

## OTAGO REGIONAL COUNCIL

### Minutes of an Ordinary meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 24 June 2015 commencing at 10.38 am

**Present:**

- Cr Stephen Woodhead (Chairperson)
- Cr Gretchen Robertson (from 11.30 am)
- 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

Cr Woodhead welcomed Mr Nick Donnelly, the new Director Corporate Services and Chief Financial Officer.

**Leave of Absence:** Cr Gretchen Robertson (for the first part of the meeting)

**Requests for  
Leave of Absence:** Cr Gerrard Eckhoff  
Cr Trevor Kempton  
The requests for leave of absence were approved on the motion of Crs Woodhead and Croot.

**In attendance:**

- Peter Bodeker
- Nick Donnelly
- Jeff Donaldson
- Jane Leahy
- Fraser McRae
- Gavin Palmer
- Wayne Scott
- Sharon de Vries (for Item 8)
- Janet Favel

## CONFIRMATION OF AGENDA

It was requested that Report 2015/1004 Authorisation of Bank Signatory be added to the agenda as a late item to authorise Mr Nick Donnelly, new Director of Corporate Services and Chief Financial Officer, as a bank signatory. It was suggested by Cr Woodhead, and agreed, that the item be added as Item 9b.

## MINUTES

The minutes of the Ordinary meeting held on 6 May 2015, having been circulated, were adopted on the motion of Crs Croot and Kempton.

### Matters arising from the minutes

There were no matters arising from the minutes.

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

### Item 1

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

The Chairperson provided an overview of his activities for the period to 18 June 2015. The following items were discussed further:

*Rain radar* – MetService had announced that a rain radar for Otago would be installed during the 2018/19 year. The Otago Mayoral Forum had discussed lobbying the Minister for State Owned Enterprises to bring this date forward. Dr Palmer advised that he would report to the Technical Committee on the information that a rain radar would provide, and staffing implications.

*Super Gold Card Review* – Cr Woodhead noted upcoming changes to the Super Gold Card public transport scheme, including: capping of Crown funding for the scheme at \$28.129m, providing bulk funding to regional councils in place of fare reimbursements, and lifting the moratorium on new services entering the scheme. Cr Woodhead noted that the scheme was initiated by Government, but the changes would impact on ratepayers. A flat \$1 surcharge on the use of all gold cards was suggested, but Mr Scott considered that a fee of this nature would not be acceptable as it would be in opposition to the scheme’s principle of free travel. Concern was expressed that if the \$28m was allocated on a population basis, Otago would be disadvantaged, and it was suggested that LGNZ should be involved in the issue. A suggestion was made that this Council could informally resolve that to impose additional unfunded costs on ratepayers who were in a public transport targeted area would be unfair, and that it was not their

responsibility to pick up the costs of free Gold Card travel. Comment was also made that it would be difficult to incorporate future unknown transport-related costs in the Annual Plan. Mr Scott commented that the Super Gold process should be managed within the budgets at Council's discretion, for example through reduced services. Staff would be asked to investigate options to deal with the upcoming changes to Gold Card funding.

*South Dunedin floods* – Cr Woodhead noted that Mayor Cull had spoken publicly about the need to plan for the future of South Dunedin. Cr Neill noted that ORC provided DCC with information, and cautioned that ORC should be careful not to overstep the boundaries between the jurisdiction of each of the two councils.

*Te Roopu Taiao charter* – There was concern that Councillors had not seen the reviewed charter which was signed at the recent Te Roopu Taiao meeting. Cr Woodhead advised that the original charter had been presented to Council last term and reviewed this term, and he apologised that the reviewed document had not been presented to Council. Apart from the addition of a Te Reo section and the inclusion of Waitaki District Council as a member, there was very little change to the charter. Mr Bodeker noted that the charter cemented individual relationships with iwi, and was similar to the relationship with Southland runanga.

*Review of funding for Otago Museum* – Cr Woodhead noted that funding requirements for the museum were set out in legislation. ORC was not currently providing funding, and Mr Bodeker advised that it was unlikely that the situation would change until the end of the current three year LTP cycle.

## Item 2

2015/0986 **Chief Executive's Report.** CE, 15/6/15

The Chief Executive provided an overview of his activities for the period to 15 June 2015. The following items were discussed further:

*CDEM Group Controller/Group Manager* – an appointment would be made from the shortlist of five, all of whom had now been interviewed.

