

OTAGO REGIONAL COUNCIL

**Agenda for a meeting of the Council to be held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 12 February 2014 commencing at 1.30 pm**

Membership:

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

Apologies:

Leave of Absence:

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Monday 10 February.

CONFIRMATION OF AGENDA

PUBLIC FORUM

MINUTES

Page Nos.

The minutes of the public portion of the meeting held on 11 December 2013, having been circulated, for adoption.

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Matters arising from minutes

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Representation from Otago district councils on the Otago Regional Transport Committee and the Otago Civil Defence Emergency Management Joint Committee has now been advised and recommendations for committee appointment are made.	
Item 6 2014/0580 Delegation under the Otago Regional Council Flood Protection Management Bylaw 2012. DCS, 4/2/14	31
The report notes that the Council's Flood Protection Management Bylaw 2012 provides to control and protect drains, defences against water, and floodways under the control of the Council. For administrative efficiency, functions under the Bylaw may be delegated to appropriate staff.	
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- Item 13 **Recommendations of the Regulatory Committee meeting** held on 29 January 2014, for adoption Sand
- Item 14 **Recommendations of the Technical Committee meeting** held on 29 January 2014, for adoption Blue

EXCLUSION OF PUBLIC

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

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

	General subjects to be considered	Reason under LGOIMA for passing this resolution	Grounds under S.48 for the passing of this resolution
Item 15	Minutes of the non public portion of the Council meeting held on 11 December 2013, for adoption	To protect the privacy of natural persons. (S7(2)(a), and To enable the Council to carry out commercial activities without prejudice or disadvantage. (S7(2)(h))	S.48(1)(a)(i)

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

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 11 December 2013 commencing at 1.08 pm

- Present:**
- Cr Stephen Woodhead (Chairperson)
 - Cr Gretchen Robertson (Deputy Chairperson)
 - Cr Graeme Bell
 - Cr Michael Deaker
 - Cr Gerrard Eckhoff
 - Cr Gary Kelliher
 - Cr Sam Neill
 - Cr Bryan Scott
 - Cr David Shepherd
- Apologies:**
- Cr Doug Brown
 - Cr Louise Croot
- The apologies were accepted on the motion of Crs Woodhead and Shepherd.
- Leave of Absence:**
- Cr Trevor Kempton
- In attendance:**
- Peter Bodeker
 - Wayne Scott
 - Jeff Donaldson
 - Fraser McRae
 - Gavin Palmer
 - Sharon de Vries (for Item 6)
 - Marian Weaver (for Item 7)
 - Janet Favel

CONFIRMATION OF AGENDA

Cr Woodhead advised that the final version of the Otago Triennial Agreement had been received too late for inclusion in the agenda, and now requested that this be added as Item 5a. He explained that legislation required the Agreement to be signed by all parties before 31 March following an election, and in order for this deadline to be met it was appropriate that Council consider the Agreement at this meeting.

Cr Woodhead moved
Cr Kelliher seconded

That the report on the Otago Triennial Agreement 2013-16 be added to the agenda as Item 5a.

Motion carried

MINUTES

The minutes of the public portion of the meeting held on 6 November 2013, having been circulated, were adopted on the motion of Crs Neill and Bell.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

Item 1
2013/1200 **Chairperson's Report.** Chair, 5/12/13

The Chairperson provided an overview of his activities for the period to 5 December 2013.

Cr Woodhead drew attention to the inaugural Morgan Foundation NZ River Grand Award, which was displayed at the meeting. He explained that the ORC had received the Award for work in reducing *e. coli* levels in the Shag River. Regional awards had also been received for improved water quality in the Shag and Waikouaiti rivers. Excellent material prepared by ORC Communications staff was presented at the function, and Cr Woodhead commented that the awards showed that fencing and other improvements could have an effect on water quality. In the new year, the awards would be presented to the respective communities.

Cr Woodhead noted his recommendation that an Audit and Risk Committee be formed to ensure all processes were robust and compliant with the law. He considered that it would be valuable to have an independent person on the Committee.

Councillors congratulated Cr Woodhead on his election to the position of Deputy Chair of the Regional Sector Group.

Cr Deaker moved
Cr Shepherd seconded

- (1) *That Council agree to put in place an Audit and Risk Committee.*
- (2) *That the Chief Executive investigate relevant terms of reference for an Audit and Risk Committee to present to the February Council meeting.*

Motion carried

Item 2
2013/1196 **Chief Executive's Report.** CE, 3/12/13

The Chief Executive provided an overview of his activities for the period to 3 December 2013, under the headings Earnsclough Field Day, Wilding Pine Field Day, Implementation of Plan Changes 6A and 1C, Regional Sector Group, and Yellow Eyed Penguin Trust.

Mr Bodeker reported that the 26 November Wilding Pine Field Day organised by CODC had provided a good balance of many of the issues. Staff were to prepare a discussion paper for presentation to a workshop on wilding pine control. It was suggested that some of the people who were involved in the field day be invited to participate in the workshop.

The contribution of departing directors Dr Selvarajah and Dr Threlfall was noted. Mr Bodeker commented that the Council's focus now changed from establishing to implementing policy, and to ensure that happened, the stakeholder group had been set up.

Cr Woodhead moved
Cr Eckhoff seconded

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

Motion carried

PART B – RECOMMENDATIONS

Item 3
2013/1190 **Standing Orders.** DCS, 2/12/13

The report noted that Council was required to adopt a set of Standing Orders for the conduct of its meetings. The amended Standing Orders document, which was circulated separately with the agenda, was recommended for adoption.

Mr Scott advised that the Standing Orders were based on the NZ Standard Model Standing Orders, and had proven effective. The proposed changes related to use of cellphones and tablets, and the recording of Council meetings. Mr Scott also drew attention to existing Clause 16.1.2, that the Chairperson not have a casting vote. Clause 2.11 was to be changed to refer to Channel 39 (formerly Channel 9).

A query was raised as to whether texting should be included in Clause 2.8. It was suggested that texting was not as disruptive as telephone calls, and was sometimes used by staff to obtain information for meetings. No change was made to the clause.

Cr Deaker moved
Cr Neill seconded

That the Standing Orders document dated 11 December 2013 as amended be adopted, and the Common Seal affixed.

Motion carried

Item 4

2013/1191 **Committee Terms of Reference.** DCS, 2/12/13

The report noted that a Committee Structure and purpose statements had been agreed at the 6 November Council meeting, and the Committee Terms of Reference were now placed before Council for approval.

Cr Woodhead noted that the proposed terms of reference had been circulated to committee chairs for comment.

- Technical Committee – it was noted that five of the explanatory comments referred to engineering and two to science. Following discussion, it was agreed to leave the comments unchanged at this stage. It was also agreed that the last comment ‘Implementation of air quality programme’, which was an executive responsibility, be deleted.
- Communications Committee – amend 5th comment to read ‘~~Monitor and~~ Promote healthy water, air and land’, and delete final comment relating to development of a stakeholder engagement plan, which was an executive responsibility.
- Finance and Corporate Committee – amend second point under delegations to refer to Draft Long Term ~~Council Community~~ Plan. .

Cr Deaker moved
Cr Bell seconded

That the Terms of Reference for Council Committees attached to Report 2013/1191, as amended, be adopted.

Motion carried

Item 5

2013/1188 **Council Appointments.** Chair/DCS, 28/11/13

The report noted that at the commencement of each triennium Council gave consideration to appointments to various groups and committees, and listed the Chairperson's proposed appointments.

Cr Woodhead noted that after the agenda had been circulated a request had been received for an ORC appointment to the AgResearch Invermay Animal Ethics Committee, and he proposed that Cr Shepherd continue in that role.

