

## OTAGO REGIONAL COUNCIL

### Agenda for a meeting of the Finance and Corporate Committee to be held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 14 June 2017, commencing at 12:00 noon

**Membership:**

Cr Doug Brown (Chairperson)  
 Cr Andrew Noone (Deputy Chairperson)  
 Cr Graeme Bell  
 Cr Michael Deaker  
 Cr Carmen Hope  
 Cr Trevor Kempton  
 Cr Michael Laws  
 Cr Sam Neill  
 Cr Gretchen Robertson  
 Cr Bryan Scott  
 Cr Stephen Woodhead

**Apologies:**

**In attendance:**

**Please note that there is an embargo on agenda items until 10:00am on  
Monday 12 June 2017**

#### CONFIRMATION OF AGENDA

#### CONFLICT OF INTEREST

#### PUBLIC FORUM

#### MINUTES

The minutes of the meeting held on 3 May 2017, having been circulated, for adoption.

#### ACTIONS

Status report on the resolutions of the Finance & Corporate Committee

Report No.	Meeting	Resolution	Status
2017/0769 Director's Report	3/5/17	<i>That a response be made to Mary McFarlane on matters raised at Public Forum on 22 March 2017, in regard to the impact of the Port Otago Ltd operation on the Port Chalmers community and environment.</i>	CLOSED  Letter sent by Director Corporate Services - 23/5/17

## PART A- RECOMMENDATIONS

### Item 1

2017/0838 **2017/18 Annual Plan - Recommendations from the Hearing Committee.**  
DCS, 29/05/17

11-33

The report presents the Hearing Committee's recommendations in respect of the Draft Annual Plan.

A summary of all submissions received to the 2017/18 Draft Annual Plan is circulated separately with the agenda.

### Item 2

2017/0833 **Regional Public Transport Plan Otago 2014 Draft Addendum Concord – Green Island Community Link 2017.** Hearing Panel Chair, Cr Robertson, 29/05/17

34-37

This report provides a summary of the submissions received in response to the Concord – Green Island Community Link component of “The Otago Regional Council Regional Public Transport Plan 2014 draft Addendum: Wakatipu Basin and Green Island – Concord Link March 2017”.

The report includes an overview of the hearing panel deliberations and the panel's recommendation to adopt a draft addendum, as it relates to the proposed Concord – Green Island Community Link with further amendments.

Three appendices to this report are circulated separately with the agenda, entitled:  
*Appendix 1 – Draft Addendum: Wakatipu Basin and Concord – Green Island Link*  
*Appendix 2 – Summary of submissions received on the Green Island-Concord link*  
*Appendix 3 – RPTP Addendum – Concord – Green Island Community Link– May 2017*

### Item 3

2017/0859 **Arthur Street, Canongate, Russell Street Community Survey – Bus Service.** DCS, 09/06/17

38-46

The report presents a summary of the results of a survey undertaken of residents and ratepayers in the Canongate Russell Street and Arthur Street area about the reinstatement of that portion of the bus service.

Appendices included with the report:

Appendix 1 – Copy of survey form.

Appendix 2 – Waverley–Belleknoves pre 15 August 2016.

Appendix 3 – Waverley–Belleknoves current.

Appendix 4 – Waverley–Belleknoves post Bus Hub/Interchange.

### Item 4

2017/0853 **Director's Report – June 2017.** DCS, 01/06/17

47

The report includes detail on the Dunstan Ward By-election and account payments for endorsement.

**PART B – FOR NOTING**

## Item 5

2017/0872 **Public Transport Update – June 2017** DCS, 09/06/17

48-50

The report updates Council on the recent award of contracts for Unit 1, Unit 2, and the trial Ridge Runner services to Ritchies Transport Holdings Limited and Go Bus Transport Limited.

## Item 6

2017/0858 **Financial Report to 30 April 2017**. DCS, 08/06/17

51-60

The report provides information in respect of the overall Council finances for the ten months ended 30 April 2017.

**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 May 2017, commencing at 9:00am**

**Membership:** Cr Doug Brown (Chairperson)  
Cr Andrew Noone (Deputy Chairperson)  
Cr Graeme Bell  
Cr Michael Deaker  
Cr Carmen Hope  
Cr Trevor Kempton  
Cr Michael Laws  
Cr Sam Neill  
Cr Gretchen Robertson  
Cr Bryan Scott  
Cr Stephen Woodhead

**Apologies:** Cr Laws for lateness

**In attendance:** Nick Donnelly  
Fraser McRae  
Scott MacLean  
Caroline Rowe  
Lauren McDonald (Committee Secretary)  
Gerard Collings (for Item 1)

Cr Brown welcomed members of the public in attendance.

**CONFIRMATION OF AGENDA**

Agenda confirmed.

**CONFLICT OF INTEREST**

No conflict of notice advised.

**PUBLIC FORUM**

Nil.

**MINUTES**

The minutes of the meeting held on 22 March 2017, having been circulated, were adopted on the motion of Crs Noone and Cr Brown.

**Motion Carried**

## ACTIONS

### Status report on the resolutions of Finance & Corporate Committee

Report No.	Meeting	Resolution	Status
2016/1136 Terms of Reference for the Finance and Corporate Committee	23/11/16	<i>That the Terms of Reference for the Finance &amp; Corporate Committee be considered a final version to be presented to the Council on 7 December 2016 for adoption</i>	CLOSED (Adopted by Council on 7/12/16)
2016/1151 Passenger Transport Update	23/11/16	<i>Endorse staff taking a collaborative approach with the Ministry of Education regarding School Services in the Wakatipu Basin.</i>	CLOSED Resolution was endorsement of ongoing discussions with the Ministry of Education.
2017/0686 2017-18 Draft Annual Plan and Consultation Document	22/3/17	<i>That a Hearing sub committee be appointed.</i>	CLOSED (Hearing Panel appointed at the 22 March 2017 meeting)

## PART A- RECOMMENDATIONS

### Item 1

2017/0778 **Passenger Transport Update – April 2017**. DCS, 24/04/17

The report provided:

- An update on tenders for Unit 1, Unit 2, and Part Unit 3 for the Dunedin Network, seeking delegated approval for the Chief Executive to award contracts in consultation with the Chairperson and Chair of the Finance and Corporate Committee.
- The public consultation process for the Wakatipu and Concord related amendments to the Regional Public Transport Plan, and the community engagement regarding the Belleknowes Arthur Street extension.
- Update on the petition received at the Finance and Corporate Committee meeting of 22 March 2017.
- The award of the replacement ticketing system contract, total mobility and patronage trends for the twelve months 1 April 2016 to 31 March 2017.

*Cr Laws arrived in the room at 9:03am*

### Dunedin Bus Tenders

Staff confirmed the tenders being issued reflected the changes as prescribed in the Regional Public Transport Plan (RPTP) adopted in 2014, such as a transfer of evenings/weekends services to the daytime routes and mirroring frequency.

### RPTP Amendments - Wakatipu Public Transport and Concord

It was advised that an additional 105 late submissions were received for the Wakatipu Public Transport network, as at close of business on 2 May. It was confirmed that 52 submissions were received in relation to the Concord service.

### Belleknowes (Arthur St – Canongate extension)

Staff advised the mail survey of residents and ratepayers had been delayed, from the intended mail out date of 28 April, and were lodged with NZ Post on 2 May 2017.

It was advised that the intention of the survey was to gain understanding of the residents desire to: return to the old service; how the residents were using/accessing the service previously; how the service was being used/accessed currently; and if the old service was reintroduced, who would be utilising the service.

Staff confirmed if Council resolved to reinstate the service, that it would not require an amendment to RPTP.

Petition – Mosgiel Bus Service Stop and Centre City New World

Discussion was held on consideration for a sheltered bus stop at the hospital site and a service link between the hospital site and the Bus Hub. Staff advised that where waiting time was required consideration could be given to a short term bus sheltered bus stop and that this would require consideration by the Bus Hub design team and the DCC.

Patronage for Dunedin and Wakatipu networks

Discussion was held on the graphs of patronage trends for the period 2012 to 2017, including the actual long term impact of changes to fare structures on increased patronage

Moved Cr Brown

Seconded Cr Noone

*That:*

*a) This report is received.*

*b) The request to retain the Centre City New World Stop for Mosgiel Services once the hub becomes operational be declined.*

*c) The Chief Executive, in consultation with the Chairperson and the Chair of the Finance and Corporate Committee, be delegated authority to award contracts for Unit 1, Unit 2, and Part Unit 3.*

**Motion carried**

Item 2

2017/0769 **Director's report – April 2017**. DCS, 09/03/17

The report provided an update on the draft Annual Plan, response to the public forum discussion on Port Otago Ltd's impact on the Port Chalmers community and environment, and account payments for endorsement.

A suggestion was made to request that the Port Otago Ltd CEO respond to issues raised at public forum and for consideration to be given to them before submitting the draft Statement of Corporate Intent to Council.

Benefit was seen in having a good understanding of the effects and opportunities in the Port Chalmers area and for a strengthened partnership with the community and Port Otago Ltd.

Agreed action: For the ORC Chairman to speak with the Port Otago Ltd Chairman in regard to the issues raised in the public forum.

Moved Cr Brown  
Seconded Cr Hope

- a) *That this report be received.*
- b) *That a response be made to Mary McFarlane as outlined above.*
- c) *That the payments and investments summarised in the table above and detailed in the payment schedule, totalling \$3,514,037.13, be endorsed.*

**Motion carried**

**PART B – FOR NOTING**

Item 3

2017/0781 **Grants, Legal Cases and Personal Grievances** DES, 26/04/17

The report provided details on financial grants made by Council for the period 1 July 2012 through to March 2017 and their effectiveness. The report also provided information on personal grievances and legal cases

Grants

Staff confirmed that the majority of grants, particularly for the Environmental Enhancement Fund only commenced near the end of the last financial year. The first annual report backs would be due at the end of this financial year. Grant recipients were requested to provide report back on activity from the grants provided.

Discussion was held on the need for an audit process for grants, to establish the effectiveness and outcomes of the funding provided, including:

- The need to be more transparent and more financially responsible with the reporting requirements set, i.e. to review the funds and the criteria, to ensure these are well defined.
- The reporting requirements need to be consistent and transparent for all the funds, and the schedule of reporting back required. Set both internal reporting requirements on the funding provided.

A report was requested on the \$544,000 funding to the Manuherikia Water Strategy Group to understand the value for funding provided to date.

The Chairman confirmed that there is a funding policy and delegation in place for the Chief Executive for use of those funds, targeted for prefeasibility studies. He also advised that outputs from the applicant's reporting were provided and were publicly accessible.

It was suggested that the Chairman of the Manuherikia Water Strategy Group be requested to report to Council on progress and current status.

Moved Cr Scott  
Seconded Cr Deaker

*That Council receive a report on the effectiveness and outcomes of each grant, including the bulk water grants at the end of this financial year, 30 June 2017.*

**Motion carried**

It was also requested that the latest set of audited accounts be provided as part of the reporting process, (where applicable) to confirm their financial situation and that good practices were in place.

It was suggested that the development of a reporting framework should be developed through the Audit & Risk Subcommittee

**Legal Cases**

A question was raised on the reporting mechanism for legal cases the Council is involved in, due to the potential risk.

*Cr Scott left the room at 10:13am and returned at 10:14am*

Staff advised that reporting is provided to Council through reports to Committees but confirmed that no overall summary report was provided of all legal cases involving Council.

Moved Cr Laws  
Seconded Cr Bell

*That a summary of all legal cases involving ORC be provided to the next meeting of the Finance & Corporate Committee.*

A division was called, Vote: For 4/ Against 7

**The motion was declared lost**

Moved Cr Neill  
Seconded Cr Bell

*That this report be received.*

**Motion carried**

Item 4

2017/0772 **Financial Report to 31 March 2017**. DCS, 28/04/17

The report provided information in respect of the overall Council finances for the nine months ended 31 March 2017.

Moved Cr Brown  
Seconded Cr Woodhead

*That this report be received.*

**Motion carried**

**PART C– RECOMMENDATIONS OF MEETINGS**

Item 5            Recommendations of the public portion of the Audit & Risk Subcommittee meeting held on 8 March 2017, for adoption

Moved Cr Woodhead  
Seconded Cr Kempton

*That the recommendations of the public portion of the Audit & Risk Subcommittee meeting of 8 March 2017 be adopted.*

**Motion carried**

Discussion was held on the structure and membership of the Audit and Risk Subcommittee.

Cr Brown confirmed that all elected members were welcome to attend Audit and Risk Subcommittee meetings and Mr Donnelly confirmed that all papers tabled to the subcommittee were available to Councillors via the Councillor drop box.

