OTAGO REGIONAL COUNCIL

Agenda for a meeting of the Policy Committee to be held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 13 September, following the Technical Committee

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

Apologies:

Leave of Absence:

In attendance:

Please note that there is an embargo on agenda items until 08:30am on Monday, 11 September 2017.

CONFIRMATION OF AGENDA

CONFLICT OF INTEREST

PUBLIC FORUM

MINUTES

The minutes of the meeting held on 2 August 2017, having been circulated for adoption.

ACTIONS
(Status report on the resolutions of the Policy Committee).

No current actions to be reported.
PART A – FOR RECOMMENDATION

Item 1
2017/0771 Report on On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats. DPPRM, 21/08/17
The report provides information on an investigation into the potential for on-farm water storage for the Cardrona Valley and Wanaka-Cardrona Flats, to assist with identifying and assessing the economic effects of water take restrictions on irrigators and other water users.

The full report by GeoSolve Ltd and David Hamilton & Associates Ltd entitled “On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats” is circulated separately with the agenda.

Item 2
2017/1024 Adoption of Urban Water Quality Strategy. DPPRM, 28/08/17
The proposed Urban Water Quality Strategy (the Strategy) sets out a comprehensive approach to achieve the community’s aspirations for good water quality. It has a focus on urban environments and will also guide changes to the Regional Plan: Water for Otago.

The ORC Urban Water Quality Strategy is circulated separately with the agenda.

Item 3
2017/1025 Adoption of Air Quality Strategy. DPPRM, 22/08/17
The proposed Air Strategy (the Strategy) sets out a comprehensive approach to achieve the community’s aspirations for good air quality throughout Otago, updating Council’s previous strategy. The Strategy focuses on Council’s role and is about how Council will work together with key stakeholders and communities, particularly where there are air quality issues, to achieve both warm homes and clean air. It will also inform the review of the Regional Plan: Air for Otago.

The ORC Air Quality Strategy is circulated separately with the agenda.

PART B – FOR NOTING

Item 4
2017/1008 Director’s Report on policy progress to September 2017. DPPRM, 22/08/17
The report gives an overview of significant activities undertaken by the Policy section for the period 15 July to 25 August 2017, including: national policies, strategies and plans; ORC policy, plans and strategies; water quantity planning; regional transport
Minutes of a meeting of the Policy Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Wednesday 2 August 2017, commencing at 9:55am

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

Apologies: Cr Noone and Cr Laws
Apologies accepted on the motion of Crs Bell and Deaker

Carried.

Leave of Absence: Cr Neill

In attendance: Peter Bodeker (CE)
Nick Donnelly (DCS)
Fraser McRae (DPPRM)
Scott MacLean (DEMO)
Michele Poole (Acting DSHE)
Lauren McDonald (Committee Secretary)

CONFIRMATION OF AGENDA
An additional item was added to provide councillors a briefing in public excluded session on the status of the PC5A Lindis, currently under the Environment Court appeal process.

CONFLICT OF INTEREST
No conflicts of interested were advised.

PUBLIC FORUM
No public forum held.

MINUTES
The minutes of the meeting held on 14 June 2017, having been circulated were adopted on the motion of Crs Hope and Kempton. Carried.
ACTIONS - (Status report on the resolutions of the Policy Committee).

<table>
<thead>
<tr>
<th>Report No.</th>
<th>Meeting</th>
<th>Resolution</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017/0867</td>
<td>14/6/17</td>
<td>That a draft communications strategy to explain Plan Change 1D be provided to the next round of Council meetings</td>
<td>CLOSED</td>
</tr>
</tbody>
</table>

PART A – FOR RECOMMENDATION

Item 1

2017/0820 Director’s Report on policy progress to July 2017. DPPRM, 14/07/17

The report provided an overview of significant activities undertaken by the Policy section for the period 27 May to 14 July 2017, including: national policies, strategies and plans; ORC policy, plans and strategies; water quantity planning; regional transport.

The Wildlands Consultants report “Strategic analysis of options to improve management of ecosystems and biodiversity for Otago Region” was circulated separately with the agenda.

Mr McRae responded to questions from councillors in regard to natural hazard risk management as part of the consent application process and the impact of the Social Housing legislation in the Queenstown area.