*MBIE regional growth strategy* – at the request of the Mayoral Forum, ORC was to prepare a feasibility study to consider how a regional growth study might be undertaken in the Otago region.

*Civil Defence Emergency Management* – an upcoming Council workshop would explain the Council's CDEM responsibilities and activity, and the debrief on recent flooding in South Dunedin would also be reported to the workshop.

*Dairy inspections* – A meeting had been held with Federated Farmers, and a further meeting was planned with industry representatives, to discuss non compliance of dairy farmers in the Otago Region in relation to the Rural Water Quality strategy. Councillors commended the diversion approach, which was imposed by the Court and required structural changes at the farm level rather than prosecution to achieve compliance.

Cr Robertson entered the meeting at 11.30 am.

*Lindis minimum flow* – staff had investigated the requests of the Lindis Catchment Group, and considered that their concerns were met by the Water Plan. This had been advised to the Group. Mr McRae noted that a number of landholders currently taking water from the Lindis River were able to access water from other sources. Those left needing to take water from the river would have to observe the minimum flow levels.

*Water Plan Implementation* – Information was provided to farmers by personal visit and the provision of fact packs. Mr Bodeker was pleased to note that farmers who had not been able to be contacted personally were attending drop-in sessions.

Cr Deaker moved  
Cr Neill seconded

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

**Motion carried**

## **PART B – MINUTES OF MEETINGS**

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

Cr Kempton moved  
Cr Bell seconded

*That the recommendations of the Communications Committee meeting held on 3 June 2015 be adopted.*

**Motion carried**

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

Cr Shepherd moved  
Cr Kelliher seconded

*That the recommendations of the Finance and Corporate Committee meeting held on 3 June 2015 be adopted.*

**Motion carried**

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

Cr Robertson moved  
Cr Deaker seconded

*That the recommendations of the Policy Committee meeting held on 3 June 2015 be adopted.*

**Motion carried**

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

Cr Neill moved  
Cr Eckhoff seconded

*That the recommendations of the Regulatory Committee meeting held on 3 June 2015 be adopted.*

**Motion carried**

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

Cr Scott moved  
Cr Brown seconded

*That the recommendations of the Technical Committee meeting held on 3 June 2015 be adopted.*

**Motion carried**

## PART C – RECOMMENDATIONS

### Item 8

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

The report noted that the Finance and Corporate Committee had considered and made recommendations on the 2015-25 Long Term Plan, and recommended that the LTP now be adopted. The full document was circulated separately with the agenda. Sharon de Vries was in attendance for this item.

Cr Shepherd noted that the report was the culmination of a lot of work by staff, and reflected the Hearings Panel's recommendations. The financial strategy outlined by the Plan was indicative of the Council's intentions for the timeframe of the plan. The work outlined was not set in stone, but indicated what could be attended to.

Mr Scott noted that the Auditor's unqualified opinion would be given once the Plan had been adopted by Council.

Cr Eckhoff expressed disappointment that there was no provision in the Plan for wilding conifer control, which could take the form of assistance to the individuals and groups carrying out control work.

Cr Deaker noted that the 6.5% general rate increase equated for most ratepayers to a small amount in dollar terms.

Cr Croot raised a question about provision for air work, which covered a range of projects from analysis to home insulation. Mr Bodeker advised that air quality monitoring and reporting would continue to be carried out by Council and MfE, and the Council's staffing level had been reviewed to better reflect the work required. Details of the upcoming government review of regulations were not yet known.

Cr Brown supported adoption of the LTP. He commented that as a hearing panel member he was concerned about the level of rate increases, but was pleased to note that some targeted rating had been reviewed as a result of submissions. Cr Brown noted that risk to ORC income was discussed by a recent Audit and Risk Subcommittee meeting where it was pointed out that the Council had a number of revenue streams including Chalmers Properties, Port operations, investments, and rating.

Cr Shepherd moved  
Cr Deaker seconded

1. *That the 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.*

**Motion carried**

Item 9a

2015/0993 **Rating Report to Council and Rates Resolution 2015/2016.**

DCS, 19/6/15

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

Cr Shepherd moved

Cr Brown seconded

1. *That the report be received.*
2. *That the Rating Resolution for the 2015/16 year attached to report 2015/0993 be adopted.*

**Motion carried**

Item 9b

2015/1004 **Authorisation of Bank Signatory.** DCS, 23/6/15

The report recommended the authorisation of Mr Nick Donnelly, newly appointed Director of Corporate Services and Chief Financial Officer, as a signatory to Council bank accounts.

