, for example in applying for Provincial Growth Fund support, and internationally, when representing the interests of the whole region.

Potential indicators for measuring progress towards this objective include:

- **Number of collaborative initiatives that realise multi-district benefits (human, social, economic and natural)**
- **Increases in GDP per capita across the region**
- **Increases in average salaries across the region**

OBJECTIVE TWO: To increase regional productivity

Productivity means how many resources – such as labour or capital investment - are needed to produce a certain amount of goods or services. Productivity growth results when businesses are able to scale without labour. Raising productivity makes our business enterprises more competitive, raises profits, and allows them to pay higher wages.

While many Otago businesses often represent a lifestyle choice, business owners work extremely hard and could benefit from initiatives to assist them to achieve greater productivity. This is true not just in respect of Otago's small businesses, but more widely for the public sector and social enterprises who compete in the same labour markets.

This objective aims to focus the Working Group's efforts on:

- ✓ supporting new and innovative business opportunities
- ✓ taking a whole of region perspective to lifting productivity
- ✓ attracting new ventures that complement existing tourism and horticultural sectors
- ✓ knowledge intensive industries, and
- ✓ enhancing partnerships with industry and Government.

Potential indicators for measuring progress towards this objective include:

- **Increases in GDP per job filled**
- **GDP growth in the tourism, hospitality and horticultural sectors**

OBJECTIVE THREE: To assist Otago to access the skills and experience it needs to prosper

As well as lifting job productivity, the group highlighted the need to help Otago enterprises to grow, attract and retain the skilled staff, experience, talent and investment needed to keep up with demands to expand their businesses and grow ideas.

This was not just about attracting more people to Otago to live or finding workers to meet the seasonal and uneven demands for labour in the region – there was also a focus on 'growing our own' skilled and experienced people. Stakeholders consistently expressed concerns about unconstrained population and visitor growth.

The focus of this objective is also on better utilising our existing regional skills, experience and investors more efficiently, including:

- Otago residents

- ex-Otago people resident elsewhere in New Zealand and overseas
- high net worth business people living in the region, and
- visitors travelling through the region who may wish to shift to Otago.

Flow-on effects can include improving the prosperity and vibrancy of regional communities. Thriving and vibrant town centres with choices of authentic attractions, events and things to do were identified as essential for supporting social cohesion, attracting visitors and retaining young families.

Potential indicators for measuring progress towards this objective include:

- **Job growth**
- **Positive employer feedback on accessing appropriately skilled and experienced employees**
- **Increases in the number of business units**
- **Consented investment in non-residential building**

OBJECTIVE FOUR:

To improve the ability of Otago communities to respond to social, environmental and economic challenges

This objective contributes to the desire of the Working Group to assist in developing resilient, proud communities with a strong sense of place. This was seen as being particularly important in rural towns struggling with static and ageing populations.

This objective aims to:

- ✓ enhance access to affordable and suitable housing
- ✓ improve our energy efficiency
- ✓ improve regional asset resilience and condition.

Potential indicators for measuring progress towards this objective include:

- **Improvements to housing affordability indices**
- **Reductions in community recovery time from adverse events (social, environmental, economic)**
- **Increased percentage of renewable energy supply and use**
- **Changes to population age profiles**

Strategic Themes

These are the priority areas for change that we will focus on to help meet our objectives and contribute to the outcomes:

