

Otago Regional Council meeting 25 June 2014

Attached is the agenda for the next meeting of the Otago Regional Council, which is to be held on Wednesday 25 June commencing at 10.30 am. The venue is the Council Chamber, Regional House, 70 Stafford Street, Dunedin. Members of the public are welcome to attend. Copies of attachments are available from the Committee Secretary (see contact details below) or online at

<http://www.orc.govt.nz/Meetings-Consultations-and-Events/Council-meetings-and-Agendas/>.



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OTAGO REGIONAL COUNCIL

Agenda for a meeting of the Council to be held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 25 June 2014 commencing at 10.30 am

Membership:

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

Apologies:

Leave of Absence: Cr Sam Neill

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Monday 23 June.

CONFIRMATION OF AGENDA

PUBLIC FORUM

MINUTES

Page Nos.

The minutes of the public portion of the meeting held on 7 May 2014, having been circulated, for adoption.

6 - 13

Matters arising from minutes

PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

- Item 1 14 - 16
2014/0909 **Chairperson's Report.** Chair, 19/6/14

Providing an overview of the Chairperson's activities for the period to 18 June 2014.

- Item 2 17 - 19
2014/0889 **Chief Executive's Report.** CE, 11/6/14

Providing an overview of the Chief Executive's activities for the period to 11 June 2014.

PART B – RECOMMENDATIONS

- Item 3 20 - 21
2014/0893 **2014/15 Annual Plan Adoption.** DCS, 16/6/14

The Annual Plan as approved by the Finance and Corporate Committee meeting of 4 June is presented for adoption. The full document is circulated separately with the agenda.

- Item 4 22 - 43
2014/0887 **Rating Report to Council and Rates Resolution 2014-15.**
DCS, 17/6/14

Following the adoption of the 2014/15 Annual Plan, Council is required to adopt a rates resolution, which formally sets the rates for the 2014/15 financial year. The report provides details of each of the rates to be set, and recommends that Council adopts the rates resolution for the 2014/15 year. The rates resolution is attached to this report.

- Item 5 44 - 48
2014/0892 **Draft Regional Public Transport Plan.** 16/6/14

Presenting for endorsement a draft Regional Public Transport Plan to enable public consultation in accordance with the Local Government Act 2002. The Draft RPTP is separately distributed with the agenda.

PART C – ITEMS FOR NOTING
Page Nos.

Item 6		49 - 55
2014/0890	Financial Report. DCS, 19/6/14	
	Providing information in respect of overall Council finances for the eleven months to 31 May 2014.	
Item 7	Reports from Councillors	56

PART D - MINUTES OF MEETINGS

Item 8	Recommendations of the Communications Committee meeting held on 4 June 2014, for adoption	57 - 59
Item 9	Recommendations of the Finance and Corporate Committee meeting held on 4 June 2014, for adoption	60 - 64
Item 10	Recommendations of the Policy Committee meeting held on 4 June 2014, for adoption	65 - 68
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PART E – 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 13	Leith Flood Protection Scheme	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. (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 7 May 2014 commencing at 11.14 am**

Present:

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

Requests for Leave of Absence:

Cr Bell – 17 May to 3 June 2014
Cr Neill – 3 June to 20 July 2014

The requests for leave of absence were confirmed on the motion of Crs Woodhead and Croot.

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 public portion of the meeting held on 26 March 2014, having been circulated, were adopted on the motion of Crs Deaker and Kempton.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

Item 1

2014/0804 **Chairperson's Report.** Chair, 30/4/14

The Chairperson's report provided an overview of his activities for the period to 30 April 2014.

- Ballance Environment awards – Crs Scott, Bell and Woodhead had attended the awards function. Cr Scott queried whether ORC could do more through other programmes such as dairy farm awards to encourage farmers to improve their standards in order to achieve 6A outcomes.
- LGNZ's proposed communications plan to raise the profile of local government in New Zealand – Cr Woodhead considered the concept was worthwhile, but he did not agree with the proposed separate levy. He asked for comment on the consultation paper which had been circulated to Councillors. Mr Bodeker noted that the ORC was raising local government profile through the recent perception survey of ratepayers, and the organisational restructure, which included increasing public engagement through the creation of the Directorate of Stakeholder Engagement. Councillors noted that each district and region had its own issues which they would work on as needed, and considered it was more appropriate that LGNZ assist councils with existing programmes.

Item 2

2014/0810 **Chief Executive's Report.** CE, 1/5/14

The report provided an overview of the Chief Executive's activities for the period to 1 May 2014.

Health and Safety

Mr Bodeker commented on concerns about the number of field staff working alone, often outside cellphone coverage, and advised that supply of EPIRBs was the most efficient way of addressing this concern. EPIRBs had become economically available in the last five years, and health and safety changes would continue to be made as improved technology became available. In response to a question Mr Bodeker advised that staff were required to adhere to instructions in the Health and Safety Policy in relation to the use of equipment such as EPIRBs. Mr Scott noted that meeting Health and Safety Policy requirements was the responsibility of both

employer and employee, and comment was made that the strength of the linkage between the Health and Safety Manual and Policy might have to be reviewed to comply with proposed new legislation. It was noted that the Audit and Risk Committee would raise awareness of Health and Safety.

Councillors were pleased to note the appointment of the Director Stakeholder Engagement. Cr Deaker acknowledged the work done by Mr Taylor over the last five to six years in transforming the quality and effectiveness of the Council's public communications.

Cr Woodhead moved
Cr Kelliher seconded

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

Motion carried

PART B – RECOMMENDATIONS

Item 3

2014/0793 **Request to vary the Regional Land Transport Programme 2012-2015: Dunedin one-way system cycle lanes.** DPPRP, 16/4/14

The report explained that NZ Transport Agency had requested the addition of a new project, the Dunedin one-way system cycle lanes, to the Otago Regional Land Transport Programme 2012-15. Following discussion of this matter by the Regional Transport Committee, the report recommended that Council vary the RLTP by making this addition.

Cr Kempton explained that NZTA funding was available for this work and Cr Woodhead commented that it was opportune to approve the allocation now rather than having to contest the project through the next funding round. Cr Kempton advised that the business case was yet to be confirmed and the design developed. The concept had been consulted on and had received 5,000 submissions.

Cr Kempton moved
Cr Scott seconded

That the Council approve as a variation to the Regional Land Transport Programme 2012–15, the addition of the Dunedin One-Way System Cycle Lanes activity, set out in the attachment.

Motion carried

PART C – ITEMS FOR NOTING

Item 4

2014/0809 **Financial Report.** DCS, 1/5/14

The report provided information in respect of overall Council finances for the nine months to 31 March 2014.

Cr Deaker moved
Cr Croot seconded

That the report be received.

Motion carried

Item 5

2014/0813 **Documents signed under Council's Seal.** DCS, 2/5/14

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

Cr Kempton moved
Cr Bell seconded

That the report be noted.

Motion carried

Item 6 **Reports from Councillors**

(a) *Cr Brown – Waitaki River Liaison Group meeting*

Cr Brown advised that he, Mr Scott and Dr Palmer attended the Group's annual meeting. There were no major flood events during the past year so the river was fairly stable. No progress seemed to have been made on discussions last year on review of the funding and management model. Cr Brown considered that operation of the Liaison Group and its meetings needed to be improved. Mr Bodeker suggested that ORC engage with ECan to improve operation of the joint river management group.

(b) *Cr Shepherd – Waiwera and Pomahaka minimum flow meetings*

Cr Shepherd attended the Waiwera and Pomahaka minimum flow meetings on 6 May. There were about 35 to 40 people at each meeting. He considered that the meetings were very worthwhile, and there was a lot of good feedback. Community values were high in terms of minimum flow requirements for recreational and environmental reasons, and there was not a lot of support for irrigation. Cr Woodhead noted the intention to notify the proposed minimum flow before the end of the year.

- (c) *Cr Eckhoff – farmer meeting*
Cr Eckhoff advised that he was invited to attend a meeting with 20 farmers in the Lauder-Omakau area. The farmers presented a list of 12 questions covering a range of issues which showed that landowners were giving a lot of thought to environmental management. Bruce Monaghan was also in attendance and was to provide a formal response to the questions.
- (d) *Cr Scott – Oil and Gas meeting*
Cr Scott attended a seminar held at the Ōtākou marae on oil and gas exploration in the Great South Basin. He considered that the seminar, which mainly discussed process, was very useful and the use of the neutral venue was valuable.
- (e) *Cr Brown – Waikouaiti River minimum flow meeting*
Crs Brown and Scott attended a Waikouaiti River minimum flow meeting. About 40 members of the public were present. A number of issues were raised, and Cr Brown considered the meeting was useful.

PART D - MINUTES OF MEETINGS

Item 7 **Recommendations of the Otago Regional Transport Committee meeting** held on 3 April 2014, for adoption

The minutes of the combined Otago and Southland Regional Transport Committees meeting held on 3 April were circulated separately. Cr Kempton noted the recommendation in the minutes of the combined meeting to develop a combined Regional Land Transport Plan (RLTP) for 2015-18, and commented that the aim was to tie in with the philosophy of a journey as opposed to stretches of road. Cr Kempton noted that the majority of tourism and commercial journeys went through both regions, and the natural break was the Waitaki River. Staff in both councils were already working together in terms of maintenance programmes. The two committees would be retained and would combine on the RLTP.

Mr Scott explained that by adopting the minutes of the combined meeting the ORC resolved to develop a joint RLTP with Environment Southland.

Cr Kempton moved
Cr Bell seconded

1. *That the recommendations of the Combined Otago and Southland Regional Transport Committees meeting held on 3 April 2014 be adopted.*
2. *That the recommendations of the Otago Regional Transport Committee meeting held on 3 April 2014 be adopted.*

Motion carried

- Item 8 **Recommendations of the Communications Committee meeting** held on 16 April 2014, for adoption

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Communications Committee meeting held on 16 April 2014 be adopted.

Motion carried

- Item 9 **Recommendations of the public portion of the Finance and Corporate Committee meeting** held on 16 April 2014, for adoption

Cr Deaker moved
Cr Bell seconded

That the recommendations of the public portion of the Finance and Corporate Committee meeting held on 16 April 2014 be adopted.

Motion carried

- Item 10 **Recommendations of the Policy Committee meeting** held on 16 April 2014, for adoption

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 16 April 2014 be adopted.

Motion carried

- Item 11 **Recommendations of the Regulatory Committee meeting** held on 16 April 2014, for adoption

Cr Neill moved
Cr Eckhoff seconded

That the recommendations of the Regulatory Committee meeting held on 16 April 2014 be adopted.

Motion carried

Item 12 **Recommendations of the Technical Committee meeting** held on 16 April 2014, for adoption

Cr Scott moved
Cr Brown seconded

That the recommendations of the Technical Committee meeting held on 16 April 2014 be adopted.