A request was made that all elected members become members of the Audit & Risk subcommittee and that the frequency of meetings be increased from quarterly.

It was confirmed that the 2 November 2016 Council meeting it was agreed for the Committees structure to be reviewed at the June 2017 Council meeting and that further discussion on the Audit & Risk Subcommittee structure would be held at this time.

**PART D- RESOLUTION TO EXCLUDE THE PUBLIC**

*I move that the public be excluded from the following parts of the proceedings of this meeting, namely:*

Moved Cr Noone  
Seconded Cr Hope

Item 6            Confirmation of the Minutes of the public excluded portion of the Finance & Corporate Committee meeting of 22 March 2017

Item 7            Adopting of the recommendations of the public excluded portion of the Audit & Risk Subcommittee meeting of 8 March 2017

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under [section 48\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item 6 – Confirmation of the Minutes of the public excluded portion of the Finance & Corporate Committee meeting of 22 March 2017	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). <i>Section 7 (2)(i)</i>	Section 48 (1) (a) Section 7(2)(i)
Item 7 – Adopting of the recommendations of the public excluded portion of the Audit & Risk Subcommittee meeting of 8 March 2017	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. <i>Section 7 (2) (h)</i></p> <p>to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied. <i>Section 7 (2) (c) (i)</i></p> <p>to protect information where the making available of the information - (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; <i>Section S7(2) (b) (ii)</i></p>	Section 48(1)(a) Section 7(2)(h) Section 7 (2) (c) (i) Section S7(2) (b) (ii)

### Motion Carried

At the conclusion of discussion of items 6 and 7, Crs Brown and Noone moved that the meeting resume in open session.

The meeting was declared closed at 10:35am.

### Chairperson

## REPORT

Document Id: A1008949

Report Number: 2017/0838

Prepared For: Finance and Corporate

Prepared By: Manager Projects

Date: 29 May 2017

Subject: **2017/18 Annual Plan - Recommendations from the Hearing Committee**

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### 1. Précis

Submissions on the 2017/18 Draft Annual Plan Consultation Document closed on 12 May 2017. Council received 825 submissions, and of those, 43 submitters presented their submissions to the Hearing Committee. Hearings were held in Queenstown and Alexandra on 22 May, in Oamaru and Dunedin on 23 May, and in Dunedin on 24 May. Deliberations were held following the completion of the hearings on 24 May.

The purpose of this report is to present the Hearing Committee's recommendations in respect of the Draft Annual Plan.

### 2. Background

A Consultation Document was prepared that identified and explained significant or material differences between the proposed Annual Plan and the content of the Long Term Plan (LTP) for the 2017/18 year.

The document was distributed to all households, in the same manner as our "Otago Wide" publication.

The consultation document presented information on six key consultation topics, and provided information on other new activities as follows:

1. Civil defence and emergency management
2. Rural water quality
  - Rural water quality risk assessment programme
  - Risk based dairy farm inspections
3. Minimum flow and deemed permit water use permit replacement
  - Minimum flow programme
  - Deemed water use permit transition work
4. Public transport in Wakatipu
  - Increasing the subsidy for public transport
  - Inclusion of Jacks Point in targeted rating area
5. Queenstown office
6. Lower Waitaki River control scheme

Other new activities discussed in the consultation document were as follows:

- Lake snow
- Lake restoration
- Wallaby control
- Climate change adaption
- Wilding tree control
- Dunedin building review

Financial and rating information was also provided, to enable our community to understand the changes we were proposing and the financial impacts of those changes. The Consultation Document submission form included asking questions on the six key consultation topics.

Submissions were received on a number of other topics including:

- Air quality
- Biodiversity and environmental enhancement fund
- Funding requests
- Harbour matters
- Lagarosiphon
- Public transport
- Pests
- Rates

An online submission form was made available, and an online rate estimator, which enabled all ratepayers to view what their estimated rates will be for the 2017/18 financial year.

A summary of all submissions received is attached.

### **3. Key consultation document topics**

Six key consultation topics were presented in the consultation document, and feedback was sought on each of these. Council's preferred position on each topic, with reasons, was also provided. Other new activities were also discussed, with feedback sought on some.

#### **3.1 Civil defence and emergency management**

During the year, the management structure for emergency management in Otago changed, so that Emergency Management Officers from the territorial authorities are now employed directly by the ORC, and report to the Group Controller/Regional Manager. Our draft plan provides for the transfer of the associated employment costs from the territorial authorities to the ORC. In addition, a proposal to increase staffing for training and community education are provided for, to increase our readiness and resilience to deal with any emergency situation that may arise.

The estimated cost of this activity is \$2,421,000, and we consulted on how this should be paid for.

#### **Feedback received**

The consultation document provided two options for consideration as follows:

Option 1 – Uniform targeted rate of around \$25.89 charged to all rating units across the region (Council's preferred option).

Option 2 – 50% uniform targeted rate and 50% general rate (based on capital value).

515 submitters favoured option 1, compared to 211 submitters favouring Option 2. Reasons given for supporting option 1 included:

- Civil defence is about people, not property, so everyone should pay the same.
- Emergency management is the responsibility of everyone regardless of property value and size.
- People should all be treated the same.

Reasons for supporting option 2 included:

- Uniform rates hurt people on lower incomes.
- People with more expensive properties should pay more.
- CDEM also includes protecting property.

Some submitters noted their preference for rating people, rather than property, and that tourists make up a large proportion of the population in Queenstown. It is noted that Council does not have the ability to rate tourists, or to rate individuals.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends that Option 1 be adopted as the funding model for Civil Defence and Emergency Management. The committee confirmed that this activity is firstly about people, and that the nature and the value of a property is not the key basis for which services are provided.

## **3.2 Rural water quality**

### **3.2.1 Rural water quality risk assessment programme**

A significant increase in the level of work being undertaken was proposed in our Draft Annual Plan, to assist the implementation of our rural water quality rules. A proposal to undertake an environmental risk assessment (ERA) of every property that is charged the rural water quality rate over a three year period, was consulted on. These assessments would help landowners understand what they need to do to comply with the provisions of the Water Plan by 2020, what risks to water quality might be present on their property, and how they may take steps to address those risks.

We also proposed increasing the level of compliance work undertaken through a catchment monitoring programme. This programme aims to better understand the impact of land activities on water quality. Our monitoring will target the most at risk catchments first, and then move to the moderate and lower level risk catchments in future years.

The increase in rural water quality work is estimated to cost \$2.8 million compared to \$2 million in 2016/17. This increase of approximately \$800,000 is proposed to be funded by \$210,000 of general rates, \$39,000 of reserves, and \$551,000 of targeted rural water quality rates, which will bring the targeted rate to \$1,190,000 compared to \$639,000 in 2016/17.

#### ***Feedback received***

Our consultation document asked if submitters supported the environmental risk assessment programme. 634 submitters supported the programme and 73 submitters did not. Cost was a key issue for many submitters not supporting the programme.

Reasons for supporting the proposal included:

- Helping landowners to make changes to protect waterways from their activities through risk assessments and assessing the impact on waterways is a priority.
- Education and assessments now may save time and money on enforcement actions later.
- Will provide landowners with valuable tools to identify and put in place management programmes to address risk.

Reasons for opposing the programme included:

- Rural water is impacted mainly by dairy farms. Why do people who own 2 hectares, and are nowhere near water or do not farm, have to pay for monitoring.
- Do fees have to increase? Most farmers are struggling already and most are doing their best to keep water clean.
- Lifestyle blocks should not pay the same as a farm that is run as a business.

A number of submitters, while supporting the programme, expressed concerns or made suggestions as to how the assessments should be undertaken. Concerns raised included:

- If making the ERA voluntary, the only farmers to take advantage will be those already proactively making changes. Currently disengaged farmers will remain disengaged.
- Farmers will be wary of allowing ORC onto their properties, if any possible compliance issues found, ORC are required to forward to the compliance team.
- Programme based on one off visit, with little or no follow-up. Real risk that resources put into the assessment will be wasted if no further engagement.
- Concerned about proposal to provide a subject grading on each farm assessed. A farmer receiving a low grade with little follow up could be put off undertaking improvements to improve the grade, as issues may seem overwhelming or complex to easily and affordably address.

Suggestions made for running the programme included:

- Use third party who is non-threatening and neutral to undertake ERA's.
- Run a pilot ERA on three established catchments with specific, identified issues, and existing engagement with ORC.
- Farm and catchment specific information attained is managed by and held by the catchment group rather than ORC.
- A clear protocol for support or follow up post each ERA is developed with each catchment group.
- Follow up to assessments to be undertaken by ORC with industry bodies and catchment groups.
- Recommend establishment of a reference group for the development of the programme, involving Council, Dairy NZ, Beef & Lamb NZ, Federated Farmers and others.
- Council to consider the development of a process to address non-compliance issues from any assessment visit, given the voluntary intent of the programme.

#### ***Hearing Committee recommendation***

The Hearing Committee supports the implementation of the environmental risk assessment programme in at least two catchments in the first year, but is asking staff to come back to Council with options for a revised approach, taking into account the concerns and suggestions raised by submitters. The approach should be developed and monitored, working with key stakeholders.

### **3.2.2 Risk based dairy farm inspections**

We are proposing to change our inspection programme from every dairy farm being visited each year, to a risk based approach, which prioritises the farms most at risk of impacting water quality. Using this approach, some farms may get two or three visits a year, while a low risk farm may only get one visit, say every two years. Every dairy farm, regardless of the number of inspections made, will be charged the dairy inspection rate.

The targeted rates for dairy inspections are proposed to increase from \$325 (incl. GST) in 2016/17 to \$478 in 2017/18.

#### **Feedback received**

Our consultation document asked if submitters supported the risk based approach to dairy farm inspections. 649 submitters supported the approach, and 49 submitters did not.

Comments from those supporting the approach included:

- The approach proposed is a suitable and efficient way to manage dairy farm compliance inspections.
- Agrees with more inspections for high-risk areas, but have yearly instead of every two years for low-risk areas as may result in a decline in low risk area's quality.
- Support risk based approach but have some concerns. High risk must receive at least 3 visits a year, but concerned low risk farms may get one visit every 2 years. Why only targeting dairy farms? Should investigate what other land uses might be having detrimental impacts and should be receiving regular inspections.

Comments from those not supporting the approach included:

- Should be user pays and pay per visit. ORC to grade farms e.g. A, B, C etc. and charge accordingly.
- Make yearly visits to check water quality compulsory. Needs to happen to all dairy farmers regularly.
- Inspection fee to be kept at \$325 per dairy farm. The ones that are most at risk should be charged another \$325 for each extra visit made. Why are the farms that have invested money and effort into having good effluent practices made to pay for the ones that have not made the effort?

The major area of concern for many submitters was the fact that all farms would pay the same rate, regardless of the number of visits made, and regardless of the level of risk associated with each farm. The RMA does not allow Council to charge a fee for this permitted activity, and the Local Government Rating Act does not provide the tools that would allow us to rate on a risk based approach.

#### **Hearing Committee recommendation**

The Hearing Committee recommends that the risk based approach to undertaking dairy visits be adopted, and that the dairy rate be \$478 as consulted on.

### **3.3 Minimum flows and deemed water use permit replacement**

#### **3.3.1 Minimum flows**

The draft plan provides for an accelerated programme of work to set minimum flows on a number of rivers and aquifers in Otago, and work in 2017/18 includes the Cardrona, Clutha Mata Au, Arrow and Manuherikia rivers.

##### **Feedback received**

Our consultation document asked if submitters supported an accelerated programme to determine minimum flows. 638 submitters supported the approach, and 76 submitters did not.

Comments from those supporting the approach included:

- Minimum flows need to be sorted out as soon as possible. Rivers like the Lindis River lower reaches have too little flow to support life.
- The hasty determination of minimum flows in the Central Otago District is of crucial importance so that irrigators know what level of take may be available following the expiry of deemed permits.
- Minimum flows should be determined before any new or extended irrigation schemes are considered.

Comments from those not supporting the approach include:

- Unsure how much of the science work has been completed on catchments that haven't yet commenced but this work shouldn't be rushed to meet a deadline. The hard catchments are still to be done. Don't think the process is working too well given what is/has happened on the Lindis catchment.
- Creating flows may eliminate farming as it exists in Ardgour Valley. The benefits of maintaining flows are minimal and in no way balance up with the loss.
- Concerned about the probable erosion of property values if irrigation quota is reduced and the cost of having to put in place an efficient irrigation system. If it ain't broke, don't fix it.

##### **Hearing Committee recommendation**

The Hearing Committee recommends that the accelerated programme of work to set minimum flows be adopted as consulted on.