Cr Croot moved

Cr Shepherd seconded

- (1) *That the Director Corporate Services and Chief Financial Officer Mr Nick Donnelly be authorised as an Account Owner to the Council bank accounts.*
- (2) *That the Finance Manager arrange the necessary documentation.*

**Motion carried**

Item 10

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

An outcome of the Plan Change 6A mediation process was that Otago Regional Council would establish an oversight group consisting of external stakeholders. The Chief Executive's report clarified the purpose, style, and recommended membership of the group and recommended its implementation.

Mr Bodeker noted existing groups, which showed stakeholder engagement at technical and local levels. He noted there was significant interest in Wellington in the ORC's water plan, and considered the best umbrella organisation to provide representation was MPI, which gave the stakeholder group necessary high level involvement. Councillors considered that Irrigation NZ should be included in the group.

It was proposed that the group have an independent chairperson, this person to be appointed by the ORC. An alternative consideration was that an Otago Regional Councillor chair the Group so that the Council retained responsibility for and oversight of the Rural Water Quality Plan. It was suggested that Cr Woodhead chair the group, and that the Deputy Chair be included as a member.

Cr Deaker suggested that Purpose Item III 'Provide input to any required change to the strategic approach' be deleted, however it was pointed out that the purpose of the group was to ensure information flow, and the group would not be able to amend policy or make other decisions on behalf of the ORC.

Cr Kempton left the meeting at 12.46 pm.

There was concern that Purpose Item IV 'Critique operational approaches to delivery of strategic goals' was getting too deep into the detail of implementation. Mr Bodeker explained that the stakeholders understood the Plan. Mr McRae explained that should a change to the Plan be required, the stakeholder group would have some input to it.

In response to a question Mr Bodeker advised that the group would meet twice a year initially, then probably revert to annual meetings.

It was suggested that the report be referred back to staff for consideration of the points made above, and re-presented to a future meeting or workshop. Additional suggestions were: include meeting frequency in group purpose; reconsider whether a Councillor or independent chair should be appointed; include Council Deputy Chair in group membership; the chair should understand the RMA and the Otago Water Plan.



Cr Scott moved  
Cr Croot seconded

*That this report be referred back to staff for reconsideration and presentation to a future workshop or meeting.*

**Motion carried**

## **PART D – ITEMS FOR NOTING**

Item 11

2015/0987 **Financial Report.** DCS, 18/6/15

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

Cr Robertson moved  
Cr Croot seconded

*That the report be received.*

**Motion carried**

Item 12 **Reports from Councillors**

*Cr Croot - Celebration of award to Edward Ellison*

Cr Croot advised that she, Cr Woodhead, and Mr Bodeker had attended a function to mark the award to Edward Ellison of Officer of the NZ Order of Merit for services to Māori and conservation.

*Cr Shepherd - meeting with Qinyang delegation.*

Cr Shepherd had represented ORC at a meeting with a delegation from Qinyang, China, hosted by the DCC. Members of the delegation were mostly interested in how the city operated its infrastructure, and the impact of the university on the city. Cr Shepherd was concerned that there was little mention of agriculture.

*Cr Brown – Annual meeting of Kakanui Ratepayers and Improvement Society*

Cr Brown had attended the above meeting, and he noted that the Kakanui Water Allocation Committee gave a presentation at the meeting. The meeting was well attended.

*Cr Woodhead – retirement Mr Wayne Scott*

Cr Woodhead commented that this was Mr Scott's last Council meeting, but he was staying for four weeks to hand over the role to Mr Donnelly, and to stand in as Chief Executive during Mr Bodeker's absence. Cr Woodhead expressed gratitude for Mr Scott's professional advice and guidance on financial management, and his understanding of the law. He considered that Mr Scott was strongly principled and very professional, and wished him all the best for his retirement. Mr Scott in reply commented that the ORC had been a large part of his life and he had enjoyed working with both staff and politicians. Councillors commended Mr Scott for his friendly and helpful approach to his role, noting that his principled approach was reflected in the Council's sound financial position.

The meeting closed at 1.22 pm



**Chairperson**