

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 25 June 2014 commencing at 10.44 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 Gary Kelliher**
- Cr Trevor Kempton**
- Cr Bryan Scott**
- Cr David Shepherd**

Cr Woodhead welcomed Jane Leahy, newly appointed Director Stakeholder Engagement.

Apologies:

Cr Gerrard Eckhoff
The apology was accepted on the motion of Crs Kelliher and Kempton.

Leave of Absence:

Cr Sam Neill

In attendance:

- Peter Bodeker**
- Wayne Scott**
- Jeff Donaldson**
- Jane Leahy**
- Fraser McRae**
- Gavin Palmer**
- Sharon de Vries** (for Item 3)
- Gerard Collings** (for Item 5)
- Suzanne Watt** (for Item 5)
- Ramon Strong** (for Item 13)
- Janet Favel**

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the public portion of the meeting held on 7 May 2014, having been circulated, were adopted on the motion of Crs Kempton and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - REPORTS FROM CHAIRPERSON AND CHIEF EXECUTIVE

Item 1

2014/0909 **Chairperson's Report.** Chair, 19/6/14

The Chairperson provided an overview of his activities for the period to 18 June 2014. The following items were discussed:

- *Audit and Risk Subcommittee* – it was noted that following consultation with other regional councils, the Chief Executive recommended Mr Dave Benham for the role of chair of the Audit and Risk Subcommittee. Mr Scott advised that the appointment to this role would be reviewed at the end of each triennium. Councillors supported the appointment of Mr Benham, noting that his experience and qualifications would be useful for the role.
- *Meeting with NZ Oil and Gas representatives* – the report was to be corrected to show that Cr Shepherd, not Cr Robertson, had attended this meeting.
- *Mayoral Forum* – in response to a question about frequency of reporting on Mayoral Forum activities, Cr Woodhead advised that he and the Chief Executive would consider how best to report to Councillors on the Forum's activities and meetings. In response to a comment about the economic growth seminar, the Chief Executive explained that this was an item in the Triennial Agreement, and he noted that rural growth should be included in the discussion.
- *Otago Wilding Tree Trust* – the preparation of a report describing the current wilding situation in Otago was noted, and it was considered important for the ORC to have access to this report. Cr Woodhead noted that the report would inform the ORC review of the Pest Management Strategy.

Cr Woodhead moved

Cr Deaker seconded

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

Motion carried

Item 2

2014/0889 **Chief Executive's Report.** CE, 11/6/14

The Chief Executive provided an overview of his activities for the period to 11 June 2014.

River Management

Mr Bodeker noted the importance for staff and communities alike to understand the Council's river management role, and it was important to establish the values communities expected of their river systems. He noted that the increasing value of riverbank land, and significant riverbank infrastructure, affected how landowners were prepared to use this land. The expected outcome from the community consultation was that an agreed position on river performance would be established which could result in seeking global consents to undertake river management works. Cr Brown was to discuss with the Chief Executive the need for urgent action on commitments given to the Kakanui/Kauru community, and the severe erosion issues on six properties.

Plan Change 6A

About 100 people were expected to attend the PC6A Stakeholder launch on Friday 27 June. The launch would explain ORC's role in ensuring compliance with all aspects of the Water Plan, particularly in relation to land owners' awareness of the requirements of prohibited and permitted activities. Comment was made that there were water quality problems in the region and these should be addressed now and not left until 2020. Mr Bodeker explained that the vision was to establish a regime which ORC would monitor against, and compliance by at least 2017 would be encouraged. Requirements for Schedule 16 levels and use of Overseer would be enforced in 2020. The incentivisation was that all landowners would have water quality assessment in place prior to 2020.

It was commented that the transition time was now, not after 2020. The existing rules would be enforced now, so that by 2020 the requirements would be met. The deadline of 2020 gave landowners time to understand the outcomes they needed to achieve and how they could budget for this work.

Comment was made that the mediated result on the PC6A hearings should ensure support for the 6A principles. Briefing notes for Councillors giving introductions to the Roadshow meetings were requested.

Tomahawk Lagoon

The meeting was well attended and positive, with a diverse range of interests represented. Options for dealing with the water quality issues were presented, and a response from the community was awaited. It was also noted that a targeted rate could be put in place for those who stood to benefit from any solution to the water quality issues.

Cr Deaker moved
Cr Shepherd seconded

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

Motion carried

PART B – RECOMMENDATIONS

Item 3

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 was presented for adoption. The full document was circulated separately with the agenda.

Mr Scott pointed out that the changes summarised in the Committee report did not have any effect on the financial provisions. He noted that a 2.49% rate increase was recommended, and there were decreases in the stadium loan repayment, Clean Heat project, and Queenstown Public Transport targeted rates. Mr Scott also noted that bus operators had agreed to continue the student discount.

Councillors commended the Annual Plan process and report, the 2.49% rate increase, which was below the inflation rate, and the decrease in some targeted rates. They were also pleased with the work now being carried out on Plan Changes 6A and 1C, and the significant review of the RPS.