#### **3.3.2 Deemed water use permit transition work**

Work is continuing on the deemed permit renewal activity, which involves our ongoing work with permit holders to form water groups in priority catchments, and providing information such as ecological flows and historic water use to assist permit renewal. This activity costs approximately \$526,000.

##### **Feedback received**

The consultation document asked submitters if they would support funding this work from the Water Management Reserve rather than from general rates. 540 submitters supported the approach, and 91 submitters did not.

Comments from those supporting the approach included:

- The quicker a problem can be assessed, a practicable solution achieved and accepted by all parties involved, the quicker we can move on and see the benefit to all, and the water users have clear guidelines to work with.

- The economic wellbeing of Central Otago will be determined by the outcome of the renewal of deemed permits.
- Existing deemed permits are an obstruction to fair water allocation so best to deal with quickly.

Comments from those opposed to using the fund included:

- The cost of this work should be a targeted rate charged to the permit holders. User pays is the most equitable method for allocating costs as this work benefits those deriving an income from the water use. It is completely untenable to fund this work through general rates.
- There should be a targeted rate component to fund this activity.
- Concerned using the water management reserve will leave it with very little left. Interested to know what is included in “tagged for use for community water management purposes”.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends that the deemed water permit transition work be funded from the Water Management Reserve.

### ***3.4 Public transport in Wakatipu***

#### ***3.4.1 Increasing the subsidy for public transport***

The draft plan provides for contracting out bus services in the Wakatipu Basin, where previously, commercial bus services have been running. This change follows a network review where it was agreed with the New Zealand Transport Agency that an integrated approach to the transport issues in this area was needed.

The plan proposes that a flat bus fare of \$2 (when using a GoCard) be introduced. Along with ORC targeted rates and New Zealand Transport Agency grants, Queenstown Lakes District Council will also contribute funding to assist the sustainability of a \$2 fare. It is proposed that the targeted transport rate for this area increase from \$55,000 in 2016/17, to \$600,000.

#### ***Feedback received***

The consultation document asked submitters if they supported the increased subsidy for public transport in the Wakatipu Basin. 457 supported the increase and 202 submitters did not.

Comments from those supporting the increase in subsidy include:

- Supports proposals to create demand for public transport and a shift in behaviour away from the reliance on cars. Cost, reliability and accessibility are key determinants of public transport use and this change is helping to achieve this.
- Have witnessed massive increases in transport congestion. Improving public transport so it becomes more practical, affordable and the preferred form of transport is beneficial to all visitors and residents.
- More than \$600,000 should be allocated to public transport, as traffic, congestion and associated parking is at critical levels affecting quality of life and tourist experience. Public transport needs to be very cheap and frequent.

Comments from those opposed to the increase in subsidy include:

- Costs should fall where the benefit arises and not be further subsidised by ratepayers.
- Transport should be user pays. Do not agree to subsidy from our rates.

- ORC should not be involved in any public transport services at all, this should be provided by private companies, it should not be a cost to ORC ratepayers.

**Hearing Committee recommendation**

The Hearing Committee recommends increasing the subsidy for public transport in the Wakatipu Basin as consulted on.

**3.4.2 Inclusion of Jacks Point in the targeted rating area**

Bus services will extend out to Jacks Point, and so the draft plan proposed that this area be brought into the Wakatipu transport targeted rating area.

**Feedback received**

Submitters were asked if they supported extending the targeted rating area to include Jacks Point. 489 submitters supported the inclusion of Jacks Point, and 152 submitters opposed the inclusion.

Comments from those supporting the inclusion of Jacks Point in the rating area include:

- Support transport to Jacks Point, but have trial first to determine requirements.
- If service one area, then service all areas so agree with Jacks Point.
- Welcome proposal including extending to Jacks Point.

Comments from those opposed to including Jacks Point in the rating area include:

- Re Jacks Point, has any study been done to check the viability and relevance?
- Voted no re Jacks Point, because don't believe it will be sufficiently patronised.
- Until Jacks Point grows to have a significant population, suggest hold in the meantime. At present, most inhabitants have cars that do not add significantly to traffic congestion.

**Hearing Committee recommendation**

The Hearing Committee recommends extending the Wakatipu transport targeted rating area to include Jacks Point.

**3.5 Queenstown office**

The draft plan provides \$150,000 for the cost of leasing office space in Queenstown that would accommodate four to five full time staff, and provide additional "hot desks" and meeting rooms. This would give ORC a better presence in this area, and the community better access to staff.

**Feedback received**

The consultation document provided two options for consideration as follows:

Option 1 – establish an office in Queenstown in the 2017/18 year (Council's preferred option).

Option 2 – delay proposal until the next Long Term Plan process (2018/19).

327 submitters favoured option 1, compared to 356 submitters favouring Option 2. Many submitters disagreed that there was need for a Queenstown office. An analysis of the results showed the following:

Support for option 1 – Queenstown submitters	76
Support for option 1 – other areas	251

Support for option 2 – Queenstown submitters	45
Support for option 2 – other areas	311

Reasons given for supporting option 1 included:

- It is important to have a presence in Queenstown given its significance to Otago.
- The sooner ORC has an effective and visible presence in the Queenstown Lakes District the better. Issues such as wilding pine control and water quality are becoming severe and ORC must be seen to be actually doing something on the ground and not just making plans.
- Long overdue that ORC has more of a presence and commitment in Queenstown. Establishing an office will be a good start.

Reasons for delaying / not having included:

- More sensible to open an office in central area like Cromwell so Wanaka people can access it. Difficult to access in Queenstown. Cheaper rents in Cromwell would be more economical.
- Why open an office in Queenstown when Central Otago business could be centralised in Cromwell. Save money allowing staff to live in cheaper area, and cut travelling expenses.
- Don't need more offices, less travelling and to use skype.

#### ***Hearing Committee recommendation***

The Hearing Committee considered that it was important to have a presence in Queenstown, but that the presence did not need to be at the level consulted on, i.e., 4 – 5 permanent staff. Rather, the Hearing Committee recommends leasing office space in the 2017/18 year, to provide for 1 – 2 full time staff, along with “hot desks” for those staff needing to travel to Queenstown from time to time. Further, the Hearing Committee recommends that the office would not be located in the Central Business District, but in a more accessible area of Queenstown, e.g. Frankton.

### **3.6 Lower Waitaki River control scheme**

The 2016/17 Annual Plan provided for an independent economic assessment of the public versus private benefits of the Lower Waitaki River Scheme to be undertaken. Castalia were engaged to undertake the review. Their recommendation was that there should be a switch of 10% of funding (\$16,300) from targeted rates to general rates, to recognise that there are greater benefits from this scheme to the wider community than is provided for in our current revenue policy.

#### ***Feedback received***

The consultation document provided two options for consideration as follows:

Option 1 –10% general rates and 90% targeted rates on the scheme area (Council's preferred option).

Option 2 – 100% targeted rates (status quo).

334 submitters favoured option 1, compared to 305 submitters favouring option 2.

Reasons given for supporting option 1 included:

- It is only reasonable that the wider benefits to the region derived from the scheme be funded from the rest of the region.
- There is a high probability of benefits for the whole region and therefore a portion should be allocated from general rates.

- It is appropriate to have some of the scheme funded from general rates given the protection it gives to other assets.

Reasons for delaying / not having included:

- Highways are funded by TNZ, railway and transmission lines are assets of private enterprises so not sure the argument stands up.
- Land user pays. Make sure farmers are not encroaching on the river bed, as it has been reported.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends that the revenue policy for the Lower Waitaki River Control Scheme be amended to fund 10% of the costs from general rates, in line with the recommendations from the Castalia review.

### **3.7 Other new activities**

#### **3.7.1 Lake Snow**

The consultation document signalled the proposal to provide \$100,000 towards research on lake snow. This is proposed to be funded from general rates.

#### ***Feedback received***

The consultation document asked if the proposal for lake snow was supported. 654 submitters supported the provision of funding towards research, and 64 submitters were opposed.

Reasons given for supporting the proposal included:

- Need to spend more than \$100,000 for lake snow.
- The response to this has been too slow and inadequate for its seriousness. Support more investment and action in understanding and controlling it.
- Research and removal needs to be paramount before rivers and lakes become clogged.

Reasons for opposing the proposal included:

- Opposes because other areas have the research. Want to see an action plan.
- Understand that weed and algae compete, remove weed creates opportunity for algae. All for cleaning up waterways, by encouraging restoration to own ecosystem, by removing pollutants, chemical run off and sprays.

#### ***Hearing Committee recommendation***

The Hearing Committee considered that the allocation of \$100,000 for research was appropriate, as the experts working on this issue were not at a stage where more funding was needed. The Hearing Committee recommends that the contribution of \$100,000 to research on lake snow be provided for as proposed in the consultation document.

#### **3.7.2 Lake restoration scoping work**

The consultation document discussed our proposal to work with local communities on technical options for Lake Hayes, and on setting environmental visions and plans for Lake Tuakitoto and Tomahawk Lagoon. It is proposed that this work, costing \$91,000, would be funded from general rates.

**Feedback received**

The consultation document asked if the proposal for lake restoration scoping work was supported. 661 submitters supported the provision of funding towards research, and 61 submitters were opposed.

Reasons given for supporting the proposal included:

- Applaud the scoping work proposed but ask that resources be allocated to improvement of the quality of Lake Hayes. The problem has been identified for decades and remedial work is required.
- Funding allocation is insufficient, lake restoration is \$90,000 over 3 water bodies so \$30,000 for Lake Hayes?
- Supports proposals, particularly on Tomahawk Lagoon. ORC should support the Tomahawk community with proactive management of the lagoons, undertake a management plan process for conservation, biodiversity, community safety and recreational values.

Reasons given for opposing the proposal:

- There are too many talk fests - ORC presenting action plans. Communities don't need to meet to set a vision, they want healthy clean lakes so involve them in practical ways with ORC to achieve this.
- Slowly watched Lake Hayes deteriorate, accelerated by the development of the walking track. Contributing factors include pollution of contributories from golf course pesticide run off, fertiliser, chemical sprays, live enzymes used for snow making, and over allocation of water for residential areas and new subdivisions. Sort out the contributing issues, and won't have a problem.

**Hearing Committee recommendation**

The Hearing Committee noted that the work to be done at this stage is scoping work, and that options identified would be consulted on, along with proposed funding options, in the 2018-28 Long Term Plan. The Hearing Committee therefore recommends that the lakes restoration scoping work be undertaken as proposed in the consultation document.

**3.7.3 Wallabies**

During 2016/17, Council recognised that ORC needed to be involved in the control of wallabies, as the wallaby population south of the Waitaki has been growing at a rate faster than anticipated. Council agreed to commence work during that year, but because this was not provided for in the 2016/17 Annual Plan, this would be funded from reserves. The 2017/18 draft plan provides for this work to continue, at a cost of \$274,000, and it is proposed that it be funded from general rates.

**Feedback received**

The consultation document asked if the proposal to fund a wallaby control programme from general rates was supported. 599 submitters supported the provision of funding towards research, and 124 submitters were opposed.

Reasons given for supporting the proposal included:

- Get the wallaby problem controlled by eliminating them in the South Island as the ongoing cost will be a lot more.
- Thank ORC for releasing funds so immediate work on wallabies could start. Fully support funding needed for ground staff and technology.

- The cost of control should come from general rates (both urban and rural) and at a flat rate per rateable property.

Reasons given for opposing the proposal include:

- This should not be from general rates but from affected landowners.
- Who is responsible for the introduction of wallabies to Otago? They should be made to pay.
- This is a commercial responsibility of the farmers, in their interest to get rid of this pest. ORC should only be involved if there are any biological solutions, or if problem is on ORC property.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends that the funding of wallaby control work from general rates be adopted. It noted that as part of the Pest Management Plan review, beneficiaries and exacerbators will need to be identified, for future possible funding models, and that a consistency in approach needs to be developed between different pest types, e.g., wallabies, rabbits and wilding pines.

#### ***3.7.4 Climate change adaption***

The draft plan provides for our natural hazards team undertaking some work to scope potential options for responding to sea level rise and shoreline retreat on the Clutha Delta. It proposed that this work, which will cost \$69,000 be funded from the Kuriwao Reserve.

The consultation document also noted that Council will be working with the Dunedin City Council to develop and deliver a response plan for South Dunedin.

#### ***Feedback received***

The consultation document asked if the climate change adaption work was supported. 527 submitters supported the proposal, and 146 submitters were opposed.

Comments made supporting the proposal included:

- Support using reserves for investigations, but if should come to building any infrastructure, ratepayers must be consulted.
- South Dunedin flood protection is essential. Please keep this as a priority for working with the DCC.
- Like to see huge increase in amount put towards climate change adaption across Otago. Need to create resilience into the future. Money spent now to secure our safety based on scenarios scientists suggest will be money well spent.