In response to a question Mr Scott advised that the Port Otago Liaison Group met on an as required basis, and specifically at the time the Port's 6 and 12 month reports were produced. The Group reported to Council workshops. Councillors suggested it would be useful if the Group reported to Council prior to the POL Board meeting.

It was noted that Cr Brown had expressed an interest in the work of the Port Otago Liaison Group, and he was nominated to membership of the Liaison Group. Cr Woodhead advised that he would accept the nomination subject to Cr Brown's approval.

Cr Shepherd moved
Cr Kelliher seconded

That with the addition of Cr Shepherd as ORC's representative on the AgResearch Invermay Animal Ethics Committee, and Cr Brown (subject to his approval) as a member of the Port Otago Liaison Group, the appointments recommended in Report 2013/1188 be confirmed.

Motion carried

Item 5a

2013/1209 **Triennial Agreement 2013-16.** CE, 10/12/13

The Chief Executive explained in his report that a Triennial Agreement was required to be entered into by all of each region's local authorities following the triennial election. Discussions had been undertaken between Otago

local authorities, and the agreement circulated with the report was proposed. Mr Bodeker noted that the November Mayoral Forum had made minor amendments to the agreement itself; the major changes were to Schedule A to detail opportunities for regional collaboration to be addressed by Otago local authorities. The Agreement had been added to this meeting's agenda to facilitate preparation of the agenda for the next Mayoral Forum meeting early in the new year.

Comment was made that the document needed to be reviewed to correct grammatical and typographical errors. In response to a question Cr Woodhead explained items in Schedule A were existing work programmes, or were based on legislative changes, community needs, and challenges the Mayoral Forum could work on as a group for the benefit of Otago. The items carried varying levels of activity depending on each council's involvement. Mayors and Chair were to report back at Mayoral Forum on progress on each of the Schedule A items.

Comment was further made that before the document was finally signed Councillors needed a good understanding of the items on Schedule A, their level of priority, and anticipated costs. Cr Woodhead explained that the timetable, if all councils agreed to the document, was for it to be formally signed at the next meeting of Mayors and Chair.

In response to a question about Item B Economic Development, Cr Woodhead explained that the intention was to ensure the co-ordination of individual organisations' economic development activity.

Cr Woodhead also noted central government's current push for better collaboration within local government.

Cr Woodhead moved
Cr Robertson seconded

That the Agreement "Local Authorities of the Otago Region Triennial Agreement 2013-2016" as attached to Report 2013/1209 be adopted.

Motion carried

Item 6

2013/1197 **Four monthly reporting to 31 October 2013.** DCS, 3/12/13

The report summarised project progress for the four months to 31 October 2013. The four month review document was circulated separately with the agenda. Sharon de Vries, Corporate Analyst, was in attendance for this item.

In relation to Objective 4 Monitor and review the effectiveness of the Regional Plan: Water, Activity 1, Cr Woodhead noted that in some cases input from tangata whenua was awaited.

A question was raised about dairy farm inspections and compliance issues under the current regime. Mr Bodeker pointed out that compliance with Schedule 16 of Plan Change 6A would be required in 2020, and landholders were being encouraged now to monitor progress towards that target. Until 2020, monitoring carried out by Council would be from an education perspective.

Cr Robertson moved
Cr Deaker seconded

1. *That the report be received.*
2. *That the target measure of success for water quality to be amended to measure water quality against Plan Change 6A water quality targets.*
3. *That the audit of discharges to water in respect of treated industrial and municipal waste systems with separate discharge consents, and treated sewerage discharges be amended to undertake audits of 50% of consents for discharges to land and water.*

Motion carried

Item 7

2013/1194 **Delegations under the Resource Management Act 1991, Mining Act 1971, Crown Minerals Act 1991, the Building Act 2004, the Water Measuring Regulations, Council's Bylaws and other enactments.** DRM, 3/12/13

The report explained that a recent restructuring of staff directorates and changes to names of positions, and some amendments to legislation, necessitated a review and update of delegations approved by the Otago Regional Council. Marian Weaver, Resource Manager Procedures and Protocols, was in attendance for this item

A separate page listing amendments to the schedule was circulated. It was noted that S42A "Authority to produce a report on a consent application" should include delegation to SPA, not SRP.

A question was raised about the resolution on 4 June 2013 authorising the CE on behalf of ORC to initiate and carry out all actions necessary for appeals to be conducted through the courts system. Mrs Weaver explained that these delegations were already in place but had not been included in the previous schedule. She also noted that the delegations in items 2.6 to 2.13

applied to a range of legislation, while the rest of the schedule referred to the RMA only.

Reference was made to S36(5) “To remit the whole or part of any charge”, and it was noted that remission of charges applied to other legislation as well as the RMA. It was agreed that for consistency this be removed from the schedule.

Cr Robertson moved
Cr Neill seconded

That the schedule of delegations contained in Report 2013/1194 as amended be approved.

Motion carried

PART C – ITEMS FOR NOTING

Item 8
2013/1180 **Financial Report.** DCS, 3/12/13

The report provided information in respect of overall Council finances for the four months to 31 October 2013.

Cr Shepherd moved
Cr Scott seconded

That the report be received.

Motion carried

Item 9
2013/1187 **Documents signed under Council’s Seal.** DCS, 28/11/13

The report listed documents signed under the Council’s Seal.

Cr Scott moved
Cr Kelliher seconded

That the report be noted.

Motion carried

Item 10 **Reports from Councillors**

Cr Neill reported on the following meetings:

(a) *Zones 5 and 6, 19 November*

LGNZ President Lawrence Yule spoke about aspects of government, and Cr Neill commented that the meeting was divided about whether or not this was in preparation for local body amalgamations. Jim Harland spoke about NZTA funding and changes. Mayor Tracy Hicks, Gore, was elected the Zone 6 representative on the National Council; Cr Douglas, Southland District, was elected Chair of Zone 6; and Cr Kempthorne, Tasman District, was elected Deputy Chair of Zone 6.

(b) *Meeting with Shell Oil*

Crs Neill and Croot attended a meeting with representatives from Shell Oil hosted by the DCC. Shell Oil had to decide by 10 January if they wanted to go ahead with their proposed exploratory drilling programme.

Cr Kelliher reported on the following meetings:

(a) *TB Free Southern South Island Committee meeting, 22 November*

The meeting farewelled Owen Churchman, who had had a long association with the AHB and TB Free programme, and acknowledged the work of former ORC representative Duncan Butcher. There was now a total of 11 infected herds in the southern South Island, compared to 300 in the 1990s. A successful aerial poisoning operation had been carried out in the Catlins.

(b) *Friends of Lake Hayes*

The group had 115 members, with primary interests around environmental issues including algal bloom, rabbits, and lake water levels.

PART D - MINUTES OF MEETINGS

Item 11 **Recommendations of the Communications Committee meeting** held on 20 November 2013, for adoption

Cr Woodhead moved

Cr Bell seconded

That the recommendations of the Communications Committee meeting held on 20 November 2013 be adopted.

Motion carried

- Item 12 **Recommendations of the Finance and Corporate Committee meeting** held on 20 November 2013, for adoption

Cr Shepherd moved
Cr Kelliher seconded

That the recommendations of the Finance and Corporate Committee meeting held on 20 November 2013 be adopted.

Motion carried

- Item 13 **Recommendations of the Policy Committee meeting** held on 20 November 2013, for adoption

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 20 November 2013 be adopted.

Motion carried

- Item 14 **Recommendations of the Regulatory Committee meeting** held on 20 November 2013, for adoption

Cr Neill moved
Cr Eckhoff seconded

That the recommendations of the Regulatory Committee meeting held on 20 November 2013 be adopted.