Connectivity

To enable better connections between people, between districts, across the region, and both nationally and internationally	
Where are we now?	What needs to change?
<p>Otago is characterised by both its remoteness from international markets and by the scale of the region. People need to travel to go to work, to play, to meet people, to socialise, to shop or to go to events or attractions. The means relatively long car journeys over geographically constrained roads.</p> <p>While there have been some improvements in flight options and public transport, low economies of scale and disperse populations can limit the development of transport alternatives.</p> <p>While there have been significant improvements digital connectivity in the Gigatowns, there are still challenges with black spots and both access to, and take-up of, high speed broadband.</p> <p>There are isolated pockets of expertise across the region and opportunities to connect these people and businesses to develop, invest and scale new ideas.</p>	<p>Otago people need to be more connected - locally, nationally and internationally.</p> <p>This is not just about growing, attracting and retaining skills and talent, but about establishing connections across the region to make the most of existing business skills and experience, investment resources and leadership.</p> <p>The need to leverage off current initiatives and start-ups, particularly in the creative sector was acknowledged.</p> <p>Possible changes in the current situation include enhancing the visibility of available skills and jobs - and matching people with resources and investment.</p> <p>More events to attract international talent, to showcase existing business success stories, and to enable local talent to collaborate.</p>



Productivity

To foster innovative new ideas with productivity growth impacts	
Where are we now?	What needs to change?
<p>There a low tolerance to risk to invest in untried or unproven ideas by traditional investors, mirroring Dunedin's public sector culture and the region's Scottish Presbyterian origins.</p> <p>Otago start-ups operate in silos, have high transaction costs and lack visibility of key players.</p> <p>It can be difficult for these start-ups to make connections and access both business experience and venture capital.</p> <p>Productivity growth enables businesses to scale without labour. The region's tourism, horticulture and viticulture sectors include small businesses employing low skilled workers and offering low wage jobs. These businesses generate lower GDP per hour worked than other industries that employ people with higher skills, pay higher wages and use ICT and capital to work more efficiently.</p>	<p>There needs to be more support for new and innovative business opportunities that could enhance the resilience of Otago's economy.</p> <p>Leveraging the growing pool of creative and high-technology enterprises, Otago's strong knowledge base and the University-based research strengths.</p> <p>Having enabling infrastructure and events in place to attract international talent and to showcase existing business success stories.</p> <p>Encouraging existing industries to lift their productivity growth.</p> <p>Lifting existing tourism productivity growth by better utilising existing facilities and capability, by spreading visitors around more of the region and with multi-seasonal attractions.</p>

Talent

To assist Otago to access the skills and experience it needs to prosper	
Where are we now?	What needs to change?
<p>Unemployment in the region is lower than nationally and businesses indicate that opportunities exist, but the people don't.</p> <p>But there are also barriers to accessing adequate family accommodation that make shifting to Otago less attractive.</p> <p>There are also shortages of people with high-level talents in particular sectors. In-work skills development and career pathways are also limited.</p> <p>Each of the districts employ migrant labour to overcome local labour shortages and to manage seasonal peaks.</p> <p>While the region creates talented tertiary students, there are few incentives to stay in the region and tap this talent.</p> <p>There are opportunities to more fully utilise the talent and investment potential already living in the region.</p> <p>Although ex-Otago people living elsewhere have a strong sense of pride in growing up and/or being educated in Otago, they are not currently targeted for their skills, experience and investment.</p>	<p>Attract families to Otago to work and live.</p> <p>Reduce the impacts of cost barriers for living and working in the region.</p> <p>Increase the availability and choice of appropriate and affordable housing for families shifting to Otago for work.</p> <p>There are isolated pockets of expertise across the region and opportunities to connect these people and businesses to develop, invest and scale new ideas.</p> <p>Increase the retention of skills and talent in the region.</p> <p>Existing businesses are retained and encouraged to grow.</p> <p>The Advisory Group also identified the need to reach out and leverage those people elsewhere nationally or internationally with an existing affinity and connection with the region.</p>