Comments made opposing the proposal included:

- Sea level rising in years to come is speculative and alarmist. How will scoping prevent nature's course?
- Dollars spent on coastal defence wasted, water always wins.
- Ignore false political theories on climate change and false computer models that have driven the global corporate push for climate change thinking. Has resulted in fear tactics and false predictions of accelerated man-made global warming, sea level rise, inundation, groundwater level rise and carbon cycle model etc.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends that the scoping work for the Clutha Delta be funded from the Kuriwao reserve as proposed.

### **3.7.5 Wilding tree control**

During 2016/17 the Government committed \$16 million over 4 years towards a national wilding conifer control programme, and has allocated some of this funding to the Otago region. ORC signed an agreement with MPI to administer the use of that funding for wilding conifer control works in designated management areas. The estimates for 2017/18 provide for a contribution from MPI of \$1.2 million towards this work.

The consultation document advised of this work, and that we would continue to target rate \$100,000 so we can make a direct contribution to those community groups in Queenstown and Central Otago working on the tree problem.

#### **Feedback received**

66 submitters made substantive comment on wilding tree control. The majority of submitters were supportive of the work to be done, and approximately 35 of the submitters thought that the contribution by ORC should be increased. Comments made include:

- Supports continued funding of the community groups, but \$100,000 not seen as a significant investment. Expect it would increase significantly each year.
- Want bigger financial commitment to this work. Like to see \$500,000, about \$5 per ratepayer.
- These are increasing at an alarming rate. On top of the government subsidy of \$1.2 million, only \$100,000 had been allowed for in the plan. This figure should be at least double.

Approximately eight submitters were not supportive of wilding tree work, including:

- Wilding tree control is a waste of time and money because you can't stop nature.
- Disagree with wilding pine destruction, for environmental, economic and aesthetics reasons.
- Why we are spending millions of dollars of public money on wilding trees when they could be a good carbon trap.

#### **Hearing Committee recommendation**

The Hearing Committee recommends doubling the contribution by Council to the community groups, increasing the targeted rate from \$100,000 to \$200,000. This would result in a targeted rate per household of approximately \$2.14, compared to \$1.07 in 2016/17. It is further recommended that the full amount be distributed equally between Central Otago and Queenstown Lakes.

### **3.7.6 Dunedin building review**

The draft plan provides for further work to be undertaken to progress a proposal for a new head office building. Approximately \$665,000 has been set aside for this work which will include design, costings, and consultation, and this will be funded by the Building Reserve. Once enough information on possible location, design, costings and funding is available, we will consult with our community on this matter.

The consultation document noted that ORC has a Building Reserve with \$14 million in it, and that consultation on this project will take place in 2017/18.

#### **Feedback received**

54 submitters commented directly on the Dunedin building, and a further 16 submissions were made on ORC offices generally (excluding the Queenstown office proposal). Submissions expressed a number of views including questioning the need for new premises, opposition to building new premises, and where the head office should be located. The majority of submitters asked that ORC consider leasing an existing space rather than build.

Examples of comments made include:

- Do not waste \$14 million on a new building. Spend it on or put it towards the emergency fund and environmental management.
- Adamant ORC should not be building a new headquarters in Dunedin with the many possibilities becoming available such as Invermay, Cadburys, Dunedin and Wakari hospitals, Carisbrook, Hillside etc.
- The new ORC building should be sited on the waterfront.
- Should forget a new building, instead rent one or adapt an existing building.
- No argument the Dunedin building is not fit for purpose. Have question on ownership vs leasing vs remodelling existing. Ask that the building review consultation process will include a range of alternative options for consideration.

#### ***Hearing Committee recommendation***

The Hearing Committee noted that the building will be consulted on separately once a build option is scoped and costed. Consultation will include options (build, lease, remodel existing site) along with pro's and con's of each, so an informed decision can be made. Funding in 2017/18 is to continue to complete the design / scoping work to inform the consultation only.

### **3.8 Air Quality**

Nine submissions were received about air quality. Two submitters asked that ORC put an air monitor in Frankton during the winter months to ascertain a baseline of air pollution due to increased traffic. Some submitters asked for further education on wet/dry wood burning, and some asked when ORC is going to commence enforcement of emissions from some dwellings. The banning of coal was requested.

The Hearing Committee noted the development of an Air Strategy, which will then lead into the review of the Regional Plan Air, both of which will consider some of the issues raised. The Hearing Committee is recommending declining the request for putting an air monitor in Frankton.

### **3.9 Environmental Enhancement Fund**

Council received three submissions about the Environmental Enhancement Fund. Each year \$250,000 is transferred from general reserves into the fund, which is then used to actively support the community with funding assistance for projects that maintain or enhance areas of our natural environment.

Two submitters asked that the fund be increased. One submitter suggested an increase to \$500,000 per annum, to be funded by a uniform charge of \$5 per household. The second submission suggested that there be a staged increase over a number of years, and to rate for this rather than using reserves.

Three submitters asked that the fund be made available to fund operational costs, such as paid labour.

#### ***Hearing Committee recommendation***

The Hearing Committee considers that the funding made available each year is appropriate, and that reserves are the best way to fund these community projects, as they benefit all ratepayers. The Hearing Committee did not support the use of the fund for operational costs,

which are ongoing. It considered that it was the role of the community to provide this as in-kind support to the projects.

### **3.10 Harbour matters**

Eight submissions were received discussing harbour matters. Requests to dredge parts of the harbour (including Back Beach, Careys Bay, Port Chalmers, Eastern Channel) were made. The Dunedin City Council invited ORC to jointly resource a Harbourside Management Plan, which would cover issues such as dredging, harbour access, and harbour safety.

Two submissions received noted that consenting fees for boatsheds, jetties, wharves, and moorings have risen over the years. They submitted that fees for such occupations should be standardised to recognise that effects have not changed, rather than requiring complicated and costly assessment of environmental effects.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends that ORC accepts the offer from the Dunedin City Council to jointly resource a Harbourside Management Plan, which will include addressing the matter of dredging, harbour access, etc.

With respect to consent charges, the Hearing Committee is recommending that a review of consent fees and charges be undertaken in 2017/18, along with our processes for processing the types of consents discussed above, that are being “rolled over”.

### **3.11 Lagarosiphon**

Council received 20 submissions about lagarosiphon, with all submitters asking that funding and resources be allocated to this issue. Council has also received a request from LINZ for funding towards controlling lagarosiphon in Lake Dunstan. LINZ is intending to commit \$50,000 towards this goal, and is requesting \$50,000 from ORC.

#### ***Hearing Committee recommendation***

The Hearing Committee noted while ORC is not responsible for controlling this weed, funding would assist work being undertaken to reduce the risk of transferring the weed into high value water bodies, in accordance with the pathway management plan for Lake Dunstan. The Hearing Committee recommends providing funding of \$25,000 to LINZ, to be funded by general rates from the Central Otago and Queenstown Lakes districts.

### **3.12 Pests**

Council received 30 submissions discussing pest plants and animals. Of these 17 submitters requested some action in respect of rabbits, some noting the work being done on wallaby and wilding trees, but not rabbits.

#### ***Hearing Committee recommendation***

The Hearing Committee noted that a review of the Pest Management Plan for Otago is planned for the 2017/18 year, and that the issues raised will be considered as part of that review.

### **3.13 Rates**

Council received 23 submissions about the rate increase. A number of submitters were unhappy that the rate increase is significantly higher than the rate of inflation. Some asked that Council use more targeted rating, and others questioned the use of capital value as a basis for charging rates. A number of Queenstown submitters noted concern that their rates were high, due to the higher capital value of properties in their district.

Some submitters noted that the proposals by ORC were worthy, and acknowledged that a huge amount of work needs to be done. Federated Farmers agreed that the additional spending proposed is warranted, and supported the use of dividends to smooth the overall rating impact. It also asked that Council consider a greater use of the UAGC.

#### ***Hearing Committee recommendation***

With respect to the request for a greater use of targeted rates and uniform rates, the Hearing Committee noted that a review of council's revenue policy would be undertaken during 2017/18 as part of the Long Term Plan process.

### **3.14 Funding Requests**

The following funding requests were received:

#### **3.14.1 Rotary Club of Dunedin**

The Rotary Club commenced a project in January 2013 to enhance the edges of the cycle/walking trail between the Dunedin Boat Harbour and Maia. DCC has accepted maintenance responsibilities. The project has a budget of \$200,000 for all products, trees, shrubs, signage, and exercise equipment.

The Rotary Club is asking ORC to fund a double burner BBQ, designed for public use in a picnic environment, the cost being \$12,818 (incl. GST). A concrete pad and housing shelter is being donated by G J Gardner Homes.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends declining the request for a BBQ, as this is outside of the role of a regional council. It further recommends advising the Rotary Club of the Environmental Enhancement Fund, so that if there was some aspect of the project that would fit within the criteria of this fund, an application could be considered.

#### **3.14.2 Irrigation NZ**

Irrigation NZ is requesting \$10,000 per annum for 3 years to co-fund its Sustainable Farming Fund Application – SMART Tips & Tools for Irrigators.

Irrigators are facing significant challenges, achieving water quality, setting of minimum flows and mining privilege replacement. Irrigation NZ advises that the SMART application will help address these through working with Council and irrigators to understand and communicate barriers and benefits to change, and provide more readily available knowledge on how to achieve good practice, and be efficient irrigators.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends declining this request for funding. It considers that this work is all about giving farm advice, which is not ORC's core business. It notes that ORC has a good working relationship with Irrigation NZ, and where appropriate, we will continue to work together.

### **3.14.3 Community Heating**

A small group is wishing to establish a Community Heating initiative, and would like to set up a Trust, with four proposed members, one each from Bodeker Scientific and Pioneer Energy, a heating engineer, and Russell Garbutt, a Vincent Community Board member.

This group would like to progress a programme of investigating ways of heating community areas, liaising with community groups, raising funds to implement installations, promoting sustainable heating sources, and promoting research into technologies to advance the aims of the Trust. This group is asking Council to contribute \$2,000 for the legal costs of setting up a Trust.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends declining this request for funding, as it is not ORC's role to fund legal costs. It does note that there may be some opportunity of working with or supporting this group in the future.

### **3.14.4 NZ Marine Studies Centre (NZMSC)**

NZMSC has developed a project "Marine Metre Squared (Mm2)". Anyone can participate by monitoring a 1m x 1m square patch of local shore once every season. The monitoring data is uploaded onto a website. The project is used in schools, and used in the "Sediment and Seashores" project developed in 2016 to study the impact of dredging and sediment disturbance. NZMSC has developed guides, videos, and other supporting material.

The Healthy Harbour Watchers project, developed in 2004, is a community based water quality monitoring programme that facilitates analysis of the water in Otago Harbour on a regular basis.

Seaweek is an annual event held in March. NZMSC currently only has a voluntary coordinator to run Seaweek, but would do much more with a paid coordinator.

NZMSC has requested that ORC give financial support for, and promote Seaweek, adopt the Mm2 project, and adopt the Healthy Harbour Watchers project.

#### ***Hearing Committee recommendation***

The Hearing Committee recommends declining this request, as it is not Council's policy to fund operational costs, such as the paid coordinator position. It noted the development of a Coastal Strategy is in our current work programme, which will lead to a review of our Coast Plan.

### **3.14.5 3F Food, Farms, Freshwater**

3F has applied to the government's Freshwater Improvement Fund (FIF), to test and implement 3F focuses in four regions throughout NZ, including the Lake Wanaka catchment. The application has over \$326,000 of committed funds from private funders and regional councils.

The submission is requesting ORC to co-fund the 3F Lake Wanaka project, and is asking for \$30,000 per annum for 2 years from the rural water quality budget. It is also requesting that ORC use the Wanaka catchment as one of its five intensive sampling catchments.

The 3F project is to scale the Taupo Beef model to enable food producers to take an economically profitable route to enhance the quality of waterways within their farm business. 3F will establish a nationwide environmental verification system for all farmers to improve their environmental performance, and create a value chain for verified products, initially

focusing on the red meat sector. The framework would use regulatory limits and standards in the ORC Water Plan as a benchmark of environmental performance.

Lake Wanaka has been chosen because the community considers the lake's future water quality vulnerable to further urban development and farming practices. It has a significant footprint of extensive sheep and beef farming, and deer is also prevalent.

***Hearing Committee recommendation***

The Hearing Committee is recommending declining this request for funding. In terms of Council's water quality implementation project, whilst Lake Wanaka is a highly valued and important water body in Otago, there are other catchments that have more intensive land use, are degraded, and have greater risks, and as a consequence, are currently of higher priority.

