

Otago Regional Council meeting 24 June 2015

Attached is the agenda for the next Council meeting of the Otago Regional Council, which is to be held on Wednesday 24 June commencing at 10.30 am. The venue is the Council Chamber, 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/>.



Janet Favel
Committee Secretary

Janet Favel
Committee Secretary
DDI 03 470 7474
Freephone 0800 474 082
Email janet.favel@orc.govt.nz

OTAGO REGIONAL COUNCIL

**Agenda for an Ordinary meeting of the Council to be held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 24 June 2015 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 Gretchen Robertson**

Requests for **Cr Gerrard Eckhoff**
Leave of Absence: **Cr Trevor Kempton**

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Monday 22 June.

CONFIRMATION OF AGENDA

PUBLIC FORUM

MINUTES**Page Nos.**

The minutes of the Ordinary meeting held on 6 May 2015, having been circulated, for adoption

5 - 13

Matters arising from the minutes**PART A – CHAIRPERSON’S AND CHIEF EXECUTIVE’S REPORTS**

Item 1
2015/0997 **Chairperson’s report.** Chair, 18/6/16

14 - 16

Providing an overview of the Chairperson’s activities for the period to 18 June 2015.

Item 2
2015/0986 **Chief Executive’s Report.** CE, 15/6/15

17 - 20

Providing an overview of the Chief Executive’s activities for the period to 15 June 2015.

PART B – MINUTES OF MEETINGS

Item 3 **Recommendations of the Communications Committee meeting** held on 3 June 2015, for adoption

21 - 22

Item 4 **Recommendations of the Finance and Corporate Committee meeting** held on 3 June 2015, for adoption

23 - 29

Item 5 **Recommendations of the Policy Committee meeting** held on 3 June 2015, for adoption

30 - 31

Item 6 **Recommendations of the Regulatory Committee meeting** held on 3 June 2015, for adoption

32 - 34

Item 7 **Recommendations of the Technical Committee meeting** held on 3 June 2015, for adoption

35 - 37

PART C – RECOMMENDATIONS

- Item 8
2015/0992 **2015-2025 Long Term Plan Adoption.** DCS, 16/6/15 38 - 40

The report notes that the Finance and Corporate Committee has considered and made recommendations on the 2015-25 Long Term Plan, and recommends that the LTP now be adopted. The full document is circulated separately with the agenda.

- Item 9
2015/0993 **Rating Report to Council and Rates Resolution 2015/2016.** DCS, 19/6/15 41 - 61

Following the adoption of the Long Term Plan 2015/25, Council is required to adopt a rates resolution, which formally sets the rates for the 2015/16 financial year. The rates resolution is attached to this report and it is recommended that Council adopt the rates resolution for the 2015/16 year.

- Item 10
2015/0994 **Plan Change 6A Rural Water Quality External Stakeholders' Group.** CE, 17/6/15 62 - 64

An outcome of the Plan Change 6A mediation process was that Otago Regional Council would establish an external stakeholder group. The paper report clarifies the purpose, style, and membership of the group and to recommends its implementation.

PART D – ITEMS FOR NOTING

- Item 11
2015/0987 **Financial Report.** DCS, 18/6/15 65 - 70

The report provides information in respect of the overall Council finances for the 11 months to 31 May 2015.

- Item 12 **Reports from Councillors** 71

OTAGO REGIONAL COUNCIL**Minutes of an Ordinary meeting of the Council held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 6 May 2015 commencing at 9.00 am**

- Present:**
- Cr Stephen Woodhead** (Chairperson)
 - Cr Gretchen Robertson** (Deputy Chairperson)
 - Cr Graeme Bell**
 - Cr Doug Brown**
 - Cr Louise Croot MNZM**
 - Cr Gerrard Eckhoff**
 - Cr Gary Kelliher**
 - Cr Trevor Kempton**
 - Cr Sam Neill**
 - Cr Bryan Scott**
 - Cr David Shepherd**
- Apologies:**
- Cr Michael Deaker**
The apology was accepted on the motion of Crs Bell and Kelliher.
- Leave of Absence:**
- Request for Leave of Absence – Cr Shepherd**
The request for leave of absence was approved on the motion of Crs Woodhead and Neill.
- In attendance:**
- Peter Bodeker**
 - Wayne Scott**
 - Jeff Donaldson**
 - Jane Leahy**
 - Fraser McRae**
 - Gavin Palmer**
 - Janet Favel**

CONFIRMATION OF AGENDA

Cr Woodhead noted that Report RFT2015-1 Unit 5 – Southern Routes – Tender Award had been received. Because of the timing of the tender process, the report was received too late to be circulated with the agenda. Cr Woodhead recommended that it be added to the agenda as Item 4A in Part C Items for noting. There were no other changes to the agenda.

MINUTES

- (a) The minutes of the Ordinary meeting held on 25 March 2015, having been circulated, and
 - (b) The minutes of the Extraordinary meeting held on 22 April 2015, having been circulated,
- were adopted on the motion of Crs Croot and Shepherd.

Matters arising from the minutes

There were no matters arising from the minutes.

PART A – CHAIRPERSON’S AND CHIEF EXECUTIVE’S REPORTS

Item 1

2015/0907 **Chairperson’s report.** Chair, 30/4/15

The Chairperson provided an overview of his activities for the period to 30 April 2015.

Cr Woodhead commented on the Regional Sector Group meeting held on 1 May:

- A proposal around the formation of a risk management agency, including insurance, was expected in the next two or three months.
- Government proposal for governance of ECan – the LGNZ submission was critical of the timeframes which did not allow time for a full review. LGNZ also opposed the mixed governance model, and recommended continuing with commissioners for a further three years (next local body election) then reinstating full democracy. There were concerns that there was not sufficient time to carry out a representation review before the next election, and that moving straight from commissioners to a full elected council would mean that governance experience was lost.
- The Land and Water Forum had been reconstituted as LAWF 4, which was to run for three years. Cr Woodhead and Richard Kempthorne, Mayor of Tasman District Council, had been elected as regional sector representatives on the Forum.

Other issues were discussed as follows:

- ECan governance - support for the LGNZ submission was expressed, and the proposed review of the way regional councils were elected was commended.
- Three Waters project – Cr Woodhead explained that this was LGNZ driven and was a response to questions from the Minister of Finance about three waters infrastructure. Options for Three Waters management were: status quo, enhanced status quo, co-regulatory model, and full commercial (Scottish) model. LGNZ believed the

enhanced status quo was not an option because of the large investment required in some towns, and supported the co-regulatory model. Under this model infrastructure would be owned and operated by an independent organisation, and regulations set by local government. Concern was expressed that the costs of the independent organisation body being set up would be charged to local government, which would make it costly for small authorities, and it was also noted that the project did not address septic tanks.

- WW1 Centenary – it was noted that an Otago commemoration had been discussed, but no initiative agreed. There had been general opposition to a monument/statue, and an option such as a bridge/ cycleway across the Leith had been discussed. There was general agreement that a workshop be held to discuss this matter, and Councillors were encouraged to pass on to Mr Bodeker ideas for the form of the commemoration. It was suggested that the RSA also be contacted for ideas.

Item 2

2015/0904 **Chief Executive's Report.** CE, 29/4/15

The Chief Executive provided an overview of his activities for the period to 29 April 2015.

The following matters were discussed:

- The CE noted that an extension of two months to the consultation timetable had been granted to the Lindis Catchment Group. Two meetings had been held since then with Graeme Martin, Chair of the Group, and a further meeting was being held today, which unfortunately clashed with this Council meeting.
- Appointment of new Director Corporate Services – the report was corrected to refer to Mr Nick Donnelly (not Donnell). Mr Scott would retire on 24 July, which allowed a month of crossover with the new Director.
- LAWA (Land Air Water Aotearoa) – Mr Bodeker explained that LAWA was a country-wide regional council initiative which made environmental information available to the community through its website. Currently ORC water quality data was provided, and the water quantity module, including rainfall on a realtime basis, were soon to become available. The LAWA website was linked directly to ORC computers, which provided immediate updates. In response to a question Mr Bodeker explained that Council had not agreed at this stage to have the ORC Water Info site replaced by LAWA, and would only do this if there could be assurance that the information would be the same quality as on the ORC website.
- Dairy hub – a group of Southland farmers had visited Mr Bodeker to inform him about the dairy hub (research and demonstration farms) they were planning to establish in Southland. They were seeking ORC support, but not a financial contribution. If ORC was to provide

support, it would be expected that the hub would report against ORC's water quality requirements. Members of the group advised that this could be done.

- Wallabies – Meetings had been held with the Chair and CE of ECan, and discussion with the community was planned. One difficulty was the wallaby's status as mascot of the Waimate District. Mr Donaldson noted that wallaby were breeding on the south side of the Waitaki River. A poisoning round was to be undertaken, and a draft strategy presented to Council.

Councillors were pleased to learn of the Southland Dairy Hub and supported ORC involvement. Cr Woodhead advised that the demonstration farm had not been purchased yet, but it was anticipated that it would be close to the Otago/Southland border, which would most likely mean that it would be on tile drains.

In response to a question Mr Bodeker advised that he represented regional CEs on the LAWA governance group, and noted that the LAWA contractor worked out of the ORC office. He further noted that Cawthron Institute had been engaged as mediator of the information being loaded into the LAWA website.

Cr Woodhead moved
Cr Kelliher seconded

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

Motion carried

PART B – RECOMMENDATIONS

Item 3

2015/0862 **Approval of Plan Change 3B (Pomahaka catchment minimum flow) to the Regional Plan: Water.** DPPRM, 24/4/15

The report explained that Proposed Plan Change 3B (Pomahaka catchment minimum flow) to the Regional Plan: Water for Otago was ready to be approved as no appeals had been received. Council's seal could now be affixed and a date set for making the change operative. The Plan Change was circulated with the agenda.