Motion carried

EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Croot 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 13</i>	<i>Minutes of the non public portion of the Council meeting held on 26 March 2014, for adoption</i>	<i>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)), and To enable any local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations. (S7(2)(i))</i>	<i>S.48(1)(a)(i)</i>
<i>Item 14</i>	<i>Minutes of the non public portion of the Finance and Corporate Committee meeting held on 16 April 2014, for adoption</i>	<i>To enable any local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations. LGOIMA S7(2)(i)</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 13 and 14,

Cr Neill moved
Cr Croot seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 12.12 pm

Chairperson

REPORT

Document Id: A640308

Report Number: 2014/0909
Prepared For: Council
Prepared By: Chief Executive
Date: 19 June 2014

Subject: **Chairperson's Report - June 2014**

1. Mayoral Forum

Terms of reference for the Otago Performance Improvement Framework (OPIF) were approved. The purpose of the OPIF is to implement a set of regional performance measures to provide communities with better context to assess the performance of their council across the region, provide consistent information that allows closer scrutiny of efficiency and effectiveness, and enable better support and collaboration to drive improvement. There is a working group of staff progressing this project.

A report by the DCC Export Education Coordinator on the potential for a Study Otago entity to promote the growth of international education beyond Dunedin was presented for our information; this topic will be on the next forum agenda.

An update on various roading collaboration activities including a benchmarking project, a review and prioritisation team reviewing each council's renewals programme to ensure renewals are undertaken at the appropriate time, and the O/S RLTP.

ORC and DCC are organising a one day Economic Growth Seminar for later in the year.

The Otago Rural Fire Authority (ORFA), which is all the district fire authorities combined into one organisation, comes into operation on the 1st July. Stephanie Rotarangi has been appointed Chief Executive, and there will be staff in Dunedin at the fire station, at CODC in Alexandra, and a presence in Queenstown/Wanaka.

2. Otago Wilding Tree Trust

The inaugural meeting of the Trust elected Mayor van Uden as Chair, with Briana Pringle as Secretary.

Discussion included an overview of the Wakatipu Wilding Strategy being implemented by the Wakatipu Wilding Control Group (WWCG) which has a five year programme of work. Thought is already focused on the longer term strategy, particularly the management and funding of a maintenance programme to follow the current strategy. Phil Murray updated on progress with the Central Otago Strategy which will be completed during the second half of this year.

Trustees agreed Nick Ledgard will be contracted to provide a report describing the current wilding situation in Otago. A map and table will show the location, area affected and species involved. This work may inform ORC discussion later this year, and the Pest Strategy Review.

Mr Donaldson, Cr Kelliher and I were hosted by Greg Lind, Conservation Partnerships Manager with the Department of Conservation, and shown around the main areas of wilding infestation in the Wakatipu. We viewed the control being undertaken by the Wakatipu Wilding Control Group and landholders. These areas include the Remarkables, Gibbston Valley, Roaring Meg, Coronet Peak, Skippers, Moke Lake and the hills surrounding Queenstown. I was impressed with evidence of a well-planned and coordinated programme dealing with multiple species and the description of the programme they are undertaking over the next five years. There is clear understanding of the need for buffer zones to stop spread of seed by wind. Advances in technology have allowed a mix of solutions to be utilised as appropriate. Points of note for local government were landholder responsibility around commercial plantations and the ability to control land use.

3. Visit to Waitaki District Council and North Otago Irrigation Company

A very successful visit to Oamaru by council to meet Waitaki District councillors and staff. Updates on earthquake prone buildings, flooding, roading, water quality, waste water discharges and irrigation were useful for understanding progress being made and opportunities for the two councils to work together.

Being hosted by the NOIC board and shown around two properties to see and hear the practices they were putting in place to meet Plan Change 6A limits was positive and led into the signing of a MOU between NOIC, WIC and ORC which outlines how we will work together as landholders to implement PC6A. I thank all councillors for their attendance in North Otago, in particular Cr Brown for sharing his local knowledge and showing us some of the issues in his constituency.

4. Taranaki Regional Council Visit

We escorted a group of 14 from Taranaki Regional Council (TRC) through the region. Highlights included viewing the Stirling Cheese Factory and Oceana Gold Mine. This was a great opportunity to share knowledge and ideas on the various issues both councils are working on on behalf of our regions. TRC were amazed at the scale of our region and the complexity of our water management issues. Thank you to Cr Robertson and Cr Shepherd who assisted hosting TRC, and Mr Scott for his organisation.

5. Murihiku Te Ropu Taiao

Cr Kempton and I attended this Hui. Sir Mark Solomon spoke on Ngai Tahu rights and interests in freshwater. We shared his frustration of working with government timeframes and disappointment at the target of wade-able water quality in the amendments to the NPSFW. All councils updated on Annual Plan and RMA matters. No progress has been made so far on the review of the Charter of Understanding which is the agreement that outlines the Te Ropu Taiao relationship and purpose.

6. Central Otago District Plan Land Use Meeting

Around 150 people, including Councillors Bell, Eckhoff and Kelliher, were at a CODC-called meeting to discuss land use intensification as part of the District Plan review. Mr McRae and I spoke outlining ORC policy on water quality and quantity, and explained how land use control is managed in Otago. Other speakers included Federated Farmers, Forest & Bird, Fish & Game and BTW Consultants. Good discussion occurred with CODC staff recording points made for their plan review.

7. Chair of Audit and Risk Subcommittee:

We have been seeking a suitably qualified person to be the independent member and chair of our Audit and Risk Subcommittee. Mr Bodeker contacted fellow regional councils and Dave Benham was recommended by three people. Mr Bodeker has recommended his appointment.

Mr Benham has an extensive career as a Financial Controller and Chief Accountant. Since 1989 he has worked at Greater Wellington Regional Council and has been Chief Executive since 2005, and is retiring from this position in September. He is a Director of CentrePort Ltd and chairs their audit and risk committee. I believe with the mix of accountancy, audit and risk and local government experience, Dave is a suitable candidate for our position. Mr Benham's CV is circulated separately.

Recommendation

That Mr David Benham be appointed the independent member of the Otago Regional Council Audit and Risk Subcommittee.

8. Other Meetings

- Councillors Robertson, Scott and I met with NZ Oil and Gas representatives to hear about their involvement in the industry, their work programme in the Southern Ocean and their plans for a community panel in Dunedin.
- Paul James (Deputy CE Policy, Regulatory and Ethnic Affairs at DIA) for general catch up.
- National Council Local Government/Central Government Annual Forum and National Council meeting.
- Otago Civil Defence Group.

Stephen Woodhead
Chairperson

REPORT

Document Id: A637959

Report Number: 2014/0889
Prepared For: Council
Prepared By: Chief Executive
Date: 11 June 2014

Subject: **Chief Executive's Report - June 2014**

1. River Management

Recently ORC has come under scrutiny over the way Otago rivers are managed. There is concern from some quarters that ORC is not actively managing rivers as was the situation when the Catchment Board undertook these activities.

I have been active in meeting with communities to address these matters. I have instigated a discussion with the community in the Kakanui/Kauru area to establish community values around what is expected of that river system. I have taken this approach to ensure ORC gets a whole of community view on river management, not just those who want ORC to engineer the river to protect land assets from erosion or to provide a cheap source of gravel.

The expected outcome from the community consultation is that an agreed position on river performance will be established which may result in seeking global consents to undertake river management works. If the process being piloted in the Kakanui/Kauru is successful, it will be used in other river catchments.

Meanwhile ORC spends significant amounts on river management. The Annual Plan has a requirement that ORC maintain a channel for river flow. However, this requirement does not have ORC determining the exact position of a riverbed, which allows rivers to exhibit natural characteristics which may include river bank erosion and gravel deposits. Additionally, ORC undertakes works around willow management. Members of the public also have right through the RMA to apply for consents to extract shingle, either for construction activity or to ameliorate erosion.

As ORC prepares the next Long Term Plan, communities need to consider what role ORC should take in river management. ORC needs to be active in the community, initiating discussion on community expectations and how those will be funded. However, in the meantime, ORC is acting in accordance with both the Annual Plan and the RMA with respect to river management.

2. Water Plan Section 6A Implementation

ORC will hold the first of many public meetings on the Water Plan focusing on Section 6A.

The approach ORC is taking to the implementation of 6A is around encouraging landowners to self-determine if the land management practices they are undertaking result in discharge water being compliant with either Overseer or Overseer and Schedule 16 requirements.

ORC's role is not to provide advice for landowners on how to manage their farm, orchards or forests. That is their responsibility.

ORC's responsibility is to ensure landowners are aware of the requirements that are part of the Water Plan and currently enforceable, particularly around prohibited activity, and those requirements that come into force in 2020.

ORC will encourage landowners to monitor their own discharge water quality prior to 2020 so that they can be aware of whether they need to make changes to their management practices and to build up a body of evidence to support historical discharge water quality should they be shown to be non-compliant when ORC begins assessment of compliance in 2020.

ORC will undertake activity which will define how water sampling should occur.

ORC will also work closely with third party organisations that may be collecting water samples to ensure duplication of effort is avoided.

ORC will also determine the frequency of assessing water quality from 2020 onward. It is my intention that all properties will be assessed for compliance over a relatively short timeframe, 3-4 years, with this frequency being reviewed depending on the outcome.

3. Tomahawk Lagoon

A public meeting was held on June 16 focusing on water quality issues at Tomahawk Lagoon. Dr Den Olsen presented a scientific report to the 36 people who attended, focusing on the cause of algal blooms, the effects and possible mitigation options.

I advised the meeting that no funding had been allocated to investigate mitigation options in the Annual Plan but offered to meet with community representatives if they wished.

4. Civil Defence & Emergency Management (CDEM) Review

The Otago Mayoral Forum supported ORC's paper to review CDEM in the Otago region.

The basis of ORC's report was to recommend that there be a review of the structure of all aspects of CDEM activities in Otago. This would include the role of both the regional council holding the group office function and that of the territorial authorities.

The review will look at alternative structures, including that operating in Southland where the regional council and territorial activities have been combined. The review will also examine possible synergies with Southland and Canterbury and possible shared service opportunities.

The review is expected to be completed by December 2014.

5. Personal

I would like to record my appreciation of the support I have received from Council staff and Councillors during my wife Suzanne's illness and passing. It has been a great comfort to me and my family.

Peter Bodeker
Chief Executive

REPORT

Document Id: A639144

Report Number: 2014/0893
Prepared For: Council
Prepared By: Corporate Analyst
Date: 16 June 2014

Subject: **2014/15 Annual Plan Adoption**

1. Précis

The Finance and Corporate Committee has considered and made recommendations on the 2014/15 Draft Annual Plan. It is recommended that the 2014/15 Annual Plan now be adopted. A copy of the document is separately enclosed with the agenda.

