

OTAGO REGIONAL COUNCIL

Minutes of an Ordinary meeting of the Council held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 5 August 2015 commencing at 10.30 am

Present:

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

**Request for Leave of
Absence:**

Cr Louise Croot
The request for leave of absence was approved on the motion of
Crs Woodhead and Neill.

In attendance:

Peter Bodeker
Jeff Donaldson
Nick Donnelly
Jane Leahy
Fraser McRae
Janet Favel

CONFIRMATION OF AGENDA

There were no changes to the agenda.

MINUTES

The minutes of

- (1) the Ordinary meeting held on 24 June 2015, and
 - (2) the Extraordinary Council meeting held on 22 July 2015
- having been circulated, were adopted on the motion of Crs Shepherd and Croot.

Matters arising from the minutes

- (1) Ordinary Council meeting 24 June – Item 12 Annual meeting of Kakanui Ratepayers and Improvement Society – Cr Brown noted a correction to the minutes to show that the Kakanui Water Allocation Committee gave a presentation ~~was elected~~ at the meeting.
- (2) Extraordinary Council meeting 22 July – Cr Woodhead advised that staff had decided to withdraw the request for designation for future work in the Lower Taieri Flood Protection Scheme Chute area. The designation would have covered two residential properties, and could have impacts on the landowners. It was decided that as the work was planned for 2018 or later, the application for designation did not need to be made at this stage.

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

Item 1

2015/1073 **Chairperson’s report.** Chair, 31/7/15

The Chairperson provided an overview of his activities for the period to 31 July 2015.

Cr Woodhead referred to the LGNZ Conference and commented that Paula Bennett, Minister of Local Government, had emphasised the message from Government encouraging local authorities to focus on the issues that communities considered were important. His impression was that change would not be forced, but was expected.

Comment was made on the suggestion that there would be a commission to look at local government structures nationally. It was considered it would be useful to have a paper detailing the ways ORC was collaborating with at district and regional level, and listing more opportunities to extend this collaboration.

Mr Bodeker noted discussion at regional chief executive level about the role of regional councils and territorial authorities in relation to water supply and water treatment.

In response to a question about the South Island Freight Plan, Cr Woodhead pointed to the need for discussion in Dunedin about more development to deal with growth. There had been improvements to/increases in the roading network, but rail, shipping and air had not been included in the discussion. NZTA, local government and industry have been involved in preparing the Plan but Cr Woodhead considered that from a national perspective South Island documents were not directive and would not deliver needed results.

Item 2
2015/1066 **Chief Executive's Report.** CE, 29/7/15

The Chief Executive provided an overview of his activities for the period to 29 July 2015. The following matters were discussed further:

- Review of local government funding – Mr Bodeker was a member of the working group, and his report listed 10 proposals developed by the group. He explained that LGNZ and the Minister of Local Government would discuss the proposals.
 - Proposal 1 - to advance 'special zones' to test new ideas for growth – The government had provided assistance to Northland, East Coast and Manawatu. Mr Bodeker commented that because Otago had good economic growth, it was unlikely to be considered as a 'special zone'.
 - Proposal 7 – Councils should be able to retain a share of any value uplift – a concern was expressed that this could create a potential for councils to go beyond their fundamental brief.
 - A question was raised as to why the RMA was not included in this work. Mr Bodeker explained that it had been decided not to include the RMA in this activity while the RMA reforms were under way, but a review had now commenced into a fit for purpose resource management regime.
- The appointment of Chris Hawker to the position of CDEM Group Manager/Controller was noted. Mr Hawker would commence with ORC on 2 November.
- PC1C implementation - work was already under way and staff were engaging with affected individual farmers and groups. The activity involved staff across Council, and was expected to conclude in the next 2-3 weeks.