Urban Water Quality Strategy – Mr McRae outlined the timeframe for the presentation of the final draft strategy to Council in September 2017.

**Action:** Mr McRae to confirm the deadline date for ORC councillor feedback to the Urban Water Quality Reference Group in advance of the workshop at the Council meeting on 16 August.

Water Quantity planning – PC5D Cardrona

**Action:** Mr McRae to arrange for communication to be sent to the Cardrona community to update them on the analysis of survey results on water storage being undertaken by Council and confirm next steps.

Moved Cr Deaker
Seconded Cr Lawton

1) That the Director’s report is received;
2) That the report by Wildlands Consultants, “Strategic Analysis of Options to Improve Management of Ecosystems and Biodiversity for Otago Region” is received.

**Motion carried**

After discussion of the public excluded item a motion was placed to return to public session by Crs Woodhead and Robertson. **Carried.**

The meeting was declared closed at 11:05am.

Chairperson
REPORT

Document ID: A1027941

Report Number: 2017/1008
Prepared For: Policy Committee
Prepared By: Director Policy, Planning and Resource Management
Date: 22 August 2017

Subject: Director's report on Policy Progress September 2017

This directorate report contributes toward the following Strategic Plan Goals:
1. Active resource stewardship
2. Active regional partnerships
3. Realisation of new opportunities

1. POLICY RESPONSES
1.1 National Policies, Strategies and Plans

The following were received over the six week period to 25 August 2017:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number</th>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>None received.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following responses were made over the seven week period:

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Response Type</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Planning Standards Regulations</td>
<td>Submission</td>
<td>Support in principle for the structure and style outcomes desired by the use of standards; advocate that they must provide clear national benefits and be flexible to recognise the different circumstances facing local authorities. Implementation timelines proposed need to be reviewed.</td>
</tr>
<tr>
<td>National Environmental Standard for the Outdoor Storage of Tyres</td>
<td>Submission</td>
<td>Support in principle – advocate for agencies such as NZ Fire Service to help determine matters such as appropriate volumes that would require consent under the NES.</td>
</tr>
<tr>
<td>National Environmental Standard for Marine Aquiculture</td>
<td>Submission</td>
<td>Support in principle – Note the complementary policy framework of the proposed Regional Policy Statement for Otago and that the proposed NES should be consistent with provisions of the proposed Marine Protection Act.</td>
</tr>
</tbody>
</table>
1.2 Territorial Authority and Regional Authority Plan Changes and Resource Consent Applications

The following were received over the six week period to 25 August 2017:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number</th>
<th>Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLD'C</td>
<td>2</td>
<td>Resource Consent application</td>
</tr>
<tr>
<td>DCC</td>
<td>2</td>
<td>Resource Consent application</td>
</tr>
<tr>
<td>DCC</td>
<td>1</td>
<td>Pre application input</td>
</tr>
<tr>
<td>CODC</td>
<td>1</td>
<td>Proposed Lake Dunstan Navigation</td>
</tr>
</tbody>
</table>

Following the Taieri flooding in July, ORC continues to support DCC on activity classification and natural hazard management in their development of the city district plan review “2GP”.

1.3 Other Proposals

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Response Type</th>
<th>Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment Canterbury – Proposed Canterbury Regional Pest Management Plan 2017 - 2037</td>
<td>Submission (lodged on behalf of ORC’s Environmental Monitoring and Operations Directorate)</td>
<td>ORC lodged its support in principle for ECan’s proposed pest management plan. It has asked ECan to ensure:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• the decision on the plan considers the wider outcomes (including biodiversity) to be achieved by the plan to ensure consistent pan-regional strategies; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Some amendments are made to strengthen provisions in relation to Wallaby pest management.</td>
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</tbody>
</table>

2. ORC: POLICY, PLANS AND STRATEGIES

2.1 Review of Regional Policy Statement

Twenty six appeals have been received on the proposed Regional Policy Statement. In addition to most of these parties lodging an interest in becoming party to another appellant’s appeal, a further 18 new parties have joined in, as provided for under Section 274 of the RMA.

Three weeks of court assisted mediation have now been completed, and a final day has been set aside on Thursday 14 September to complete formal mediation.