**3.14.6 Upper Clutha Water Group**

This submission is asking ORC to support the community led and collaborative implementation of a Lake Wanaka and Upper Clutha Community Water Management Plan. It is requesting funding of \$150,000 per annum for the UCWG to facilitate the community response alongside science and regulatory bodies. The Group has developed a strategic plan of action and the funds would support the ongoing management of this alongside the development of any similar plans for Lake Hayes and Lake Wakatipu. An oversight group could be set up to manage activities and funds alongside ORC and QLDC.

***Hearing Committee recommendation***

The Hearing Committee recommends declining this request for funding, noting the project proposes a process that differs from the approach taken in our Water Plan, i.e., this is a nutrient loading programme. It notes also that whilst Lake Wanaka is a highly valued and important water body in Otago, there are other catchments that have more intensive land use, are degraded, and have greater risks. As a consequence, ORC is currently focusing on these higher risk areas.

**4. Significance and Engagement Policy – Strategic Assets**

The consultation document included a section on a proposed change to Council's policy for dealing with Strategic Assets, which sits within the Significance and Engagement Policy.

Our current policy states the following:

*“The assets that the ORC holds and considers to be strategic are:*

- *ORC shares held in Port Otago Limited*
- *Flood Protection and Drainage Schemes.”*

We asked for feedback on an amendment, to include the following wording:

*“The flood protection and drainage schemes, managed as a whole, are considered to be strategic. However not all trading decisions made about these assets are regarded as significant, nor do they affect the asset's strategic nature, e.g., the Lower Taieri Flood Protection Scheme is strategic, but some bridges within the scheme area may not be, and the purchase or sale of such bridges may not amount to a significant decision.*

*Acquisition or disposal of a component of a strategic asset will not trigger this provision, unless it is considered that the component is an integral part of the strategic asset and that its acquisition or disposal would substantially affect the operation of the strategic asset.”*

This amendment would allow us to consider the acquisition or disposal of some components of our scheme assets, without having to consult on those items that are not significant or would not affect in any way the operation of those schemes.

#### **Feedback received**

405 submitters supported the policy change, and 119 submitters did not.

Comments made supporting the change included:

- Recognise overall drivers for proposed change. Expect that any landowners affected by decisions under the revised policy would be treated fairly and equitably irrespective of the changes.
- Support changes to the Significance and Engagement Policy as it relates to upgrading assets aimed at improving the efficiency of the flood control scheme. There will be need to dispose of 'old' flood control assets, therefore changes will be necessary so they can be sold or otherwise disposed of without having to go through a public consultation phase.
- Notification should still be necessary but not full consultation.

Comments made not supporting the change included:

- Do not support change as do not support the idea of not consulting on items that may or may not be significant to that scheme.
- Concerned the new wording is vague and could result in different definitions of 'significant decisions' depending on who is on the Council.

#### **Hearing Committee recommendation**

The Hearing Committee recommends amending the Significance and Engagement Policy to include the additional wording, as consulted on.

### **5. Impact on Estimates**

The recommendations from the Hearing Committee have resulted in two changes to the estimates presented in the Consultation Document as follows:

- Increase the wilding tree targeted rate from \$100,000 to \$200,000.
- Provide for a contribution of \$25,000 for lagarosiphon, to be funded by general rates from Central Otago and Queenstown Lakes Districts.

Total expenditure for the 2017/18 year is now estimated to be \$59.9 million as shown below.

LTP 2017/18 \$000s	Activity	Draft Plan 2017/16 \$000s	Annual Plan 2016/17 \$000s
<b>Environmental</b>			
7,564	- Water	<b>9,848</b>	7,653
267	- Air	<b>423</b>	451
2,500	- Land	<b>4,113</b>	1,982
1,925	- Rivers & waterway management	<b>1,889</b>	1,822
1,339	- Environmental incident response	<b>1,411</b>	1,263
<b>Community</b>			
1,437	- Democracy	<b>1,570</b>	1,548
2,096	- Public information and awareness	<b>2,439</b>	2,037
596	- Financial contributions	<b>350</b>	350
-	- Head office replacement	<b>665</b>	2,317
<b>Regulatory</b>			
-	- Regional policy statement	<b>191</b>	176

1,959	- Consent processing	<b>1,798</b>	1,549
1,383	- Compliance monitoring	<b>1,289</b>	1,162
307	- Harbour management	<b>406</b>	273
<b>Flood protection and control works</b>			
6,943	- Flood and drainage schemes	<b>7,382</b>	9,131
<b>Safety and hazards</b>			
533	- Emergency management	<b>2,412</b>	702
1,640	- Natural hazards & flood risk management	<b>1,329</b>	1,261
<b>Transport</b>			
176	- Regional transport planning	<b>318</b>	168
11,448	- Public passenger transport	<b>24,357</b>	16,322
76	- Stock truck effluent disposal	<b>509</b>	495
<b>42,189</b>	<b>Total expenditure</b>	<b>62,699</b>	<b>50,662</b>

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

LTP 2017/18 \$000s	Activity	Draft Plan 2017/16 \$000s	Annual Plan 2016/17 \$000s
5,846	General rates	7,275	6,341
10,570	Targeted rates	13,660	9,602
6,532	Grants	11,926	9,575
7,500	Dividends	9,000	7,400
3,868	Fees & charges	3,426	2,968
3,813	Reserves	6,951	11,368
4,060	Interest & other income	10,461	3,408
<b>42,189</b>	<b>Total revenue</b>	<b>62,699</b>	<b>50,662</b>

### 5.1 General Rates

The general rate increase is \$934,000, or 14.7% as shown below:

	Draft Annual Plan 2017/18 \$000s	Long Term Plan 2017/18 \$000s	Annual Plan 2016/17 \$000s
General rates for activities	17,406	15,306	15,715
Less dividend from Port Otago Ltd	(7,500)	(7,500)	(7,400)
Less interest and other income	(1,131)	(1,960)	(1,974)
Less special dividend	(1,500)	-	-
<b>General rates payable</b>	<b>7,275</b>	<b>5,846</b>	<b>6,341</b>
<b>% increase on 2016/17</b>	<b>14.7%</b>		

Each year Council receives a dividend from its subsidiary company, Port Otago Ltd., and it is used to reduce the general rate requirement.

Our work programme is increasing, and the work we are proposing to do is necessary and important for our region. This level of work is going to continue into the future, and so we are proposing to increase our general rates each year over the next three years, at a similar level to the proposed increase this year, to get it to a level that will support our work programme.

Given the increase in our work programme, which will continue into the future, ORC will receive a special dividend of \$1.5 million from Port Otago Ltd to help manage the proposed

increase in general rates. It is proposed that a further special dividend will be received in the 2018/19 year, so that by 2019/20 our general rates will be at a sustainable level.

Council's financial strategy sets rates affordability benchmarks, in terms of total rates and rate increases. The strategy advises that general rates will not exceed \$6.2 million in each year of the LTP, and that general rate increases will be capped at 6.9% per annum. Council will not comply with its financial strategy for 2017/18, and this will require disclosure in its 2017/18 Annual Report.

## 5.2 Targeted rates

Targeted rates are made up as follows:

	Draft Annual Plan 2017/18 \$000s	Long Term Plan 2017/18 \$000s	Annual Plan 2016/17 \$000s
Air quality	-	100	-
Emergency management	2,421	-	-
Wilding trees	200	-	100
<b>Water quality rates</b>			
Rural water quality	1,190	774	639
Dairy inspection	186	136	129
<b>Transport rates</b>			
Transport – Dunedin	3,632	3,633	3,429
Transport - Queenstown	600	55	55
<b>River management rates</b>			
Central Otago District	300	350	300
Clutha District	265	275	265
Dunedin City	150	150	150
Wakatipu	150	200	200
Wanaka	167	167	167
Waitaki District	400	400	350
<b>Flood &amp; drainage scheme rates</b>			
East Taieri	425	483	390
Leith Flood	1,365	1,365	1,275
Lower Clutha	600	708	548
Lower Taieri	700	780	640
Lower Waitaki District*	146	118	145
Shotover Delta	150	200	253
Tokomairiro	95	95	80
West Taieri	517	580	488
<b>Total</b>	<b>13,660</b>	<b>10,570</b>	<b>9,602</b>

With respect to the air quality rate, rather than continuing to rate Airzone 1 and Milton properties as provided for in the LTP, the clean heat initiative of providing subsidy for clean heating appliances is now being funded from its reserve.

\*The targeted rates for this scheme have been adjusted to reflect the Castalia findings.

## 6. Balancing the budget

We are required to ensure that our estimated revenue is sufficient to cover our estimated operating costs. We can however set our revenue at a different level, if Council resolves that it is financially prudent to do so. It is estimated that for the 2017/18 year, the estimated

revenue will not cover estimated operating costs. We are estimating an operating deficit of approximately \$927,000.

The primary reason for the shortfall in revenue is the use of reserves to fund operating expenditure. General reserves are to be used for:

General Reserves	\$000s
Biodiversity fund	250
STED's	209
Research & development	171
<b>Total general reserves</b>	<b>630</b>

The Water Management Reserve is proposed to be used to fund the deemed permit renewal project, at an estimated cost of \$526,000.

## 7. Fees and Charges

The schedule of fees and charges has been reviewed to update the scale of charges in relation to the actual cost of staff time, and make minor amendments to the charges for performance monitoring. The amendments proposed are as follows:

	Proposed 2017/18	Actual 2016/17
<b>Scale of charges:</b>	\$	\$
Staff time per hour:		
* Technical/Scientist	120.00	115.00
<b>Performance monitoring charges (amendments only)</b>		
<b>Structures:</b>		
Structural integrity reports	80.00	-
<b>Discharge to Water, Land and Coast</b>		
Installation producer statements (septic tanks)	60.00	-
Inspection reports for small dams	130.00	-
Inspection reports for large dams	260.00	-
<b>General</b>		
Provision of photos	60.00	-

The proposed amendments to the performance monitoring charges are to include charges that have been missing from the existing schedule. These are not new activities, as compliance work is undertaken for these, but no specific charges have been established for these activities to date.

## 8. Adoption of the 2017/18 Annual Plan and Rates Resolution

The final Annual Plan and Rates Resolution will be presented for adoption at the June Council meeting.

**9. Recommendations**

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 it is financially prudent to have an operating deficit in the 2017/18 financial year.*
4. *That the amendments to the Schedule of Fees and Charges be endorsed.*
5. *That the 2017/18 Annual Plan, incorporating the recommendations from the Hearing Committee be placed before the June Council meeting for adoption.*
6. *That the 2017/18 Rates Resolution be placed before the June Council meeting for adoption.*

Nick Donnelly  
**Director Corporate Services**

## REPORT

Document Id: A1008818

Report Number: 2017/0833  
Prepared For: Council  
Prepared By: Regional Public Transport Plan Hearings Subcommittee  
Date: 26 May 2017

Subject: **Regional Public Transport Plan Otago 2014 Draft Addendum Concord – Green Island Community Link 2017**

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### 1. Précis

This report provides a summary of the submissions received in response to the Concord – Green Island Community Link component of “The Otago Regional Council Regional Public Transport Plan 2014 draft Addendum: Wakatipu Basin and Green Island – Concord Link March 2017”.

The report includes an overview of the hearing panel deliberations and the panel’s recommendation to adopt a draft addendum as it relates to the proposed Concord – Green Island Community Link with further amendments.

The panel note the proposed reinstatement of the community link between Concord and Green Island was well received and supported by most submitters. The panel consider the feedback received also indicates that the community seek a further connection between Green Island/Concord and South Dunedin.

### 2. Background

The Regional Public Transport Plan 2014 (RPTP) sets out the priorities and needs for public transport services and infrastructure in Otago.

In response to feedback from the community regarding changes to the Southern Services, Council at its July 2016 meeting, endorsed undertaking community consultation on an amendment to the RPTP to reinstate a service connection between Green Island and Concord during off peak hours.

At its 22 February meeting, Council approved for public consultation a draft amendment to the RPTP to reinstate the community link between Green Island and Concord, as well as further amendments relating to changes to the Wakatipu Basin component of the RPTP.

Consultation on the proposed amendments was undertaken in two parts being;

- Concord – Green Island by a targeted mail box drop, and via Council’s website between 8 and 28 April 2017.
- The Wakatipu Basin – full community engagement between 21 March and 21 April 2017.

A copy of the Draft Addendum: Wakatipu Basin and Concord – Green Island Community Link as consulted on, is attached as Appendix 1.

The proposed changes to the RPTP relating to the Wakatipu Basin were considered separately to the Concord changes. These were considered at Council's 17 May 2017 meeting, and an addendum specific to the Wakatipu Basin was adopted.

52 Submissions were received on the Concord – Green Island proposed Amendments. No submissions were late.

This report provides a summary and recommendations from the hearing panel solely for the amendments as they relate to the Concord – Green Island proposed amendments.