Housing

To improve the availability, choice and quality of accommodation for families, seasonal and migrant workers	
Where are we now?	What needs to change?
<p>Access to appropriate accommodation is a recurring theme across all the districts.</p> <p>While jobs exist across the region, a barrier to attracting people is the lack of appropriate accommodation.</p> <p>Businesses are finding it difficult to accommodate seasonal and migrant workers, limiting both growth and labour supply.</p> <p>Property development is limited by the availability of suitable parcels of land, low returns and a resistance to high-density housing.</p> <p>Where long-term rental or ownership housing is available, it is often unaffordable to low income families.</p> <p>Gross yields from landlords can be up to four times higher with Airbnbs than from long-term rentals.</p> <p>The Mayoral Taskforce is to build 1,000 affordable homes in the Queenstown Lakes district in the next 10 years.</p>	<p>Making it easier for families shifting to Otago to find appropriate housing.</p> <p>Extending the range of choices for smaller, high quality rental and ownership dwellings.</p> <p>Finding ways to better cater for changing demographics within communities.</p> <p>Releasing existing land parcels for residential developments.</p> <p>Meeting the increasing demands for seasonal and migrant workers.</p> <p>Making it easier for migrant families and seasonal workers to feel welcomed, supported and integrated into Otago communities.</p> <p>Providing more consistent planning and consenting processes that balance regulatory and labour market requirements.</p>

Sustainability

To improve the resilience of key sectors and the sustainable use of the region's human, social, economic and natural assets	
Where are we now?	What needs to change?
<p>High growth is putting existing infrastructure under pressure. In Queenstown the ratio of visitors to residents exceeds 34:1, making it difficult to fund infrastructure growth off a narrow ratepayer base.</p> <p>The focus on tourism and lack of diversity means the regional economy is exposed to adverse travel, economic, seismic or climatic events.</p> <p>Lack of appropriate housing and career progression makes it difficult to grow or manage sustainable workforces.</p> <p>Smaller stores cannot compete with the larger discount chains on price. Online alternatives mean that town centres will need to change to avoiding losing their relevance as a focal point for communities to gather and socialise.</p> <p>Otago is a region of geographical and climatic extremes. Key transport networks are exposed to major seismic or flooding events. Global warming will impact on the viability of marginal agriculture crops and aggravate water shortages.</p>	<p>Long term capacity management of water infrastructure and transport assets.</p> <p>Integrated transport planning and investment of air, rail, shipping and road across regional networks.</p> <p>Authorities invest in the right people, risk management and planning capability for the future.</p> <p>Better understanding of future trends, skill gaps and skills development to inform planning for a sustainable Otago workforce.</p> <p>Build the resilience of small town centres to manage change, to retain their authenticity and to thrive.</p> <p>Future-proofing and flexibility by anticipating, and managing for, the impacts of environmental change.</p> <p>Improving energy efficiency and considering alternative renewable energy resources to help achieve Government's targets.</p> <p>Balance the sustainable use of water across social, economic, recreational and cultural demands.</p>

Our Commitment

Consistent and ongoing collaboration between the Working Group members, and between the Working Group and stakeholders, is critical to implementing regional economic development projects that will create multi-district benefits.

Collaboration

Greater collaboration that extends more widely than just between districts, but also with iwi, industry, the neighbouring regions and central Government	
Where are we now?	What need to change?
<p>There is no regional mandate in the Local Government Act for the six regional territorial authorities to collaborate.</p> <p>Each of the five districts face different issues, challenges and economic drivers. The districts can be inwardly focussed on addressing different local priorities with local economic benefits.</p> <p>Otago parochialism is both a strength and a weakness. There is an attitude that “we do things differently here”, which at times hampers collaborative attempts across the region.</p> <p>Districts can potentially compete for visitor income and development resources, as well as duplicating effort.</p> <p>The establishment of the Working Group has provided an important opportunity for coordinating and assisting to advance economic development initiatives across the six authorities.</p>	<p>The Otago region needs to project an integrated and united approach on key strategic issues. This includes responding to national and international opportunities where a collective stance is required.</p> <p>Improving transparency and communication of local initiatives within the region.</p> <p>Reducing competition and duplication of effort.</p> <p>Identifying and striving for mutual benefits that contribute to both regional and wider outcomes.</p> <p>Ongoing commitment from Otago’s leadership forums on priorities and resourcing to achieve Otago’s objectives.</p>