Cr Robertson moved
Cr Neill seconded

That the Council:

- (i) *Approve Plan Change 3B (Pomahaka catchment minimum flow) to the Regional Plan: Water for Otago appended to this report; and*

- (ii) *Affix Council's seal to Plan Change 3B (Pomahaka catchment minimum flow) to the Regional Plan: Water for Otago; and*
- (iii) *Make Plan Change 3B (Pomahaka catchment minimum flow) to the Regional Plan: Water for Otago operative on Monday, 1 June 2015 and publicly notify that date on Saturday, 16 May 2015.*

Motion carried

PART C – ITEMS FOR NOTING

Item 4

2015/0903 **Financial Report.** DCS, 30/4/15

The report provided information in respect of the overall Council finances for the nine months to 31 March 2015.

Cr Croot moved
Cr Shepherd seconded

That the report be received.

Motion carried

Item 4A

2015/0913 **RFT2015-1 Unit 5 – Southern Routes – Tender Award.** DCS, 1/5/15

The report noted that the existing Southern Routes Contract PTC2010-1 would expire on 30 June 2015. Tenders for replacement services in accordance with NZTA's requirements and the Regional Public Transport Plan closed on 23 April 2015. Tenders were assessed in accordance with the tender assessment procedures, and the contract awarded to Go Bus Transport Limited. It was noted that the contract was the first of the new network Units under NZTA's new Public Transport Operating Model (PTOM), with new services scheduled to commence 1 July 2015. Staff were now putting the necessary service changes in place, including republishing the timetable, and updating the journey planner and the ticketing system. Key changes included: route variations reduced from 13 to 3, a super stop at Green Island, 118 more services, and regularised service frequency.

The two competitive tenders received were both under budget, which provided the opportunity to bring additional services forward from 2019 to 1 July 2015.

It was noted that the procurement requirements were based on price (70%) and other attributes including quality of buses and of the organisation (30%).

Mr Scott explained that the centre city hub would have facilities including shelter, ticket top up facilities, realtime, and toilets. The super stops would provide facilities for better shelter, ticket top ups, and realtime information.

Staff were commended on their work to reach this point.

Cr Kempton moved
Cr Neill seconded

That the report be received.

Motion carried

Item 5 **Reports from Councillors**

Cr Bell – Otago Ballance Farm Environment Awards

The supreme Otago award was won by Dave and Janene Divers, who farmed at Table Hill, near Milton. Cr Bell noted the transportable bridge they had built to keep waterways clean when stock was being moved, and suggested it could be publicised in ORC publications. The ORC quality management award was presented to Wilson and Angela Wiley of Owaka. Cr Bell considered it was important that ORC continue its support of the awards.

Crs Scott and Shepherd – LTP flood and drainage scheme meetings

Cr Shepherd noted landowners were concerned about escalating rates for drainage scheme ratepayers and the amount of work needed to address legacy issues. He thanked Dr Palmer and staff for their presentations to the meetings. Cr Scott noted that given the costs some landowners were asking how essential the proposed work was. Questions were also raised at the Lower Taieri meeting about the contribution to the scheme from the general rate in relation to the airport, including the type of analysis of costs carried out.

PART D – MINUTES OF MEETINGS

Item 6 **Recommendations of a meeting of the Otago and Southland Regional Transport Committees held on 13 April, for adoption**

Cr Bell moved
Cr Woodhead seconded

That the recommendations of a meeting of the Otago and Southland Regional Transport Committees held on 13 April be adopted.

Motion carried

Item 7 **Recommendations of the Communications Committee meeting** held on 22 April 2015, for adoption

Cr Kempton moved
Cr Bell seconded

That the recommendations of the Communications Committee meeting held on 22 April 2015 be adopted.

Motion carried

Item 8 **Recommendations of the public portion of the Finance and Corporate Committee meeting** held on 22 April 2015, for adoption

Cr Shepherd moved
Cr Kelliher seconded

That the recommendations of the public portion of the Finance and Corporate Committee meeting held on 22 April 2015 be adopted.

Motion carried

Item 9 **Recommendations of the Policy Committee meeting** held on 22 April 2015, for adoption

A schedule of minor changes to the RPS had been circulated. The changes included corrections to minor errors and inconsistencies, references, and definitions, and minor changes agreed at the 22 April Policy Committee meeting. Mr McRae confirmed that there were no changes to the content of the Statement.

Cr Robertson moved
Cr Croot seconded

That the recommendations of the Policy Committee meeting held on 22 April 2015, and the minor changes to the RPS circulated, be adopted.

Motion carried

- Item 10 **Recommendations of the Regulatory Committee meeting** held on 22 April 2015, for adoption

Cr Neill moved
Cr Eckhoff seconded e

That the recommendations of the Regulatory Committee meeting held on 22 April 2015 be adopted.

Motion carried

- Item 11 **Recommendations of the Technical Committee meeting** held on 22 April 2015, for adoption

Cr Scott moved
Cr Brown seconded

That the recommendations of the Technical Committee meeting held on 22 April 2015 be adopted.

Motion carried

PART E EXCLUSION OF PUBLIC

Cr Woodhead moved
Cr Shepherd 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 12</i>	<i>Recommendations of the in committee portion of the Finance and Corporate Committee meeting held on 22 April 2015</i>	<i>To enable the body holding the information to carry on, without prejudice or disadvantage, negotiations 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 Item 12,

Cr Woodhead moved
Cr Shepherd seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 10.26 am

Chairperson

REPORT

Document Id: A799343

Report Number: 2015/0997
Prepared For: Council
Prepared By: Cr Woodhead - Chairperson
Date: 18 June 2015

Subject: **Chair's Report – June 2015**

1. Mayoral Forum

Maree Baker-Gallaway and Neville Peat from the South East Marine Protection Forum informed of their process so far. The area the forum covers is from Timaru to Waipapa Point (South of the Catlins) where there are no protection areas currently. The forum has been established to recommend local MPAs to join the national network. The forum will report back to the Minister mid-2016. Mr McRae is our contact.

The CEs are to bring back a process to work through a review of Otago Museum funding.

An update from the digital office on the Otago Digital Strategy indicated work to coordinate submissions between councils, and expressions of interest for the next stage (RBI2 and UFB2), and mobile black spot funds announced in early March, were underway. Other projects were strengthening the relationship with the business sector and raising awareness of digital opportunities.

Sarah Gauthier, Export Education Coordinator at Enterprise Dunedin, updated the forum following a previous meeting with us on the survey of appetite for strategic collaboration within Otago's education sector. Respondents considered collaboration, a shared marketing platform and resources essential, and have agreed to have regular meetings.

A report updated Rural Fire activities.

With the impending replacement of the DHB, the forum discussed what its response would be and agreed to put out a media release expressing the need for Otago's communities to be able to access adequate and appropriate levels of healthcare, no matter how the Southern District Health Board is governed.

Discussion on the need for a Rain Radar for Otago resulted in ORC and DCC agreeing to follow-up on benefits a radar could have provided during the early June floods. The forum supported the need for Rain Radar. Since then the Met Service has announced it will have a radar in place during the 2018/2019 year. We could choose to lobby the Minister for State Owned Enterprises, Hon Todd McClay, to bring this date forward.

LTP discussion reinforced the need for ORC to work with the TLAs when we start work on the Biodiversity Strategy.

2. Te Roopu Taiao Otago

Clutha District Council, Waitaki District Council, Dunedin City Council, Central Otago District Council, Otago Regional Council and the four Otago-based Runanga, signed the reviewed Governance Charter.

Options for Waitangi Day celebrations during the years the tribal celebration was not held in Otago were discussed again. Some options will be brought to the next meeting.

ORC had previously offered to host a database of Otago Ngai Tahu history using our natural hazards format. This is now not needed as Ngai Tahu is going to develop their own.

A report updating all councils' work programmes was circulated.

3. Te Roopu Taiao Murihiku

ORC hosted this meeting at Balclutha. Mr Bodeker and I presented a well-received update on the ORC Water Plan and Coastal Plan relevant to Murihiku.

All councils updated on LGA and RMA activities.

4. MOT Super Gold Card Review

The Ministry of Transport has written to regional councils advising of a number of changes to the SuperGold Card public transport scheme. Changes include:

- Capping Crown funding for the scheme at \$28.129 million per year for the next five years, (with annual Consumer Price Index (CPI) adjustments to account for inflation);
- Replace individual fare reimbursements currently offered to regional councils (and Auckland Transport) with bulk funding;
- Lift the moratorium on new services entering the scheme and apply criteria for new services, including that they need to be services which are contracted to regional councils (or Auckland Transport).

It appears to me these changes will have an impact on ratepayers and are nothing more than a transfer of cost from a Crown-instigated scheme to Local Government. Capping at current levels means any future growth and cost increases above CPI will have to be met by targeted ratepayers.

5. South Dunedin Floods

The recent event reinforces the need for ORC to continue the good work staff undertake in the natural hazards area. It is critical that ORC work with DCC and community, developing longer term strategies and district plan controls for this very low-lying area of the City. It was pleasing to see Mayor Cull acknowledging in the media that there will have to be some difficult decisions; options included – retreating from parts of South Dunedin to lifting floor levels during redevelopment, and improving infrastructure – all need to be on the table.

6. Other Meetings Attended

- Land and Water Forum.
- LGNZ Conference Committee.
- Mr Bodeker, Mr Donaldson and I, along with our partners, attended the Otago Rescue Helicopter Service 21st Gala Dinner.
- Ballance Awards field day at the Divers' property, Table Hill.
- National Council Environment Policy Advisory Group.
- Mr Bodeker, Cr Croot and I attended a KTKO lunch to acknowledge Edward Ellison's Queen's Birthday Honour.