Cr Woodhead moved
Cr Bell seconded

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

Motion carried

PART B – RECOMMENDATIONS

Item 3
2015/1069 **National Bovine Tb Plan Review.** DCS, 30/7/15

The report explained that the review of the National Tb Plan had concluded that it should be possible to eradicate Tb from New Zealand, and submissions had been invited on the reviewed Plan. A combined

submission prepared on behalf of all regional councils and unitary authorities was attached to the report.

Mr Donnelly noted that proposed changes to the funding structure would remove regional funding. He considered that the combined submission prepared by LGNZ on behalf of all regional councils should be endorsed, rather than Council preparing a separate submission.

Comment was made that the reviewed Plan did not give confidence that eradication of Tb would be achieved. Cr Woodhead explained that when TbFree NZ was established, control of the disease was seen to be a regional benefit, and was funded through a local share. The number of affected herds had now reduced, and Tb had been eradicated in two sites in New Zealand. The funding review saw this as an industry issue, with the government being one of the vectors as some of the infected herds were on Conservation land. There would be little change to Government funding but there would be gains through efficiencies in testing and new technology.

The proposed new funding system was considered to be fairer than the previous system as it meant that people areas which had never had Tb were now not being rated.

Cr Kelliher moved
Cr Eckhoff seconded

- (i) *That the report be received.*
- (ii) *That the Council support the submission being made on behalf of all regional councils, as attached.*

Motion carried

Item 4

2015/0896 **Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago. DPPRP, 6/5/15**

The report presented for Council's decision the recommendations of the Hearing Committee on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago. The minutes of the Hearing Committee deliberations, recommending report on decisions requested, Proposed Plan Change Waiwera catchment minimum flow, and S32A evaluation report were circulated separately with the agenda.

Cr Croot moved
Cr Scott seconded

That Council:

1. *Adopt the recommendations of the Hearing Committee on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago as its decision;*
2. *Publicly notify its decisions on Proposed Plan Change 3C (Waiwera catchment minimum flow) to the Regional Plan: Water for Otago on Saturday 8 August 2015; and*
3. *Notify submitters of its decision.*

Motion carried

Item 5

2015/1007 **Making Plan Change 4B (Groundwater allocation) operative.**
DPPRM, 24/6/16

The report explained that Proposed Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago could now be approved as the appeal had been resolved. Circulated separately with the agenda were appendices (1) Consent Order, (2) Plan Change 4B, and (3) schedule of minor changes.

Mr McRae explained that the plan change clarified wording to differentiate between gravel based and hard rock aquifers which did not have an allocatable calculable resource.

Cr Croot moved
Cr Shepherd seconded

That the Council:

- (i) *Approve Plan Change 4B (Groundwater allocation) attached to this report as Appendix 2, and incorporate these provisions into the Operative Water Plan; and*
- (ii) *Approve minor changes made to Proposed 4B (Groundwater allocation) under clause 16(2) of the First Schedule of the Resource Management Act 1991, attached as a table in Appendix 2; and*
- (iii) *Affix Council's seal to Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago; and*
- (iv) *Make Plan Change 4B (Groundwater allocation) to the Regional Plan: Water for Otago operative on Tuesday 1 September 2015, and publicly notify this date on Saturday, 15 August 2015.*

Motion carried

Item 6

2015/0912 **Making Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) operative.** DPPRM, 4/6/15

The report explained that Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago could now be approved as the appeal had been resolved. Circulated separately with the agenda were appendices (1) Consent Order, (2) Plan Change 4C, and (3) schedule of minor changes.

In response to a question about an appeal by Contact Energy, Mr McRae explained that Contact was happy with water being taken for irrigation during summer, but not during winter because that was their peak time for power production. Constraints in the Plan Change now limited the taking of water for irrigation during winter.