2. Background

Council received 56 submissions on the draft plan, which covered a range of issues including the following:

- Regional Plan: Water - Plan Change 6A
- Biodiversity Strategy
- Public passenger transport
- Stock truck effluent disposal sites
- Harbour safety
- Hazardous waste
- Funding and / or support requests

A summary of submissions received, and the recommendations made by the Hearing Committee were presented to the 4 June meeting of the Finance and Corporate Committee.

3. 2014/15 Annual Plan

As discussed at the Finance and Corporate Committee meeting on 4 June, the following recommendations on the annual plan have been made:

- With respect to the Regional Plan Water – Plan Change 6A, the annual plan is to be amended for terminology differences arising from the mediation process.
- The wording around the intended development of a document on Biodiversity is to be amended from preparing a Strategy to undertaking a Biodiversity Review.
- The bus fare schedule is to be amended to reflect the decision made by bus operators to continue the student discount.
- The proposed stock truck effluent site initiatives are to be retained in the Annual Plan.

- Further investigations are to be undertaken to determine what roles the ORC, DCC and other harbour users have in respect of harbour issues, and to consider what the priorities are around harbour maintenance.
- That staff resources be made available to undertake a monitoring programme for the Otago Peninsula Biodiversity Group.
- That ORC gives support to a funding application for purchasing monitoring buoys for Lake Hayes, Lake Wanaka and Lake Hawea, and that it seeks clarification on why ownership of the buoys would need to sit with the ORC. It does not support being responsible for the maintenance of the buoys.
- That ORC staff meet with DCC staff to negotiate the transfer of the EnviroSchools Regional Co-ordinator role, and the funding needs from the DCC to ORC.

4. Impacts on the Annual Plan

The recommendations from the Finance and Corporate Committee have resulted in no change to the rating estimates presented in the Draft Annual Plan. Recommended additional activity is able to be met from within existing budgets. The 2014/15 estimated expenditure is \$40.1 million, and the general rate is \$5.03 million.

5. Recommendations

1. That this report be received.
2. That the 2014/15 Annual Plan, incorporating the recommendations of the Finance and Corporate Committee, be adopted.

Wayne Scott
Director Corporate Services

REPORT

Document Id: A637426

Report Number: 2014/0887

Prepared For: Council

Prepared By: Finance Manager

Date: 17 June 2014

Subject: **Rating Report to Council and Rates Resolution 2014-15**

1. Précis

Following the adoption of the 2014/15 Annual Plan, Council is required to adopt a rates resolution, which formally sets the rates for the 2014/15 financial year. The rates resolution is attached to this report. Schedule 1 of this report contains tables showing the 2014/15 rate effect on a range of properties within Otago, along with comparative rates for the 2013/14 year.

The purpose of this report is to provide details of each of the rates to be set, and to recommend that Council adopts the rates resolution for the 2014/15 year.

2. General Rates

2.1 General rate amount and collection basis

The GST inclusive General Rate requirement for the 2014/15 year of \$5,780,531 represents a 2.49 % increase from the 2013/14 rate requirement of \$5,640,046.

Of the General Rate requirement, the total amount of rates to be collected by way of Uniform Annual General Charge is \$1,445,133. This equates to a charge of \$13.76 (including GST) on each rateable property compared to \$13.51 in the 2013/14 year.

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

2.2 Equalisation of capital values

Council obtains a certificate of projected values from Quotable Value Limited to give an assessment of common current capital values of the city and districts within Otago, due to the cyclical three-yearly revaluations for rating purposes. The equalised values impact on the general rate amount to be collected on a capital value basis from each part of the region.

The proportion of general rate collected from the city and districts is dependent on the proportion of capital value in relation to the total capital value as assessed in the certificate of projected values.

The assessed capital values for the city and districts as at 1 September 2013 together with last year's values is noted as:

Local Authority City/Districts	Net Equalised Capital Value 1 Sept 2013	% Apportionment	Net Equalised Capital Value Last Year	% Apportionment
Central Otago	6,961,055,000	12.54	6,327,333,000	12.01
Clutha	6,672,391,000	12.02	6,298,803,000	11.96
Dunedin	19,559,421,000	35.24	19,890,117,000	35.87
Queenstown	17,401,629,000	31.35	16,564,112,000	31.45
Waitaki (part)	4,914,184,000	8.85	4,589,347,000	8.71
Total	55,508,680,000	100.00	52,669,712,000	100.00

2.3 Significant General Rate Amounts

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

	General Rates 2014/15 (GST inclusive) \$	General Rates 2013/14 (GST inclusive) \$
Contact Energy Ltd:		
Clyde Hydro Dam	34,197	32,187
Roxburgh Hydro Dam	16,696	14,886
Dunedin Waste Water Business Unit		
Three major facilities	59,682	63,863
Total	110,575	110,936
Total as % of the Total general rates	1.91%	1.97%

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

3. Targeted Rates - Forsyth Barr Stadium

The GST inclusive rate requirement for the 2014/15 year of \$632,500 represents a significant decrease (80.54%) on the amount levied in the 2013/14 year of \$3,251,050.

The rate is set differentially on all rateable land situated within the city and districts in the Otago region. The total rate requirement is apportioned to the city and districts based on the number of rating units in each city / district and then applying a distance discount factor to the districts. Distance discount factors applied are Central Otago and Queenstown Lakes districts 3.5%, Waitaki district 2% and Clutha district 1%.

The resulting rate requirement in each territorial city/district is to be collected on the basis of 50% from a targeted uniform rate and 50% from a targeted rate calculated on a capital value basis.

The rate requirement and targeted uniform rates (including GST) to be charged in the city and districts, along with comparative amounts are shown in the following table:

Forsyth Barr Stadium				
Territorial Local Authority City/District	2014/15 Rate Requirement \$	2014/15 Targeted Uniform Rate \$	2013/14 Rate Requirement \$	2013/14 Targeted Uniform Rate \$
Central Otago District	52,050	2.11	269,382	10.92
Clutha District	52,908	2.69	271,798	13.88
Dunedin City	368,468	3.64	1,901,416	18.75
Queenstown	108,366	2.50	551,608	12.88
Waitaki District	50,708	2.41	256,846	12.40
Total	632,500		3,251,050	

The 50% balance of the rating requirement is to be levied on a capital value basis.

4. Targeted Rates - River Management

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

River Management Rates		
Territorial Local Authority City/District	2014/15 \$	2013/14 \$
Central Otago District	178,250	172,500
Clutha District	212,750	212,750
Dunedin City	172,500	172,500
Queenstown-Lakes District - Wakatipu Rating District	287,500	287,500
Queenstown-Lakes District - Wanaka Rating District	192,050	192,050
Waitaki District	158,240	149,500
Total	1,201,290	1,186,800

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

5. Targeted Rates - Flood and Drainage Schemes

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

Flood and Drainage Schemes		
Targeted Rating District	2014/15 \$	2013/14 \$
Lower Taieri Flood	705,079	658,950
West Taieri Drainage	546,342	510,600
East Taieri Drainage	417,450	417,450
Lower Clutha Flood & Drainage	611,559	571,549
Tokomairiro Drainage	51,750	51,750
Lower Waitaki River	189,107	181,646
Leith Flood Protection	1,281,100	1,197,150
Shotover Delta Training Works	287,500	287,500
Total	4,089,887	3,876,595

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

Lower Taieri Flood Protection

This rate is set on a capital value basis comprising 24 classifications. Two classifications, EF11 and WF11, are currently assessed as receiving no benefit from the scheme and so will not attract the rate at this time.

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

West Taieri Drainage

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

East Taieri Drainage

This rate is set on an area basis comprising ten classifications. Two classifications, ED3 and ED6, are currently assessed as receiving no benefit from the scheme and so will not attract the rate at this time.

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

The differential rate to be collected from classification ED7 is calculated as 12.6% of the total East Taieri Drainage rates that would otherwise be collected from ratepayers in classification ED2.

Leith Flood Protection

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

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

6. Targeted Rates - Transport

6.1 Dunedin Transport Rate

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

Class A ratepayers are made up of those properties within valuation roll numbers 27150, 27160, 27170, 27460, and 27470 (being rolls within the inner city and St Kilda/St Clair areas) that **do not** have a land use description of any of the following;

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

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

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

Transport Rate Dunedin		
Classification	2014/15 \$	2013/14 \$
Class A	1,197,394	1,203,531
Class B	2,518,910	2,481,737
Total	3,716,304	3,685,268

6.2 Queenstown Transport Rate

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

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

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

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

The GST inclusive rate requirement of \$51,270 for the 2014/15 year represents a 31.40% decrease from the amount of \$74,739 levied in the 2013/14 period.

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

Transport Rate Queenstown		
Classification	2014/15 \$	2013/14 \$
Class A	14,169	20,942
Class B	37,101	53,797
Total	51,270	74,739

7. Targeted Rates - Clean Heat Clean Air

The Clean Heat Clean Air rates will be levied on the capital value of all rateable land situated within the Clean Heat Clean Air rating district, situated within the Central Otago District (Alexandra, Clyde and Cromwell), the Queenstown Lakes District (Arrowtown) and the Clutha District (Milton).

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

Clean Heat Clean Air		
Classification	2014/15 \$	2013/14 \$
Central Otago District	69,808	179,828
Queenstown Lakes District	25,699	65,313
Clutha District	6,843	17,059
Total	102,350	262,200

8. Payment and Penalty Dates

The attached resolution provides that the due date for rates to be paid is 31 October 2014.

It also provides for penalty dates in November 2014 and May 2015 as follows:

- A 10% penalty will apply to all unpaid rates on 1 November 2014.
- A 10% penalty will apply to all rates levied in previous financial years remaining unpaid on 1 May 2015.