The Framework

PART THREE: strategic approach



Collaboration as a Working Group

The Working Group will maintain regular contact and ensure ongoing collaboration through:

- Communicating regularly via email and phone on matters of shared interest
- Holding fortnightly teleconferences
- Holding monthly face to face meetings as a group
- Meeting at other times, as required

Terms of reference

The Working Group will develop detailed terms of reference over the coming 12 months and processes to support implementation of the Framework. In general, within the terms of reference the role of the Working Group will include:

- Identifying and assessing economic development projects of regional interest
- Reporting to the region's decision-makers on current and proposed economic development projects
- Seeking support and/or funding from the region's decision-makers for projects that can deliver multi-district benefits
- Reporting to the region's decision-makers on the progress of regional projects
- Facilitating connections between stakeholders (regional, national and international) where it is of benefit to the region's economy
- Providing feedback, guidance and/or support to stakeholders undertaking projects that deliver multi-district benefits
- Reviewing and updating the Strategic Framework over the next 12 months, in collaboration with key stakeholders, and bringing it back to Otago council chief executives for agreement
- Continuing to review and amend the framework, as required

Identifying projects

Project ideas will either be generated through the Working Group or by other parties via the Working Group.

The Working Group will identify projects through discussion at its regular forums, and through ongoing engagement with key stakeholders and the region's decision-makers. The Stakeholder Engagement Plan, which underpinned the development this framework, will be reviewed and further developed to support this.

Assessing projects using multi-criteria analysis

A prioritisation approach has been developed to help assess whether projects and initiatives are well-aligned to the Framework and are likely to provide significant benefits to Otago stakeholders.

The Working Group have established the following principles for assessing and prioritising projects:

- the process should add rigour to the selection of regional economic development projects and initiatives
- ORED assessments are intended to provide additional assurance to regional and Government decision-makers that a project is well-aligned to regional priorities
- the Working Group do not have the responsibility for funding decisions
- the Working Group assessment result does not necessarily impact on existing decisions to support a regional initiative.

The Working Group anticipates that proposals for regional economic development projects and initiatives will generally be very high level. Benefits and risks are unlikely to be reliably quantified in monetary terms. Similarly, cost estimates are likely to be indicative and subject to a high degree of uncertainty.

The prioritisation approach is therefore based on the application of qualitative decision analysis techniques and panel-based scoring approaches to rank potential regional economic development proposals.

The Working Group will take a multi-criteria analysis approach to assessing and prioritising projects. Multi-criteria analysis is a structured method that will enable the group and decision-makers to transparently and consistently assess and rank proposals against a set of pre-determined objectives and assessment criteria.

The analysis follows a series of logical steps allowing the assessment panel to determine an overall relative score of each proposal under consideration. The process ensures that the panel can express their preferences in a way that can be readily and logically explained.



Assessment criteria and scoring

The overall goal is to optimise the use of our economic, human, social and natural resources to best increase the wellbeing of the people of the Otago region – that is, to optimise the value from investment in a portfolio of Regional Economic Development proposals that will collectively best meet our objectives and provide the optimal mix of:

- **Benefits**
the gains experienced by Otago, Government and other stakeholders, whether these are economic, social or environmental, or whether these benefits can be expressed in monetary, quantitative or qualitative terms. This includes the consideration of distributional trade-offs between different stakeholder groups and also between changes in human, social, economic and natural capital.
- **Costs**
the whole of life costs to the region's ratepayers, as well as the consideration of how costs are imposed on other parts of society, other regions or external stakeholders, including Government.
- **Risks**
the chance of something happening that will have a consequence on the achievement of proposal objectives. Can be either related to the delivery of services, impacts on the Otago region or can be externally imposed.