Stephen Woodhead
Chairperson

REPORT

Document Id: A797784

Report Number: 2015/0986

Prepared For: Council

Prepared By: Chief Executive

Date: 15 June 2015

Subject: **Chief Executive's Report – June 2015**

1. Otago Civil Defence Emergency Management Group Meeting

The Otago CDEM Group met on 11 June in Balclutha. Sarah Stuart-Black, Director Ministry for Civil Defence Emergency Management (MCDEM), addressed the meeting. Ms Stuart-Black outlined how the Ministry, now based within the Department of Prime Minister and Cabinet, has improved its focus and understanding of the needs of the regions.

She reported that MCDEM was to improve its leadership and hold its own conference, likely in May 2016, which would target CEOs and politicians focusing on risk reduction rather than post disaster recovery.

She reported that despite substantive advertising, there is not a high degree of forward preparedness for natural disaster, despite the previous high level of awareness and preparedness post-Christchurch earthquakes. MCDEM is looking at how to improve the situation where individuals have prepared themselves for a disaster.

2. Otago CDEM Group

The Otago Group Controller/Group Manager position (funded by ORC) has been advertised and 30 highly qualified applications have been received.

A shortlist of five has been selected for interview which will be undertaken by Sue Bidrose (DCC), Michael Ross (WDC) and myself. Once appointed, the Group Manager will recruit an additional staff member who will focus on training and welfare (subject to LTP approval).

3. Tertiary Sector Steering Committee

The Chair and I addressed the Tertiary Sector Steering Committee on 11 June. This is a group including the DCC, Otago University and Otago Polytechnic. We briefed the meeting on the Leith flood protection scheme and were asked if the scheme could accommodate both cycling and walking areas. We supported the need to consider the inclusion of cycleways, and the DCC cycleway team will engage with Dr Palmer over this matter.

4. Dairy Inspections

ORC staff have been discussing the effectiveness of the current dairy inspections system. The current system has focused on inspection and enforcement. Over the past two years we have moved to use diversion which allows the Court to impose a requirement on a person to make structural changes at a farm level in order to at least reduce the chances of having a failure in the future, while not convicting an individual.

Environment Southland use a collaborative system which engages with dairy companies, Federated Farmers, Dairy NZ, and negotiates and agrees on changes on the farm should the operator be seen to be in breach of, in Environment Southland's case, the consent conditions.

In the Environment Southland model the farm management or infrastructure changes recommended for the non-compliant farmer are provided by Dairy NZ/Fonterra, and it remains a voluntary change to be made by the farm owner/operator. In exchange for this level of interaction, Environment Southland does not take enforcement action.

Recently I met with Otago Federated Farmers representatives to discuss the level of non-compliance of dairy farmers in the Otago region. We discussed the Environment Southland option, and whether it could be used in Otago.

A meeting of staff from ORC, Fonterra, Open Country Dairy, Federated Farmers, and Dairy NZ has been arranged to review the current situation and look to alternatives to facilitate better compliance, and ultimately a better environmental outcome. This meeting will consider a change to the way we may enforce non-compliance around the prohibited activities in the Water Plan.

5. Rain Event Update

Staff are progressing various actions arising from the rain event that occurred on 3 June. Those include recording and assessing the event's effects, and remedying damage to some of ORC's flood protection and land drainage scheme assets. Generally speaking, ORC's schemes performed well but I note that river flows were not particularly extreme. For example, the peak flow of the Water of Leith (100 cubic metres per second recorded at 1820 hours on 3 June) has an assessed return period of approximately 30 years. A report is being prepared for Technical Committee describing the event and ORC's actions. The report will include groundwater levels measured in South Dunedin at ORC's four monitoring bores.

6. MBIE – Regional Growth Strategy

I have recently hosted a visit by the Senior Management team from the innovation section of MBIE. This is the section that looks at R & D funding, innovation planning, and business development.

Three regional councils have been involved in MBIE funded regional growth strategies. They are Northland, Bay of Plenty and Horizons. The growth strategic approach has varied for all three studies, but essentially it has looked at how growth opportunities could be identified and what role Central Government could play. For example, there is a well advanced proposal, including proposed Government funding, for aquaculture development in Opotiki as a result of the Bay of Plenty study.

The Otago Mayoral Forum has asked ORC to prepare a feasibility study to consider how a regional growth study may be undertaken in the Otago region.

7. Lindis Minimum Flow

7.1 Process

Consultation has been undertaken since 2014 which resulted in several additional studies being undertaken, including:

- trout age and survival;
- tributary flows yields;
- water value and cost of restriction;
- alternative water sources.

As a result of the ORC public meeting in April, a Lindis Catchment Group Committee has been formed to forward irrigators' interests in minimum flow and consenting process discussions.

The group sought a two month extension to the notification period to allow landholders, Iwi and Fish & Game to meet together with ORC to discuss matters pertaining to the plan as it affects the Lindis. This request was granted by ORC, and Gavin Palmer and Fraser McRae have represented ORC at these discussions with farmers and affected parties.

7.2 Content

The Lindis catchment is relatively small and has quick response times to rainfall events. The river is dynamic and flows reflect rainfall. Bed groundwater loss relates to recent flood flows.

Improved trout recruitment to the upper Clutha system requires meaningful continuous flow from the Lindis to the Clutha Mata Au – disconnected pools are inadequate.

The economic impact between proposed restrictions [low flows] is greatly exceeded by the impact between annual flows.

7.3 Result

During the agreed delay, meetings were held with the Group Committee and others – Fish and Game, Upper Clutha Fisheries Trust, Kai Tahu ki Otago and ORC.

An enhanced plan change, including preferred provisions for consenting, was developed for discussion. However, after assessment by ORC, all the provisions requested by the Lindis Group were determined to already be in the Water Plan. Accordingly, there is no need to duplicate those provisions but inclusion in a guide would be helpful, and it was agreed that the provisions would be drawn together as a guide for consent applicants.

Finally, there is no reason to alter or further delay public notification of the Lindis minimum flow and water allocation plan change. Notification will include both a Section 32 report and the guide to provisions for consenting.

8. Water Plan Implementation

Staff have continued implementing the Water Plan as outlined in previous Annual Plans.

As ORC's thinking on the matter of the Regional Plan: Water progresses, we are better able to refine our planning. Significant implementation activity is occurring which includes education through the farmer visits with the Fact Packs and the subsequent drop-in activity, the collection of representative water samples to assist our knowledge of where farmers are at with Schedule 16, and the development of a compliance monitoring process.

Recently staff from the Planning group have undertaken training in a methodology which links organisational goals with subsequent operational activity, and this approach has been used to good effect as we have continued the planning of the water quality (6A) and water quantity (1C) activity.

This methodology has involved working across directorates to ensure duplication is avoided and alignment achieved, while affording a greater number of staff the ability to understand how ORC is developing the necessary tools and systems to successfully implement the Water Plan.

Successful staff workshops have been held utilising staff from Science, Environmental Monitoring & Operations, and Community Liaison & Education groups to ensure all staff have the opportunity to contribute to and become aware of how the Water Plan is being implemented within the region.

Councillors will have the opportunity to discuss the implementation by way of a workshop on the matter.

Peter Bodeker
Chief Executive

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Communications Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 3 June 2015 commencing at 12.20 pm**

Present:

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

Leave of absence: **Cr Louise Croot**

In attendance:

Peter Bodeker
Wayne Scott
Jane Leahy
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

Cr Kelliher requested the opportunity to talk about Mr John Anderson from Central Otago, who had passed away recently.

MINUTES

The minutes of the meeting held on 22 April 2015, having been circulated, were adopted on the motion of Crs Bell and Shepherd.

Matters arising from minutes

There were no matters arising from the minutes.

FOR NOTING

Item 1

2015/0925 **Stakeholder Engagement Report.** DSE, 11/5/15

The report described community, stakeholder and staff engagement activities carried out by Stakeholder Engagement directorate staff since the last meeting.

Rural Water Quality Implementation Strategy - The meeting was concerned about use of the term 'behavioural change', which it was considered could be seen as manipulative. Council's role was, on the basis of scientific information, to reach a certain conclusion, set up frameworks, and reinforce them with dis/incentives. This could result in change of behaviour.

Rural Water Quality Implementation delivery – It was noted that instead of visiting all farms in Otago, the focus would be on farms in the Waiwera and Manukerikia catchments, based on their higher risk, and a series of drop-in sessions would be held across Otago. Mrs Leahy commented that this work was on track to be completed by the end of June. She advised that the drop-in sessions were going well, with attendances of about 30 people at each.

Cr Eckhoff moved

Cr Bell seconded

That the report be noted.

Motion carried

Cr Kelliher noted that Mr John Anderson of Central Otago had recently passed away. Mr Anderson's career in water management throughout Central Otago had included working under contract for irrigation companies, and managing the Manuherikia River. The irrigation schemes he had managed were in a very sound state. He had also invented a water measurement device. Cr Kelliher suggested that a letter be sent to Mr Anderson's family on behalf of Councillors expressing sympathy for their loss and acknowledging the valuable work he had done for the community.

The meeting closed at 12.48 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 3 June 2015 commencing at 10.00 am

Present:

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

Leave of absence: **Cr Louise Croot**

In attendance:

Peter Bodeker
Wayne Scott
Jane Leahy
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

PUBLIC FORUM

Simon Parks

Mr Parks stated that he was a farmer on the Taieri, and spoke on behalf of himself and other Taieri farmers, two of whom attended the public forum in his support. Mr Parks requested that the LTP be further amended to exclude spending \$4.5m on the Upper/Lower Pond link spillway. He had submitted to the LTP on this matter. He expressed landholders' concerns about the proposal to spend this amount, noting that it was the largest amount spent in the history of the scheme. Mr Parks queried who had requested that this work be done, noting that no-one he had spoken to had requested it. Mr Parks asked Councillors to consider three questions: did they have a clear understanding of how the flood scheme worked; had the consultation process been fair; and had the ORC met its obligations under the Local

Government Act. He considered that if the answer to any of these questions was no, the item should be removed from the LTP. Mr Parks was asked whether he represented all farmers in the Taieri area. He responded that while he had not had time to contact everyone, he had talked to a lot of farmers, all of whom had agreed with his concerns.