9. Recommendations

1. That this report be received.
2. That the attached Rating Resolution for the 2014/15 year be adopted.

Wayne Scott
Director Corporate Services

Schedule One

Dunedin City

Dunedin Residential

	2014/15 Amount of rate per CV				2013/14 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	22.94	36.71	59.66	82.61	22.76	36.64	59.76	82.89
Otago Stadium	4.58	5.99	8.34	10.69	23.81	31.40	44.05	56.70
River management	0.88	2.20	4.40	6.60	0.92	2.30	4.60	6.90
Transport Class B	17.66	44.15	88.30	132.45	18.12	45.30	90.60	135.90
Leith Flood Protection (<i>indirect</i> benefit zone)	4.95	12.38	24.75	37.13	4.80	12.00	24.00	36.00
Total rates – property within the Leith Flood Protection <i>indirect</i> benefit zone	51.01	101.43	185.45	269.48	70.41	127.64	223.01	318.39
Total rates – property within the Leith Flood Protection <i>direct</i> benefit zone	133.61	307.93	598.45	888.98	151.33	329.94	627.61	925.29

Mosgiel Residential

	2014/15 Amount of rate per CV				2013/14 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000	\$100,000	\$250,000	\$500,000	\$750,000
Area – hectares	0.06	0.07	0.08	0.10	0.06	0.07	0.08	0.10
General rate and UAGC	22.94	36.71	59.66	82.61	22.76	36.64	59.76	82.89
Otago Stadium	4.58	5.99	8.34	10.69	23.81	31.40	44.05	56.70
River management	0.88	2.20	4.40	6.60	0.92	2.30	4.60	6.90
Transport Class B	17.66	44.15	88.30	132.45	18.12	45.30	90.60	135.90
Lower Taieri Flood EF8	1.41	3.53	7.05	10.58	1.41	3.53	7.05	10.58
East Taieri Drainage ED7	9.79	11.43	13.06	16.32	9.85	11.49	13.14	16.42
	57.26	104.01	180.81	259.25	76.87	130.65	219.20	309.38

Dunedin Commercial

	2014/15 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	59.66	105.56	151.46	197.36
Otago Stadium	8.34	13.04	17.74	22.44
River management	4.40	8.80	13.20	17.60
Transport Class A	331.10	662.20	993.30	1324.40
Leith Lindsay (indirect rate)	24.75	49.50	74.25	99.00
	428.25	839.10	1249.95	1660.80

	2013/14 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	59.76	106.01	152.26	198.51
Otago Stadium	44.05	69.35	94.65	119.95
River management	4.60	9.20	13.80	18.40
Transport Class A	340.99	681.98	1022.97	1363.96
Leith Lindsay (indirect rate)	24.00	48.00	72.00	96.00
	473.40	914.54	1355.68	1796.82

West Taieri Farm

	2014/15 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Area – hectares	10	15	20	30
General rate and UAGC	32.12	59.66	87.20	105.56
Otago Stadium	5.52	8.34	11.16	13.04
River management	1.76	4.40	7.04	8.80
Lower Taieri Flood WF1	388.18	970.45	1552.72	1940.90
West Taieri Drainage - uniform & WD1	954.50	1431.75	1909.00	2863.50
	1382.08	2474.60	3567.12	4931.80

	2013/14 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Area – hectares	10	15	20	30
General rate and UAGC	32.01	59.76	87.51	106.01
Otago Stadium	28.87	44.05	59.23	69.35
River management	1.84	4.60	7.36	9.20
Lower Taieri Flood WF1	387.90	969.75	1551.60	1939.50
West Taieri Drainage - uniform & WD1	888.20	1332.30	1776.40	2664.60
	1338.82	2410.46	3482.10	4788.66

Queenstown Lakes
Wakatipu Residential

	2014/15 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Queenstown				
General rate and UAGC	28.08	49.56	71.04	85.36
Otago Stadium	3.14	4.10	5.06	5.70
River management	5.06	12.65	20.24	25.30
Transport Class B	0.94	2.35	3.76	4.70
Shotover Delta	6.00	15.00	24.00	30.00
	43.22	83.66	124.10	151.06
Arrowtown				
Queenstown rates above	43.22	83.66	124.10	151.06
Clean Heat Clean Air	6.40	16.00	25.60	32.00
	49.62	99.66	149.70	183.06

	2013/14 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Queenstown				
General rate and UAGC	28.15	50.11	72.07	86.71
Otago Stadium	16.20	21.18	26.16	29.48
River management	5.16	12.90	20.64	25.80
Transport Class B	1.38	3.45	5.52	6.90
Shotover Delta	6.10	15.25	24.40	30.50
	56.99	102.89	148.79	179.39
Arrowtown				
Queenstown rates above	56.99	102.89	148.79	179.39
Clean Heat Clean Air	16.52	41.30	66.08	82.60
	73.51	144.19	214.87	261.99

Wanaka Residential

	2014/15 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
General rate and UAGC	28.08	49.56	71.04	85.36
Otago Stadium	3.14	4.10	5.06	5.70
River management	6.84	17.10	27.36	34.20
	38.06	70.76	103.46	125.26

	2013/14 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
General rate and UAGC	28.15	50.11	72.07	86.71
Otago Stadium	16.20	21.18	26.16	29.48
River management	7.06	17.65	28.24	35.30
	51.41	88.94	126.47	151.49

Wakatipu Commercial

	2014/15 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	49.56	85.36	121.16	156.96
Otago Stadium	4.10	5.70	7.30	8.90
River management	12.65	25.30	37.95	50.60
Transport Class A	4.70	9.40	14.10	18.80
Shotover Delta	15.00	30.00	45.00	60.00
	86.01	155.76	225.51	295.26

	2013/14 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	50.11	86.71	123.31	159.91
	21.18	29.48	37.78	46.08
	12.90	25.80	38.70	51.60
	6.95	13.90	20.85	27.80
	15.25	30.50	45.75	61.00
	106.39	186.39	266.39	346.39

Central Otago
Alexandra Residential

	2014/15 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	21.02	31.91	50.06	68.21
Otago Stadium	2.48	3.04	3.96	4.89
River management	2.55	6.38	12.75	19.13
Clean Heat Clean Air	3.14	7.85	15.70	23.55
	29.19	49.17	82.47	115.77

	2013/14 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
	20.95	32.11	50.71	69.31
	13.02	16.17	21.42	26.67
	2.69	6.73	13.45	20.18
	8.23	20.58	41.15	61.73
	44.89	75.58	126.73	177.88

Central Otago Farm

	2014/15 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	50.06	86.36	122.66	158.96
Otago Stadium	3.96	5.81	7.66	9.51
River management	12.75	25.50	38.25	51.00
	66.77	117.67	168.57	219.47

	2013/14 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	50.71	87.91	125.11	162.31
Otago Stadium	21.42	31.92	42.42	52.92
River management	13.45	26.90	40.35	53.80
	85.58	146.73	207.88	269.03

Clutha
Balclutha Residential

	2014/15 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	21.33	32.69	51.61	70.54
Otago Stadium	3.12	3.77	4.84	5.92
River management	3.44	8.60	17.20	25.80
Lower Clutha Flood Protection (Class U2)	64.01	160.03	320.05	480.08
	91.90	205.08	393.70	582.33

	2013/14 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	21.04	32.34	51.16	69.99
Otago Stadium	18.28	21.58	27.08	32.58
River management	3.45	8.63	17.25	25.88
Lower Clutha Flood Protection (Class U2)	59.84	149.60	299.20	448.80
	102.61	212.14	394.69	577.24

Milton Residential

	2014/15 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	21.33	32.69	51.61	70.54
Otago Stadium	3.12	3.77	4.84	5.92
River management	3.44	8.60	17.20	25.80
Clean Heat Clean Air	3.39	8.48	16.95	25.43
Tokomairiro drainage (Class U1)	5.11	12.78	25.55	38.33
	36.39	66.30	116.15	166.00

	2013/14 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
	21.04	32.34	51.16	69.99
	18.28	21.58	27.08	32.58
	3.45	8.63	17.25	25.88
	8.47	21.18	42.35	63.53
	5.12	12.80	25.60	38.40
	56.36	96.52	163.44	230.37

Clutha Farm

	2014/15 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	51.61	89.46	127.31	165.16
Otago Stadium	4.84	6.99	9.14	11.29
River management	17.20	34.40	51.60	68.80
Lower Clutha Flood Protection (Class C)	906.85	1813.70	2720.55	3627.40
	980.50	1944.55	2908.60	3872.65

	2013/14 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	51.16	88.81	126.46	164.11
	27.08	38.08	49.08	60.08
	17.25	34.50	51.75	69.00
	847.75	1695.50	2543.25	3391.00
	943.24	1856.89	2770.54	3684.19

Waitaki
Oamaru Residential

	2014/15 Amount of rate per CV				2013/14 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	21.14	32.21	50.66	69.11	20.79	31.71	49.91	68.11
Otago Stadium	2.96	3.79	5.16	6.54	15.18	19.35	26.30	33.25
River management	3.40	8.50	17.00	25.50	3.24	8.10	16.20	24.30
	27.50	44.50	72.82	101.15	39.21	59.16	92.41	125.66

Waitaki Farm

	2014/15 Amount of rate per CV				2013/14 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	50.66	87.56	124.46	161.36	49.91	86.31	122.71	159.11
Otago Stadium	5.16	7.91	10.66	13.41	26.30	40.20	54.10	68.00
River management	17.00	34.00	51.00	68.00	16.20	32.40	48.60	64.80
	72.82	129.47	186.12	242.77	92.41	158.91	225.41	291.91

Rating Resolution for Adoption

That in accordance with the provisions of the Local Government (Rating) Act 2002, the Otago Regional Council 2014/2015 Annual Plan, and all other power or authorities in that behalf enabling it, the Otago Regional Council sets the following rates for the period commencing on the 1st day of July 2014 and ending on the 30th day of June 2015, namely:

1. General Rates

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 made on every rating unit within the Otago region, assessed as a fixed amount of \$13.76 per rating unit. Revenue sought from the Uniform Annual General Charge amounts to \$1,445,133.

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

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago	0.007259	508,530
Clutha	0.007574	468,848
Dunedin	0.009179	1,798,973
Queenstown Lakes	0.007161	1,215,729
Waitaki	0.007380	343,318
Total		4,335,398

2. Forsyth Barr Stadium Rates

For the purpose of providing for this Council's contribution to the Forsyth Barr Stadium, targeted rates rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, made on every rating unit within the territorial authority districts, as follows:

A targeted uniform rate made on every rateable unit within the Otago region, assessed differentially on rating units situated within the territorial authority districts as detailed below:

District	Rate \$ Per rating unit	Revenue Sought \$
Central Otago	2.11	26,025
Clutha	2.69	26,454
Dunedin	3.64	184,234
Queenstown Lakes	2.50	54,183
Waitaki	2.41	25,354
Total		316,250

A targeted rate made on every rateable unit within the Otago region, assessed differentially on the rateable capital value of all rateable land situated within each territorial authority districts as detailed below:

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago	0.000372	26,025
Clutha	0.000428	26,454
Dunedin	0.000940	184,234
Queenstown Lakes	0.000319	54,183
Waitaki	0.000545	25,354
Total		316,250

3. River Management Rates

3.1 Territorial Authority Districts

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

District	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago District	0.002545	178,250
Clutha District	0.003437	212,750
Dunedin City	0.000880	172,500
Waitaki District	0.003402	158,240
Wakatipu River Management Rating District	0.002531	287,500
Wanaka River Management Rating District	0.003420	192,050
Total		1,201,290

3.2 Lower Waitaki Rating Area

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

Lower Waitaki Rating Area		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.160668	117,322
B	0.080325	71,785
Total		189,107

4. Flood Protection and Drainage Scheme Rates

4.1 Lower Clutha, Tokomairiro and Lower Taieri Schemes

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

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

Lower Clutha Flood Protection & Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.483654	71,665
B	0.192039	94,631
C	0.181371	224,161
D	0.113801	38,885
E	0.060456	31,150
F	0.007113	16,831
U1	0.192051	2,073
U2	0.064014	100,234
U3	0.014224	5,491
U4	0.010669	26,438
Total		611,559

Tokomairiro Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.034074	3,346
B	0.025556	5,734
C	0.020445	7,286
D	0.015333	10,130
E	0.008519	4,880
F	0.003409	7,136
U1	0.005111	13,238
Total		51,750

Lower Taieri Flood Protection Scheme					
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$	Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
WF1	0.194087	358,995	EF4	0.088363	6,433
WF2	0.114843	269,463	EF5	0.002456	1,148
WF3	0.001824	169	EF6	0.108604	976
WF4	0.002827	121	EF7	0.001493	436
WF5	0.000329	1	EF8	0.001410	18,064
WF6	0.000331	3	EF9	0.000654	921
WF7	0.000247	1	EF10	0.000814	953
WF8	0.013645	729	EF12	0.128389	1,235
WF9	0.000128	1	EF13	0.128466	2,052
EF1	0.104605	17,257			
EF2	0.109423	25,593			
EF3	0.108880	528			
				Total	705,079

4.2 East Taieri Scheme

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

Targeted Uniform Rate

A targeted uniform rate of \$22.40 per hectare set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on all rating units on all land within the scheme area, except for land situated within classifications ED3, ED6 and ED7.