Motion carried

- Item 15 **Recommendations of the Technical Committee meeting** held on 20 November 2013, for adoption

Cr Scott moved
Cr Deaker seconded

That the recommendations of the Technical Committee meeting held on 20 November 2013 be adopted.

Motion carried

EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Kelliher seconded

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

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

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
<i>Item 16</i>	<i>Port Otago Ltd Annual Shareholders' meeting</i>	<i>To protect the privacy of natural persons. (S7(2)(a))</i>	<i>S.48(1)(a)(i)</i>
<i>Item 17</i>	<i>Minutes of the non public portion of the Council meeting held on 6 November 2013, for adoption</i>	<i>To enable the Council to carry out commercial activities without prejudice or disadvantage. (S7(2)(h))</i>	<i>S.48(1)(a)(i)</i>
<i>Item 18</i>	<i>Contractual Issues</i>	<i>To enable the Council to carry out commercial activities without prejudice or disadvantage. (S7(2)(h))</i>	<i>S.48(1)(a)(i)</i>

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

Motion carried

Following discussion of Items 16, 17 and 18,

Cr Scott moved
Cr Shepherd seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 3.08 pm.

Chairperson

REPORT

Document Id: A599361
Report No: 2014/0643
Prepared For: Council
Prepared By: Cr Woodhead - Chairperson
Date: 5/02/2014

Subject: Chairman's Report - February 2014

A quiet period over the Christmas break. Mr Bodeker and I were in regular contact keeping updated on issues such as the Dart Valley landslip etc.

1. National Council

The first meeting for the new year on the 4th February was the first opportunity to meet all the four new National Councillors, Cr Penny Webster from Auckland, John Tregidga, Mayor of Hauraki DC, Richard Kempthorne, Mayor of Tasman DC and John Carter, Mayor of the Far North DC.

Agenda items included updates on various policy and communications work, including the three waters project, 2014 conference preparations and various submissions to RMA etc. Concern of the outcome from the FAR rate review has led to a Transport Summit being run in conjunction with the Rural and Provincial meeting on the 13th/14th March.

Following the decision not to proceed with a merger with SOLGM, National Council has reviewed LGNZ rules and is holding a special annual general meeting to progress them prior to the annual meeting later in the year. This will be held later in the afternoon of the 13th March. It is appropriate that the Regional Transport Committee Chairman attends these meetings.

Following a cabinet shuffle, Hon Paula Bennett is the new Minister of Local Government. The Minister intends visiting as many Chairs and Mayors as possible during the year. Pesata Sam Lotu-Liga is the Associate Minister.

KnowHow training for newly elected members and Sale and Supply of Alcohol Act training had 880 attendees pre-Christmas. The Institute of Directors/LGNZ training package is being finalised – it will be five modules over three years. The first module is governance essentials and should be available from April.

Other business solutions including HR support and CE performance monitoring packages are being developed and staff recruited.

2. Regional Policy Statement

The third region-wide RPS workshops in Queenstown and Dunedin were well attended. It was good to meet most of the newly elected councillors from around the region and pleasing to see them involved in the RPS process.

3. Other meetings

Mr Bodeker and I attended the Clutha District Council function for retiring Chief Executive, Charles Hakkaart on the 20th December. I took the opportunity to thank Charles for his many years of service to the region via the Mayoral Forum and Civil Defence.

I attended a presentation by Air New Zealand which updated the business community, University of Otago, local government etc. on the changes to schedules as a result of fleet replacement process.

4. Future meetings

The next Zones 5&6 meeting is in Invercargill on the 28th March at 9.00am. Agenda items at this stage include LGNZ update, Deputy Prime Minister Bill English, Labour LG spokesperson Su'a William Sio, and NZTA.



Stephen Woodhead
Chairman

REPORT

Document Id: A597295
Report No: 2014/0631
Prepared For: Council
Prepared By: Chief Executive
Date: 31/01/2014

Subject: Chief Executive's Report

1. Organisational Restructure

The organisational restructure became operative in December. The restructure saw the merging of the consents and policy activity and the engineering and science activities from four to two directorates.

A new directorate incorporating communications, customer services and ORC's education activity has been formed. Recruitment for that directorate's director is currently underway and in the interim I am managing those activities. A small reorganisation of staff offices has taken place to facilitate the changes in structure.

2. LGNZ Regional CEO Activity

Since Christmas I have been sitting on two LGNZ Regional Council sector group committees.

One has been investigating the make-up and status of special interest groups such as river managers, information technology and the like. The review is looking at the way these groups operate and how they interact with other such groupings, as well as how they report back to the parent council. Additionally, the matter of the status of these groups with respect to providing feedback to government agencies is also under review.

The second committee relates to the provision of environmental monitoring information to government. Central government is looking to increase the amount of environmental reporting and local authorities are considering a partnership to utilise the data already being collected for various activities.



Peter Bodeker
Chief Executive

The Chief Executive

The Otago Regional Council

29 - Jan - 2014

Dear Peter, I request that the following Notice of Motion be included as an agenda item at the Council Meeting of 12th ~~Monday~~ February 2014. The motion reads -

"That the Otago Regional Council endorses (in principle) the exploration for oil & gas off the Otago coast"

Signed Gerrard Eckhoff Councillor Otago Regional Council

Dated - 29 - Jan - 2014

REPORT

Document Id: A597304

Report No: 2014/0633
Prepared For: Council
Prepared By: Chief Executive
Date: 31/01/2014

Subject: Matters pertaining to supporting commercial activity and its implication with ORC's regulatory responsibility

1. Oil and Gas Exploration

Council has received a notice of motion to consider oil and gas exploration. The motion, if passed, would signal support in principle for the exploration of oil and gas off the Otago coast.

In light of the changes to the Local Government Act Purpose Statement and the role of ORC with Resource Management Act matters, I have sought an opinion from our solicitors as to whether it is legal or desirable to potentially take a position on a matter such as oil and gas exploration.

The opinion received states that ORC taking a position on this matter would not be lawful due to changes made to the Local Government Act Purpose Statement.

On the matter of desirability, the opinion states that as the ORC may be required to consider aspects of oil and gas production under a future RMA consideration, taking a position one way or the other may preclude the Council or its Councillors from being able to take part in future considerations on this matter.

2. Recommendation

That the report be noted.



Peter Bodeker
Chief Executive

REPORT

Document Id: A598287

Report No: 2014/0636

Prepared For: Council

Prepared By: Corporate Analyst

Date: 4/02/2014

**Subject: Submission on the Local Government Act 2002 Amendment Bill
(No 3)**

1. Précis

The Local Government Act 2002 Amendment Bill (No 3), (“the Bill”) was introduced in November 2013. The Bill is intended to implement the Governments second phase of legislative reform to improve the operation, efficiency and effectiveness of local government.

Submissions on the Bill close on 14 February 2014. The purpose of this paper is to seek approval of a submission from the Otago Regional Council on the Bill.

2. Submission on the Bill

In Executive Report – January 2014, 2014/0601, a summary of the provisions of the Bill was provided to the Finance and Corporate Committee at its meeting on 29 January 2014.

Many of the clauses in the Bill are supported, as they are seen to be practical, cost effective changes. A number of clauses however are not supported, including the requirement to undertake a prescriptive review of delivery of services after each triennial election, the inclusion of a 30 year infrastructure strategy in the Long Term Plan, and the preparation of a separate consultation document for the draft Long Term Plan.

Attached to this paper is a detailed draft submission on those clauses in the Bill that affect regional councils, for approval.

3. Recommendation

1. That this report be noted.
2. That the attached submission on the Local Government Act 2002 Amendment Bill (No 3) be approved.



Wayne Scott
Director Corporate Services

Submission from the Otago Regional Council**To the Local Government and Environment Committee on the
Local Government Act 2002 Amendment Bill (No 3)****1. Introduction**

This submission is from Wayne Scott, Director Corporate Services, on behalf of the Otago Regional Council, 70 Stafford Street, Dunedin.