### **3. The Hearing**

The hearing of submissions was undertaken in accordance with the requirements of the Local Government Act.

Council's Hearing Panel Subcommittee appointed the following members to the hearings panel (panel);

- Cr Gretchen Robertson (Chair)
- Cr Andrew Noone

The panel convened to hear submissions at a publicly advertised meeting at 9.55am 25 May 2017 in Dunedin.

Those submitters that had indicated a wish to be heard in support of their submission were invited to present their submissions. 3 submitters presented in support of their submissions. The panel took the opportunity to ask questions of submitters and where appropriate asked the ORC support staff for clarification and qualification on matters pertaining to the submissions and the proposed RPTP amendment.

A summary of the submissions received is attached as Appendix 2.

Upon hearing of the 3 submissions, the panel undertook its deliberations. The deliberations were undertaken in the open public meeting.

Having given regard to the matters raised in the submissions, the panel recommend the adoption of the draft Addendum to the RPTP as it relates to the Concord – Green Island Link (Appendix 1) with amendments as outlined in 4 below.

### **4. Panel's Recommended Amendments to the Draft Addendum**

Having considered the submissions received, the panel considered the following amendments to "The Otago Regional Council Regional Public Transport Plan 2014 draft Addendum: Wakatipu Basin and Green Island – Concord Link – March 2017" as it relates to the Green Island Concord Link, will provide a flexible public transport service that meets the communities' needs.

Recommended further amendments are as follows (refer Appendix 3):

- **Amendment to Addendum ‘An extension of Unit 5 Southern Route Services’ (page 20) to read:**

“The following amendments to the RPTP provide the necessary detail to enable the Number 70 Brighton-Abbotsford bus service, Unit 5 to be extended to include a community link between Concord and Green Island **initially** during off-peak hours.

**Reason:** A number of submissions received commented on the frequency and extent of services. The panel consider the change will provide Council with greater flexibility to meet increases in demand.

- **Amendment to ‘Replacement Map’ in Addendum (page 21) to show, via a dotted line, possible connection points with other bus services.**

**Reason:** A large number of submissions also sought a connection between Concord/Green Island to South Dunedin. The panel noted that although a full service through to South Dunedin was not appropriate at this time, that providing future flexibility without the need for a further amendment to the RPTP was desirable. The panel consider that the proposed amendment to the map will provide Council with greater flexibility into the future.

## 5. Further Comment

Submitters raised a number of matters that in the panel’s view, they either did not require further amendment or were matters outside of what could be considered by the panel.

The panel consider the following matters should be noted and raised:

### 5.1 *Communication and Information*

The panel noted that a number of submitters felt there was insufficient detail within the addendum. The panel considered those views but note the level of detail is appropriate for the RPTP.

### 5.2 *Supporting Infrastructure*

The panel support the views expressed by submitters that appropriate infrastructure, including stops, shelters and facilities, that are safe, accessible, well-lit and provide shelter in inclement weather, should be provided at key locations in the network.

### 5.3 *Frequency and Hours of Operation*

A number of submitters made comments with regard to frequency and demand on the wider network including Green Island.

The panel noted that Green Island is a significant activity centre and support the views expressed by submitters that service frequencies and hours of operation should recognise this. The panel note that frequency and capacity are subject to demand and will be monitored and responded to by Council.

### 5.4 *Drivers*

The panel noted the view of one submitter that the drivers on Route 70 are friendly and helpful and suggested that this comment is fed back to the operator.

**6. Panel's Recommendations**

- a) That Council receive this report.
- b) That Council reinstate the Concord – Green Island community link as an extension to the Number 70 Brighton – Abbotsford bus service, Unit 5.
- c) That Council adopt “The Otago Regional Council Regional Public Transport Plan 2014 Addendum: Concord – Green Island Community Link - May 2017” attached as Appendix 3.

Cr Gretchen Robertson  
**Hearing Panel Chair**

**Attached:**

*Appendix 1 – Draft Addendum: Wakatipu Basin and Concord – Green Island Link (A1002520)*

*Appendix 2 – Summary of submissions received on the Green Island-Concord Link*

*Appendix 3 – RPTP Addendum – Concord – Green Island Community Link– May 2017 (A1009418)*

## REPORT

Document Id: A1010363

Report Number: 2017/0859

Prepared For: Finance and Corporate

Prepared By: Manager Support Services

Date: 9 June 2017

Subject: **Arthur Street, Canongate, Russell Street Community Survey - Bus Service**

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### 1. Précis

This report presents a summary of the results of a survey undertaken of residents and ratepayers in the Canongate, Russell Street and Arthur Street area, about the reinstatement of that portion of the bus service. The survey confirmed that there has been a loss of patronage from the area as was expected, as a result of the changes implemented in August 2016.

Staff have considered the survey results and the impact of any further change, and recommend that no further change is warranted.

### 2. Background

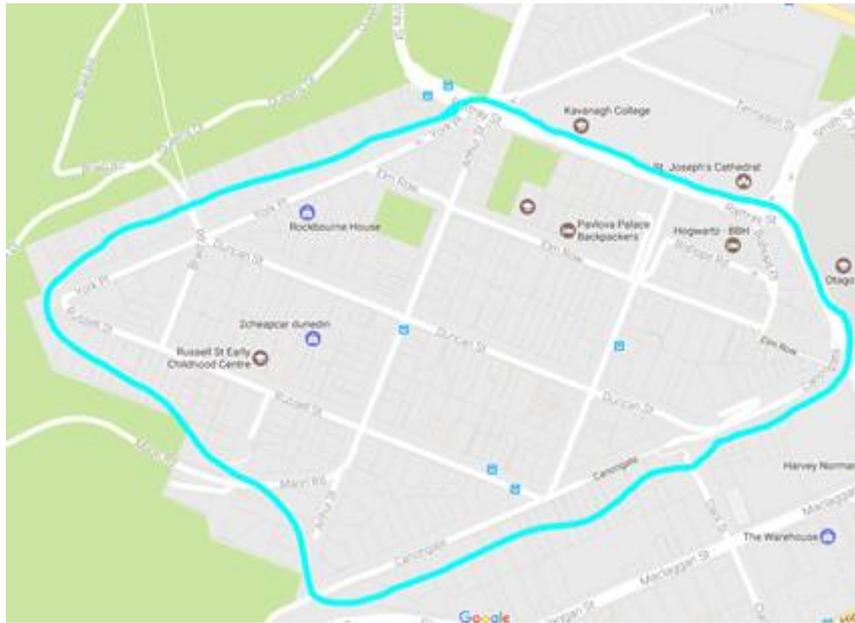
Council received a presentation at its public forum on 7 December 2016 from members of the community regarding the changes made to the Belleknowes and Waverley services that came into effect on 15 August 2016. Council's Finance and Corporate Committee considered a report from staff addressing the matters raised in the petition at its 8 February 2017 meeting. At that meeting the Committee resolved:

*"That Council undertake targeted consultation on the possible reintroduction of the Canongate, Russell Street and Arthur Street service as an amendment to the RPTP."*

Maps showing the pre-August 2016 route, the current route and the route post implementation of the bus hub are attached as Appendixes 2-4.

### 3. Targeted Consultation

To respond to Council's request, staff arranged a targeted mail drop survey to residents and absentee landowners/ratepayers to the area outlined below (a copy of questionnaire is attached as Appendix 1).



The mail drop consisted of 553 residential households and 181 absentee landowners/-ratepayers. Each questionnaire was specifically coded to the individual property within the target area. Due to a limitation on the databases used, multi-unit properties initially received only one survey; this was raised during the survey by one of the recipients. Staff subsequently arranged for all multi-unit addresses to receive one survey per residential unit. 95 survey responses were received. While the survey had a set close date, all surveys received, including those that arrived after the closing date, have been included in the staff analysis.

#### 4. Survey results

Staff have collated the survey results which are summarised as follows:

	Before Change	Since Change	If Reinstated
<b>% used on a daily basis AM PEAK</b>	13% (16 users)	6% (7 users)	17% (21 users)
<b>% used on a daily basis Day OFF-PEAK</b>	21% (26 users)	7% (9 users)	21% (27 users)
<b>% used on a daily basis PM PEAK</b>	15% (19 users)	5% (6 users)	21% (27 users)
<b>% used on a daily basis PM OFF-PEAK</b>	10% (12 users)	4% (5 users)	8% (10 users)
<b>% used on a daily basis WEEKENDS &amp; PUBLIC HOLIDAYS</b>	15% (19 users)	7% (9 users)	14% (18 users)
<b>% used &lt; 4 times a week AM PEAK</b>	7% (9 users)	4% (5 users)	9% (11 users)
<b>% used &lt; 4 times a week Day OFF-PEAK</b>	20% (25 users)	6% (8 users)	19% (24 users)
<b>% used &lt; 4 times a week PM PEAK</b>	10% (13 users)	8% (10 users)	17% (21 users)
<b>% used &lt; 4 times a week PM OFF-PEAK</b>	6% (8 users)	2% (2 users)	7% (9 users)
<b>% used &lt; 4 times a week WEEKENDS &amp; PUBLIC HOLIDAYS</b>	12% (15 users)	5% (6 users)	11% (14 users)

	Before Change	Since Change	If Reinstated
% used < once a week <b>AM PEAK</b>	0% (0 users)	0% (0 users)	2% (2 users)
% used < once a week <b>Day OFF-PEAK</b>	4% (5 users)	1% (1 user)	2% (2 users)
% used < once a week <b>PM PEAK</b>	5% (6 users)	2% (3 users)	3% (4 users)
% used < once a week <b>PM OFF-PEAK</b>	2% (2 users)	1% (1 user)	3% (4 users)
% used < once a week <b>WEEKENDS &amp; PUBLIC HOLIDAYS</b>	2% (3 users)	4% (5 users)	4% (5 users)

The survey results would suggest a drop in patronage as a result of the change and further suggests some gain if the service were to be introduced.

## 5. Patronage

Because the new route is now coupled with Waverley, it is difficult with the current ticketing system to ascertain the actual impact on this portion of the service. That said, a comparison of the combined routes between May 2016 and May 2017 is provided as follows:

- May 2017 = 7962 passenger boarding's c.f. May 2016 = 7937

This indicates there has been little impact to patronage on the service as a whole as a result of the August 2016 route changes.

## 6. Impact of Change

At this stage staff have not undertaken the necessary work to ascertain the impact on the timetable of a reintroduction of a reinstatement of this section of the route. Should Council be of the mind to reinstate the route, this work will be outsourced. The cost of the change is likely to be able to be incorporated within existing budgets, but may mean the deferral of the implementation of the infilling of off peak services for this service.

## 7. Regional Public Transport Plan

The service changes that were implemented in August 2016 were part of a programme of overall change to the Dunedin network that are still being deployed. One of the key network design principles is the provision of:

- Routes that are as direct as possible, without unnecessary impedance, deviation or variation.

It is considered that due to the level of consultation undertaken, Council could, if they were of the mind, reinstate the route without further consultation on the plan itself.

## 8. Infrastructure

It is noted that staff have held off placement of new bus infrastructure on Rattray Street and the removal of existing infrastructure on the old route, until Council makes a decision on this matter. This has impacted the placement of shelters elsewhere on the network as it was intended to reassign shelters.

## 9. Conclusion

It is evident that there has been some loss of patronage as a result of the network changes introduced in August 2016. That said, with the nature of the proposed changes, Council were aware that there would be some patronage decline as a direct result of the changes. It is for Council to decide whether or not the service should be reinstated. Staff still remain of the view that the current route should remain.

## 5. Recommendation

That Council:

- (a) *Receives this report.*
- (b) *That Canongate, Russell Street and Arthur Street **are not** included in Route 19.*

Nick Donnelly  
**Director Corporate Services**

Attached:

- (1) Appendix 1 – Copy of survey form.
- (2) Appendix 2 – Waverley–Belleknowes pre 15 August 2016.
- (3) Appendix 3 – Waverley–Belleknowes current.
- (4) Appendix 4 – Waverley–Belleknowes post Bus Hub/Interchange.

## Appendix 1: Copy of survey form



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## We want to hear from you!

Consultation on the possible reintroduction of the Arthur Street – Russell Street – Canongate portion of the Belleknoves #19 bus service.