Revenue sought from the targeted uniform rate amounts to \$104,362.

Targeted Differential Rate

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

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

East Taieri Drainage Scheme - Targeted Differential Rate		
Classification	Rate \$ per hectare	Revenue Sought \$
ED1	124.98	113,729
ED2	95.35	74,254
ED4	105.38	11,885
ED5	47.53	45,466
ED7	163.23	13,219
ED8	31.54	27,279
ED9	27.35	18,320
ED10	24.30	8,936
Total		313,088

4.3 West Taieri Scheme

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

Targeted Uniform Rate

A targeted uniform rate of \$22.74 per hectare set under sections 16, 17, 18 and 146(1)(b) of the Local Government (Rating) Act 2002, made on all rating units on all land situated within classifications WD1, WD2, WD3 and WD4 located within the scheme area.

Revenue sought from the targeted uniform rate amounts to \$163,903

Targeted Differential Rate

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

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

West Taieri Drainage Scheme - Targeted Differential Rate		
Classification	Rate \$ per hectare	Revenue Sought \$
WD1	72.71	306,397
WD2	19.98	51,643
WD3	54.26	16,493
WD4	72.71	7,766
WD5	0.30	140
Total		382,439

4.4 Leith Flood Protection Scheme

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

Leith Flood Protection Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A – Direct benefit zone – Excluding Forsyth Barr Stadium	0.087548	614,928
A – Direct benefit zone – Forsyth Barr Stadium	0.015118	25,622
B – Indirect benefit zone	0.004949	640,550
Total		1,281,100

4.5 Shotover Delta Training Works

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

Shotover Delta Training Works		
	Rate cents in \$ on Capital Value	Revenue Sought \$
All rating units	0.002996	287,500
Total		287,500

5. Transport Services Rates

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

Dunedin Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.066215	1,197,394
Class B (within Dunedin City)	0.017657	2,501,215
Class B (within Waitaki District)	0.018699	17,695
Total		3,716,304

Queenstown Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.000935	14,169
Class B	0.000468	37,101
Total		51,270

6. Clean Heat Clean Air Rate

For the purpose of providing for the retro-fitting of homes with clean heat appliances in Alexandra, Arrowtown, Clyde, Cromwell, and Milton, a targeted rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, assessed on the capital value of all rateable land situated within the Clean Heat Clean Air rating district, as detailed below:

Clean Heat Clean Air Scheme		
	Rate cents in \$ on Capital Value	Revenue Sought \$
Central Otago District	0.003140	69,808
Queenstown Lakes District	0.003203	25,699
Clutha District	0.003385	6,843
Total		102,350

7. Other Matters

7.1 Rate Collection

That the Otago Regional Council collects the rates set and assessed in the Otago Region, and that the rates be due and payable on or before 31 October 2014.

7.2 Penalties on Unpaid Rates

Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, penalties will be added to unpaid rates assessed by the Council within the Otago region and due to the Council during the 2014/2015 financial year as follows:

- (a) A penalty of 10% to be added to rates assessed during the 2014/2015 financial year, or any previous financial year, and which remain unpaid on 1 November 2014.
- (b) A penalty of 10% to be added to rates which have been levied in any previous financial year and which remain unpaid on 1 May 2015.

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

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

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

7.3 Valuation and Rating Records

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

REPORT

Document Id: A639066

Report Number: 2014/0892

Prepared For: Council

Prepared By: Director Corporate Services/Project Manager PT Planning

Date: 16 June 2014

Subject: **Draft Regional Public Transport Plan 2014**

1. Précis

The Land Transport Management Amendment Act 2013 requires Council to prepare a new Otago Regional Public Transport Plan (RPTP), to replace the 2012 RPTP. The new RPTP must incorporate the provisions, principles and structure of the new national Public Transport Operating Model (PTOM) and set out how the Otago Regional Council (Council) will transition services to comply with the model. It must identify public transport services that are integral to the networks and units that council will contract, including those which may not attract a subsidy from the New Zealand Transport Agency (NZTA).

This report presents to Council a draft RPTP. It seeks endorsement of the Draft RPTP 2014 to enable public consultation in accordance with the Local Government Act 2002. The Draft RPTP is separately distributed with the agenda.

2. Purpose of the new plan

In accordance with section 117 of the Land Transport Management Act 2003 as amended, (the LTMA), the purpose of the Draft RPTP is to:

- describe the public transport networks that the ORC proposes be provided in the region generally
- identify services that are integral to those networks
- explain the information and infrastructure that support the services
- detail recent changes to each network
- explain changes proposed for the next five years for the public transport networks
- detail the goal, objectives and policies for public transport services in Otago
- describe how we intend to implement those policies
- identify the units* for public transport services
- clarify services for which ORC intends to provide financial support
- have regard to how we will implement the public transport service components of the Otago Regional Transport Strategy 2011 (soon to be merged with the Regional Land Transport Programme to form a Regional Land Transport Plan (RLTP))
- explain how we will contribute in an efficient and effective manner, with the aim of achieving an affordable, integrated, safe, responsive and sustainable land transport system in Otago

**Note: A unit is a group of routes that council will place in one contract to an operator. The unit will enable an operator to provide services on the group of routes in the Unit, for all services operated. The unit may or may not attract a subsidy from NZTA or council.*

Once operative, the RPTP 2014, in conjunction with a new Procurement Strategy, will guide the tendering of bus services for the Southern Routes contract (Mosgiel, Brighton and Abbotsford) which expire on 1 June 2015, and subsequent contract expiries.

The RPTP provides the framework for planning and management of public transport services in Otago. Council's Long Term Plan (LTP) and annual plans contain budgets and performance targets (including setting fare levels and concessions/discounts available through the GoCard).

3. Content of the Plan

The key component of the Draft Plan relates to passenger transport networks in Dunedin and the Wakatipu Basin, with most of the detail and key changes surrounding the Dunedin network.

The Plan also includes total mobility, inter-regional passenger services, and exempt bus services (previously registered commercial services).

4. Public transport networks

The Draft Plan presents a fundamental shift in our approach to public transport services. Historically council provided bus services targeting coverage of the city as the way to grow patronage and improve services. The new approach to public transport services uses a simplified route structure with good frequencies and provides less city coverage, but better service levels to increase patronage.

We have changed our approach to public transport for several key reasons:

- PTOM expects less reliance on subsidy and the coverage approach does not support this
- In transitioning to a PTOM network, we reviewed our network to provide a simple network, with easy to understand timetables (key matters the public raise with us).
- Simplifying the routes and making them more direct reduces travel times and enables improved service frequency. Research indicates a strong correlation between the directness of routes, improved frequencies and simple timetables as key elements of increasing patronage.

The following points are key matters where, region-wide, the RPTP 2014 differs from the 2012 RPTP:

Bus routes will use main roads not small residential streets and services will be stable all day and night.

This means:

- some passengers may have to walk further to access the bus
- users can have certainty over the route the bus will travel

Bus routes will be as direct as practicable.

This means:

- reduced travel times for many services
- less 'touring' around the city

The bus standards we adopt are consistent with the national standard set by the NZTA. This means:

- That to comply with the national requirements, we need to relax our current standards on the bus age from 15 years to less than 20 years.

Wakatipu Basin

The Wakatipu Basin public transport services are fully commercial under PTOM. Council must contract all services integral to a network, with or without subsidy. All existing public transport services, as well as a proposed new service to Shotover Country are included in the Wakatipu Basin unit for contract and we do not propose any subsidy. We do not propose a subsidy for these services.

Dunedin

The Dunedin public transport network forms the bulk of this RPTP. Included in the plan is a new public transport network focusing on direct, stable routes with good frequencies. The new network reduces the number of actual bus route variations from 144 to 16. Most routes will pair with another route to enable through travel. A central city hub would enhance our ability to coordinate bus services through timetabling and connections for transferring buses, provide bus information and GoCard top up facilities for users, and reduce bus congestion in the central city, particularly at peak times.

The Draft RPTP notes options considered for a new fare-zone structure and identifies as the preferred option a three-zone system with the current zone 1 remaining the same. Current zones 2, 3 and 4 become zone 2, and current zones 5, 6 and 7 become the third zone.

The following are matters for Dunedin that represent the fundamental shift in our approach to planning and providing bus services in the Dunedin network:

We propose a new network of bus routes and frequencies that are stable and simple to remember.

This means:

- there will be changes to current bus routes for some users from 1 July 2015
- frequencies will be regularised and, in some cases, increased

ORC will withdraw from providing contracted school bus services. The new Dunedin bus network and ticketing system will enable school pupils to access their school of choice without the need for separate school bus services provided by ORC.

This means:

- school pupils will use the public transport network for their journey to and from school
- some pupils may have a small walk from the bus stop to their school, and vice versa

Northern Services (Palmerston, Waikouaiti, Karitane and Waitati) will become part of the Dunedin network

Wingatui will no longer be part of the Dunedin network.

We propose to change the current seven-zone fare structure to a three-zone fare structure.

This means:

- For some passengers, fares will decrease; for the remainder fares will increase
- A more simple structure enables people to have certainty in the fare they need to pay.

5. Total Mobility

Total Mobility provides funding assistance to those who cannot use scheduled public transport services because of a disability. We propose to continue to administer the scheme and make clear the rates that we will pay for each trip taken. We have not changed any policies or provisions for Total Mobility services.

6. Inter-regional passenger services

We expect that passenger services will be available in the region in the form of scheduled bus services through the region, taxis, shuttles, private hire services, community based schemes and medical-related transport. We make it clear that these services are not subsidised by council and that school bus services contracted by the Ministry of Education are 'Excluded' services of which Council has no control.