MINUTES

The minutes of the public portion of the meeting held on 22 April 2015, having been circulated, were adopted on the motion of Crs Robertson and Woodhead.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2015/0956 **2015-25 Long Term Plan – Recommendations from the Hearing Committee.** DCS, 21/5/15

The report presented the Hearing Committee's recommendations in respect of the 2015-25 Long Term Plan. The summary of submissions was circulated separately with the agenda.

Cr Shepherd as Chair of the LTP Hearings Panel summarised the report. He noted concerns raised about the information contained in the consultation document, and explained that the process was dictated by the LGA, and that the report had been audited. The Panel acknowledged these concerns, and changes were to be made in the future to address them. He noted that the Auditor General was to review the new system, and ORC would be party to that review.

Support was expressed for the proposal to amend the targeted rate contribution for water quality from 75% to 60% of the total cost of monitoring and science, stepped to 75% over 3 years. The multi-dimensional approach to compliance activity, covering education/ liaison, environmental monitoring, science, and research and development, was commended. There was also support for the pragmatic approach to dairy monitoring, with one fee payable for a farm visit, and further fees incurred where more visits were undertaken following identification of non compliance.

Cr Woodhead noted that confusion around monitoring and compliance costs was apparent during the hearings process. He considered that where consent holders required an audit, they should meet the costs of that audit. He also suggested that future consideration needed to be given to the options

provided in the consultation process, for example rating on capital value or land value. Cr Woodhead noted in regard to the water quality rate that some blocks of land were not captured in the rural land categories that were consulted on, and this matter had been investigated and addressed. The quantum of the change was noted, with an 80-100% increase in ORC rates for some. He noted the proposed change to the apportionment of reserves and general and targeted water quality rates with a transition working towards 75%/25% over three years, and considered this proposal was workable for the rural community. Cr Woodhead noted that because of legal restraints, Council was not able to charge for dairy monitoring visits using a risk based approach. It was now proposed that one visit be carried out at a set fee of \$235 per visit, with charges for further visits where non compliance was identified.

Cr Kempton considered that good process had been followed, and submitters provided useful input. He commented that a major industry (the dairy industry) operated on a permissive regime where consents were generally not required, and the community had to be assured that the objectives in that regime were being met. Farming had to expect to meet some of the resulting costs. Cr Kempton pointed out the comparison with, for example, Oceana Gold, which had to meet consent conditions and pay all associated costs. In relation to the Taieri flood protection scheme, he noted earlier comments that the scheme didn't work, and Council was now being given the message that the scheme was working. He pointed out that it was easier to include provision for a project in the LTP now and then take it out, than to put it in later. Council needed to be assured that each of these processes was re-examined when appropriate, and the issue of service levels discussed.

Cr Brown commended the proposed changes to the compliance monitoring targeted rate. He noted that the Plan Change was still in the implementation phase, and the rate apportionment should be reviewed every year. Cr Brown noted the suggestion that lifestyle blocks 4 ha and over be included in the targeted rate, and considered this should be reduced to 2 ha and over.

Cr Deaker commended the proposed changes to the LTP based on submissions, and the work of the Panel and staff. He considered that the proposed rates were fair, and particularly commended the redistribution of water quality rates across general and targeted ratepayers as set out in Section 4.2 of the report. He considered that there should be more discussion about Taieri flood protection scheme costs.

Cr Kelliher supported the inclusion of rural lifestyle properties in the schedule of rural land use types to be levied, and supported reducing the minimum to 2 ha in the future. He agreed that more information and discussion was needed on the comments made by Mr Parks. He was concerned that the decision not to support the funding request by the Friends of Lake Hayes would impact on their ability to obtain funding from the Central Lakes Trust. Cr Shepherd noted the extensive involvement of Council in the past, and that the group wanted to do more water quality testing than ORC considered was necessary. He suggested that if the group

could raise the funds to purchase a monitor, ORC could help with its operation.

Cr Scott agreed that further consultation was required on the issues raised by Mr Parks to determine benefits, costs, and whether the work could be done in part. In relation to public passenger transport, he supported the 'last ride' concept where if the price of the ride was more than was available on a GoCard, people could still take the ride, and the shortfall would be deducted from their next top up. He noted that no drawings relating to the bus hub had been presented to Council.

Cr Deaker moved

Cr Woodhead seconded

1. *That this report be received.*
2. *That the recommendations of the Hearing Committee within this report, and within the summary of submissions, be endorsed.*
3. *That in the first two years of the plan, it is financially prudent to have operating deficits as proposed.*
4. *That the 2015-25 Long Term Plan incorporating the recommendations from the Hearing Committee be placed before the June Council meeting for adoption.*
5. *That the 2015-16 Rates Resolution be placed before the June Council meeting for adoption.*

Cr Woodhead commented on the following issues:

- The need to ensure the community understood that the ORC did not intend to move away from the educational role in rural water quality, and the relevant targeted rate clearly identified this.
- Significant work had been carried out recently on the flood and drainage schemes, and some had originally received a government subsidy, which was no longer available. Many of the schemes were in deficit currently, and the costs had been smoothed over a period of years. Events on the Taieri recently had raised issues including the operation between chute, upper pond and lower pond. Cr Woodhead pointed out that the process of investigating options and consulting with the community would be carried out before a decision was made on whether to commit to spending \$4.5m on flood and drainage work.
- Public transport – lower prices achieved on contracts meant that work on the bus hub could commence earlier than planned. The terminus/ bus hub would not be able to provide all the services available in larger cities, but it would make transfer between services easier and simplify bus routes.

Cr Brown considered that it would be beneficial to review the funding of flood and drainage schemes. Mr Scott advised that all schemes would be reviewed, not just those on the Taieri. Beneficiaries and exacerbators,

funding source, and affordability of the schemes needed to be included in the review.

Cr Eckhoff advised of his intention to move an amendment that 50% of the water quality science and monitoring component be funded out of the general rate, not out of reserves. Mr Scott explained that the proposed \$60,000 (environmental monitoring) and \$30,000 (science) from reserves related to capital, not operational, expenditure.

Cr Eckhoff moved
Cr Brown seconded

That the environmental monitoring and science components of the water quality rate be apportioned on a 50/50 split between the general rate and the targeted rate for a period of 3 years.

Mr Scott in response to a question observed that this could result in a significant increase in the general water quality rate in the first year from \$819,000 to \$950,000. Cr Scott noted that as a result of changes recommended by the Hearing Panel, the general rate increase was currently 6.5%, and he would not like it to be any higher. There was also concern at reserves being used.

The amendment was put and lost.

Thanks were extended to the hearing panel and staff for their work in presenting this report. It was noted that in some cases the LTP had been amended to meet submissions, and Councillors had taken note of the points made in the Public Forum. While the rate increase as a percentage seemed high, the amount per household in most cases was not great.

The motion was then put and carried

Mr Bodeker acknowledged the work of Councillors in producing the Strategic Plan, which provided the basis for the LTP.

Item 2

2015/0964 **Director's report.** DCS, 25/5/15

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

Councillors were pleased to note that the upgrading of the Raes Junction Stock Effluent Disposal facility had been carried out before Gypsy Day.

In relation to the government investigation of online voting, Mr Scott noted that the trial related to TLAs rather than to regional councils.

Cr Kelliher moved
Cr Brown seconded

- (1) *That this report be received.*
(2) *That the payments and investments summarised in the table above and detailed in the tabled schedule totalling \$3,674,737.44 be endorsed.*

Motion carried

PART B EXCLUSION OF PUBLIC

Cr Shepherd moved
Cr Woodhead 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 3</i>	<i>Minutes of the in committee portion of the meeting held on 22 April 2015, for adoption</i>	<i>To enable the body holding the information to carry on, without prejudice or disadvantage, negotiations. (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.

Following discussion of Item 3,

Cr Woodhead moved
Cr Shepherd seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 11.46 am.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Policy Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 3 June 2015 commencing at 12.50 pm**

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

Leave of absence: Cr Louise Croot

In attendance: Peter Bodeker
Wayne Scott
Jane Leahy
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 22 April 2015, having been circulated, were adopted on the motion of Crs Shepherd and Deaker.

Matters arising from minutes

FOR NOTING

Item 1

2015/0953 **Director's Report on Progress.** DPPRM, 22/5/15

The report gave an overview of significant activities undertaken by the Policy section.

The meeting commended the work by staff in completing and promulgating the RPS.

Cr Robertson moved
Cr Scott seconded

That the report be noted.

Motion carried

The meeting closed at 12.52 pm.

Chairperson

OTAGO REGIONAL COUNCIL

**Minutes of a meeting of the Regulatory Committee held in the
Council Chamber, 70 Stafford Street, Dunedin on
Wednesday 3 June 2015 commencing at 11.47 am**

Present:

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

Leave of Absence: Cr Louise Croot

In attendance:

Peter Bodeker
 Wayne Scott
 Jane Leahy
 Fraser McRae
 Gavin Palmer
 Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 22 April 2015, having been circulated, were adopted on the motion of Crs Kempton and Eckhoff.

Matters arising from minutes

There were no matters arising from the minutes.

ITEMS FOR NOTING

Item 1

2015/0928 **Biosecurity and RMA Monitoring Report.** DEMO, 22/5/15

The report detailed water, air, pest, and contaminated site environmental monitoring and incidents for the period 21 March to 30 April 2015.

The summary of installation and verification of water meters was noted. Mr Bodeker commented that the first inspections had given a snapshot of the situation to date, and Council would continue working with groups to ensure the equipment was installed.

In response to a question Mr McRae advised that the forestry industry had been very active during the development and operation of rural water quality monitoring regimes.

The collection of rural water quality samples was noted. Mr McRae explained that the results of the sampling were passed on to individual farmers to give them a better understanding of water quality on their land.

Cr Eckhoff moved

Cr Bell seconded

That the report be noted.