I do not wish to be heard in support of this submission.

2. Summary of Submission

A summary of our key submission points is presented below:

- 2.1 Support is given for the following clauses:
 - Clause 7, Principles relating to local authorities
 - Clause 8, Triennial agreements
 - Clause 19, Requirements in relation to decisions
 - Clause 21, Principles of consultation
 - Clause 22, Information requirements for consultation generally
 - Clause 23, Special consultative procedure
 - Clause 35 to 39, Funding and financial policies, rating policies
- 2.2 Clause 11, Delivery of services – we do not support this clause. The suggested timing of reviews is not considered appropriate and could introduce politically significant risks.
- 2.3 Clause 18, Significance and Engagement Policy – we support this clause, but do not support the transitional provision (Schedule 1AA) that this policy is to be adopted no later than December 2014. It would be more cost effective and efficient to consult on this policy in conjunction with the Draft 2015-25 Long Term Plan, with its adoption no later than 30 June 2015.
- 2.4 Clause 29, Long Term Plan – we do not support this clause with respect to the requirement to produce a separate consultation document, thereby eliminating the summary document. We consider that this will not meet the needs of our community. We see additional costs being incurred with the audit of both the Long Term Plan and the Consultation document, and we see the consultation document bringing in unnecessary detail that our community simply will not want.
- 2.5 Clause 31, Annual Plan – we support this clause but request some definition of the term “material difference”.
- 2.6 Clause 34, Infrastructure Strategy – while we support the preparation of an infrastructure strategy, we do not support the information requirements

prescribed for this strategy, or the inclusion of a 30 year infrastructure strategy in the Long Term Plan. We suggest that a 10 year period would be more appropriate.

3. Submission

Our submission covers a number of clauses set out in the Bill, and these are discussed in the sections below.

3.1 Clause 7 - Principles relating to local authorities

We support this clause which strengthens the principle that local authorities should collaborate and co-operate, and includes the principle of planning effectively for the future management of assets. We consider that in performing our role to date, we have been giving consideration to these proposed principles. We do not see that the proposed amendment will result in any changes to the operation of this Council.

3.2 Clause 8 – Triennial agreements

We support this clause which broadens the scope of triennial agreements. We note that the proposed amendments are in line with clause 7 to strengthen the principle of collaboration and co-operation.

3.3 Clause 11 – Delivery of services

We do not support the inclusion of clause 11, which requires a prescriptive review of the cost-effectiveness of current arrangements for the delivery of services, the review to be completed after each triennial election.

The prescriptive timing of the review proposed in this clause is not supported. A full review of all activities, every three years following an election would create great uncertainty among service providers, discouraging commitment to investment in service delivery, and affect pricing.

We consider that such reviews are part of good business practice. They are an ongoing activity, undertaken at appropriate intervals, depending on the nature and timing of the activity. Further, these reviews should focus not only on cost effectiveness, but also efficiency, effectiveness and customer requirements.

The reviews, as proposed, lack flexibility, create uncertainty and risk, and would not be cost effective.

3.4 Clause 18 – Significance and engagement policy

We support clause 18 which requires the adoption of a policy setting out an approach to significance, and how we will respond to community preference about engagement on decisions relating to specific issues, assets or other matters.

We do however have concerns with the transitional provision in Schedule 1AA, proposing that the policy is to be adopted no later than December 2014. We recommend that as a transitional provision, the first policy be incorporated into the 2015-25 Long Term Plan for consultation purposes, and be required to be adopted by 30

June 2015. This would be a cost effective and efficient process, avoiding the need for two consultations within a short period of time.

We understand that the timing has been set in readiness for preparing a consultation document for the 2015-25 draft Long Term Plan. Please refer to 3.9 for our comments on this.

3.5 *Clause 19 – Requirements in relation to decisions*

We support clause 19 which simplifies the decision making process.

3.6 *Clause 21 – Principles of consultation*

We support clause 21 which provides that people who present views should have access to a clear record or description of relevant decisions made. We welcome this clause which will result in a more cost effective and efficient consultation process.

3.7 *Clause 22 – Information requirements for consultation generally*

We support clause 22 and the amendments proposed to be made to section 82 of the Act. The proposed changes are all logical, and what would be expected from a consultation process.

3.8 *Clause 23 – Special consultative procedure*

We support the provisions in clause 23 which include removing the compulsory need for a summary document to be prepared and only having to prepare one when considered useful, and allowing any person to present their views by way of audio or audiovisual link.

These amendments are practical and will result in cost savings. As a regional Council, we have a large geographical area to cover. It is not always cost effective for people to be able to present their views in person in their local area, and allowing audio or audiovisual links is an excellent alternative.

3.9 *Clause 29 – Long Term Plan*

We do not support clause 29, requiring the preparation of a separate “consultation document”. We do not believe that this document will necessarily meet the needs of our community. We have a number of interested parties who prefer to receive a full draft Long Term Plan, and others who prefer a summary of the Long Term Plan. This consultation document appears to be a “one size fits all” approach, providing less information than is held in the Long Term Plan, and more than in our current summaries. We see no problems with the current requirements for making available the full Long Term Plan or summary document for consultation purposes, as these options seem to meet our community’s needs.

The content of the consultation document is prescriptive, and requires an audit, adding further cost to this planning process, both in terms of audit fees and resource.

3.10 *Clause 31 - Annual Plan*

We support this clause, which allows consultation in terms of Section 82 of the Act. We do however seek clarification on some aspects of this clause.

With respect to the provisions relating to the content of the consultation document, significant or material differences between the proposed annual plan and the Long Term Plan, are to be included. We assume that significant differences will be evaluated in terms of our Significance and Engagement policy. Some definition is required however, as to what constitutes a “material” difference.

We further assume that if there are no significant or material differences between the Long Term Plan and the draft annual plan, then consultation would not be required,

3.11 Clause 34 – Infrastructure strategy

This clause requires the preparation and adoption of an infrastructure strategy for a period of at least 30 years. We support the need for such a strategy, but do not support the 30 year period, and we question the level of detail prescribed to be included.

In order to prepare a 30 year strategy as prescribed, a lot of resource would be required. Assumptions needed would include changing land use, climate change, population changes, inflation rates, etc., and would render the strategy as totally meaningless, in the longer term.

We believe that the level of detail required to be included in the strategy is more relevant to an Asset Management Plan rather than a strategy. A strategy should provide a higher level review than is being asked for. We question the purpose of the strategy as provided for. A meaningful strategy would certainly highlight when replacements, upgrade, new construction etc, of assets would be required, along with certain assumptions around levels of service etc., but to provide indicative estimates for each year of the strategy of projected capital and operating expenditure would be too detailed, and be extremely misleading due to a lack of accuracy.

The Long Term Plan is a 10 year plan. We believe the community would find a 30 year strategy confusing and complex. It would not promote effective engagement. We would be supportive of the inclusion of a 10 year infrastructure strategy in this planning document.

3.12 Clause 35 to 39 – Funding and financial policies, rating policies etc.

We support these clauses that require certain policies to be consulted on using the consultation processes under Section 82 of the Act.

Thank you for the opportunity to submit on this Amendment Bill.

Wayne Scott
Director Corporate Services

REPORT

Document Id: A592940
Report No: 2014/0594
Prepared For: Council
Prepared By: Director Corporate Services
Date: 16/01/2014

Subject: Appointments to Committees

1. Précis

The Council invited representation as provided for by legislation on the Otago Regional Transport Committee and the Otago Civil Defence Emergency Management Joint Committee. Representation has now been advised and recommendations for committee appointment are accordingly made.