As an input to the assessment criteria scoring the Working Group will conduct a preliminary qualitative multi-attribute utility (MAU) analysis of the relative costs, benefits and risks of the proposal. This is used to profile and provide a more detailed understanding of the likely value to be added by the proposal (and the relative trade-offs).



1. Analysis of the Proposal's Value to the Otago Region							
Criteria	Sub-criteria	Weight	Ranking				
Benefits to the region	Financial/Physical Capital	25%	Minor	Moderate	Significant		
	Human Capital	25%	Minor	Moderate	Significant		
	Social Capital	25%	Minor	Moderate	Significant		
	Natural Capital	25%	Minor	Moderate	Significant		
Costs	Estimate of Project Funding Scale	n/a	Major (over \$10m)	Medium (\$1- \$10m)	Moderate (under \$1m)		
Risks	Project-based	34%	Extreme	V high	High	Med	Low
	Organisation	33%	Extreme	V high	High	Med	Low
	External	33%	Extreme	V high	High	Med	Low

The second part of the assessment will build on this initial analysis of value to determine an overall assessment of the relative strategic alignment, value and achievability of the proposal.

The following scoring and weighting basis was agreed by the Working Group as being fit for purpose for the assessment of each of the nine criteria, with corresponding quantitative scores from 0 to 3.

✓✓	The proposal strongly meets the criteria (3)
✓	The proposal broadly meets the criteria (2)
?	The proposal may meet the criteria (1)
X	The proposal does not meet the criteria (0)

The overall scores can be weighted and combined to given an overall average score between 0 and 3.0 for the proposal being assessed. The proposals can then be categorised in one of three groups:

- **Low priority proposal (scoring less than 1.0)**
- **Medium priority proposal (1.0 or more but less than 2.0)**
- **High priority proposal (2.0 or higher)**

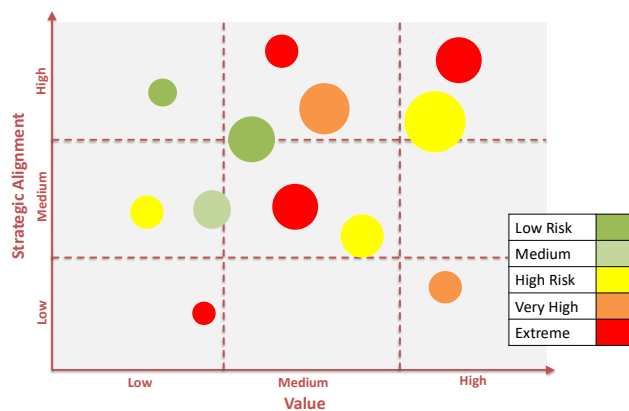
The following draft assessment criteria have been developed, based on the themes and critical success factors identified by the Advisory Group. This will be tested by the group and with key stakeholders and amended as required.

2. Criteria for Assessing Regional Economic Development Proposals		
Criteria	Weight	Description
Collaboration	7%	How well will the proposal provide multi-district benefits through greater collaboration on economic development initiatives?
Productivity	7%	How well will the proposal increase regional productivity?
Talent	7%	How well will the proposal assist Otago to access the talent it needs to prosper?
Resilience	7%	How well will the proposal improve the ability of Otago communities to respond to change?
Alignment	7%	How well does the proposal align contribute to the six priority themes for change?
Value	35%	How well is the proposal likely to optimise value (in terms of the previous analysis of benefits, costs and risks)?
Supplier Capacity & Capability	10%	How well is the proposal likely to result in successful arrangements with the supplier market for required services? (e.g. construction, specialist staff, facilities)
Affordability	10%	How likely can the proposal be funded from potential sources of finance?
Achievability	10%	How likely is the proposal to be delivered successfully given the capability of the organisation?
Total	100%	Overall weighted average score between 0.0 and 3.0

Possible presentation of the assessment results

Where there are competing alternative proposals, the results of the assessment may be presented graphically to aid decision-making and the communication of the relative trade-offs between. For example, alternative proposals can be mapped by their assessment scores for Value against Strategic Alignment (the combination of Collaboration, Productivity, Talent, Resilience and Alignment with the six themes).