Motion carried

Item 2

2015/0939 **Consent processing, consent administration and Building Control Authority update.** DPPRM, 15/5/15

The report detailed consent processing, consent administration and building control authority activity for the period 6 April to 15 May 2015.

Cr Scott moved

Cr Shepherd seconded

That the report be noted.

Motion carried

Item 3
2015/0942

RMA, Biosecurity Act and Building Act Enforcement Activities.
DPPRM, 16/5/15

The report detailed Resource Management Act 1991, Biosecurity Act 1993 and Building Act 2004 enforcement activities undertaken by the Otago Regional Council for the period 1 April to 16 May 2015.

Cr Shepherd moved
Cr Scott seconded

That the report be noted.

Motion carried

The meeting closed at 12.00 pm.

Chairperson

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Technical Committee held
in the Council Chamber, 70 Stafford Street, Dunedin
on Wednesday 3 June 2015 commencing at 12.03 pm**

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

Leave of Absence: Cr Louise Croot

In attendance: Peter Bodeker
Wayne Scott
Jane Leahy
Fraser McRae
Gavin Palmer
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of the meeting held on 22 April 2015, having been circulated, were adopted on the motion of Crs Scott and Shepherd.

Matters arising from minutes

There were no matters arising from the minutes.

PART A – RECOMMENDATIONS

Item 1

2015/0960 **Update to Taieri Plain flood hazard mapping for Dunedin City District.** DEHS, 22/5/15

The report described work carried out to further refine the earlier descriptions of flood hazard characteristics on the Taieri Plain. The full report was circulated separately with the agenda.

Comment was made that the process mirrored the Milton 2060 project, and it was crucial that the work flowed through to the DCC's review of its District Plan provisions. It was important to ensure new developments were constructed away from hazards such as floodways or swamps. Dr Palmer advised that ORC and DCC were continuing to collaborate closely, and this was reaffirmed at the recent meeting of the two chief executives.

Cr Bell moved
Cr Kelliher seconded

That:

1. *This report be received;*
2. *The accompanying technical report 'Revised Flood Hazard on the Taieri Plain' be noted and endorsed;*
3. *These reports be 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 2

2015/0926 **Director's Report on Progress.** DEHS, 27/5/15

The report discussed Arrow River flood and erosion hazard, Kakanui River Morphology and Riparian Management, and Wanaka earthquake and high flow event.

The results of a recently completed report on the flood and erosion hazard of the Arrow River were presented to a public meeting held in Arrowtown on 13 May. Dr Palmer explained in response to a question that the low gravel training line in the Arrow River near Arrowtown was part of the special rating district. Consideration was being given to whether the consent for the bund should be renewed. It was noted that the bund created a safe environment and enabled Bush Creek to be accessed by children, and there was concern that if the consent was not

renewed, that facility would be lost. Dr Palmer advised that recreational uses were discussed at the public meeting.

The public meetings and drop in sessions held to present the draft Kakanui River Management Strategy were noted. Those attending the meetings were supportive of Council's approach, and encouraged continuation of the work.

Reference to the earthquake centred near Wanaka in early May was noted, and Dr Palmer was to seek information on the recent flurry of earthquakes in the area.

Cr Kelliher moved
Cr Eckhoff seconded

That the report be noted.

Motion carried

The meeting closed at 12.17 pm.

Chairperson

REPORT

Document Id: A798284

Report Number: 2015/0992
Prepared For: Council
Prepared By: Projects Manager
Date: 16 June 2015

Subject: **2015-25 Long Term Plan Adoption**

1. Précis

The Finance and Corporate Committee has considered and made recommendations on the 2015-25 Long Term Plan (LTP). It is recommended that the LTP now be adopted. A copy of the document is separately enclosed with the agenda.

2. Background

Council received 160 submissions, covering a range of issues including the following:

- Revenue policy changes
- Consultation process
- Flood and drainage schemes
- Water
- Biodiversity
- Transport
- Funding and / or support requests.

A summary of submissions received, and the recommendations made by the Hearing Committee were presented to the 3 June meeting of the Finance and Corporate Committee.

The LTP is being audited by Deloitte. At the time of writing this report, no audit issues have been identified, and we expect to receive audit clearance before the Council meeting.

3. 2015-25 Long Term Plan

As discussed at the Finance and Corporate Committee meeting on 3 June, the following recommendations on the LTP have been made:

Revenue Policy Recommendations***3.1 Compliance Monitoring***

Compliance monitoring is made up of performance monitoring and audits, with both being paid for, half by consent holders through fees and charges, and half by general rates. The recommendations made were:

- Performance monitoring fees and charges are to increase to 75%, with 25% coming from general rates.
- Audits are to be paid in full by the consent holders.

3.2 Water quality targeted rate

This new rate is to contribute to the cost of implementing the rural water quality provisions of the Regional Plan: Water ("Water Plan"). Recommendations made were:

- \$129,000 of the costs proposed to be funded by the new rate are now to be funded by reserves, as they involve ORC testing and continuing some of the proposed research and development work (Overseer and monitor farm projects).
- \$51,000 of the proposed costs are to be removed from the monitoring budget as a reduction in the amount of work done.
- \$30,000 of science equipment purchase costs are to be capitalised as assets.
- The level of targeted rate funding is to be transitioned in over a period of three years, with 60% of the monitoring and science work to be funded by the targeted rate in 2015/16, 67.5% in 2016/17, and 75% in 2017/18.
- Rural lifestyle properties, four hectares and above, are to be included in the category of those attracting the water quality targeted rate.

3.3 Dairy monitoring rate

This new rate is to cover the cost of Council's annual dairy inspection programme. The consultation document proposed that each dairy farm would receive at least one visit, with some farms receiving up to two or three visits, based on catchment sensitivity. Three classes of rates were proposed. The recommendation made was:

- That the project be amended so that all farms will get charged for one visit only, at a cost of \$235.

This recommendation removes the unfairness of rating based on the sensitivity of the catchments.

Proposed Activity Recommendations

The following recommendations on the activities of Council were made:

- A 10% cap is placed on targeted rate increases for Council's flood and drainage schemes.
- A revenue policy review for the flood and drainage schemes is to be undertaken in the 2015/16 year, the scope of that review being limited to the public / private good elements of the schemes, and not the benefit differentials within the targeted rates. An independent economic analysis is to be undertaken to assist the review.
- Council to investigate the "last ride" concept when implementing the bus ticketing system.
- The request for funding the Brighton Surf Life Saving Club be declined as this does not fit within the roles and responsibilities of the regional council.
- The request for funding the Wakatipu Wilding Conifer Control Group be declined, as Council is working with the Central Government Task Force Group, and is now awaiting the outcome of a funding proposal. Once known, Council will then consider its role on a regional level.
- Appropriate in kind support to be given to the Malcam Charitable Trust, but the request for funding operational costs be declined.
- A paper is to be prepared, following staff investigation, on what Council's responsibilities are in respect of Otago's deep water lakes, what has been done to date, and what is needed. The request for funding monitoring buoys for Lake Hayes is not supported.
- Reasonable in kind support is to be given to the NZ Landcare Trust for the Pomahaka catchment project, but the request for funding is to be declined.

- The request for funding to restore the Aramoana Pilot's Wharf, a recreational facility is not supported.
- The request for funding operational costs for the Cosy Homes Trust be declined, noting in kind support is already being provided to the Trust.
- In kind support is to be provided for the Clutha District Water Catchments Quality Management Project, but the request for funding is not supported.
- A charge to recover the actual costs of processing bylaw applications be implemented, and that a deposit of \$300 be payable when applications are received.

4. Impacts on the Long Term Plan

The recommendations from the Finance and Corporate Committee have resulted in changes to the estimates presented in the consultation document and LTP. Total expenditure for the 2015/16 year is estimated to be \$45.8 million, down from \$46.1 in the draft plan.

The general rate for 2015/16 is \$5.35 million compared to \$5.03 million in 2014/15, being an increase of 6.5%.

The sources of revenue budgeted to cover the cost of our activities are as follows:

Revenue Source	2014/15 \$000s	2015/16 \$000s	2016/17 \$000s	2017/18 \$000s
General rates	5,027	5,354	5,600	5,840
Targeted rates	8,156	9,092	9,824	10,570
Grants	6,028	8,259	7,270	6,532
Fees & charges	3,833	3,536	6,632	3,838
Reserves	3,797	8,268	7,561	4,212
Dividends and investment income	10,043	9,987	10,152	10,259
Other income	1,174	1,361	1,548	1,477

5. Recommendation

1. That this report be received.
2. That the Revenue Policy, incorporating the recommendations of the Finance and Corporate Committee be adopted.
3. That the 2015-25 Long Term Plan, incorporating the recommendations of the Finance and Corporate Committee, be adopted.

Wayne Scott
Director Corporate Services

REPORT

Document Id: A799569

Report Number: 2015/0993

Prepared For: Council

Prepared By: Finance Manager

Date: 19 June 2015

Subject: **Rating Report to Council and Rates Resolution 2015-2016**

1. Précis

Following the adoption of the Long Term Plan 2015/25, Council is required to adopt a rates resolution, which formally sets the rates for the 2015/16 financial year. The rates resolution is attached to this report. Schedule 1 of this report contains tables showing the 2015/16 rate effect on a range of properties within Otago, along with comparative rates for the 2014/15 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 2015/16 year.

2. General Rates

2.1 General rate amount and collection basis

The GST inclusive General Rate requirement for the 2015/16 year of \$6,156,822 represents a 6.5% increase from the 2014/15 rate requirement of \$5,780,531.