Cr Scott moved
Cr Neill seconded

That the Council:

- (i) Approve Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) attached to this report as Appendix 2, and incorporate these provisions into the Operative Water Plan; and*
- (ii) Approve minor changes made to Proposed Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) under clause 16(2) of the First Schedule of the Resource Management Act 1991, attached as a table in Appendix 2; and*
- (iii) Affix Council's seal to Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago; and*
- (iv) Make Plan Change 4C (Groundwater management: Cromwell Terrace Aquifer) to the Regional Plan: Water for Otago operative on Saturday, 1 September 2015, and publicly notify this date on Saturday, 15 August 2015.*

Motion carried

PART C – ITEMS FOR NOTING

Item 7

2015/1063 **Provisional Financial Report to 30 June 2015.** DCS, 30/7/15

The report provided information in respect of the overall Council finances for the twelve months to 30 June 2015. It was noted that this was a provisional report as some charges and year end adjustments were yet to be completed.

Unfavourable variances for 6A Water Plan Implementation and Water Quality and Quantity State of the Environment (SoE) reporting were noted. Mr Bodeker explained that these variances were affected by where staff time costs were allocated to, and he also noted the decision that had been made to put more work into PC6A. Mr Donaldson referred to the SoE report and commented that a lot of work carried out during the summer low flow event was not budgeted for, but had resulted in the collation of information that would be valuable for future events. Mr Bodeker explained in response to a question that the 6A Implementation programme was in the process of being developed, which in some cases had highlighted more activity that needed to be done, for example testing options to engage farmers.

Councillors were concerned that over or under expenditure could result from poor programme planning, and the community would expect information on rates increases to be timely and on budget. There was concern that the underspend on PC1C would set Council back with 2021 looming. The importance of a well communicated implementation strategy for PC1C was noted. The 1:1 farm visits and 500 water samples for PC6A were noted and it was queried whether they were budgeted for initially, and included in the SoE reporting. A suggestion was made that the drought work be taken out of the 6A/1C SoE regime. Mr Bodeker pointed out that the drought could not be budgeted for, and drought costs were not associated with normal SoE monitoring.

Mr Bodeker noted that engineering design proposed for work on the Leith Flood Protection Scheme this year had been reviewed. Some of the work had been stopped or changed, with the resulting underspend of \$1.4m. This change would have a better impact on ratepayers in the long term. It was suggested that these changes of scope or programme be highlighted in the financial report.

Other gains of \$918,000 were noted, and comment was made that this was not budgeted for and the percentage return was not given. Mr Donnelly explained that this figure represented an increase in the managed fund, and he pointed out that this was difficult to budget for.

A question was raised in relation to why the investment properties referred to in the provisional income statement were not held by Chalmers Properties. Mr Donnelly explained that the properties were held for possible future flood works in North East Valley, and commented that for clarity the item could be renamed 'Properties held for sale'.

Cr Shepherd moved

Cr Croot seconded

That the report be received.

Motion carried

Item 8

2015/1059 **Documents signed under Council's Seal.** DCS, 27/7/15

The report informed the Council of delegations which had been exercised.

Cr Woodhead moved

Cr Kelliher seconded

That the report be noted.

Motion carried

Item 9 **Reports from Councillors**

Cr Kempton

- *National Land Transport Plan* - Cr Kempton had attended the Dunedin launch of the plan which incorporated regional plans. Work on the Otago/Southland state highway was rated favourably.
- *South Island Freight Plan* – Cr Kempton had attended the launch of the Plan. He commented that the majority of freight was moved by road, with smaller amounts by rail, shipping and air. Cr Kempton was concerned that there was no representation from the road transport industry at the launch. He noted that work at the both the regional and national level was needed on the future of rail and coastal shipping.

Cr Deaker – launch of DCC's Environment Policy

Crs Deaker and Woodhead attended the launch. Cr Deaker commented that the Policy was important for ORC in relation to its approach to biodiversity.

Cr Shepherd – water management in the Upper Taieri

Crs Shepherd and Robertson attended a meeting in Middlemarch to discuss water management on the Upper Taieri, particularly water capture in tussock grasslands. Crs Shepherd and Robertson attended as observers, and Mr McRae was one of the speakers. The outcome of the meeting was a move to resurrect the Taieri Trust or similar to take an overarching view on water management. Mr Bodeker advised that a second meeting was to be held, and he noted that the ORC had offered administrative support to DCC's Cr Wilson.