Outstanding issues have been narrowed considerably. There is still a chance that some matters may require a hearing, which would occur early in 2018. Staff continue to work with all parties to seek appeal resolution.

2.2 Urban Water Quality Strategy

The Urban Water Quality Forum was held on Wednesday 23 August in Alexandra, attended by some 20 political and staff representatives from the city and district councils, Te Ao Marama Inc, and Public Health South, as well as ORC councillors and staff. The proposed Urban Water Quality Strategy is presented as a separate report.
The Implementation Plan for urban water is now being developed. Some of the projects are already underway, such as development of a risk management methodology and preliminary work on plan changes for storm water and on-site wastewater management. Other projects will feed into the draft Long Term Plan, for implementation in later years.

2.3 Air Strategy
The draft Air Strategy is presented as a separate report.

2.4 Biodiversity Strategy
The Biodiversity Strategy is being prepared now, in association with the Biodiversity Reference Group. It draws on the Wildland Consultants Ltd report, ‘Strategic Analysis of Options to Improve Management of Ecosystems and Biodiversity for Otago Region’.

A draft strategy will be presented to Council in October, prior to a Forum later in October on biodiversity and pest management. Following the Forum, online feedback will be sought on the Strategy draft.

2.5 Coastal planning
Work in the coastal arena has been on hold, as policy staff have been engaged in other projects with higher priority. The draft strategy will be developed over the coming months, and a Coastal Forum is planned for March/April 2018 to bring together experts and others with an interest in coastal resource management.

3. WATER QUANTITY PLANNING
3.1 Proposed Plan Change 5A Lindis: Integrated water management
Council received 1 appeal on Proposed Plan Change 5A Lindis: integrated water management, while a further 15 Section 274 parties to the proceedings notices have been lodged.

Environment Court-assisted mediation was held on 8 and 9 December 2016, with some 25 people attending. Further hydrological, cultural, and ecological investigations and a social impact assessment have been undertaken as a result of this mediation.

The parties reported back to the Court on 28 April 2017 on progress and potential dates for reconvened mediation. The appeal was referred back to mediation and court facilitated expert conferencing. Court facilitated expert conferencing was held on 6 June and mediation continued on 4 July. The parties reported back to the Court by the end of July. The Court has indicated that the appeal is now going to hearing and it is contemplating hearing commencement early 2018.

3.2 Development of Proposed Plan Change 5D Cardrona: Integrated water management
Preliminary work is being undertaken to resume the development of an integrated water management plan change for the water resources in the Cardrona catchment and the Wanaka Flats (the Cardrona River, Cardrona Alluvial Ribbon Aquifer and Wanaka-Cardrona Aquifer).
Project management materials (including Terms of Reference, Project Execution Plan, Programme Gantt chart, Risk Register) have been prepared, and existing technical reports are being updated. Technical work will continue over the summer to better confirm the relationship between hydrology and groundwater. The cultural assessment is underway. Economic and social assessments are being commissioned.

The next consultation round on the options for managing surface and groundwater quantity in the catchment is tentatively scheduled for early 2018.

### 3.3 Development of Proposed Plan Change 5C: Manuherikia Catchment: Integrated water management

Community consultation on options for the plan change occurred on 21-23 March in Oturehua, Omakau and Alexandra. Drop-in sessions were held from 1:00-3:00 pm and 6:30-8:00 pm at each location. At the drop-ins the community had the opportunity to discuss the options with council staff, take information on the options home with them, and provide feedback. Feedback could also be provided via a feedback form, an online feedback form or via email. Feedback was received from 120 individuals/groups. This feedback has been summarised, sent to those who provided feedback and the summary made available on the council website.

A cultural effects assessment is underway. A Hydrological Effects Simulation, Economic Assessment and Social Assessment are being commissioned.

We will be going back to the community, but not until after the hydrological effects simulation, economic and social reports are available. We are continuing to work with the wider community.

A draft plan change will then be developed, using all technical and scientific investigation to date, all consultation feedback, and the hydrological, economic, cultural, and social reports. The draft plan change will then be workshoped with councillors and consulted with the community for feedback later this year, before a proposed plan change is formally notified.