2. Background

The Otago Regional Transport Committee and the Otago Civil Defence Emergency Management Joint Committee include representatives nominated by other authorities and agencies.

Those representatives have now been advised by the relevant external organisations.

3. Otago Regional Transport Committee

The committee membership is made up of representatives of local authorities in Otago plus the NZ Transport Agency.

This Council's representatives Cr Trevor Kempton (Chair) and Cr Graeme Bell (Deputy Chair) have already been appointed by the Council.

Appointments from the other membership organisations have been advised as:

- Dunedin City – Cr Kate Wilson
- Queenstown Lakes District – Deputy Mayor Lyal Cocks, (alternate Cr Alexa Forbes)
- Central Otago District – Cr Barrie Wills, (alternate Cr Stu Duncan)
- Waitaki District – Cr Bill Kingan
- Clutha District – Cr Hamish Anderson
- NZ Transport Agency – Mr Jim Harland

4. Otago Civil Defence Emergency Management Joint Committee

Note: Council Chairperson Cr Woodhead has already been appointed as Chair of this Joint Committee.

Appointments from the Otago territorial authorities have been advised as:

- Dunedin City – Mayor Dave Cull
- Queenstown Lakes District – Mayor Vanessa Van Uden, (alternate Deputy Mayor Lyal Cocks)
- Central Otago District – Mayor Tony Lepper
- Waitaki District – Mayor Gary Kircher
- Clutha District – Mayor Bryan Cadogan

5. Recommendation

(1) That the following be appointed to the Otago Regional Transport Committee:

- Cr Kate Wilson representing Dunedin City
- Deputy Mayor Lyal Cocks representing Queenstown Lakes District, (alternate Cr Alexa Forbes)
- Cr Barrie Wills representing Central Otago District
- Cr Bill Kingan representing Waitaki District
- Cr Hamish Anderson representing Clutha District
- Mr Jim Harland representing NZ Transport Agency

(2) That the following be appointed to the Otago Civil Defence Emergency Management Joint Committee:

- Mayor Dave Cull – Dunedin City
- Mayor Vanessa Van Uden – Queenstown Lakes District (alternate Deputy Mayor Lyal Cocks)
- Mayor Tony Lepper – Central Otago District
- Mayor Gary Kircher – Waitaki District
- Mayor Bryan Cadogan – Clutha District.



Wayne Scott
Director Corporate Services

REPORT

Document Id: A591575
Report No: 2014/0580
Prepared For: Council
Prepared By: Peter Kelliher, Legal Counsel
Date: 4 February 2014

Subject: Delegation under the Otago Regional Council Flood Protection Management Bylaw 2012

1. Précis

The Otago Regional Council Flood Protection Management Bylaw 2012 provides to control and protect drains, defences against water, and floodways belonging to or under the control of the Council. For administrative efficiency, functions under the Bylaw may be delegated to appropriate staff.

2. Background

In August 2012, the Council adopted the “Otago Regional Council Flood Protection Bylaw 2012” (“the Bylaw”). The purpose of the Bylaw was for the protection of community assets such as drainage works and defences against water, which are owned by or under the control of the Council.

The Bylaw provides that the authority of the Council is required for activities including:

- To widen, obstruct or interfere with drains scheduled as part of the Council’s schemes.
- To alter any scheduled defence against water, or plant or construct or dump anything as a defence against water in restricted locations.
- To obstruct or interfere with any floodway.

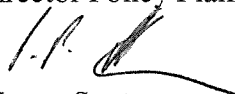
The Bylaw also provides controls in respect of overland flow paths and fencing.

3. Delegation

For the effective operation of the Bylaw, it is suggested that appropriate delegation be authorised for approving/refusing/revoking authority under the Bylaw. It is recommended that a delegation to any of the Director Engineering Hazards and Science, Director Policy Planning and Resource Management and the Chief Executive, be granted.

4. Recommendation

That the Council approve the delegation of authority under the Otago Regional Council Flood Protection Bylaw 2012 to any of the Director Engineering Hazards & Science, Director Policy Planning and Resource Management and the Chief Executive.



Wayne Scott
Director Corporate Services

REPORT

Document Id: A596488
 Report No: 2014/0627
 Prepared For: Council
 Prepared By: Finance Manager
 Date: 5 February 2014

Subject: Financial Report to 31 December 2013

The following information is provided in respect of the overall Council finances for the six months to 31 December 2013.

1. Activity Expenditure

Expenditure for the Council's activities, including capital expenditure and internal charges, is summarised as follows:

		Annual Budget \$000's	YTD Budget \$000's	YTD Actual \$000's	Variance (unfav) \$000's
Air Quality	Note 1	1,452	730	548	182
Bio-Security		2,082	1,064	1,048	16
Coast		339	169	117	52
Dam Safety		368	184	178	6
Emergency management		378	192	157	35
Environmental Incident response		631	321	318	3
Flood protection & control works	Note 2	8,613	3,291	2,918	373
Governance & Community		3,995	2,016	1,892	124
Regional Policy Statement	Note 3	498	228	326	(98)
Rivers & Waterway Management		1,088	546	440	106
Natural hazards	Note 4	1,395	704	475	229
Transport		8,606	4,419	4,275	144
Water	Note 5	8,913	4,041	3,591	450
		38,358	17,905	16,283	1,622

Note 1 Air Quality

The prime reason for this variance is lower than budgeted expenditure in the Clean Air Initiative project, reflecting a lower level of activity undertaken in the project than was provided for in the budget.

Note 2 Flood protection and control works

The prime reason for this variance is lower than budgeted expenditure in the Leith flood protection project. This largely reflects a timing difference in that the level of activity

undertaken in the project to date, amounting to \$1,649,000, is \$502,000 less than was provided for in the budget.

Note 3 Regional Policy Statement

The Regional Policy Statement is showing an unfavourable variance of \$98,000. However as work budgeted within the Regional Plan – Hazards project has been incorporated within the Regional Policy Statement, the addition to the Regional Policy Statement of the year-to- date Regional Plan - Hazard budget of \$83,000, results in a combined variance of only \$15,000 (4.8%).

Note 4 Natural Hazards

The Regional Plan – Hazards project has a year-to-date budget of \$83,000, however no costs have been incurred under this project as the work envisaged to be performed under this plan now forms part of the Regional Policy Statement.

The remaining portion of the favourable variance in this activity is largely a result of the diversion of resources from that budgeted, to projects outside the Natural Hazards activity and a lag in consultant invoicing, with approximately \$60,000 yet to come to charge.

Note 5 Water

This activity comprises 16 projects with a net favourable variance of \$450,000 or 11% of budget. Comment is provided on only the most significant variances.

The most significant favourable variance is the Consent Processing – Water Project, with a variance of \$170,000 compared to the budget of \$566,000. The major component of the project cost and variance is staff time, reflecting a lower level of consent activity demanded from that provided for in the budget.

The most significant unfavourable variance is the Regional Plan – Water project with an unfavourable variance of \$152,000 compared to the budget of \$490,000. The variance primarily reflects additional minimum flow and groundwater work, 6A appeals and legal fees.

2. Income Statement and Balance Sheet

An Income Statement for the six months to 31 December 2013 and a Balance Sheet as at 31 December 2013 are attached.

3. Recommendation

That this report be received.



