

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Finance and Corporate Committee to be held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 20 July 2016, commencing at 9:02am

Membership:

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

Leave of absence: Cr Sam Neill

In attendance:

- Peter Bodeker
- Nick Donnelly
- Fraser McRae
- Scott McLean
- Gavin Palmer
- Caroline Rowe
- Gerard Collings
- Lauren McDonald
- Gerard Collings (Items 2,3,4)
- Dave Faulkner (Chair Port Otago Ltd) Item 1
- Geoff Plunket (CE, Port Otago Ltd) Item 1
- Emily Hong
- Cher Da Rin
- Mel Aicken.

Cr Shepherd welcomed staff members to the meeting and they were introduced to Councillors.

CONFIRMATION OF AGENDA

There were no changes to the agenda.

CONFLICT OF INTEREST

Nil

PUBLIC FORUM

No public forum

MINUTES

Minutes of the public portion of the meeting held on 8 June 2016, having been circulated, were adopted on the motion of Cr Shepherd and Cr Kelliher with the noting of a typing error on page 8.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2016/0935 **Port Otago Ltd – Draft Statement of Corporate Intent.** DCS, 8/7/16

The report set out the Draft Statement of Corporate Intent for Port Otago Ltd and its subsidiaries for the three years to 30 June 2019.

Cr Shepherd summarised the draft statement including the key activities.

A question was raised on progress on community consultation in regard to Te Raone Beach and if this would be included in 1.11 or 1.12 of the Port Otago Ltd's operations section of the statement.

Mr Faulker advised that Te Raone Beach was still under consultation with the community group. A meeting was to be held on Monday 26 June as the next step to work towards an end result. He advised that Port Otago Ltd were looking for a solution that will work, however, coastal engineering work was not the easiest and was taking time.

Cr Woodhead noted in regard to Chalmers Properties 1.18, the construction was for two office/warehouse buildings and in the development there is a mix of selling bare land, as well developing of a couple of sites.

Mr Faulkner commented that the Hamilton site was originally going to be all ground leased but this was found not to be effective long term. It was now proposed to sell and develop sections as they were reasonably able. He advised that Chalmers Properties would be developing sites like the Steel and Tube office/warehouse development, retaining the leasehold, to gain income in the future.

Cr Woodhead commented it was good to understand the activities outlined including the potential of the inland port detailed in the report.

Moved Cr Woodhead
Seconded Cr Croot

That the Draft Statement of Corporate Intent for Port Otago Limited and its subsidiaries and associates for the three years to 30 June 2019, be endorsed.

Motion Carried

Mr Faulkner and Mr Plunkett left the meeting at 9:16am

Item 2

2016/854 **Unit 5 Southern Routes – Concord – South Dunedin Investigation.**
DCS, 7/7/16

The report provided information on the options investigated in regard to the Unit 5 Southern Routes service changes and the petition received by Council on 23 March 2016 to “*extend the Brighton-Abbotsford-Green Island bus service to Dunedin via Concord, Corstorphine, Caversham and South Dunedin as a local service in addition to the present express bus service*”. Maps for the route options were circulated separately.

A concern was expressed that the options tabled only referenced gross cost and did not attempt to model potential income and that Council will only consult with the group affected – i.e. Concord / Green Island residents.

Mr Donnelly advised that any change would be implemented in February 2017 and consultation would occur prior to that. Under the Regional Passenger Transport Policy (RPTP) Council was only required to consult on the change being made rather than consulting on the whole RPTP. He confirmed that anyone is able to make a submission, not just those residents in the area directly affected by the change.

Regarding potential income Mr Donnelly noted that comment had been made in the report on patronage and the likely impact on other services. He advised to estimate income for each of the options was quite complex as it depended on patronage, impact across other services and was therefore difficult to quantify.

Cr Woodhead confirmed that when Unit 5 was put in place last year (2015), Council became aware of this issue for the South Dunedin, Concord, Green Island link. He commented that the South Dunedin connection was covered from 15 August 2016, with a free transfer within the zone. He advised that Council is endeavouring to consolidate the routes, make them more direct and timely, and this was a key objective of the RPTP. He thanked staff for the report which provided a lot of analysis of various options.

A request was made that the information contained in the report be provided to the public who have an interest, so they can see the complicated mass of data and projections involved in making changes to public transport services.

Mr Donnelly confirmed there is public access to the information Council has received.

Moved Cr Woodhead
Seconded Cr Deaker

- 1) *That the report be received.*
- 2) *Council confirm option 2 as its preferred option.*
- 3) *Staff to prepare a consultation plan for an amendment to the Regional Public Transport Plan for consideration at the next Finance and Corporate Committee meeting.*

Motion carried

Item 3

2016/0939 **Passenger Transport Update – July 2016.** MCS, 8/7/2016

The report provided an update on the new Unit 4 services and fare zone structure, community awareness campaign, update on the concept designs for the Dunedin Bus hub/interchange, Super Gold card funding and the new total mobility system.

Cr Shepherd confirmed that staff are in the process of informing the public of the Unit 4 changes effective from 15 August 2016. He advised discussion on the Bus hub design was to be held in Council workshop.

Moved Cr Scott
Seconded Cr Croot

That the report be received.

Motion carried

Item 4

2016/0937 **Insurance Renewals 2016/17.** DCS, 7/7/16

This report outlined the Council's insurance renewals for the period 30 June 2016 to 30 June 2017.