Cr Scott –NES on forestry; marine reserves

Cr Scott had attended a discussion group meeting at Telford on the proposed NES Forestry, and a discussion group at Port Chalmers on marine reserves, the latter in his private capacity. Mr McRae was chair of the group and would make available information on transport and coastal planning.

PART D – MINUTES OF MEETINGS

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

Cr Kempton moved
Cr Bell seconded

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

Motion carried

- Item 11 **Recommendations of the public portion of the Finance and Corporate Committee meeting held on 22 July 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 July 2015 be adopted.

Motion carried

- Item 12 **Recommendations of the Policy Committee meeting held on 22 July 2015, for adoption**

Cr Robertson moved
Cr Deaker seconded

That the recommendations of the Policy Committee meeting held on 22 July 2015 be adopted.

Cr Eckhoff indicated that he wished to speak on this item. He commented that he had been on leave of absence at the time of the Policy Committee's 22 July meeting and therefore did not have the opportunity to participate in the discussion of proposed Plan Change 5A (Lindis: Integrated water management). He had advice that he was entitled to speak on a matter before the Council.

Crs Robertson and Shepherd left the room for this discussion because they had been appointed to the panel to hear submissions on the proposed Plan Change 5A.

There was discussion on whether the Plan Change could be discussed as the Council meeting item was to adopt the recommendations of the Policy Committee meeting. Mr Bodeker pointed out that the discussion on the

matter had occurred at the Committee meeting, and the minutes reflected the decision made as a result of that discussion.

Cr Deaker moved
Cr Kelliher seconded

That Cr Eckhoff be given leave to speak on this issue.

Motion carried

Cr Eckhoff considered that this Plan Change was the most contentious that had come before Council. He was pleased to see that two independent commissioners had been appointed to the hearing panel, but considered that there should be three. The Plan Change related to one of two rivers in an area that was extremely water short, and the impact on those communities of the proposed minimum flow would be severe. Cr Eckhoff had read the reports which had been circulated with the committee agenda and commended Council for spending significant sums of money on them. However he was concerned that the Economic Report was based on a desk top exercise, and objected to the cattle/sheep ratio on hieracium-affected land. He saw an opportunity for Council to manage rivers at low flows for the protection of indigenous species, because to increase the minimum flow to 750 l/s would result in indigenous species being predated on by rainbow trout. Cr Eckhoff considered it would be acceptable to have one or two rivers managed by this council for the long term survival of indigenous fauna, and he hoped the hearing panel would give due recognition to that. He thanked Council for the opportunity to speak.

The motion to adopt the recommendations of the 22 July Policy Committee meeting was then put and carried

Crs Robertson and Shepherd returned to the meeting.

Item 13 **Recommendations of the Regulatory Committee meeting held on 22 July 2015, for adoption**

Cr Neill moved
Cr Croot seconded

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

Motion carried

Item 14 **Recommendations of the Technical Committee meeting** held on 22 July 2015, for adoption

Cr Scott moved
Cr Brown seconded

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

Motion carried

PART E – PUBLIC EXCLUSION

Cr Woodhead moved
Cr Kelliher seconded

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

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

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
<i>Item 15</i>	<i>Recommendations of the In Committee portion of the Finance and Corporate Committee meeting held on 22 July 2015, for adoption</i>	<i>To maintain the effective conduct of public affairs through the free and frank experssion of opinions by or between or to members or officers or employees of a local authority. (S72(f)(i))</i>	<i>S.48(1)(a)(i)</i>
<i>Item 16</i>	<i>Appointment of Port Otago Director</i>	<i>To protect the privacy of natural persons (S72(2)(a))</i>	<i>S.48(1)(a)(i)</i>

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

Motion carried

Following discussion of Items 15 and 16,

Cr Bell moved
Cr Kelliher seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 12.22 pm.



Chairperson