R W Scott
Director Corporate Services

Otago Regional Council

**Income Statement
For the Six Months to 31 December 2013**

		Annual Budget \$000's	YTD Budget \$000's	YTD Actual \$000's	Variance (unfav) \$000's
Income:					
Rate income		15,632	7,816	7,824	8
Grant and subsidy income	Note 1	4,284	2,211	2,500	289
Interest received	Note 2	1,085	543	1,181	638
Other income		4,914	2,457	2,422	(35)
Dividend income	Note 3	7,200	3,600	3,600	-
Rental income		903	451	505	54
Gain in value of investment Property	Note 4	241	-	-	-
Other gains	Note 5	-	-	247	247
Total Income		34,259	17,078	18,279	1,201
Less Expenditure:					
Operating expenses		29,205	14,279	14,281	(2)
Finance costs		555	278	249	29
Depreciation expense		1,341	671	626	45
Total Expenditure		31,101	15,228	15,156	72
Surplus		3,158	1,850	3,123	1,273

Note 1 – Grant and Subsidy Income

The prime cause of this favourable variance is a variance of \$258,000 within the Dunedin passenger transport project. The actual level of subsidy received in respect of bus contracts is greater than that budgeted, as the budget was set at a lower than normal level reflecting the uncertainty of subsidy revenue at that time. The impact of the increased revenue will be a lower drawing on transport reserves than budgeted.

Note 2 – Interest Received

The favourable variance is mainly due to a higher level of investments held in interest bearing financial instruments than anticipated in the budget.

Note 3 – Dividend Income

Dividend Income comprises an accrual of six months of the current year annual dividend expected from Port Otago Limited. It is noted that \$1.9 million of the expected income was received in September 2013 by way of a final dividend for the June 2013 year.

Note 4 – Gain in the value of Investment Property

Investment Property is revalued annually at 30 June. Accordingly the year to date budget and actual gain are reported as nil amounts to 31 December 2013.

Note 5 – Other Gains

The year to date gains recorded to 31 December 2013 are an increase in the value of the BNZ managed Investment Portfolio of \$165,000 and a gain of \$82,000 in respect of the Mark to Market valuation of the interest rate swap associated with the BNZ loan.

Otago Regional Council

 Balance Sheet
 As at 31 December 2013

		31 December 2013 \$000's	30 June 2013 \$000's
Public Equity			
Public equity		138,772	143,186
Available-for-sale revaluation reserve	Note 1	341,264	341,264
Asset revaluation reserve		7,485	7,485
Asset replacement reserve		4,725	4,633
Building reserve	Note 2	5,100	-
Emergency response reserve		3,493	3,425
Irrigation grants reserve		395	206
Kuriwao endowment reserve		5,945	5,500
		507,179	505,699
Current Liabilities			
BNZ Loan	Note 3	10,000	10,000
Accounts payable and accruals		4,105	6,624
Other financial instruments		57	138
Revenue in advance	Note 4	7,826	-
		21,931	16,762
Total Equity and Liabilities		529,167	522,461
Non-Current Assets			
Operating assets		79,535	80,196
Intangible assets		1,816	1,893
Investment Property		9,546	9,546
Deferred tax asset		98	98
Shares in Port Otago Ltd	Note 1	361,264	361,264
		452,259	452,997
Current Assets			
Cash and cash equivalents	Note 5	5,640	1,893
Other financial assets	Note 5	64,605	62,869
Receivables		4,478	4,137
Other current assets		100	180
Inventories – stock and property held for sale		385	385
Dividends Receivable		1,700	-
		76,908	69,464
Total Assets		529,167	522,461

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

The Shares in Port Otago Ltd are included at the June 2013 valuation, and the available-for-sale revaluation reserve reflects the revaluation amount of the shares.

Note 2 – Building Reserve

In accordance with the Annual Plan 2013/2014, this interest bearing reserve was created on 1 July 2013 by the transfer of \$5.0 million from public equity. The purpose of the reserve is to set aside funding for a new head office for the Council.

Note 3 – Bank Loan

The term loan reflects external borrowing of \$10 million drawn from the Bank of New Zealand to fund part of the Council's contribution to the Forsyth Barr Stadium.

The term loan facility termination date is 30 June 2014.

Note 4 – Revenue in Advance

Revenue in advance reflects the portion of rating income invoiced in September 2013 that will be reflected as revenue over the remaining six months of the financial year.

Note 5 – Cash and Cash Equivalents and Other Financial Assets

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

REPORT

Document Id: A599028
Report No: 2014/0637
Prepared For: Council
Prepared By: Committee Secretary
Date: 4 February 2014

Subject: Documents signed under Council's Seal

1. Précis

To inform the Council of delegations which have been exercised.

2. Documents signed under the Council's Seal

- Adoption of Standing Orders for the Otago Regional Council.
- Deed of Transfer, Assignment and Variation of Bond between L&M Mining Ltd, Mintago Investments Ltd, Bank of New Zealand, and Otago Regional Council.

3. Recommendation

That this report be noted.



For Wayne Scott
Director Corporate Services

Report back from Councillors

Minutes of Meetings

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Communications Committee held
in the Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 29 January 2014 commencing at 2.03 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Nicola McGrouther
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Croot and Robertson.

Matters arising from minutes

There were no matters arising from the minutes.

Cr Kempton congratulated Nicola McGrouther on her appointment to the position of Manager Community Liaison and Education. Mr Bodeker advised that the recruitment of the Director Stakeholder Engagement was being handled by an agency. Applications for the position were to close on 7 February, and some strong applications had been received.

ITEMS FOR NOTING

Item 1

2014/0593 **Report on Community Liaison and Education January 2014.**

CE, 16/1/14

The report provided an update on Plan Change 6A implementation and catchment programme progress.

Comment was made on the importance of the river awards for the Shag and Waikouaiti rivers, which acknowledged the impact of ORC work in the area, and the contribution of major efforts by Dr Selvarajah on the disposal of Cherry Farm waste water was also noted.

In response to a question about nitrogen loss mapping, Ms McGrouther explained that AgResearch was using the Overseer model to map the whole of the region, including irrigated areas. While in the early stages this was a broad brush approach, the maps clearly showed the areas of nitrogen loss, and would provide useful initial information for landowners considering land use changes.

It was suggested that key people be invited to Otago to speak about a range of matters relevant to the work of the Community Liaison and Education team, covering both regional and national perspectives.

Ms McGrouther advised in response to a question that results of the lysimeter study would be presented to the February or March meeting of Council. She also noted that the application of Plan Change 6A provisions on monitor farms provided a good opportunity to inform the community about the plan change. The value of exchange of information between monitor farms and and regions was noted.

In response to a question Mr Taylor advised that fact sheets would be produced to provide information about meeting 6A targets, and also noted the use of You Tube to learn how to, for example, take a water sample. The importance of consistent training and messages across Council was noted.

Cr Shepherd moved
Cr Bell seconded

That the report be noted.

Motion carried

Item 2

2014/0582 **Report on Communications and Media Activity January 2014.**

CE, 13/1/14

The report detailed Council communications and media activity completed since the last committee meeting on 20 November 2013. Councillors congratulated staff on the work carried out.

A question was raised about publicity in relation to the Leith Flood Protection Works in the University clocktower reach, and Dr Palmer advised that weekly meetings about the project were held with University staff, and there was communication between the two parties at least daily. The University was responsible for passing information on to University staff and students.

Mr Taylor advised in response to a question that there was a substantial catchment programme under way at Lake Tuakitoto.

Cr Woodhead moved

Cr Croot seconded

That the report be received.

Motion carried

Item 3

2014/0592 **Report on Customer Services Activity January 2014.** CE, 16/1/14

The report detailed activity since front-line staff in Dunedin, Alexandra and Queenstown became Customer Services Officers on 9 December 2013.

Cr Croot moved

Cr Neill seconded

That the report be received.

Motion carried

The meeting closed at 2.41 pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Finance and Corporate Committee
held in the Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 29 January 2014 commencing at 2.42 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Kelliher and Bell.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2014/0607 **Managed Fund – Statement of Investment Policy and Objectives.**

DCS, 20/1/14

The Council's Statement of Investment Policy and Objectives was attached for consideration and adoption by Council. Alex Newdick and Grant Batchelor, BNZ, were in attendance for this item.