Mr Donnelly noted the overall cost of insurance is only slightly higher than last year due to the inclusion of Statutory and Employer's Liability cover. This has been added in response to the new Health & Safety legislation as defence costs could be significant and it was therefore deemed prudent to put this additional cover in place.

Moved Cr Kelliher
Seconded Cr Croot

That the report be received.

Motion carried

Item 5

2016/0938 **Local Government Act 2002 Amendment Bill (No. 2) 2016.** DCS, 8/7/16

The report outlined the key provisions of the Local Government Act 2002 Amendment Bill (No 2), introduced in June 2016.

The Bill's purpose is to implement a set of reforms to enable improved service delivery and infrastructure provision arrangements at a local government level. It contributes to the delivery of key government priorities to deliver better public services and build a more productive and competitive economy.

Cr Shepherd confirmed that SOLGM have prepared a submission on the Bill.

Discussion

Cr Woodhead advised there is also some joint work being undertaken by SOLGM and LGNZ on this Bill and that it was quite a complex amendment to the Act, requiring a lot of work to pull all the information together and get clarity on what it means. He confirmed the Amendment Bill will be discussed at the LGNZ conference next week, with submissions closing on 28 July.

Cr Woodhead outlined his concerns including:

- the strengthening of the Local Government Commission's ability to put in place a Council Controlled Organisation (CCO)
- the lack of requirement or the ability for electors to petition for polls for support of both amalgamation or controls around CCOs.
- An existing clause around community support has been removed.
- Potential impact on ability for Council to meet needs and preferences of communities is potentially taken out.
- The proposal allows the Minister of Local Government to direct the Local Government Commission.
- It provides for very little discretion for multiple owned CCOs. Individual shareholder Council limited to levels of service and funding mechanisms. Things could be imposed on Council against the wishes of local communities.

Cr Woodhead suggested that ORC submit to this amendment in addition to supporting the SOLGM and LGNZ submissions to the Bill and moved that "ORC submit to the Local Government Act 2002" be added to the recommendation.

Cr Deaker seconded that motion and commented it was important for Council to submit on the amendment to provide a local region point of view.

A concern was raised that the Amendment Bill would increase the powers of the Minister of Local Government and restrict the ability "for local people to make local decisions".

Moved Cr Shepherd
Seconded Cr Deaker

That:

- 1. the report be received.*
- 2. ORC put forward a submission to the Local Government Act 2002 Amendment Bill (No. 2) by 28 July.*

Motion carried

Cr Woodhead confirmed he will undertake to circulate the submission to all councillors for comment.

Item 6

2016/0940 **Halo Project application to the Environmental Enhancement Fund.**
DCS, 7/7/16

The report summarised the funding request by the LandCare Connections Trust to fund the capital contributions to the HALO project, which is part of a major initiative - "Beyond Orokonui" being undertaken by the Trust.

Cr Shepherd confirmed this project first came to the attention of the Annual Plan panel as part of a presentation to the panel and the recommendation was made to apply to the Environmental Enhancement Fund (EEF). Subsequently Mr Bodeker has discussed the application with the HALO project team and the executive team have provided the recommendations in the report

Cr Robertson commented that the HALO project application was exactly the type of initiative she hoped would come forward to the Environmental Enhancement Fund, as it had the key ingredient to successful biodiversity and that it should make a noticeable impact on native landscape and species. It also fitted with the Council's strategic direction and would fit with future strategies as well. She commented that there was a need to ensure big projects are monitored on their effectiveness to control pests, that pests are being tracked and that future funding is going to right places and targeting where it needs to be targeted.

Mr Bodeker advised that in terms of monitoring for projects Council fund through the EFF that those projects in excess of \$50,000, are required to provide a six monthly report to Council, less than \$50,000 requires a 12 monthly report (including detail of pest destruction methods and progress).

Cr Woodhead suggested a further recommendation be added as:

That the HALO project undertake annual independent monitoring of the success of their pest control.

He believed this would assist the HALO project by giving them formal information around their performance but also something tangible to report back to ORC.

Moved Cr Woodhead
Seconded Cr Deaker

- (1) *That Council receives this report.*
- (2) *That funding be made available from the Environmental Enhancement Fund to the value of up to \$134,000 plus GST to the Landcare Connections Trust for its work in the HALO project.*
- (3) *That the project report annually to Council on the progress of the effectiveness of pest control project.*
- (4) *that the HALO project undertake an annual independent monitoring of the success of their pest control*

Motion carried

Mr MacLean advised monitoring progress is a sound approach but that it required a baseline to start with and that this needed to be done either at the end of the first 12 months, or at the early stages of the project. He confirmed that OSPRI undertake their own trap catch monitoring and that this data would be available to Council.

A question was raised in regard to discussion with management over the long term gain of the project.

Mr Bodeker advised he believed the project group proposal would engender local community involvement to continue on with work, i.e. moving the vision and passion for pest control further and further out into the communities as people see the results e.g. in Wellington the Karori wildlife sanctuary.

Item 7
2016/0932 **Executive report.** DCS, 8/7/16

The report described significant activities carried out by the Finance and Corporate sections since the last meeting of the Committee, including the key dates for the local body elections and account payments.

Moved Cr Shepherd
Seconded Cr Kelliher

That this report be received.

Motion Carried

Meeting closed at 10:29 am



Chairperson