Relative scales of the estimates of project funding and risk can be demonstrated by the size and colour of the data points. This aids in the choice and management of synergist investment portfolios.



Engagement

Mayors and Chief Executives

The Working Group will present regular updates to the Mayoral and Chief Executive forums on progress with the Framework and regional economic development projects.

Where decisions are required on provision of support or funding for significant regional economic development projects, a report will be brought before the forums. Further discussion is required to confirm where final decision-making will lie.

Decisions not requiring support from Mayors and Chief Executives will be made according to delegations within each in Council or Economic Development Agency.

Our Treaty partner – Ngāi Tahu

Where there is mutual benefit and interest the Working Group will engage with Ngāi Tahu to develop and progress regional economic development initiatives.

Central Government

The Working Group will continue to regularly engage with representatives from the Ministry for Business, Innovation and Employment and with other Government agencies as required.

Where funding is sought from the Government for regional projects initiated through the Framework, the Working Group will develop these in consultation with stakeholders and seek endorsement from the regions Mayors and Chief Executives prior to submission.

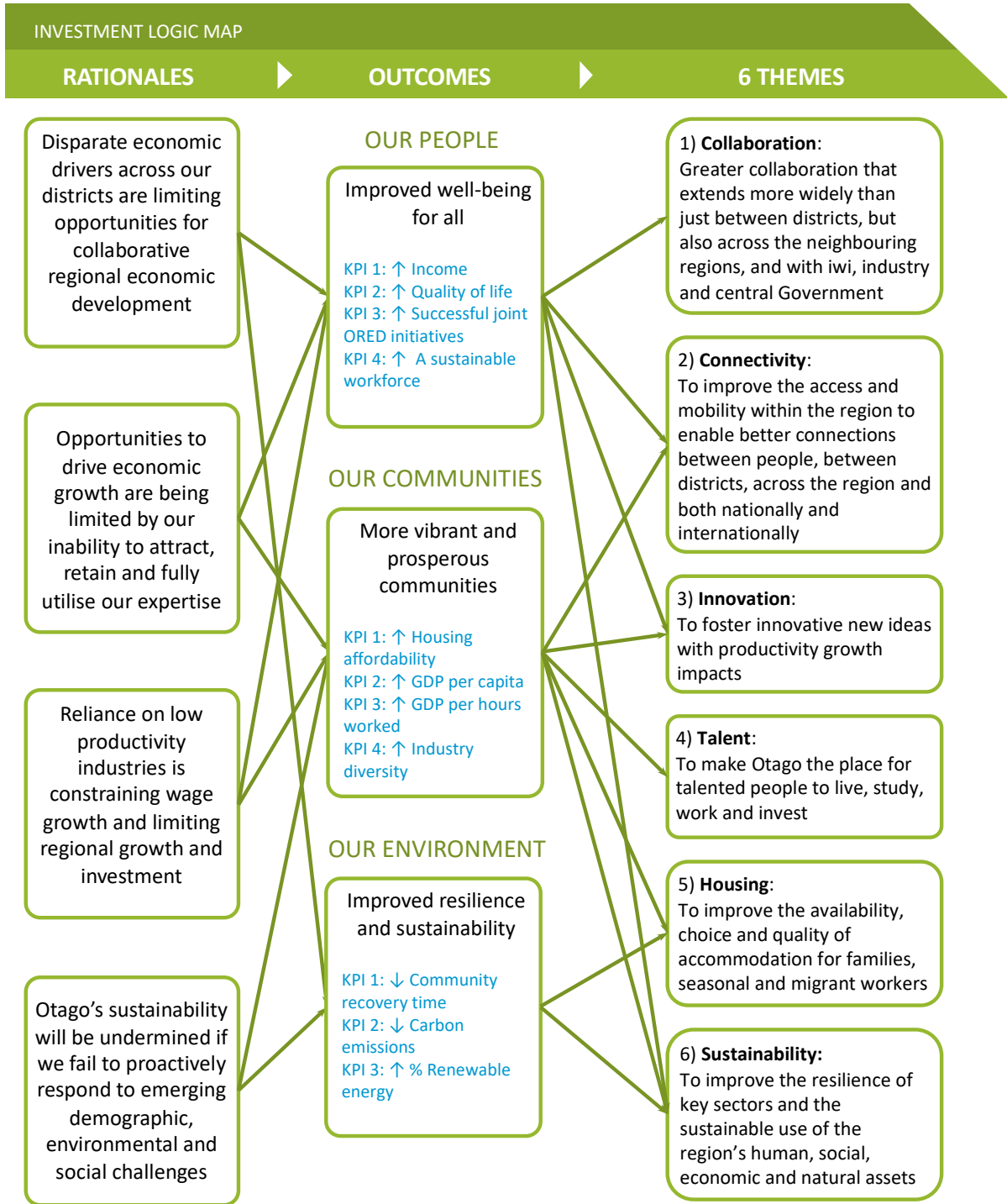
Key stakeholders

The Working Group used a Stakeholder Engagement Plan to support development of the Framework (the list of key stakeholders engaged with in developing the Framework is included as Appendix THREE). The Engagement Plan will be reviewed and updated by the Working Group to support and progress ongoing engagement with stakeholders, which will include testing and amending the Framework as required over the coming 12 months and bringing it back to Otago council chief executives for agreement.

Appendix ONE:

investment logic map

The investment logic map is a one-page graphical story that provides the logical line of sight from the “why” – the rationale for action, to the “what” – what needs to change to contribute to the three high level outcomes. This map is the end product of a series of five externally facilitated workshops with the ORED Advisory Group (consisting of Working Group members, specialist advisors and observers from the Ministry of Business, innovation and Enterprise and the Ministry of Social Development).



Appendix TWO:

environmental scan

As part of the 29 October facilitated workshop process, the Advisory Group conducted an environmental scan to consider what opportunities and strengths can be leveraged, and what threats and weaknesses needed to be managed.