In response to a query raised about the amount held in Council investments, Mr Scott pointed out that before the end of June a loan repayment of \$10m would be required, and he also noted the programmed considerable expenditure on the Leith Flood Protection Scheme.

It was noted that Council investments were detailed in the Annual Plan, and Mr Scott advised that a report on investments would be prepared for Council.

Mr Scott explained in response to a question about ethical investment of funds that fund managers provided information about classes of asset, not individual shareholdings.

A question was raised about the fixed interest target of 65% of the fund total, and Mr Scott explained that the SIPO was predicated on conservatism, and noted that cash formed a majority of the holding. He further noted that the managed fund now totalled \$17.7m, and all interest and dividends were transferred into reserves and to reduce the general rate.

In response to a question Mr Scott noted that the SIPO provided for an annual review, and also noted that the document formed part of the treasury management policy. A correction was needed to replace any reference to Forsyth Barr, Council's former fund manager, with the term 'managed fund'.

Cr Woodhead moved

Cr Croot seconded

- (1) *That the Statement of Investment Policy and Objectives attached to report 2014/0607 be adopted.*
- (2) *That the adopted policy be incorporated into the Council's treasury management policy.*
- (3) *That any specif refs in the tmp to forbar be worded appropriately.*

Motion carried

PART B – ITEMS FOR NOTING

Item 2

2014/0598 Passenger Transport Operations Update – Patronage, Student Fare Concession Trial, and Journey Planner. DCS, 17/1/14

The report provided an update on passenger trips for the Dunedin network, the tertiary student fare concession trial, and the implementation of the journey planner for Dunedin. Mr Scott explained that the report provided a comparison with the previous year's patronage, and information on the student fare concession and Saturday services, as requested by the Committee.

Cr Kelliher moved
Cr Shepherd seconded

That the report be received.

Motion carried

Item 3

2014/0601 Executive Report. DCS, 17/1/14

The report described significant activities carried out by the Finance and Corporate section since November 2013.

The Draft Annual Plan was being prepared for consideration at the 11 February workshop.

Council's submission on the Local Government Amendment Bill would be presented to the 12 February Council meeting. A question was raised about the provision for people who presented views to a local authority to have access to a record of the relevant decisions made. Mr Scott explained that this related mostly to written submissions, and would allow staff to send out copies of the decision rather than having to respond individually to each point made by each submitter.

Mr Scott advised that completion of the new Cromwell depot was expected in early April, and he noted that being able to move staff to an alternative site during the construction period had allowed good progress on the build.

It was noted that Councillors had agreed to seek approval from the Remuneration Authority to amend the remuneration model in terms of the proportion of payments to committee chairs and deputy chairs. Mr Scott advised that in their recent letter the Authority had approved the expenses policy, and had advised that a separate reply would be sent relating to the regime issue.

Cr Croot moved
Cr Scott seconded

- (1) *That this report be received.*
- (2) *That the payments and investments summarised in the table above and detailed in the tabled schedule, totalling \$15,432,924.79, be endorsed.*

Motion carried

The meeting closed at 3.10 pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the Council
Chamber, 70 Stafford Street, Dunedin on Wednesday
29 January 2014 commencing at 3.12 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Shepherd and Neill.

Matters arising from minutes

ITEMS FOR NOTING

Item 1

2013/1233 Proposed Amendments to the National Policy Statement for Freshwater Management 2011. MP, 20/12/13

The report noted that submissions had been sought on an amendment proposed by the Ministry for the Environment to the National Policy Statement for Freshwater Management (NPSFM). The Executive Summary of the proposed submission was circulated, and it was noted that the submission was due on 4 February.

Mr McRae commented that the submission took a positive approach on the proposed National Policy Statement, which aligned with Plan Change 6A. The major concern was that the water limits and targets set in the NPSFM were well below those in Plan Change 6A, and if adopted could result in large scale degradation of water quality in Otago.

Cr Woodhead commented that the Otago community had agreed on limits and targets in Otago waterways, and he understood that it was not intended that the NPS undermine community decisions. He noted that the NPS required collection of data which Otago did not need and in some cases was expensive to test for. Mr McRae also queried the need for measuring takes from permitted activities for fire control, stock water, and domestic uses.

It was suggested that a working group be set up to assist in the development of, and to endorse, an ORC submission, the group to comprise the Chair, Chair of the Policy Committee, and the Director Policy Planning and Resource Management.

Cr Robertson moved

Cr Deaker seconded

- 1) *That the report be noted.*
- 2) *That a working group be set up to assist in the development of, and to endorse, an ORC submission on the National Policy Statement for Freshwater Management, the group to comprise the Chair, Chair of the Policy Committee, and the Director Policy Planning and Resource Management.*

Motion carried

Item 2

2013/1152 Director's Report on Progress. DPPRP, 20/12/13

The report gave an overview of significant activities undertaken by the Policy section. The reference to a Consultation Draft of Proposed Plan Change 7A was to be deleted from the report.

Mr McRae advised that all appeals on Plan Change 6A had been resolved and a Memorandum of Agreement was soon to be circulated for signature. There were some wording modifications, but very little change in the substance of what was intended as a result of the hearing.

Cr Deaker moved
Cr Kemptom seconded

That the report be noted.

Motion carried

The meeting closed at 3.28 pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the Council
Chamber, 70 Stafford Street, Dunedin on Wednesday
29 January 2014 commencing at 3.12 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Shepherd and Neill.

Matters arising from minutes

ITEMS FOR NOTING

Item 1

2013/1233 **Proposed Amendments to the National Policy Statement for Freshwater Management 2011.** MP, 20/12/13

The report noted that submissions had been sought on an amendment proposed by the Ministry for the Environment to the National Policy Statement for Freshwater Management (NPSFM). The Executive Summary of the proposed submission was circulated, and it was noted that the submission was due on 4 February.

Mr McRae commented that the submission took a positive approach on the proposed National Policy Statement, which aligned with Plan Change 6A. The major concern was that the water limits and targets set in the NPSFM were well below those in Plan Change 6A, and if adopted could result in large scale degradation of water quality in Otago.

Cr Woodhead commented that the Otago community had agreed on limits and targets in Otago waterways, and he understood that it was not intended that the NPS undermine community decisions. He noted that the NPS required collection of data which Otago did not need and in some cases was expensive to test for. Mr McRae also queried the need for measuring takes from permitted activities for fire control, stock water, and domestic uses.

It was suggested that a working group be set up to assist in the development of, and to endorse, an ORC submission, the group to comprise the Chair, Chair of the Policy Committee, and the Director Policy Planning and Resource Management.

Cr Robertson moved

Cr Deaker seconded

- 1) *That the report be noted.*
- 2) *That a working group be set up to assist in the development of, and to endorse, an ORC submission on the National Policy Statement for Freshwater Management, the group to comprise the Chair, Chair of the Policy Committee, and the Director Policy Planning and Resource Management.*

Motion carried

Item 2

2013/1152 **Director's Report on Progress.** DPPRP, 20/12/13

The report gave an overview of significant activities undertaken by the Policy section. The reference to a Consultation Draft of Proposed Plan Change 7A was to be deleted from the report.

Mr McRae advised that all appeals on Plan Change 6A had been resolved and a Memorandum of Agreement was soon to be circulated for signature. There were some wording modifications, but very little change in the substance of what was intended as a result of the hearing.

Cr Deaker moved
Cr Kemptom seconded

That the report be noted.

Motion carried

The meeting closed at 3.28 pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the Council
Chamber, 70 Stafford Street, Dunedin on Wednesday
29 January 2014 commencing at 3.12 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Shepherd and Neill.