**Before the bus service changed in August 2016, did you or other household members use the Belleknoves public transport service?**

Yes
  No
 **If yes, how many users in the household?**

**If yes, what bus stops did you use the most?**

	Getting on the bus	Getting off the bus
Into town	<input type="text"/>	<input type="text"/>
Out of town	<input type="text"/>	<input type="text"/>

**How often was the service used?**

	Morning peak 6am – 9am	Daytime off peak 9am – 3pm	Afternoon peak 3pm – 6:30pm	Evening off peak from 6:30pm	Weekends & public holidays
No. of times per day	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
No. of times per week	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
No. of times per month	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Since the bus service changed in August 2016, do you or others in the household use the Belleknoves #19 bus service?**

Yes
  No
 **If yes, how many users in the household?**

**If yes, what bus stops do you use the most?**

	Getting on the bus	Getting off the bus
Into town	<input type="text"/>	<input type="text"/>
Out of town	<input type="text"/>	<input type="text"/>

**How often do you use the service?**

	Morning peak 6am – 9am	Daytime off peak 9am – 3pm	Afternoon peak 3pm – 6:30pm	Evening off peak from 6:30pm	Weekends & public holidays
No. of times per day	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
No. of times per week	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
No. of times per month	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



Appendix 2: Waverley–Belleknowes pre 15 August 2016



Appendix 3: Waverley–Belleknowes Current





## REPORT

Document Id: A1010005

Report Number: 2017/0853

Prepared For: Finance and Corporate

Prepared By: Director Corporate Services

Date: 1 June 2017

Subject: **Director Report - June 2017**

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### 1. Dunstan By-election

Voting papers for the Dunstan by-election were delivered during the week beginning Monday 29 May. Voting closes at 12 noon on Tuesday 20 June and preliminary results will be announced as soon as practicable after voting closes. Declaration/public notice of results is expected to occur the weekend following polling day (Saturday 24 June). Council has a meeting scheduled for Wednesday 28 June and it is anticipated the new Councillor will be sworn in at that meeting.

### 2. Account Payments

Schedules of payments made are referred to the Finance and Corporate Committee for endorsement. The financial commitments and payment authorisation are made in accordance with Council's financial delegations and internal control procedures.

Payment Category	April 2017
Trade payments	2,913,588.23
Payroll	759,544.93
Investments	0.00
<b>Total</b>	<b>3,673,184.26</b>

### 3. Recommendations

- a) *That this report be received.*
- b) *That the payments and investments summarised in the table above and detailed in the payment schedule, totalling \$3,673,184.26, be endorsed.*

Nick Donnelly  
**Director Corporate Services**

## REPORT

Document Id: A1011565

Report Number: 2017/0872

Prepared For: Finance and Corporate

Prepared By: Director Corporate Services

Date: 9 June 2017

Subject: **Public Transport Update - June 2017**

### 1. Précis

This report updates Council on the recent award of contracts for Unit 1, Unit 2, and the trial Ridge Runner services to Ritchies Transport Holdings Limited and Go Bus Transport Limited. Services contained within the contracts will commence on 18 September 2018.

The report notes the successful roll-out of the new Total Mobility system and progress on the new ticketing system.

### 2. Dunedin Unit 1, 2 and Ridge Runner Contracts Award

Due to contracts expiring in September 2017 and the cessation of the Normanby – St Clair commercial services, at that time, the following replacement tenders were issued through the Government Electronic Tendering Service.

#### ***RFT2017/1 Unit 1 Contract Term 9 Years replacing:***

Route	Expiring Contract	Year of Expiry	Current Service Page in Timetable Book
Balaclava	2008/3 part 1	2017	32, 33
Port Chalmers	2009/3	2017	62, 63, 64, 65
Palmerston (Northern)	2009/5	2017	73
Peninsula	2009/3	2017	66, 67, 68, 69
Relevant evening/weekend services	2009/2	2017	63, 65
Concord	2011/2	2019	54, 55

#### ***RFT2017/2 Unit 2 Contract Term 9 Years replacing:***

Route	Expiring Contract	Year of Expiry	Current Service Page in Timetable Book
St Clair – Normanby	Commercial	2017	16-19
Corstorphine	2008/3 part 2	2017	70,71
St Clair Park	2008/3	2017	70,71
Evening/weekend/public holiday contract (part)	2009/2	2016	23,72

**RFT2017/3**

Part Unit 3 Ridge Runner is a new service being implemented in advance of Unit 3. The trial service will commence on 18 September 2017 through to 30 June 2019. Unit 3, including the Ridge Runner (if continued), will be tendered separately in its entirety for commencement on 1 July 2019.

Tender and contract documents for the above Units incorporate the necessary changes contained within the Regional Public Transport Plan Otago 2014 for the services being tendered.

The tenders also provided for the provision of on bus WiFi. The tenders received included offers to extend WiFi across the entire Dunedin fleet.

Tenders received were evaluated using NZTA's price quality procurement method in accordance with NZTA's procurement manual and in accordance with the tender documents.

The tender evaluation team consisting of staff and an independent consultant of which two are NZ Transport Agency approved tender evaluators.

The tender evaluation team provided and presented a written report, including its recommendation to the Chief Executive, Chair, and Chair of the Finance and Corporate meeting.

In accordance with Council's delegated authority, in consultation with Councillors Woodhead and Brown, the Chief Executive approved the award of the contracts as follows:

- RFT2017/1 and RFT2017/3 to Ritchies Transport Holdings Limited.
- RFT2017/2 Go Bus Transport Limited.

Services are scheduled to commence on 18 September 2017 and will be jointly funded by Council and NZTA. The new contracts will see further significant upgrades of the Dunedin bus fleet over the next 15 months.

Staff are in the process of preparing for the introduction of the services including marketing, timetable production, ticketing system plates and other operational requirements. Staff are also finalising details with the two successful tenderers to extend WiFi across the entire Dunedin network.

**3. Total Mobility**

The new Total Mobility system is now fully operational. The photo ID card-based system is a significant change from the previous voucher-based system.

The system which is in operation in Auckland, Wellington and Christchurch has generally been well received by the agencies, taxi operators, and our clients.

Currently we have just over 2,400 clients on the scheme throughout Otago.

As with any significant change, it will take a little time for the users to become used to the changes in processes and procedures.

#### **4. Ticketing**

Work on the implementation of the new ticketing system is well underway. INIT, the supplier of the new system, has established its implementation office in Dunedin. The Regional Consortiums Implementation team is co-sharing office space with the INIT team.

Implementation in Otago is scheduled for March/April 2018.

#### **5. Recommendation**

That Council receives this report.

Nick Donnelly  
**Director Corporate Services**

## REPORT

Document Id: A1010333

Report Number: 2017/0858

Prepared For: Finance and Corporate

Prepared By: Finance Manager

Date: 8 June 2017

Subject: **Financial Report to 30 April 2017**

The following information is provided in respect of the overall Council finances for the ten months ended 30 April 2017.

**1. Statement of Comprehensive Revenue and Expense and Statement of Financial Position.**

**Otago Regional Council  
Statement of Comprehensive Revenue and Expense  
For the ten months to 30 April 2017**

	Note Ref.	\$000s			
		Annual Budget	Year to date to 30 April 2017		
			Budget	Actual	Variance Note *
<b>Revenue:</b>					
Rate revenue		15,940	13,286	13,300	14
Government subsidies	Note 1	9,575	7,451	5,556	(1,895)
Other revenue	Note 2	3,892	3,291	4,501	1,210
Dividend income from Port Otago Ltd	Note 3	7,400	6,167	6,167	-
Interest and investment income	Note 4	2,150	1,792	1,971	179
Rental income	Note 5	1,111	926	849	(77)
Gain in value of investment Property	Note 6	313	-	-	-
<b>Total Revenue</b>		<b>40,381</b>	<b>32,913</b>	<b>32,344</b>	<b>(569)</b>
<b>Less Expenses:</b>					
Operating expenses		27,734	22,170	19,967	2,203
Employee benefits expense		12,133	10,033	10,414	(381)
Depreciation/Amortization charge	Note 7	1,761	1,468	1,578	(110)
<b>Total Expenses</b>		<b>41,628</b>	<b>33,671</b>	<b>31,959</b>	<b>1,712</b>
<b>Surplus/(deficit)</b>		<b>(1,247)</b>	<b>(758)</b>	<b>385</b>	<b>1,143</b>
Income tax benefit		115	82	82	-
<b>Surplus/(deficit) after tax</b>		<b>(1,132)</b>	<b>(676)</b>	<b>467</b>	<b>1,143</b>
Revaluation gain – shares in subsidiary	Note 8	10,000	-	-	-
<b>Net comprehensive revenue</b>		<b>8,868</b>	<b>(676)</b>	<b>467</b>	<b>1,143</b>

**Note \***

In the above statement, bracketed variances indicate revenue less than the budgeted level, and expenditure in excess of the budgeted level.

**Note 1 – Government Subsidies**

The Council receives subsidies from Government agencies on eligible expenditure. The level of subsidy income is therefore directly related to the level of eligible expenditure.

Subsidy income from the Public Passenger Transport project is down \$1,827,000 on the budget of \$7,133,000.

Within this project, some individual variances are the result of lower than budgeted expenditure levels in respect of developmental work of a capital nature, resulting in a lower level of claimable subsidy at this time.

These subsidy variances are the Electronic Ticketing System Replacement project with a variance of \$881,000, the Real-time Information Dunedin project with a variance of \$211,000 and the Bus Hub project with a variance of \$359,000.

The Dunedin Bus Contracts activity also has a lower level of subsidy of \$449,000 against a budget of \$3,043,000 – reflecting a change from the budgeted basis and level of contract activity.

The net variance on the remaining sub-projects within the Public Passenger Transport activity amounts to \$73,000 in excess of the budgeted subsidy level.

Subsidy income related to the Stock Truck Effluent Disposal Site capital expenditure in Central Otago is budgeted at \$210,000. The project is currently in the initial planning phase with the consequential effect that the budgeted subsidy income is not yet claimable.

**Note 2 – Other Revenue**

The amount of other revenue earned of \$4,501,000 exceeds the budgeted amount of \$3,291,000 by \$1,210,000.

The major reason for revenue exceeding budget is the receipt of unbudgeted gross contract bus fare revenue of \$1,182,000. Bus contracts were fully budgeted on a net contract basis where the Council makes payments to operators net of fare revenue. Some contractual arrangements are now on a gross basis, where Council pays the gross amount to operators and receives fare revenue from the operators. This change in arrangement results in higher than budgeted expenditure and revenue, in respect of the gross contracts.

**Note 3 – Dividend Income from Port Otago Limited**

Dividend income is accrued during the year based on the budgeted dividend level set in the Annual Plan.

An interim dividend of \$3,500,000 was received on 16<sup>th</sup> February 2017 and a further interim dividend is expected to be received in June 2017. A final dividend is expected to be declared and paid in September 2017.

**Note 4 – Interest and Investment Income**

This revenue line comprises interest earned on term deposits and bank accounts of \$1,131,000 and an increase in fair value of the managed fund portfolio of \$840,000.

Interest earned on the term deposit portfolio for the ten months to 30 April 2017, amounts to a weighted average interest rate of 3.53%.

The increase in fair value of the managed fund incorporates income received and changes in the market value of investments due to price changes, and foreign exchange rates where applicable. The overall change in fair value is subject to monthly fluctuations due to movements in the market valuation factors.

***Note 5 – Rental Income***

The prime reason for rental income being less than budget is that the budget provided for income on property that has been disposed of subsequent to formulation of the budget. This includes properties formerly held for the Leith Flood Protection Scheme and sub-lease income on the former Queenstown office.

***Note 6 – Gain in Value of Investment Property***

Investment Property is revalued annually, with the next revaluation date being 30 June 2017. Accordingly the year to date budget and actual amounts reflect nil values.

***Note 7 – Depreciation and Amortization***

The total of the depreciation and amortization charge of \$1,578,000 exceeds the budgeted amount by \$110,000.

A significant factor in this variance is additional depreciation on flood protection and drainage scheme assets – with the Leith scheme accounting for \$49,000 of the overall variance, and the Lower Clutha Scheme \$18,000. Additional depreciation charges on computer hardware, and amortization charges on consents and compliance and general software systems, accounts for a further \$30,000 of the variance.

Depreciation and amortization charges are a non-cash charge, and may vary from budget due to several factors including cost and timing of acquisition/construction.

***Note 8 – Revaluation Gain – Shares in Subsidiary***

The annual budget makes provision for an increase in the valuation of the Council's 100% shareholding in Port Otago Limited. The shares are valued annually, with the next revaluation date being 30 June 2017. Accordingly, the year to date budget and actual amounts reflect nil values.