Opportunities to Leverage:	Threats to Manage:
<p>New technologies:</p> <ul style="list-style-type: none"> vegetable based proteins changes in preferences digital/ virtual tourism <p>Our existing talent:</p> <ul style="list-style-type: none"> better utilise our existing skills, experience, investors match talent to jobs <p>Renewable Energy:</p> <ul style="list-style-type: none"> Otago supply and use of renewables? 	<p>Society sentiments:</p> <ul style="list-style-type: none"> bi-political with Labour urban and National hinterland public sentiment is pro-environment/ landscape social push-backs on irrigation/ greening <p>Poor resilience:</p> <ul style="list-style-type: none"> exposed to international travel risks major earthquake Queenstown potentially isolated from assistance (cf post Kaikoura quake) <p>Climate change:</p> <ul style="list-style-type: none"> low emissions targets high carbon footprint? LGNZ policy Potential risk reduction and retreat <p>Water:</p> <ul style="list-style-type: none"> impacts of water allocations (e.g. the Maniototo allocations were set in the gold-mining era) over-allocated in total reduce nitrogens?
Strengths to Build on:	Weaknesses to Address:
<p>Natural amenity:</p> <ul style="list-style-type: none"> diverse landscapes accessible and attractive to visitors/residents Queenstown is the "jewel in the crown" focus on brand Queenstown, not Otago? <p>Our expertise:</p> <ul style="list-style-type: none"> high in Dunedin isolated elsewhere, with some good skills not being utilised (e.g. experience & potential investors) <p>Knowledge economy:</p> <ul style="list-style-type: none"> Dunedin SMART city Otago is agile accelerators biotechnology University research <p>Renewable energy:</p> <ul style="list-style-type: none"> significant supplier of hydroelectric power 	<p>Geographically dispersed population:</p> <ul style="list-style-type: none"> ad-hoc population growth transient visitors costs of commuting to Queenstown risks of duplicated/ isolated decisions <p>Low productivity growth:</p> <ul style="list-style-type: none"> nature of low wage sectors (horticulture/ health/ education/ tourism) dominated by small businesses not attractive to larger employers a flow of talent that doesn't stick seasonal workers people commuting to work in Queenstown <p>Housing:</p> <ul style="list-style-type: none"> availability of low-cost housing high living costs for those on low incomes perceived as expensive and unaffordable high non-resident population poor design and bespoke building code seen as the minimum inefficient energy use lack of density in new developments <p>Lack of economic diversity:</p> <ul style="list-style-type: none"> tourism - poor sustainability? agriculture - more innovative with higher productivity gains public health, education and social (in Dunedin).