Matters arising from minutes

ITEMS FOR NOTING

Item 1

2013/1233 **Proposed Amendments to the National Policy Statement for Freshwater Management 2011.** MP, 20/12/13

The report noted that submissions had been sought on an amendment proposed by the Ministry for the Environment to the National Policy Statement for Freshwater Management (NPSFM). The Executive Summary of the proposed submission was circulated, and it was noted that the submission was due on 4 February.

Mr McRae commented that the submission took a positive approach on the proposed National Policy Statement, which aligned with Plan Change 6A. The major concern was that the water limits and targets set in the NPSFM were well below those in Plan Change 6A, and if adopted could result in large scale degradation of water quality in Otago.

Cr Woodhead commented that the Otago community had agreed on limits and targets in Otago waterways, and he understood that it was not intended that the NPS undermine community decisions. He noted that the NPS required collection of data which Otago did not need and in some cases was expensive to test for. Mr McRae also queried the need for measuring takes from permitted activities for fire control, stock water, and domestic uses.

It was suggested that a working group be set up to assist in the development of, and to endorse, an ORC submission, the group to comprise the Chair, Chair of the Policy Committee, and the Director Policy Planning and Resource Management.

Cr Robertson moved

Cr Deaker seconded

- 1) *That the report be noted.*
- 2) *That a working group be set up to assist in the development of, and to endorse, an ORC submission on the National Policy Statement for Freshwater Management, the group to comprise the Chair, Chair of the Policy Committee, and the Director Policy Planning and Resource Management.*

Motion carried

Item 2

2013/1152 **Director's Report on Progress.** DPPRP, 20/12/13

The report gave an overview of significant activities undertaken by the Policy section. The reference to a Consultation Draft of Proposed Plan Change 7A was to be deleted from the report.

Mr McRae advised that all appeals on Plan Change 6A had been resolved and a Memorandum of Agreement was soon to be circulated for signature. There were some wording modifications, but very little change in the substance of what was intended as a result of the hearing.

Cr Deaker moved
Cr Kemptom seconded

That the report be noted.

Motion carried

The meeting closed at 3.28 pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Regulatory Committee held in the Council
Chamber, 70 Stafford Street, Dunedin on Wednesday
29 January 2014 commencing at 3.43 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Croot and Bell.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2014/0572 **Regulatory Report. DEMO, 8/1/14**

The report detailed water, air, pest, and contaminated site environmental monitoring and incidents for the period 19 October to 31 December 2013.

In response to a question Mr Donaldson explained that the external audit of the Environmental Services and Operations Quality Management System related to water quality sampling. There was an ISO standard in place for the collecting of samples, including sampling for enforcement purposes, and sampling also provided information for Resource Science purposes. The auditing was carried out annually by NIWA.

Note was made of an odour complain at Green Island, and Mr Donaldson explained that the odour was from the landfill.

Cr Brown moved
Cr Kelliher seconded

That the report be noted.

Motion carried

Item 2

2014/0604 **Consent processing, consent administration and Building Control Authority update. DPPRM, 17/1/14**

The report detailed consent processing, consent administration and building control authority activity for the period 3 November 2013 to 17 January 2014.

Two audits were carried out recently, being MfE monitoring of implementation of the RMA (carried out by Hill Young Cooper Ltd), and Verification New Zealand assessment of the department's ISO 9001:2008 Quality Management accreditation, and Councillors were pleased to note that good results were received.

A reference in the Hill Cooper Young report to "Panel of four for all major resource consent decisions, requiring sign-off from two of that panel" was noted, and the recent appointment of a single commissioner to hear two ORC consents was queried.

Cr Shepherd moved
Cr Croot seconded

That the report be noted.

Motion carried

Item 3
2014/0565

RMA, Biosecurity Act and Building Act Enforcement Activities.
DCS, 13/1/14

The report detailed Resource Management Act 1991, Biosecurity Act 1993 and Building Act 2004 enforcement activities undertaken by the Otago Regional Council for the period 26 October 2013 to 13 January 2014.

Cr Woodhead noted ongoing challenges for QLDC's wastewater system, and referred to recent media coverage which appeared to indicate that ORC would not prosecute district councils for spills from their wastewater systems. Mr Bodeker stated that Council had made no policy or decision that QLDC or any other council would not be prosecuted, and that each case would be investigated on its merits. Staff were working with QLDC to determine possible action. Mr Donaldson advised in response to a question that QLDC did not have a trade waste bylaw, but was looking to develop one.

Cr Woodhead moved
Cr Shepherd seconded

That the report be noted.

Motion carried

Item 4
2014/0591

Appointment of hearing commissioners. DPPRM, 17/1/14

The report listed hearing commissioners appointed for the period to 17 January 2014.

Cr Neill moved
Cr Scott seconded

That the report be noted.

Motion carried

The meeting closed at 4.01 pm

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Technical Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 29 January 2014 commencing at 4.02 pm**

Present:

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

In attendance:

Peter Bodeker
Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 20 November 2013, having been circulated, were adopted on the motion of Crs Scott and Kelliher.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2013/1105 **2013 Air Quality Results.** DEHS, 16/1/14

The report presented Otago's ambient air quality monitoring results for 2013 and examined them in relation to these milestones. Deborah Mills, Resource Scientist Air Quality, was present for this item.

It was noted that air quality targets in a number of Otago towns had not been met, due to climate, environmental and economic factors and to the time needed for behavioural change to take place. Communities were aware of the impact of poor air quality on people's health. It was suggested that education and communication campaigns needed to be reviewed.

It was pointed out that that there had been some progress, although not as much as had been hoped, and it was suggested that discussions be held with other South Island councils, with a view to making an approach to government.

Ms Mills agreed that it was disappointing that the targets had not been met. She suggested it would be appropriate to review and update the projections and assumptions made in 2006/07, and different scenarios could then be presented to Council for consideration.

A question was raised about levels of assistance for installing compliant heat sources. Mr Donaldson explained that there were two scales of subsidy – those with community cards and those without. He also noted the example of Arrowtown, where financial support was provided through a local trust with some QLDC input. It appeared that there was a misunderstanding that the only options were heat pumps or gas or pellet fires, and more education was needed on this aspect of the project.

Cr Robertson suggested it would be useful to revisit information on the health effects of poor air quality, and also suggested that an approach be made to central government to reinstate the subsidies. Ms Mills noted current discussions with Public Health South on this issue, and stated that specific links between air quality and health would be included.

The quality of fuel used in wood burners was noted as a potential problem.

Cr Bell suggested it would be useful for this report to be presented to the Alexandra and Cromwell community boards, and the Central Otago, Queenstown Lakes and Clutha district councils. The support of the district councils was important if an approach was to be made to central government. In response to a question about approaches used by centres with similar topography to Alexandra, Ms Mills advised that other

countries looked at improved technologies which would result in improvements but possibly not meet the NES.

Cr Woodhead moved
Cr Shepherd seconded

1. *That the report be received.*
2. *That the state of air quality in Otago be noted.*
3. *That the information in this paper be used to inform the planned review of the current air quality management strategy.*

Motion carried

PART B - ITEMS FOR NOTING

Item 1
2014/0587 **Director's Report on Progress.** DEHS, 14/1/14

The report described progress with Council's flood protection, land drainage and river management programmes, and the management of natural hazards and civil defence and emergency management, and provided an overview of surface water and groundwater science programmes.

ORC attendance at A&P shows was discussed, and Mr Bodeker suggested that an eye-catching display was needed to attract people to the ORC stand. It was agreed that attendance at A&P shows was a good idea, in alternating years.

Cr Shepherd moved
Cr Kempton seconded

That the report be received.

Motion carried

The meeting closed at 4.37 pm

Chairperson