In response to a query Mr Scott explained that Port Otago Ltd, recreational clubs, and iwi would be included in the harbour use investigations.

Cr Woodhead noted a national study into rating resolutions to ensure they complied with legislation.

In response to a question Mr Scott explained that legislation applied a penalty on unpaid rates of 10% every six months. Cr Woodhead noted that the previous penalty date had been brought forward because of confusion generated by the previous payment timetable.

It was suggested that ratepayers needed to be reminded of the importance of the Port Otago dividend in keeping rates down.

Cr Shepherd moved
Cr Deaker seconded

1. That the report be received.

2. *That the 2014/15 Annual Plan, incorporating the recommendations of the Finance and Corporate Committee, be adopted.*

Motion carried

Item 4

2014/0887 **Rating Report to Council and Rates Resolution 2014-15.**

DCS, 17/6/14

The report noted that following the adoption of the 2014/15 Annual Plan, Council was required to adopt a rates resolution to formally set the rates for the 2014/15 financial year. The report provided details of each of the rates to be set, and recommended that Council adopt the rates resolution for the 2014/15 year.

Thanks were expressed to staff for their work in preparing the Annual Plan and the rates resolution.

Cr Shepherd moved
Cr Kelliher seconded

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

Motion carried

Item 5

2014/0892 **Draft Regional Public Transport Plan.** 16/6/14

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

Mr Scott noted that following the preparation of the draft RPTP, NZTA had offered some comments and clarification of the national position on some issues. A document detailing the resulting changes to the Plan was circulated to Councillors. It was considered logical to include the changes in the document when it was put out for public consultation. The work by staff to get the Plan to this stage was commended.

A query was raised as to whether the Plan's patronage approach, which simplified routes and improved service frequency, would increase patronage in Dunedin given the city's climate and terrain. It was noted that research into transport models overseas had shown that the patronage approach was effective in increasing patronage. It was suggested that monitoring be

carried out to determine if the patronage approach was working, and good public feedback on the proposals through the consultation process was anticipated.

Mr Scott noted that the commercial routes would be incorporated into PTOM units.

The establishment of a central hub was commended, and the importance of shelter was noted. It was suggested that the hub not be in The Octagon because of congestion there on cruise ship days.

Cr Woodhead suggested the following changes to the Recommendations:

1. Add “..... as amended by comments received from NZTA 20 June 2014,”.
2. “Establish a hearings subcommittee of Cr Sam Neill (Chair) (availability to be confirmed), Cr Michael Deaker, and a DCC representative to hear and consider”

It was noted that Cr Neill was on leave of absence, and Cr Woodhead would approach him to take on the role of chair of the panel.

Cr Deaker moved
Cr Kempton seconded

That the Council

- *Endorse the draft RPTP, as amended by comments received from NZTA 20 June 2014, 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 comprising Cr Sam Neill (Chair) (availability to be confirmed), Cr Michael Deaker, and a DCC representative to hear and consider submissions on the Draft Plan and make recommendations to Council.*

Motion carried

Cr Woodhead thanked staff for their work in preparing this Plan.

PART C – ITEMS FOR NOTING

Item 6
2014/0890 **Financial Report.** DCS, 19/6/14

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

Cr Shepherd moved
Cr Croot seconded

That the report be received.

Motion carried

Item 7 **Reports from Councillors**

Cr Bryan Scott – Tomahawk Lagoon

Cr Scott had attended the public meeting held to discuss water quality in the Tomahawk Lagoons. He considered the meeting was positive, and staff had presented the options well. He noted the need to ensure consistency of content between signs, and that the signs were in appropriate locations.

PART D - MINUTES OF MEETINGS

Item 8 **Recommendations of the Communications Committee meeting held on 4 June 2014, for adoption**

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Communications Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 9 **Recommendations of the Finance and Corporate Committee meeting held on 4 June 2014, for adoption**

Cr Shepherd moved
Cr Kelliher seconded

That the recommendations of the Finance and Corporate Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 10 **Recommendations of the Policy Committee meeting** held on 4 June 2014, for adoption

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 11 **Recommendations of the Regulatory Committee meeting** held on 4 June 2014, for adoption

Cr Croot moved
Cr Brown seconded

That the recommendations of the Regulatory Committee meeting held on 4 June 2014 be adopted.

Motion carried

Item 12 **Recommendations of the Technical Committee meeting** held on 4 June 2014, for adoption

Cr Scott moved
Cr Brown seconded

That the recommendations of the Technical Committee meeting held on 4 June 2014 be adopted.

Motion carried

PART E – EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Kelliher seconded

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

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

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
Item 13	<i>Leith Flood Protection Scheme</i>	<i>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. (S7(2)(h))</i>	<i>S.48(1)(a)(i)</i>

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

Motion carried

Following discussion of Item 13,

Cr Woodhead moved

Cr Croot seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 12.15 pm.



Chairperson

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.