Of the General Rate requirement, the total amount of rates to be collected by way of Uniform Annual General Charge is \$1,539,206 This equates to a charge of \$14.50 (including GST) on each rateable property compared to \$13.76 in the 2014/15 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 2014 together with last year's values is noted as:

Local Authority City/Districts	Net Equalised Capital Value 1 Sept 2014	% Apportionment	Net Equalised Capital Value Last Year	% Apportionment
Central Otago	7,562,240,000	12.79	6,961,055,000	12.54
Clutha	7,284,152,000	12.32	6,672,391,000	12.02
Dunedin	20,359,493,000	34.45	19,559,421,000	35.24
Queenstown	18,467,417,000	31.25	17,401,629,000	31.35
Waitaki (part)	5,432,817,000	9.19	4,914,184,000	8.85
Total	59,106,119,000	100.00	55,508,680,000	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 2015/16 (GST inclusive) \$	General Rates 2014/15 (GST inclusive) \$
Contact Energy Ltd:		
Clyde Hydro Dam	36,765	34,197
Roxburgh Hydro Dam	17,949	16,696
Dunedin Waste Water Business Unit		
Three major facilities	62,640	59,682
Total	117,354	110,575
Total as % of the Total general rates	1.91%	1.91%

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 - 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	2015/16 \$	2014/15 \$
Central Otago District	258,750	178,250
Clutha District	258,750	212,750
Dunedin City	172,500	172,500
Queenstown-Lakes District - Wakatipu Rating District	230,000	287,500
Queenstown-Lakes District - Wanaka Rating District	192,050	192,050
Waitaki District	299,000	158,240
Total	1,411,050	1,201,290

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

4. 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	2015/16 \$	2014/15 \$
Lower Taieri Flood	768,534	705,079
West Taieri Drainage	586,500	546,342
East Taieri Drainage	459,195	417,450
Lower Clutha Flood & Drainage	672,750	611,559
Tokomairiro Drainage	69,000	51,750
Lower Waitaki River	166,750	189,107
Leith Flood Protection	1,370,800	1,281,100
Shotover Delta Training Works	287,500	287,500
Total	4,381,029	4,089,887

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.

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.

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.

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.

5. Targeted Rates - Transport

5.1 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 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	2015/16 \$	2014/15 \$
Class A	1,209,940	1,197,394
Class B	2,580,023	2,518,910
Total	3,789,963	3,716,304

5.2 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 \$57,500 for the 2015/16 year represents a 12.15% increase on the amount of \$51,270 levied in the 2014/15 period.

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

Transport Rate Queenstown		
Classification	2015/16 \$	2014/15 \$
Class A	15,597	14,169
Class B	41,903	37,101
Total	57,500	51,270

6. 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	2015/16 \$	2014/15 \$
Central Otago District	78,123	69,808
Queenstown Lakes District	30,268	25,699
Clutha District	6,609	6,843
Total	115,000	102,350

7. Targeted Rate – Rural Water Quality

The Rural Water Quality rate will be levied for the first time in the 2015/16 rating year, and will be levied on the capital value of all rateable land situated within the Otago region, that has a rural land use description, or, has a lifestyle land use description and has a land area of at least four hectares.

The amount of rate revenue sought amounts to \$582,774 (GST inclusive).

8. Targeted Rate - Dairy Monitoring

The Dairy Monitoring rate will be levied for the first time in the 2015/16 rating year, and will be levied on a targeted uniform basis on all rateable land, situated within the Otago region, that operates a Dairy Farm.

The amount of rate revenue sought in the 2015/16 year amounts to \$118,978 (GST inclusive).

9. Payment and Penalty Dates

The attached resolution provides that the due date for rates to be paid is 31 October 2015.

It also provides for penalty dates in November 2015 and May 2016 as follows:

- A 10% penalty will apply to all unpaid rates on 1 November 2015.
- A 10% penalty will apply to all rates levied in previous financial years remaining unpaid on 1 May 2016.

10. Recommendations

1. That this report be received.
2. That the attached Rating Resolution for the 2015/16 year be adopted.

Wayne Scott
Director Corporate Services

Schedule One

Dunedin City Dunedin Residential

	2015/16 Amount of rate per CV				2014/15 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	24.13	38.59	62.67	86.76	22.94	36.71	59.66	82.61
Otago Stadium	-	-	-	-	4.58	5.99	8.34	10.69
River management	0.87	2.18	4.35	6.53	0.88	2.20	4.40	6.60
Transport Class B	17.88	44.69	89.39	134.08	17.66	44.15	88.30	132.45
Leith Flood Protection (<i>indirect</i> benefit zone)	5.25	13.13	26.25	39.38	4.95	12.38	24.75	37.13
Total rates – property within the Leith Flood Protection <i>indirect</i> benefit zone	48.13	98.58	182.66	266.73	51.01	101.43	185.45	269.48
Total rates – property within the Leith Flood Protection <i>direct</i> benefit zone	135.72	317.56	620.62	923.68	133.61	307.93	598.45	888.98

Mosgiel Residential

	2015/16 Amount of rate per CV				2014/15 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	24.13	38.59	62.67	86.76	22.94	36.71	59.66	82.61
Otago Stadium	-	-	-	-	4.58	5.99	8.34	10.69
River management	0.87	2.18	4.35	6.53	0.88	2.20	4.40	6.60
Transport Class B	17.88	44.69	89.39	134.08	17.66	44.15	88.30	132.45
Lower Taieri Flood EF8	1.53	3.81	7.63	11.44	1.41	3.53	7.05	10.58
East Taieri Drainage ED7	10.78	12.57	14.37	17.96	9.79	11.43	13.06	16.32
	55.19	101.84	178.40	256.76	57.26	104.01	180.81	259.25

Dunedin Commercial

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	62.67	110.84	159.01	207.18
Otago Stadium	-	-	-	-
River management	4.35	8.70	13.05	17.40
Transport Class A	355.20	670.4	1,005.60	1,340.80
Leith Lindsay (indirect rate)	26.25	52.50	78.75	105.00
	428.47	842.44	1,256.41	1,670.38

	2013/14 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	59.66	105.56	151.46	197.36
	8.34	13.04	17.74	22.44
	4.40	8.80	13.20	17.60
	331.10	662.20	993.30	1324.40
	24.75	49.50	74.25	99.00
	428.25	839.10	1249.95	1660.80

West Taieri Farm

	2015/16 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Area – hectares	10	15	20	30
General rate and UAGC	33.77	62.67	91.57	110.84
Otago Stadium	-	-	-	-
River management	1.74	4.35	6.96	8.70
Lower Taieri Flood WF1	419.88	1,049.70	1,679.52	2,099.40
West Taieri Drainage - uniform & WD1	1,020.10	1,530.15	2,040.20	3,060.30
Rural Water quality	7.60	19.00	30.40	38.00
Total Rates - Non-Dairy farm	1,483.09	2,665.87	3,848.65	5,317.24
Dairy monitoring uniform rate	235.00	235.00	235.00	235.00
Total Rates - Dairy farm	1,483.09	2,665.87	3,848.65	5,317.24

	2013/14 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
	10	15	20	30
	32.12	59.66	87.20	105.56
	5.52	8.34	11.16	13.04
	1.76	4.40	7.04	8.80
	388.18	970.45	1552.72	1940.90
	954.50	1431.75	1909.00	2863.50
	-	-	-	-
	1382.08	2474.60	3567.12	4931.80
	-	-	-	-
	1382.08	2474.60	3567.12	4931.80

Queenstown Lakes
Wakatipu Residential

	2015/16 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
Queenstown				
General rate and UAGC	28.24	48.85	69.46	83.20
Otago Stadium	-	-	-	-
River management	3.70	9.25	14.80	18.50
Transport Class B	0.96	2.40	3.84	4.80
Shotover Delta	5.47	13.68	21.89	27.36
	38.37	74.18	109.99	133.86
Arrowtown				
Queenstown rates above	38.37	74.18	109.99	133.86
Clean Heat Clean Air	6.40	16.00	25.60	32.00
	44.77	90.18	135.59	165.86

	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

Wanaka Residential

	2015/16 Amount of rate per CV			
	\$200,000	\$500,000	\$800,000	\$1,000,000
General rate and UAGC	28.24	48.85	69.46	83.20
Otago Stadium	-	-	-	-
River management	6.34	15.85	25.36	31.70
	34.58	64.70	94.82	114.90

	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

Wakatipu Commercial

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	48.85	83.20	117.55	151.90
Otago Stadium	-	-	-	-
River management	9.25	18.50	27.75	37.00
Transport Class A	4.80	9.60	14.40	19.20
Shotover Delta	13.68	27.36	41.04	54.72
	76.58	138.66	200.74	262.82

	2014/15 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
	49.56	85.36	121.16	156.96
	4.10	5.70	7.30	8.90
	12.65	25.30	37.95	50.60
	4.70	9.40	14.10	18.80
	15.00	30.00	45.00	60.00
	86.01	155.76	225.51	295.26

Central Otago
Alexandra Residential

	2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	22.30	34.01	53.52	73.03
Otago Stadium	-	-	-	-
River management	3.64	9.10	18.20	27.30
Clean Heat Clean Air	3.44	8.61	17.21	25.82
	29.39	51.72	88.93	126.15

	2014/15 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
	21.02	31.91	50.06	68.21
	2.48	3.04	3.96	4.89
	2.55	6.38	12.75	19.13
	3.14	7.85	15.70	23.55
	29.19	49.17	82.47	115.77

Central Otago Farm

	2015/16 Amount of rate per CV				2014/15 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	53.52	92.54	131.56	170.58	50.06	86.36	122.66	158.96
Otago Stadium	-	-	-	-	3.96	5.81	7.66	9.51
River management	18.20	36.40	54.60	72.80	12.75	25.50	38.25	51.00
Rural Water quality	19.00	38.00	57.00	76.00	-	-	-	-
Total Rates - Non-Dairy farm	90.72	166.94	243.16	319.38	66.77	117.67	168.57	219.47
Dairy monitoring uniform rate	235.00	235.00	235.00	235.00	-	-	-	-
Total Rates - Dairy farm	325.72	401.94	478.16	554.38	66.77	117.67	168.57	219.47