7. Exempt bus services

Exempt services are those previously registered with council as commercial services. These currently incorporate services such as the St Clair to Normanby, and St Kilda to Halfway Bush and Brockville services, as well as at least a dozen other services operating throughout Otago.

We will transition the St Clair to Normanby and St Kilda to Halfway Bush and Brockville services from Exempt services to be services under a council bus contract (in accordance with PTOM).

8. Proposed timeline and next steps

The following timeline proposed for the development of this RPTP will enable an operative plan before the end of 2014:

25 June	Endorsement of the Draft RPTP
21 July – 22 August	Public consultation
8-12 September	Hearing of Submissions
30 October	Council adopts final RPTP
29 November	Plan becomes operative

9. Recommendation

That the Council

- Endorse the draft RPTP for public notification
- Delegate to the Director Corporate Services the authority to approve editorial and minor changes to the draft plan before public notification.
- Establish a Hearings Subcommittee to hear and consider submissions on the Draft Plan and make recommendations to Council.

Wayne Scott

Director Corporate Services

REPORT

Document Id: A638313
 Report Number: 2014/0890
 Prepared For: Council
 Prepared By: Finance Manager
 Date: 19 June 2014

Subject: **Financial Report to 31 May 2014**

The following information is provided in respect of the overall Council finances for the eleven months to 31 May 2014.

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	1,335	836	499
Bio-Security		2,082	1,916	1,771	145
Coast		339	311	193	118
Dam Safety		368	338	347	(9)
Emergency management		378	348	264	84
Environmental incident response	Note 2	631	580	679	(99)
Flood protection & control works	Note 3	8,613	8,120	6,031	2,089
Governance & Community		3,995	3,698	3,710	(12)
Regional Policy Statement	Note 4	498	457	617	(160)
Rivers & Waterway Management		1,088	998	965	33
Natural hazards	Note 5	1,395	1,282	914	368
Transport		8,606	7,831	7,925	(94)
Water	Note 6	8,913	7,286	6,480	806
		38,358	34,500	30,732	3,768

Significant variances are commented upon in the notes below.

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 Environmental Incident Response

The primary reason for this variance is remedial work amounting to \$74,000 in respect of an Oamaru Foreshore contaminated site. It is noted that recoveries of \$71,000 have been received in respect of these costs.

Note 3 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 \$3,902,000, is \$1,655,000 less than provided for in the budget. Additionally, expenditure in the Lower Clutha Flood Protection project of \$820,000 is \$415,000 less than budgeted largely due to the timing of capital expenditure related to pump station assets.

Note 4 Regional Policy Statement

The Regional Policy Statement is showing an unfavourable variance of \$160,000. However work budgeted within the Regional Plan – Hazards project has been incorporated within the Regional Policy Statement project. The combined project variance is minimal at less than 1.0%.

Note 5 Natural Hazards

The Regional Plan – Hazards project has a year-to-date budget of \$155,000, 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.

Note 6 Water

This activity comprises 12 projects with a net favourable variance of \$1,190,000 or 26.2% of budget, and 4 projects with a net unfavourable variance of \$384,000, or 11.4% of budget. Comment is provided below on the most significant variances.

The most significant *favourable* variance is the Consent Processing – Water Project, with a variance of \$288,000 compared to the budget of \$996,000. 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.

Other significant favourable variances are the Compliance Monitoring-Water project (\$162,000), the Incidents-Water project (\$110,000) and the Community Water Quantity project (\$146,000).

The most significant *unfavourable* variance is the Regional Plan – Water project with an unfavourable variance of \$190,000 compared to the budget of \$885,000. 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 eleven months to 31 May 2014 and a Balance Sheet as at 31 May 2014 are attached.

3. Recommendation

That this report be received.

R W Scott

Director Corporate Services

Otago Regional Council

 Income Statement
 For the Eleven Months to 31 May 2014

	Annual Budget \$000's	YTD Budget \$000's	YTD Actual \$000's	Variance (unfav) \$000's
Income:				
Rate income	15,632	14,329	14,346	17
Grant and subsidy income	Note 1 4,284	3,962	4,527	565
Interest received	Note 2 1,918	1,758	2,220	462
Other income	Note 3 4,914	4,505	3,776	(729)
Dividend income	Note 4 7,200	6,600	6,508	(92)
Rental income	903	828	930	102
Gain in value of investment Property	Note 5 241	-	0	-
Other gains	Note 6 -	-	563	563
Total Income	35,092	31,982	32,870	888
Less Expenditure:				
Operating expenses	29,205	25,943	26,197	(254)
Finance costs	555	509	452	57
Depreciation expense	1,341	1,230	1,132	98
Total Expenditure	31,101	27,682	27,781	(99)
Surplus	3,991	4,300	5,089	789

Note 1 – Grant and Subsidy Income

The prime cause of this favourable variance is a variance of \$402,000 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 – Other Income

This variance comprises a net *unfavourable* variance of \$1,245,000 in respect of operational activity projects, offset by a net *favourable* variance of \$516,000 in non-operational cost centres.

The majority of the unfavourable variances are due to a lower level of activity in the projects compared to budgets, with a consequential reduction in revenue.

The major non-operational favourable variances include additional rate penalty income over the nominal budgeted amount and an unbudgeted surplus on asset disposals.

Note 4 – Dividend Income

The budgeted dividend income from Port Otago Limited for the year is \$7.2m.

Dividend income received in the current financial year amounts to \$7.1m of which \$2.7m was received in June 2014. The accrual of dividend income to 31 May 2014 has been adjusted accordingly, resulting in the reported variance from budget.

Note 5 – Gain in the value of Investment Property

Investment Property is revalued annually at 30 June. Accordingly the year to date budget and actual gain are reported as nil amounts to 31 May 2014.

Note 6 – Other Gains

The year to date gains recorded to 31 May 2014 are an increase in the value of the BNZ managed Investment Portfolio of \$452,000 and a gain of \$111,000 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 May 2014

		31 May 2014 \$000's	30 June 2013 \$000's
Public Equity			
Public equity		136,713	143,186
Available-for-sale revaluation reserve	Note 1	341,264	341,264
Asset revaluation reserve		7,485	7,485
Asset replacement reserve		4,815	4,633
Building reserve	Note 2	5,187	-
Emergency response reserve		3,552	3,425
Irrigation grants reserve		1,445	206
Kuriwao endowment reserve		5,989	5,500
		506,450	505,699
Current Liabilities			
BNZ Loan	Note 3	10,000	10,000
Accounts payable and accruals		4,823	6,624
Other financial instruments		27	138
Revenue in advance	Note 4	1,330	-
		16,180	16,762
Total Equity and Liabilities		522,630	522,461
Non-Current Assets			
Operating assets		79,284	80,196
Intangible assets		1,754	1,893
Investment Property		9,546	9,546
Deferred tax asset		73	98
Shares in Port Otago Ltd	Note 1	361,264	361,264
		451,921	452,997
Current Assets			
Cash and cash equivalents	Note 5	1,317	1,893
Other financial assets	Note 5	62,781	62,869
Receivables		4,099	4,137
Other current assets		19	180
Inventories – stock and property held for sale		385	385
Dividends Receivable		2,108	-
		70,709	69,464
Total Assets		522,630	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 loan will be repaid on the loan facility termination date of 30 June 2014.

Note 4 – Revenue in Advance

Revenue in advance includes the portion of rating income invoiced in September 2013 that will be reflected as revenue over the remaining period 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 back from Councillors

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Communications Committee held in
the Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 4 June 2014 commencing at 12.05 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 Gretchen Robertson
Cr Bryan Scott
Cr David Shepherd
Cr Stephen Woodhead

Leave of absence: Cr Sam Neill

In attendance: 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 16 April 2014, having been circulated, were adopted on the motion of Crs Bell and Deaker.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2014/0851 **Report on Community Liaison and Education.** CE, 16/5/14

The report provided an update on Plan Change 6A implementation, catchment programmes, and annual plan target progress.

The question of the legal definition of a watercourse was raised. Mr McRae advised that the RMA defined a river as a permanently or intermittently flowing body of water, and did not refer to beds and banks. He noted that Plan Change 6A controlled water quality discharge to a river, which could be via a race or drain.

The Plan Change 6A launch was confirmed for 27 June, and Mr Taylor advised that key stakeholders had been invited. The purpose of the event was to launch the 6A implementation programme and to clarify rules and compliance. Establishment of a stakeholders' advisory group would reinforce the importance of people taking ownership of water. The roadshows planned for early July would provide a review of the water quality in each area, and clarification of the rules.

Cr Scott moved
Cr Croot seconded

That the report be received.

Motion carried

Item 2

2014/0840 **Report on Customer Services Activity.** CE, 19/5/14

The report provided an update on Customer Services Activity for May 2014.

Cr Bell moved
Cr Robertson seconded

That the report be received.

Motion carried

Item 3

2014/0844 **Report on Communications and Media Activity.** CE, 20/5/14

The report provided an update on Council communications and media activity carried out during the period 1 April to 16 May 2014.

Councillors were pleased to note:

- good public feedback on the RPS brochure;
- rating of the ORC website at 9th out of 78 sites assessed recently by the Local Government Information Managers group;
- inclusion of ORC science education capabilities in a database being created for use in schools by the Royal Society of NZ; and
- ORC involvement in the Dunedin International Science Festival and the Foreign Policy School.

Concern was raised about access to information on outdoor burning. Mr Taylor pointed out that there were a number of entries on the ORC website, and brochures and press releases were available. It was suggested that an information pack be provided to people moving into an area.

Councillors acknowledged the work done by staff at recent RPS public meetings and drop-in sessions, but were disappointed by the low public attendance. Alternative methods of encouraging public involvement were discussed, including attending existing local events, and the use of kiosks and drop-in sessions. The DCC's People's Panel was mentioned, where people could sign up for regular emails from the DCC and provide feedback, and electronic media could be used more.

Cr Deaker moved
Cr Shepherd seconded

That the report be received.

Motion carried

The meeting closed at 12.36 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 4 June 2014 commencing at 1.08 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 Gretchen Robertson
Cr Bryan Scott
Cr Stephen Woodhead

Leave of absence: **Cr Sam Neill**

In attendance:

Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Sharon de Vries (for Item 1)
Janet Favel

CONFIRMATION OF AGENDA

It was noted that there were no in committee items to be considered. There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 16 April 2014, having been circulated, were adopted on the motion of Crs Kempton and Kelliher.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2014/0842 **2014/15 Annual Plan – Recommendations from Hearing Committee.**

DCS, 21/5/14

The report presented the Hearing Committee's recommendations in respect of the Draft Annual Plan.