**Otago Regional Council**  
**Statement of Financial Position as at 30 April 2017**

		<b>30 April 2017 \$000's</b>	<b>30 June 2016 \$000's</b>
<b>Current Assets</b>			
Cash and cash equivalents	Note 1	3,302	2,540
Other financial assets	Note 1	55,974	56,198
Trade and other receivables	Note 2	3,983	3,298
Other current assets		159	207
Property held for sale and inventory		1,284	1,284
Dividends Receivable	Note 3	1,867	-
		<b>66,569</b>	<b>63,527</b>
<b>Non-Current Assets</b>			
Property plant and equipment		85,067	84,138
Intangible assets (computer software)		1,818	1,800
Investment Property	Note 4	10,785	10,785
Deferred tax asset		78	98
Shares in subsidiary Port Otago Ltd	Note 5	418,239	418,239
		<b>515,987</b>	<b>515,060</b>
<b>Total Assets</b>		<b>582,556</b>	<b>578,587</b>
<b>Current Liabilities</b>			
Trade and other payables		3,808	4,134
Employee entitlements		1,409	1,483
Revenue in advance	Note 2	3,903	-
		<b>9,120</b>	<b>5,617</b>
<b>Non-current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>9,120</b>	<b>5,617</b>
<b>Net Assets</b>		<b>573,436</b>	<b>572,970</b>
<b>Total Equity and Reserves</b>			
Public equity		<b>134,717</b>	<b>137,205</b>
<b>Reserves</b>			
Available-for-sale revaluation reserve	Note 5	398,239	398,239
Asset revaluation reserve	Note 4	8,724	8,724
Building reserve	Note 6	13,899	10,997
Asset replacement reserve		5,955	5,987
Emergency response reserve		4,008	3,891
Water management reserve		1,427	1,433
Kuriwao endowment reserve		6,346	6,271
Environmental Enhancement Reserve	Note 7	121	223
		<b>438,719</b>	<b>435,765</b>
<b>Total Equity and Reserves</b>		<b>573,436</b>	<b>572,970</b>

**Note 1 – 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. An Investment Portfolio and term deposits with durations of 4-12 months are included in the classification Other Financial Assets. Current bank balances and term deposits with durations of less than 4 months are included in Cash and Cash Equivalents.

**Note 2 – Trade and other Receivables and Revenue in Advance**

The Trade and Other Receivables amount of \$3,983,000 includes rates outstanding of \$508,000. This is the remaining balance outstanding following issue of the Council's rate assessments of \$18,385,000 in September 2016 and subsequent payments.

The Revenue in Advance amount of \$3,903,000 includes rate revenue of \$2,665,000, being the portion of rate revenue that will be earned and released to the Statement of Revenue and Expenses in the months of May to June 2017.

The Revenue in Advance amount also includes Ministry of Primary Industries (MPI) funding of \$1,171,000 (excl GST) related to Wilding Conifer Control work in the Otago region.

The MPI funding held in advance will be transferred to revenue when work is performed and the parties participating in the arrangement become eligible to receive the funding. At that time, Council will include both the funding received and the payments for control work performed in the Statement of Revenue and Expenditure.

**Note 3 – Dividends Receivable**

The dividend receivable amount reflects the accrual of expected dividends from Port Otago Limited for the period of this report, less the final dividend for the June 2016 year of \$800,000 received in September 2016, and an interim dividend of \$3,500,000 received in February 2017.

**Note 4 – Investment Property and Asset Revaluation Reserve**

Investment property is revalued annually and is included at the 30 June 2016 valuation. The asset revaluation reserve reflects the revaluation amount of the investment property at 30 June 2016.

**Note 5 – Shares in Port Otago Ltd and Available-for-Sale Revaluation Reserve**

The shares in Port Otago Ltd are included at the 30 June 2016 valuation, and will next be revalued as at 30 June 2017.

The Available-for-Sale Revaluation Reserve reflects the revaluation amount of the shares.

**Note 6 – Building Reserve**

The 2016/17 Annual Plan provides for the transfer to the reserve of \$2,500,000 from public equity. The transfer is fully reflected in the reserve balance to 30 April 2017, along with interest earned to date.

**Note 7 – Environmental Enhancement Reserve**

Note is made that in the ten months to 30 April 2017, six grants amounting to \$182,000 have been made to organisations in support of community projects contributing to the enhancement of the local environment, the purpose for which the reserve was established.

The reserve has been increased in the current year by the appropriation of monies received from an enforcement matter in the sum of \$75,000.

**2. Activity Expenditure**

The table below summarises activity expenditure, including capital expenditure, to 30 April 2017, and the notes that follow the table identify the projects that have significantly contributed to the major overall activity variances.

## Activity Expenditure Summary

		Annual Budget 30 June 2017 \$000's	Budget April 2017 \$000's	Actual April 2017 \$000's	Variance * Actual vs Budget \$000's
<b>Environment</b>	Note 1				
Air		451	362	312	50
Environmental Incident Response		1,263	1,041	982	59
Land		1,982	1,618	1,686	(68)
Rivers and Waterway Management		1,822	1,480	1,214	266
Water		7,654	6,262	5,998	264
		<b>13,172</b>	<b>10,763</b>	<b>10,192</b>	<b>571</b>
<b>Community</b>	Note 2				
Public Information and Awareness		1,937	1,590	2,000	(410)
Democracy		1,548	1,254	1,297	(43)
Financial Contributions		350	292	292	-
Regional Economic Development		100	83	6	77
		<b>3,935</b>	<b>3,219</b>	<b>3,595</b>	<b>(376)</b>
<b>Regulatory</b>	Note 3				
Policy Development		176	147	371	(224)
Consents and Compliance		2,712	2,203	2,226	(23)
Harbour Management		273	205	491	(286)
		<b>3,161</b>	<b>2,555</b>	<b>3,088</b>	<b>(533)</b>
<b>Flood Protection &amp; Control Works</b>	Note 4				
Leith Scheme		5,020	3,278	1,449	1,829
Taieri Schemes		2,034	1,683	1,089	594
Clutha Schemes		1,810	1,497	863	634
Other projects		267	223	259	(36)
		<b>9,131</b>	<b>6,681</b>	<b>3,660</b>	<b>3,021</b>
<b>Safety and Hazards</b>	Note 5				
Natural Hazards		1,261	1,029	1,083	(54)
Emergency Management		702	575	1,133	(558)
		<b>1,963</b>	<b>1,604</b>	<b>2,216</b>	<b>(612)</b>
<b>Transport</b>	Note 6				
Regional Land Transport Planning		167	139	273	(134)
Public Passenger Transport		16,320	12,723	10,662	2,061
Stock Truck Effluent Disposal Sites		495	412	38	374
		<b>16,982</b>	<b>13,274</b>	<b>10,973</b>	<b>2,301</b>
		<b>48,344</b>	<b>38,096</b>	<b>33,724</b>	<b>4,372</b>

\* Variances – bracketed variances denote expenditure in excess of budget.

### **Note 1 – Environment**

The Environment activity is under-expended by \$571,000 in total, against a budget of \$10,763,000. The project groups contributing significantly to this overall variance are the Rivers and Waterway Management and the Water related project groups.

#### *Rivers and Waterway Management*

The Rivers and Waterway Management projects are under-expended by \$266,000 against a budget of \$1,480,000.

The Dunedin district is marginally over-expended whereas the other districts currently record under-expenditure as the budgets set for natural hazards work was over estimated.

#### *Water related projects*

Water related projects with expenditure of \$5,998,000 are \$264,000 under budget with significant project variances noted as follows:

#### *Rural Water Quality Implementation (6A)*

This project is under-expended by \$184,000 against the budget of \$1,765,000. Science work for Kakanui, Ettrick and Glendu has been carried forward into the 2017/18 Annual Plan and capital expenditure of \$75,000, funded from reserves, will not be required.

#### *Implementation of Regional Plan Water (1C)*

This project is under-expended by \$274,000 against the budget of \$617,000, mainly due to the re-organisation of staff groupings that has resulted in fewer staff performing this work than was provided for in the budget. The variance is also due in part to the development of a data portal which enables the public to get flow information and historic water use data etc., and which has reduced staff time required to provide this information

#### *Coastal Strategy*

This project is under-expended by \$301,000 against the budget of \$382,000 mainly due to the diversion of policy staff to higher priority project work, primarily the RPS.

#### *Bulk Rural Water Fund*

The budget provided for applications amounting to \$204,000 to be paid by 30 April 2017 however only two applications amounting to \$58,000 have been received and paid in this reporting period.

#### *Minimum Flows and Allocation Units project*

Additional expenditure of \$408,000 against the budget of \$975,000 was recorded arising mainly from accelerated work programmes (timing) and an increase in monitoring requirements, resulting in increased work.

#### *Water Quality and Quantity SOE project*

This project is over-expended by \$290,000 against a budget of \$1,721,000. The over-expenditure is primarily due to undertaking unbudgeted work such as trophic lake monitoring and lake snow related work.

### **Note 2 - Community**

#### *Public Information and Awareness*

The Public Information and Awareness group of projects shows net over-expenditure of \$410,000 against a budget of \$1,590,000.

The primary cause of the variance is a change in the way the LAWA project is administered and accounted for, with expenditure of \$343,000 being recorded against the budget of \$13,000.

*Regional Economic Development*

The Regional Economic Development project is under-expended by \$77,000 against the budget of \$83,000. A consultant has been engaged and is underway with the initial phase of this project however some initial costs incurred have yet to come to hand.

**Note 3 – Regulatory**

*Policy Development*

The Regional Policy Statement project was budgeted to be completed prior to this financial year, however, completion took longer than anticipated and the RPS was released in late September 2016.

The current year budget provides for annual expenditure of \$176,000 with \$147,000 anticipated to have been spent to 30 April. Actual expenditure incurred has amounted to \$371,000 resulting in over-expenditure of \$224,000.

*Harbour Management*

The Harbour Management project is over-expended by \$286,000 against a budget of \$205,000. Harbourmaster services are currently being contracted out while permanent resourcing is recruited. External harbourmaster resourcing comes at a higher cost than the budgeted internal resource basis of operation.

**Note 4 – Flood Protection and Control Works**

The Flood Protection and Control activity overall is under-expended by \$3,021,000 against the budget of \$6,681,000.

*Leith Scheme*

The Leith Scheme is under-expended by \$1,829,000 against the budget of \$3,278,000 however a late contractor claim to 30 April of \$209,000 has since been received, reducing the variance to \$1,620,000. The variance to this point is largely due to work in respect of the ITS Bend section of the scheme progressing at a different rate than that provided for in the budget phasing.

*Taieri and Clutha schemes*

The Taieri and Clutha schemes are under-expended by \$594,000 (budget \$1,683,000) and \$634,000 (budget \$1,497,000) respectively.

These variances comprise both timing in terms of work phasing and permanent savings on budget.

In respect of permanent savings, at the time of budget preparation there was uncertainty regarding the nature and extent of water quality improvement work necessary for the consenting of pump stations. The budgets allowed for infrastructure improvement work – however it has transpired that changes to operational procedures at minimal cost will be sufficient.

The infrastructural improvement work allowed for in the year to date budgets amounts to \$177,000 in the Lower Clutha scheme, \$101,000 in the West Taieri scheme and \$105,000 in the East Taieri scheme.

#### **Note 5 – Safety and Hazards**

##### *Emergency Management*

The Emergency Management project is over-expended by \$558,000 against the budget of \$575,000. The additional expenditure relates to the establishment of Emergency Management Otago, creation of a new EMO website and additional costs over that budgeted with the transition to an integrated staff structure, and other associated costs.

#### **Note 6 – Transport**

##### *Public Passenger Transport*

The Public Passenger Transport project is under-expended by \$2,061,000 against the budget of \$12,723,000.

There are some significant individual sub-project variances within this project however most of these are in respect of developmental work of a capital nature, and result from work progressing through different stages at a different rate than anticipated in the budget.

The significant areas of under-expenditure were in respect of the National Electronic Ticketing System replacement with a variance of \$1,378,000 (budget of \$2,277,000), the Dunedin Real-time Information System with a variance of \$415,000 (budget of \$423,000), the Bus Hub facility with a variance of \$709,000 (budget of \$945,000) and the New Infrastructure project with a variance of \$150,000 (budget of \$222,000).

The most significant areas of additional expenditure are in respect of the Bus Contracts activity where costs are \$263,000 in excess of the budgeted amount of \$6,004,000 and expenditure related to the replacement Total Mobility System with expenditure of \$211,000 carried over from the 2015/16 budget.

##### *Regional Land Transport Planning*

The Regional Land Transport Planning project is over-expended by \$134,000 against the budget of \$139,000, largely reflecting the fact that the work entailed in this project is significantly more comprehensive and costly than was provided for in the budget.

##### *Stock Truck Effluent Disposal Sites*

The Stock Truck Effluent Disposal Sites project is under-expended by \$374,000 against the budget of \$412,000. The project is tracking through the initial planning phases including site selection. It is projected that construction (budgeted in the current year) will carry over to the following financial year.

### **3. Recommendation**

That this report be received.

Nick Donnelly  
**Director Corporate Services**