Clutha
Balclutha Residential

	2015/16 Amount of rate per CV				2014/15 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	21.47	31.92	49.34	66.76	21.33	32.69	51.61	70.54
Otago Stadium	-	-	-	-	3.12	3.77	4.84	5.92
River management	3.54	8.86	17.72	26.58	3.44	8.60	17.20	25.80
Lower Clutha Flood Protection (Class U2)	66.05	165.13	330.25	495.38	64.01	160.03	320.05	480.08
	91.06	205.91	397.31	588.72	91.90	205.08	393.70	582.33

Milton Residential

	2015/16 Amount of rate per CV			
	\$100,000	\$250,000	\$500,000	\$750,000
General rate and UAGC	21.47	31.92	49.34	66.76
Otago Stadium	-	-	-	-
River management	3.54	8.86	17.72	26.58
Clean Heat Clean Air	3.20	8.00	16.00	24.00
Tokomairiro drainage (Class U1)	5.81	14.53	29.06	43.58
	34.02	63.31	112.12	160.92

	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

Clutha Farm

	2015/16 Amount of rate per CV			
	\$500,000	\$1,000,000	\$1,500,000	\$2,000,000
General rate and UAGC	49.34	84.18	119.02	153.86
Otago Stadium	-	-	-	-
River management	17.72	35.44	53.16	70.88
Lower Clutha Flood Protection (Class C)	935.71	1,871.42	2,807.13	3,742.84
Rural Water quality	19.00	38.00	57.00	76.00
Total Rates - Non-Dairy farm	1,021.77	2,029.04	3,036.31	4,043.58
Dairy monitoring uniform rate	235.00	235.00	235.00	235.00
Total Rates - Dairy farm	1,256.77	2,264.04	3,271.31	4,278.58

	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
Rural Water quality	-	-	-	-
Total Rates - Non-Dairy farm	980.50	1944.55	2908.60	3872.65
Dairy monitoring uniform rate	-	-	-	-
Total Rates - Dairy farm	980.50	1944.55	2908.60	3872.65

Waitaki
Oamaru Residential

	2015/16 Amount of rate per CV				2014/15 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	21.72	32.55	50.61	68.66	21.14	32.21	50.66	69.11
Otago Stadium	-	-	-	-	2.96	3.79	5.16	6.54
River management	5.77	14.43	28.85	43.28	3.40	8.50	17.00	25.50
	27.49	46.98	79.46	111.93	27.50	44.50	72.82	101.15

Waitaki Farm

	2015/16 Amount of rate per CV				2014/15 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	50.61	86.71	122.82	158.92	50.66	87.56	124.46	161.36
Otago Stadium	-	-	-	-	5.16	7.91	10.66	13.41
River management	28.85	57.70	86.55	115.40	17.00	34.00	51.00	68.00
Rural Water quality	19.00	38.00	57.00	76.00	-	-	-	-
Total Rates - Non-Dairy farm	98.46	182.41	266.37	350.32	72.82	129.47	186.12	242.77
Dairy monitoring uniform rate	235.00	235.00	235.00	235.00	-	-	-	-
Total Rates - Dairy farm	333.46	417.41	501.37	585.32	72.82	129.47	186.12	242.77

Rating Resolution for Adoption

That in accordance with the provisions of the Local Government (Rating) Act 2002, the Otago Regional Council Long Term Plan 2015/2025, 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 2015 and ending on the 30th day of June 2016, 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 \$14.50 per rating unit. Revenue sought from the Uniform Annual General Charge amounts to \$1,539,206.

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	0.007804	555,236
Clutha	0.006968	508,754
Dunedin	0.009634	1,907,562
Queenstown Lakes	0.006870	1,271,898
Waitaki	0.007221	374,166
Total		4,617,616

2. River Management Rates

2.1 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	0.003637	258,750
Clutha District	0.003544	258,750
Dunedin City	0.000871	172,500
Waitaki District	0.005770	299,000
Wakatipu River Management Rating District	0.001846	230,000
Wanaka River Management Rating District	0.003174	192,050
Total		1,411,050

2.2 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	0.123168	104,302
B	0.061589	62,448
Total		166,750

3. Flood Protection and Drainage Scheme Rates

3.1 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	0.499048	50,186
B	0.198150	125,809
C	0.187142	257,474
D	0.117422	42,580
E	0.062380	36,790
F	0.007339	19,646
U1	0.198174	2,216
U2	0.066050	104,916
U3	0.014679	5,630
U4	0.011008	27,503
Total		672,750

Tokomairiro Drainage Scheme		
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
A	0.038740	4,504
B	0.029055	7,947
C	0.023244	9,758
D	0.017433	15,215
E	0.009686	6,370
F	0.003874	9,870
U1	0.005811	15,336
Total		69,000

Lower Taieri Flood Protection Scheme					
Classification	Rate cents in \$ on Capital Value	Revenue Sought \$	Classification	Rate cents in \$ on Capital Value	Revenue Sought \$
WF1	0.209940	391,005	EF3	0.117657	570
WF2	0.124223	294,266	EF4	0.095585	6,972
WF3	0.001960	182	EF5	0.002656	1,241
WF4	0.003071	189	EF6	0.117477	955
WF5	0.000269	1	EF7	0.001614	475
WF6	0.000367	5	EF8	0.001525	19,661
WF7	0.000176	1	EF9	0.000708	1,216
WF8	0.014764	789	EF10	0.000880	1,041
WF9	0.000128	1	EF12	0.138909	1,336
EF1	0.113143	18,796	EF13	0.138907	2,218
EF2	0.118360	27,614			
				Total	768,534

3.2 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 \$24.64 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 \$114,800.

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	137.50	125,120
ED2	104.90	81,692
ED4	115.93	13,076
ED5	52.29	50,022
ED7	179.61	14,543
ED8	34.69	29,908
ED9	30.09	20,142
ED10	26.74	9,892
Total		344,395

3.3 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 \$24.32 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 \$175,950

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	77.69	329,293
WD2	21.35	55,188
WD3	57.97	17,623
WD4	77.69	8,298
WD5	0.31	148
Total		410,550

3.4 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	0.092844	657,933
A – Direct benefit zone – Forsyth Barr Stadium	0.016558	27,417
B – Indirect benefit zone	0.005251	685,450
Total		1,370,800

3.5 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	0.002736	287,500
Total		287,500

4. 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	0.067040	1,209,940
Class B (within Dunedin City)	0.017877	2,563,311
Class B (within Waitaki District)	0.017296	16,712
Total		3,789,963

Queenstown Transport Services Rate		
Classification	Cents in \$ on Capital Value	Revenue Sought \$
Class A	0.000960	15,597
Class B	0.000480	41,903
Total		57,500

5. 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	0.003442	78,123
Queenstown Lakes District	0.003200	30,268
Clutha District	0.003200	6,609
Total		115,000

6. Rural Water Quality Rate

For the purpose of providing for the monitoring of rural water quality, 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 Otago region, that has a land use type being:

- Rural- Arable Farming
- Rural- Dairy
- Rural- Forestry
- Rural- Market Gardens and Orchards
- Rural- Mineral Extraction
- Rural- Multi-Use within Rural Industry
- Rural- Specialist Livestock
- Rural- Stock Finishing
- Rural- Store Livestock
- Rural- Vacant
- Lifestyle- Multi-Unit (with a land area of 4 hectares or greater)
- Lifestyle- Multi-Use within Lifestyle (with a land area of 4 hectares or greater)
- Lifestyle- Single Unit (with a land area of 4 hectares or greater)
- Lifestyle- Vacant (with a land area of 4 hectares or greater)

Rural Water Quality Rate		
	Rate cents in \$ on Capital Value	Revenue Sought \$
All rating units	0.003799	582,774
Total		582,774

7. Dairy Monitoring Rate

For the purpose of providing for monitoring the environmental affect of dairy farms, a targeted uniform rate set under sections 16, 17 and 18 of the Local Government (Rating) Act 2002, assessed on all rateable land used for dairy farming in the Otago region.

Dairy Monitoring Rate		
	Uniform rate \$	Revenue Sought \$
All rating units	235.00	118,978
Total		118,978

8. Other Matters

8.1 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 2015.

8.2 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 2015/2016 financial year as follows:

- (a) A penalty of 10% to be added to rates assessed during the 2015/2016 financial year, or any previous financial year, and which remain unpaid on 1 November 2015.
- (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 2016.

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.

8.3 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: A798690

Report Number: 2015/0994

Prepared For: Council

Prepared By: Chief Executive

Date: 17 June 2015

Subject: **Plan Change 6A Rural Water Quality External Stakeholders' Group**

1. Introduction

In order to promote the Otago Regional Council's unique approach to rural discharge management, I propose an external stakeholders' group be established. This group would ensure there is engagement at a national level so that the knowledge and achievement from this Council's approach is shared with stakeholders across New Zealand.

The establishment of this group was an action from the 6A mediation.

The 2014/15 Annual Plan includes as a target the establishment of such a group.

This paper is to clarify the purpose, style, and membership of the group and to recommend its implementation.

2. Purpose

Currently a number of stakeholder groups operate that either directly or indirectly assist with implementation of the water quality provisions in the Otago Water Plan. These groups play an important part in advancing specific aspects of the plan. They will continue to provide forums for action around themes and issues, including those identified by the external stakeholder group.