Enviroschools

Cr Deaker noted the submission from the DCC relating to funding for Enviroschools. He was surprised that the hearing committee recommended the submission be declined because not enough information was provided, and noted discussion at previous annual plan hearings on this matter. Cr Deaker indicated that he would put forward an addendum to the recommendations 'that relevant staff at ORC and DCC enter discussions with a view to the regional co-ordinator function and employment being phased into the ORC structure by 2015, rather than decline the request.'

Cr Shepherd explained that the hearings committee understood that a lot of the work carried out under the umbrella of the DCC was teaching teachers, and questioned whether this was a regional responsibility. Cr Robertson considered that the report reflected the decision but did not correctly reflect the discussion, and pointed out that the application did not directly request that the ORC take on the regional co-ordinator's role within Otago. She pointed out that if this was to happen, two positions were needed - the regional co-ordination role within the ORC, and provision within the DCC for teaching for teachers.

Cr Scott noted that at last year's annual plan hearings, it was suggested that Enviroschools and ORC consider how they could work together. He was frustrated that this had not happened, and felt that now was the time to explore this opportunity.

Cr Croot noted that an ORC regional co-ordination position would have to work within the Enviroschools structure, and pointed out that staff, particularly Mr Taylor, had worked with the group, supporting them with time and knowledge. She also commented that not all schools were involved in Enviroschools, and a different proposal would be needed to include them. Cr Croot supported the establishment of an environmental education position within the ORC, but whether this was with Enviroschools would have to be decided.

Cr Deaker moved

Cr Kempton seconded

That Recommendation 2 be amended to read:

That the recommendations of the hearing committee be endorsed and in the case of point 3.7.6 that the staff of ORC and DCC meet during 2014 to negotiate the transfer of the Enviroschools regional co-

ordination role and the meeting of its funding needs from the DCC to the ORC in time for the 2015 school year.

It was agreed that the phrase “in time for the 2015 school year” be deleted.

After discussion, the mover and seconder agreed to amend the proposed recommendation and it was to be added as Recommendation 5.

Cr Deaker moved

Cr Kempton seconded

That a new Recommendation 5 be added:

That the appropriate staff of Otago Regional Council and Dunedin City Council meet during 2014 to negotiate the transfer of the Enviroschools Regional Co-ordinator role and the meeting of its funding needs from the DCC to the ORC.

Motion carried

Biodiversity

Cr Robertson considered that the report did not reflect the hearings committee’s discussion on this matter. Cr Shepherd understood that the intention was for a stocktake to be undertaken of Council’s biodiversity work, following which a decision would be made on how to proceed. Cr Woodhead agreed, noting that this could flow on into development of a biodiversity strategy. There was discussion about whether the work to be undertaken was a review of existing/completed biodiversity projects or preparation of a strategy. It was noted that there would have to be public consultation on a strategy document.

Item 3.2 of the report was to be amended to read: “The Hearing Committee notes that the purpose of the strategy-review is to draw together all of the biodiversity work currently being undertaken by Council, and to assist with planning its own role in biodiversity in the future.”

Mr McRae commented that the stocktake of each council’s biodiversity work would feed into the RPS. ORC was carrying out a number of tasks that had a biodiversity function and these needed to be identified and collated. He stated that it was not the ORC’s role to identify biodiversity work being carried out by other councils.

Mr Scott suggested that for clarification, the word review instead of strategy be used to refer to the biodiversity project in the Annual Plan.

General Rates

The following figures were to be added to the report:

2014/15

General Rates (\$000s)	\$5,027.00
Uniform Annual general charge (incl GST)	\$13.76

Cr Woodhead moved
Cr Deaker seconded

1. *That the report be received.*
2. *That the recommendations of the Hearing Committee be endorsed.*
3. *That the 2014/15 Annual Plan incorporating the recommendations from the Hearing Committee be placed before the June Council meeting for adoption.*
4. *That the 2014/15 Rates Resolution be placed before the June Council meeting for adoption.*
5. *That the appropriate staff of Otago Regional Council and Dunedin City Council meet during 2014 to negotiate the transfer of the Enviroschools Regional Co-ordinator role and the meeting of its funding needs from the DCC to the ORC.*

Motion carried

Item 2

2014/0861 **Passenger Transport Operations Update May 2014.** DCS, 25/5/14

The report provided an update on transport operational matters, and the following points were discussed:

- GoBus brand – the suggestion that an agreement be entered into with Go Bus Transport Ltd for the surrender of Council’s GoBus trademark seemed to be the most pragmatic approach.
- Student concession trial – Ritchies wished to continue with the concession, but GoBus did not consider that the data supported retaining the concession. This matter was under discussion with both companies.
- Contracts – it was likely that current contracts would be extended to the end of July.
- Route changes - potential route changes would need to be publicised.
- Queenstown network – would be discussed once the negotiations with the DCC over responsibility for public transport were concluded.
- Journey planner – now live on the ORC’s website.

Cr Woodhead moved
Cr Deaker seconded

- (1) *That the report be received.*
- (2) *That:*
 - i. *Council withdraw from the use of GoBus as its network brand, and*
 - ii. *An agreement be entered into with Go Bus Transport Limited for the surrender of Council’s GoBus trademark.*

Motion carried

PART B – ITEMS FOR NOTING

Item 3

2014/0863 **Executive Report on Progress.** DCS, 26/5/14

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

Cr Croot moved

Cr Woodhead seconded

(1) *That the report be received.*

(2) *That the payments and investments summarised in the table above and detailed in the tabled schedule totalling \$3,432,957.26.*

Motion carried

Cr Shepherd noted that Duncan Butcher, former councillor and chair of the Finance and Corporate Committee, had been awarded the ONZM in the Queen's Birthday honours, in recognition of his 33 years of service to local authority.

The meeting closed at 2.32 pm.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 4 June 2014 commencing at 2.34 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 Bryan Scott
Cr David Shepherd
Cr Stephen Woodhead

Leave of absence: **Cr Sam Neill**

In attendance:

Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Richard Pettinger (for Item 2)
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 16 April 2014, having been circulated, were adopted on the motion of Crs Bell and Kelliher.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2014/0760 **Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer – Consultation.** DPPRM, 25/5/14

The report presented for consideration a draft proposed plan change for the management of the Cromwell Terrace aquifer. The consultation draft and draft Section 32 report were circulated separately.

Mr McRae commented that generally communities did not perceive groundwater as having value unless there were concerns about an aquifer being over allocated.

Cr Kempton moved
Cr Deaker seconded

That the attached Consultation Draft of Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) and the accompanying draft Section 32 Evaluation Report is released for consultation in terms of clause 3, Schedule 1 of the Resource Management Act 1991.

Motion carried

Item 2

2014/0838 **Consultation Draft Proposed Plan Change 3B (Pomahaka minimum flow).** DPPRM, 16/5/14

The report explained that the purpose of the proposed plan change was to establish a primary allocation limit, minimum flow, and supplementary allocation regime for the catchment. The draft plan change, and a draft S32 evaluation report were circulated separately with the agenda.

It was noted that the proposed Plan Change was based on a 2006 technical report, and a question was raised about the validity of a minimum flow based on 8 year old information in a rapidly changing landscape. Mr McRae advised that the values identified had not changed, and were reinforced during the community workshops. Current takes had not influenced the river but the community wanted to put minimum flows in place before anticipated changes occurred.

In response to a question about the proposed 1000 l/s minimum flow, Mr McRae advised that this met the current rate of take, but would not allow any additional primary allocations.

Cr Woodhead moved
Cr Deaker seconded

That the attached Consultation Draft of Proposed Plan Change 3B (Pomahaka catchment minimum flow) to the Regional Plan: Water for Otago and the accompanying draft Section 32 Evaluation Report are released for consultation in accordance with clause 3, Schedule 1 of the Resource Management Act 1991.

Motion carried

Item 3

2014/0836 **Local Government New Zealand Hazard Management Review.**
DPPRM, 22/5/14

The report explained that Local Government New Zealand (LGNZ) had initiated a discussion with local and central government and other stake holders in respect to taking a holistic review of how New Zealand managed natural hazard risks. It was suggested that ORC provide a written response to the LGNZ review of Natural Hazards Management in New Zealand.

Mr McRae noted that response to flooding risk in Otago ranged from Queenstown, where the community accepted the flood and designed to be resilient to flooding, through to physical responses, eg floodbanks. This range of response, as well as reference to other natural hazards, would be included in the response to LGNZ.

Cr Scott moved
Cr Croot seconded

That Council provide a written response to the LGNZ review of Natural Hazards Management in New Zealand.

Motion carried

PART B - ITEMS FOR NOTING

Item 4

2014/0831 **Director's Report on Progress.** DPPRM, 22/5/14

The report provided an overview of significant activities undertaken by the Policy, Consents and Transport Planning sections.

The incidences of crashes involving tourists were noted, and Mr McRae pointed out that foreign drivers were not disproportionately involved in serious crashes.

Mr McRae advised that a report on analysis of crash data was being prepared for the Committee. ACC and hospitalisation statistics, as well as motor vehicle crash statistics, were being used, and this analysis was of interest to NZTA and other agencies.

Cr Deaker moved
Cr Croot seconded

That the report be noted.

Motion carried

The meeting closed at 2.56 pm.

Chairperson

OTAGO REGIONAL COUNCIL

**Minutes of meeting of the Regulatory Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 4 June 2014 commencing at 10.00 am**

Present:

- Cr Gerrard Eckhoff (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

One minute's silence was observed to note the passing of Suzanne Bodeker, wife of Chief Executive Peter Bodeker.

Cr Bell noted the passing of Mr Tommy Thompson, who had had long local government experience in Central Otago.

Leave of Absence: Cr Sam Neill

In attendance:

- 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 16 April 2014, 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.

ITEMS FOR NOTING

Item 1

2014/0819 **Biosecurity and RMA Monitoring Report. DEMO, 22/5/14**

The report detailed water, air, pest, and contaminated site monitoring and incidents for the period 22 March to 30 April 2014.

The following items were discussed:

1.1.2 Water metering

Mr Donaldson explained that abatement notices issued from 1 July would require consent holders who had not installed a water meter to cease taking water, and any breach would result in an instant fine. Abatement notices generated during June would require consent holders to cease and desist from taking water from the beginning of the next irrigation season, and this action had been publicised.

Delays caused by the paucity of installers were noted, but the importance of quality installation was also pointed out. Mr Donaldson agreed, but noted that to date consent holders had had two years to get meters installed. In response to a question about enforcement where stockwater was required, Mr Donaldson advised that animal welfare issues would be dealt with on a case by case basis.

3.1.1 Rabbits

There was concern that the Maximum Allowable Level (MAL) for rabbits was exceeded on almost 90% of properties inspected. Mr Donaldson explained the rabbit numbers were now at pre-virus levels. A number of property owners were carrying out control activities, but there were control problems particularly on properties surrounded by lifestyle blocks, and noted that a lot of lifestyle block owners did not understand the importance of rabbit-proof fences. Increased rabbit numbers could also result from where work was not carried out over the whole of the property, or where there were absentee landowners. Mr Donaldson advised that a number of rabbit-control workshops for lifestyle block owners had been run.