Appendix THREE:

consultation

The Working Group held interviews during October/November to test the initial thinking with key regional stakeholders identified as having high levels of both influence and interest in this analysis.

District	Stakeholder	Role
Central Otago	Sanchia Jacobs	Chief Executive, Central Otago District Council
	David Ritchie	Olivers Restaurant, Clyde
	Greg Bodeker	Director, Bodeker Scientific
	Basil Goodman	Chair, Seasonal Solutions
	Daniel Prew	Regional Manager, The Warehouse
	Stuart Heal	Self-employed contractor, ex Southern PHO, CRT
	Tim Cadogan	Mayor, Central Otago District Council
Queenstown	Bridget Legnavsky	GM, Cadrona Alpine Resort, Wanaka Chamber of Commerce
	Ross McRobie	Chair, Audit and Risk, Queenstown Lakes District Council
	Jason Watkins	Business Development Manager, CUBE start-up
	Michelle Morss	Strategy and Development Manager, Corporate Services, QLDC
	Ann Lockhart	Chief Executive Officer, Queenstown Chamber of Commerce
	Craig Douglas	Chair, Queenstown Chamber of Commerce
	Jim Boulton	Mayor, Queenstown Lakes District Council
	Mike Theelan	Chief Executive Officer, Queenstown Lakes District Council
Clutha	Bryan Cadogan	Mayor, Clutha District
	Steve Hill	Chief Executive Officer, Clutha District Council
	Andrew Johns	Operations Manager, Danone Nutricia
	Silvio Tenci	Plant Manager, Silver Fern Farms
Dunedin	Dougal McGowan	Chamber of Commerce
	Virginia Nicholls	Otago Southland Employers Association
	Jason Lindsay	Petridish
	David Thomson	Director Planning and Funding, University of Otago
	Des Adamson	Business Relationship Manager, Dunedin City Council
	Casey Davies-Bell	Start Up Dunedin
	Angus Pauley	Start Up Dunedin
	Heidi Renata	Innov8 HQ
	Sarah Gardner	Chief Executive Officer, Otago Regional Council
	Dave Cull	Mayor, Dunedin City Council
	Chris Staynes	Deputy Mayor, Dunedin City Council
Dr. Sue Bidrose	Chief Executive Officer, Dunedin City Council	
Waitaki	Nicolas Erdody	Tech Entrepreneur
	Jane Smith	Farmer, North Otago Sustainable Land Management Group
	Gary Kircher	Mayor, Waitaki District

	Sabra Moore	Manager- Regional Stakeholder Engagement, ARA Institute
	Sandra Familton	Employment Consultant, Workbridge
	Fergus Power	Chief Executive Officer, Waitaki District Council
	Julia McLennan	Oamaru Board member, Otago Chamber of Commerce and two reps
	Melanie Tavendale	Deputy Mayor, Waitaki District