3. Table of current stakeholder groups

Group	Purpose	Membership
Technical advisory - extension Established June 2014	Promote third party implementation work and align extension field work across sectors including Council	Beef & Lamb NZ Dairy NZ Federated Farmers Fonterra Deer Industry NZ NZ Landcare Trust NOIC SFF project leaders Central Otago wintering project (consultant & Abacus bio). Clutha Development Trust
OVERSEER advisory Established March 2015	Provide clarity and guidance to the stakeholder group with respect to the groundwater rule	Ravensdown Ballance OVERSEER

Group	Purpose	Membership
	and share knowledge of the effectiveness of implementation and ideas for improvement.	Beef & Lamb Horticulture NZ Dairy NZ Fonterra Waitaki Irrigators MPI Other experts as required
MOU group with the North Otago Irrigation Company Established March 2015	Coordination of activities	NOIC ORC
MOU group Waitaki Irrigation Company Established March 2015	Coordination of activities	WIC ORC
AgResearch , ORC, Environment Southland Established 2005	Share new and innovative research and in-field extension work and identify gaps and learnings	AgResearch ORC ES

4. Purpose

The Rural Water Quality External Stakeholder Group's purpose would be to:

- I. Be a conduit for information flow between their organisations and ORC
- II. Provide feedback on progress within stakeholder sectors and identify gaps in implementation
- III. Provide input to any required change to the strategic approach
- IV. Critique operational approaches to delivery of strategic goals
- V. Represent national stakeholder interests in the audit of implementation of the water quality provisions in the plan
- VI. Nationally communicate the learnings and achievements from implementation of the new water quality provisions

5. Style

The group purpose requires a collaborative style, both within its own setting and in its engagement with others. It would be guided by:

- encouragement of free and frank discussion but where the views of all are respected
- clarity that, as the accountability for implementation of the new water quality provisions sits with ORC, so too do the final decisions
- the principle that group members are present to raise issues and share awareness relevant to their sector/agency and contribute to the overall work of a stakeholder group focused on improving and maintaining good water quality in Otago

6. Membership

Because the group will need to be dynamic, it should have a membership of no more than 10 given that other already established stakeholder groups will be asked for input when wider views are required.

I recommend the group comprise the following organisations, with invitations going to the identified organisations and their named delegates along with a request that they nominate an alternate if necessary.

Organisation	Role	Name
	Independent Chairperson	To be confirmed
Otago Regional Council	Councillor	Stephen Woodhead
Otago Regional Council	Chief Executive Officer	Peter Bodeker
Federated Farmers	Chief Executive	Graham Smith
New Zealand Forestry Owners Association	Chief Executive	David Rhodes
Ministry for the Environment	Deputy Secretary Natural Resources Policy	Guy Beatson
Department of Conservation	Chief Executive	Lou Sanson
Fish and Game	Chief Executive	Bryce Johnson
Forest and Bird	Chief Executive	Hone McGregor
Te Runanga o Ngai Tahu (TRoNT)	Chief Executive	Arihia Bennett
New Zealand Institute of Primary Industry Management	Chief Executive	Stephen Macaulay
Tourism Industry Association of New Zealand	Chief Executive	Chris Roberts

If agreed, the independent chairperson would have skills and experience as chairperson of a diverse group and, preferably, knowledge of the Resource Management Act and the Otago Water Plan.

ORC would provide administrative support.

7. Recommendation

That Council endorse the membership of the Rural Water Quality External Stakeholders Group.

Peter Bodeker
Chief Executive

REPORT

Document Id: A797822

Report Number: 2015/0987

Prepared For: Council

Prepared By: Finance Manager

Date: 18 June 2015

Subject: **Financial Report to 31 May 2015**

The following information is provided in respect of the overall Council finances for the eleven months to 31 May 2015.

1. Activity Expenditure

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

	Annual Budget \$000's	Budget May \$000's	Actual May \$000's	Variance (unfav.) \$000's
Air Quality	753	691	407	284
Emergency management	415	381	207	174
Environmental Incident response	961	880	967	(87)
Flood protection & control works Note 1	7,983	7,716	5,646	2,070
Governance & Community	3,618	3,320	3,206	114
Land Note 2	2,514	2,311	1,583	728
Policy	899	826	1,075	(249)
Regulatory Note 3	3,115	2,858	2,136	722
Rivers & Waterway Management	986	905	1,039	(134)
Natural hazards	1,040	953	820	133
Transport Note 4	11,119	10,105	8,803	1,302
Water	5,187	4,758	4,647	111
	38,590	35,704	30,536	5,168

Significant variances are commented upon in the notes below.

Note 1 – Flood Protection

The favourable variance in the Leith Flood Protection project of \$1,477,000 comprises the majority of Flood Protection and Control Works activity variance. The project has extended over several financial years, and the variance largely reflects a difference in the timing of work performed with the timing anticipated in the annual budgets.

The Lower Clutha project shows a favourable variance of \$376,000, largely due to timing issues.

Note 2 - Land

This variance is largely due to external contract activity being \$504,000 less than budgeted due to a lower level of contract activity undertaken than was anticipated in the budget.

Note 3 – Regulatory

A significant component of this activity is demand driven, and is accordingly dependent on the level of activity, which to date is at a lower level than anticipated in the budget, with the resource consent processing project being down \$274,000, the compliance monitoring project down \$205,000, and the Dam Safety project down \$116,000.

Note 4 - Transport

The major favourable variances in this activity are the Stock Truck Effluent Disposal sites project (variance of \$717,000) with site installation work not proceeding as anticipated in the budget, the Dunedin Passenger Transport project (variance \$130,000) related to contract costs being less than budgeted, and the Public Transport Regional project (variance \$306,000), mainly due to the timing of the Electronic Ticketing System replacement work.

2. Income Statement and Balance Sheet

An Income Statement for the eleven months to 31 May 2015 and a Balance Sheet as at 31 May 2015 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 2015

	Annual Budget \$000's	Budget May \$000's	Actual May \$000's	Variance (unfav) \$000's
Income:				
Rate income	13,543	12,414	12,421	7
Grant and subsidy income	Note 1 6,030	5,491	4,993	(498)
Interest received	2,137	1,959	1,796	(163)
Other income	Note 2 4,682	4,292	3,121	(1,171)
Dividend income	Note 3 7,400	6,783	7,700	917
Rental income	Note 4 921	844	1,130	286
Gain in value of investment Property	Note 5 294	-	-	-
Other gains	Note 6 -	-	864	864
Total Income	35,007	31,783	32,025	242
Less Expenditure:				
Operating expenses	Note 7 30,177	27,710	26,819	891
Finance costs	1	-	-	-
Depreciation expense	1,515	1,390	1,501	(111)
Total Expenditure	31,693	29,100	28,320	780
Surplus	3,314	2,683	3,705	1,022

Note 1 - Grant and Subsidy Income

The majority of the variance in subsidy income is related to the Dunedin Passenger Transport project, and the Stock Truck Effluent Disposal project, resulting from lower levels of expenditure incurred to date than provided for in the budget, with the associated subsidy income being lower than budgeted.

Note 2 – Other Income

This unfavourable variance comprises both unfavourable and favourable project variances. The significant unfavourable variances are primarily in the regulatory activity projects and the external contract activity, and are primarily associated with a lower level of expenditure and associated revenue. Partially offsetting those variances is a favourable variance related to unbudgeted income in respect of recoverable flood scheme work.

Note 3 – Dividend Income

Dividend income from Port Otago Limited reflected in the Income Statement to 31 May 2015 of \$7,700,000 is an apportionment of the income for the full year to June 2015 which will amount to \$8,400,000.

The favourable variance is largely the result of a timing affect, reflecting a higher proportion of the June 2015 dividend received by the end of the financial year, compared to the timing of dividend payments anticipated in the budget.

Note 4 – Rental Income

The favourable variance in rental income reflects increases in rentals over that provided for in the budget and associated rental arrears charged during the reporting period. This relates mainly to the Lower Clutha and investment property leases.

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 2015.

Note 6 – Other Gains

The gain recorded of \$864,000 reflects the increase in the fair value of the BNZ Managed Investment Portfolio for the eleven months to 31 May 2015.

Note 7 – Operating expenses

The favourable variance in operating expenses is mainly attributable to net favourable project variances, excluding the impact of capital expenditure, reflected in the activity expenditure section above.

Otago Regional Council

 Balance Sheet
 As at 31 May 2015

	31 May 2015 \$000's	30 June 2014 \$000's
Public Equity		
Public equity	141,978	140,968
Available-for-sale revaluation reserve Note 1	350,535	350,535
Asset revaluation reserve	7,963	7,963
Asset replacement reserve	3,904	4,403
Building reserve Note 2	8,042	5,214
Emergency response reserve	3,725	3,571
Water management reserve	1,526	1,463
Kuriwao endowment reserve	6,155	6,020
	523,828	520,137
Current Liabilities		
Accounts payable and accruals	4,389	5,824
Revenue in advance Note 3	1,130	-
	5,519	5,824
Total Equity and Liabilities	529,347	525,961
Non-Current Assets		
Operating assets	85,729	83,810
Intangible assets	1,547	1,820
Investment Property	10,024	10,024
Deferred tax asset	93	98
Shares in Port Otago Ltd Note 1	370,535	370,535
	467,928	466,287
Current Assets		
Cash and cash equivalents Note 4	1,860	3,911
Other financial assets Note 4	53,062	52,053
Receivables	3,531	3,236
Other current assets	31	89
Inventories – stock and property held for sale	385	385
Dividends Receivable Note 5	2,550	-
	61,419	59,674
Total Assets	529,347	525,961

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

The Shares in Port Otago Ltd are included at the June 2014 valuation, and the available-for-sale revaluation reserve reflects the revaluation amount of the shares.

Note 2 – Building Reserve

The budgeted transfer to the reserve for the year of \$2,500,000 is fully reflected in the balance to 31 May 2015, along with interest earned on the reserve balance.

Note 3 – Revenue in advance

Revenue in advance reflects rate revenue which will be released to the income statement over the remainder of the year.

Note 4 - 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.

Current bank balances and term deposits with durations of less than 4 months are included in Cash and Cash Equivalents.

Other Financial Assets includes the Council's Managed Fund and term deposits with durations of 4-13 months.

Note 5 – Dividends Receivable

Dividend income of \$7,700,000 for the 2014/2015 year has been provided for in the income statement. The dividend receivable balance reflects dividend income less the final 2014 dividend of \$1,900,000 received in September 2014 and the first 2015 interim dividend of \$3,250,000 received in February 2015. A second interim dividend of \$3,250,000 was received on 4th June 2015.

Report back from Councillors