In response to a question Mr Donaldson explained that the South Island Pest Management Strategy would be used to remove the Otago middle step of requirement for a management plan, and go straight to a notice of direction, which would enable the ORC to proceed more quickly. There was concern that ORC did not have sufficient resources for this work. Mr Donaldson explained that there was both in-house and contractor resource. He also noted that the ORC made its carrot cutter available to contractors, and some were considering the use of 1080 pellets, which was the most effective treatment. However he noted concern that sublethal dosing had been applied.

A question was raised about appropriate conditions on subdivisions. Mr Donaldson explained that Council submitted on subdivision consent

applications seeking conditions be applied requiring the provision of rabbit-proof fencing.

3.1.2 Rook control

In response to a question Mr Donaldson explained that rooks were considered a pest because of their detrimental effect on new grass, and Canterbury and Southland Regions were also trying to contain them. He noted that poisoning of nests had worked well.

5. Operations

The opening of the bar at the mouth of the Clutha River/Mata-Au was noted. Mr Donaldson explained that this was carried out because the river was flooding back into Inchclutha and Kaitangata. The work was assisted by Contact Energy and Mr Scott also noted that this outlet was maintained as part of the flood control scheme.

Cr Croot moved
Cr Bell seconded

That the report be noted.

Motion carried

Item 2
2014/0858

Consent processing, consent administration and Building Control Authority update. DPPRM, 23/5/14

The report detailed consent processing, consent administration and building control authority activity for the period 3 April to 16 May 2014.

Cr Woodhead moved
Cr Scott seconded

That the report be noted.

Motion carried

Item 3
2014/0830

RMA, Biosecurity Act and Building Act Enforcement Activities. DPPRM, 14/5/14

The report detailed Resource Management Act 1991, Biosecurity Act 1993 and Building Act 2004 enforcement activities undertaken for the period 29 March to 13 May 2014.

Cr Croot moved
Cr Kelliher seconded

That the report be noted.

Motion carried

Item 4
2014/0843

Appointment of hearing commissioners. DPPRM, 20/5/14

The report listed hearing commissioners appointed for the period to 20 May 2014.

Cr Croot moved
Cr Shepherd seconded

That the report be noted.

Motion carried

A query was raised about appointment of ORC Councillors to hear ORC resource consent applications. It was explained that the majority of consent applications for non controversial work could be decided by a staff panel, however where these applications were lodged by the ORC they were heard by ORC Councillor commissioners to avoid perceptions of bias. Where the issue was controversial, external commissioners would be appointed. It was pointed out that ORC had followed this practice for about 20 years. Mr McRae commented that the Making Good Decisions training for hearing commissioners included a component on impartiality and openness.

The meeting closed at 10.44 am.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Technical Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 4 June 2014 commencing at 10.46 am**

Present:

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

Leave of Absence: **Cr Sam Neill**

In attendance:

Wayne Scott
Jeff Donaldson
Fraser McRae
Gavin Palmer
Matt Hickey
Deborah Mills (for Item 1)
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 16 April 2014, having been circulated, were adopted on the motion of Crs Scott and Eckhoff.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2014/0824

Spatial study of air quality in Arrowtown and Wanaka.

DEHS, 26/5/14

The report summarised spatial air quality studies carried out in Arrowtown and Wanaka during winter 2013. Results from the studies provided additional information regarding air quality in the Arrowtown and Wanaka airsheds which would assist in the development of a larger monitoring strategy.

A question was raised as to whether moving monitoring sites could confuse long term records. Ms Mills explained that changing sites was not ideal but in the case of Arrowtown the monitor had to be moved quickly. The monitor was now in the worst part of town, so it was expected that the readings would be higher.

It was noted that in Arrowtown air quality appeared to be worse in the morning when people lit their fires, but in Wanaka the late afternoon/early evening period was worse, probably because of restaurants starting up. Dr Palmer advised that some local education programmes had been carried out, and future programmes would be developed. Interaction with TLAs and developers was suggested to ensure air quality issues were taken into account in new residential areas.

Ms Mills advised in response to a question that the current monitors were not able to determine the source of residue collected.

The location of air quality monitoring sites was discussed, and Ms Mills advised that the spatial studies done to date confirmed those monitors were in the best locations being locations with the highest concentrations of PM₁₀. The Alexandra and Cromwell sites would be investigated this year to ensure they too were in the best locations.

Rapid development in some Air Zone 2 areas was noted, and comment was made that while these areas currently had to meet the national woodburner standard of 1.5 µg/m³, consideration should be given to developing policy to advocate for 0.7 µg/m³ in Air Zone 2.

It was suggested publicity was needed to clarify that PM₁₀ was particle size, not a fuel component, as some people seemed to think.

Cr Kelliher moved
Cr Robertson seconded

1. *That the results from this report be used to inform the monitoring component of the air quality management strategy being developed this year.*
2. *That the results be shared with the communities.*
3. *That this report be noted.*

Motion carried

Item 2
2014/0832

Assessment of liquefaction hazard in the Dunedin City district.
DEHS, 26/5/14

The susceptibility of land to earthquake-induced liquefaction in the Dunedin City District had been assessed for ORC by GNS Science. The GNS report was circulated separately.

Dr Palmer noted a correction to Item 3 of the committee report, to read “..... the permanent population of land classified as Domains B or C is approximately 32,620 ~~55,856~~ (27% of Dunedin’s total)”

Comment was made on the statement in the report that while activity intervals on Akatore and Titree were long compared with more active faults, the location of other fault lines was not known. It was suggested that this reference be highlighted to the DCC.

It was noted that South Dunedin and the Upper Harbour were identified as key areas with the greatest population. How to highlight this to the community would be discussed through the DCC’s District Plan process.

Cr Deaker moved
Cr Robertson seconded

That:

1. *The report is noted.*
2. *The report “Assessment of liquefaction hazards in the Dunedin City District” and its associated GIS dataset is uploaded to the Otago Natural Hazards Database, and provided to the Dunedin City Council.*

Motion carried

Item 3
2014/0826

Natural Hazards technical reports to inform the Dunedin City District Plan. DEHS, 26/5/14

The report explained that a series of six technical reports had been created to help inform the review of the natural hazard provisions of the Dunedin City District Plan. Reports covering the characteristics and likely geographical extent of a range of natural hazards, including Coastal Communities, Taieri Flood Hazard, and Urban streams flood hazard, were circulated separately.

Dr Palmer noted that the report included new information on the Kaikorai Valley flood hazard; refining of information on the North Taieri, Tirohanga Road and Wyllies Crossing areas; and adjustment to Water of Leith/Lindsay Creek maps. There were some rating implications where adjustment to benefit zones was needed, and this would be addressed during preparation of the 2015-25 Long Term Plan.

In response to a question Dr Palmer confirmed that the ORC had sufficient resources to be able to work with TLA staff on their district plans, and noted that to date discussions had also been held with WDC and CDC.

In response to a question Dr Palmer explained that natural hazards information was contained in the hazard register, which was a dynamic document and could be updated as new information became available. The next generation of the database would increase capacity and make it easier to use.

Cr Woodhead moved
Cr Croot seconded

That:

- 1. This report be received, and*
- 2. The series of six technical reports outlined above be noted, endorsed, and provided to the Dunedin City Council to inform the review of the natural hazards provisions of the Dunedin City District Plan.*

Motion carried

PART B - ITEMS FOR NOTING

Item 4

2014/0822

Shag River/Waihemo Catchment: Water Quality Study.
DEHS, 9/5/14

The committee report summarised the full report “Shag River/Waihemo Catchment: Water Quality Study” (circulated separately) which presented the results of long-term State of the Environment monitoring at two sites in the Shag River/Waihemo catchment, intensive water quality monitoring in 2012-2013, and ecological surveys carried out in 2012-2013.

Cr Brown moved
Cr Kelliher seconded

That this report and the technical report “Shag River/Waihemo Catchment: Water Quality Study” be received and noted.

Motion carried

Item 5

2014/0788

Water quality of Lake Tuakitoto catchment. DEHS, 26/5/14

The Committee report summarised the full report “Water quality and ecosystem health in the Lake Tuakitoto catchment” (circulated separately).

In response to a question Dr Palmer advised that work was under way to establish an operating regime which would create a balance between land drainage and ecosystems. Changes had also been made to operational staffing and decision making. It was anticipated that within 6 to 12 months all the arrangements for improved water level management would be in place.

Comment was made that because of similar soil types and rainfall, similar water quality issues had been experienced throughout South and West Otago for a long time. There would be ongoing issues with Lake Tuakitoto, in part because it was shallow, and just above sea level.

Mr Hickey commented that the standards in Schedule 15 of Plan Change 6A were targets, not limits. He noted that there was a lot of sediment in the lake, which could not be disposed of quickly. The location of the lake also had an effect, with wind stirring up the sediment. Factors included NNN, which was common across South Otago, leaching, and *e.coli*, partly from the large number of birds. The establishment of a management regime was critical, and staff were working with DoC, Fish and Game, and landowners.

Note was made of a comment from the National Chair of Federated Farmers that farmers would have to get used to the idea that higher stocking rates in some areas could not continue, and that too much fertiliser was being applied.

Cr Deaker moved
Cr Shepherd seconded

That this report and the technical report “Water quality and ecological health in the Lake Tuakitoto catchment” be received and noted.

Motion carried

Item 6
2014/0854

Management flows for Tuapeka River ecosystems. DEHS, 20/5/14

The Committee report presented the management flow report “Management Flows for Aquatic Ecosystems in the Tuapeka River” (full report circulated separately).

In response to a comment about maintaining the native fish population, Mr Hickey explained that some species could survive deprecation by trout, others, for example galaxiid, could not. The consenting process could allow a flow to prevent trout migration upstream, and most native populations lived in the upper levels of rivers above the minimum flow.

Cr Croot moved
Cr Kempton seconded

That this report and the technical report ‘Management flows for Aquatic Ecosystems in the Tuapeka River’ be received and noted.

Motion carried

Item 7
2014/0825

Director’s Report on Progress. DEHS, 21/5/14

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 significant activities undertaken by the Resource Science Unit.

It was noted that there was a lot of frustration over perceived slow progress with Kakanui River issues, and farms had suffered significant damage. Arriving at a community solution through the consultation process would take time, and a solution to immediate problems was needed. Dr Palmer advised that once terms of engagement had been

signed with a person to lead the development of the Kakanui/Kauru river management plan, that person would be able to start work. He advised that in the meantime staff were working on localised gravel issues to deal with river alignment.

Cr Croot moved
Cr Kelliher seconded

That the report be noted.

Motion carried

The meeting closed at 12.02 pm.

Chairperson