### 3.4 Development of Proposed Plan Change 1D: Flow Requirements for Water Takes

The first series of community consultation related to the development of Plan Change 1D: Flow Requirements for Water Takes took place during March 2017. A policy committee workshop held on 18 May 2017 included discussion on the background and likely scope of the plan change. The conclusion from that workshop was that a recommendation to continue to develop the plan change should go to Council. A report containing a recommendation to continue to develop the plan change was considered by Council on 28 June and Council resolved to continue to develop the plan change.

A second series of community consultation related to the development of the plan change took place 4-11 August at a number of locations as well as key stakeholder meetings. These consultation sessions were well attended and valuable feedback was received at the sessions or in writing during the feedback period. The feedback is being summarised and will be provided to those who attended as well as on the ORC website.
3.5 Proposed Plan Change 3E: Arrow catchment and Wakatipu Basin Aquifer

Preliminary work is being undertaken on development of a minimum flow plan change for the surface water in the Arrow catchment, and the connected Arrow Bush Creek Ribbon Aquifer and the Wakatipu Basin aquifers.

Project management materials (including Terms of Reference, Project Execution Plan, Programme Gantt chart, Risk Register) have been prepared and existing technical reports are being updated.

The first stage of consultation took place 26-27 June 2017, plus there was a key stakeholder workshop on 30 June 2017. The consultation feedback is being summarised and will be posted on the ORC website when it is complete.

Social and economic assessments are being commissioned.

4. REGIONAL TRANSPORT

The TAG (Technical Advisory Group) and NZTA recently held a workshop to progress a framework monitoring for the implementation of the draft Otago Southland Regional Land Transport Plans as well as a reporting regime. A further workshop is planned for later in the year.

5. RECOMMENDATIONS

a) That this report be noted.

Tanya Winter
Director Policy, Planning and Resource Management
1. Précis
The Otago Regional Council (ORC) is preparing a proposed plan change to the Regional Plan: Water for Otago (Water Plan) which seeks to set allocation limits and minimum flows for the Cardrona catchment. The Resource Management Act 1991 (RMA) requires ORC to undertake a s32 evaluation of the proposed plan change. This evaluation includes identifying and assessing the costs and benefits of the environmental, economic, social, and cultural effects that are anticipated, including economic growth and employment.

An investigation into the potential for on-farm water storage will assist with identifying and assessing the economic effects of water take restrictions on irrigators and other water users.

ORC commissioned GeoSolve Ltd and David Hamilton & Associates Ltd to undertake a pre-feasibility assessment of on-farm water storage options in the Cardrona Valley and the Wanaka-Cardrona Flats. A report was prepared for the Council entitled “On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats” dated March 2017.

2. Study objective and approach
The objective of this pre-feasibility assessment was to provide concept level identification and assessment of potential water storage sites within the study area, including indicative estimates of storage volumes & costs.

The investigation focused on identification of dam sites suitable for:
- Paddock dams (also known as ring and turkey’s nest dams) built off-stream on flatter or gently sloping land utilising material excavated from the reservoir footprint to construct an impounding embankment.
- Gully dams (in-channel storages) formed by constructing an embankment across a natural watercourse to impound natural contributions from the catchment via stream flows and incidental runoff.

The investigation was carried out as a desk-top study at concept level, focussing on research of existing digital information data sets, topographic maps, aerial and satellite photos to identify potential dam sites.

For potential dam sites, the following criteria were applied:
- The reservoir impounded by the dam must be large enough to store the required volume of water (minimum storage capacity of 120,000 m³; i.e. sufficient when full to irrigate up to 20 ha without additional seasonal inflows); and
- Viable dam sites must offer cost effective earthworks requirements; and
- The contributing catchment must be capable of supplying the required volume of water.
Potential sites identified under the storage/earthworks criteria were investigated further to identify constraints including: underlying soils and geology; natural hazards (such as flooding, erosion, debris flow or seismicity); gravity irrigation command area (consistent with storage capacity); and dam break hazards.

Contributing catchment areas were estimated using GIS computation based on the LINZ national 8 metre DEM (digital elevation model).

3. **Study findings**
   The pre-feasibility assessment showed that:
   - There is some limited potential for on farm storage dams which would allow individual land owners to directly irrigate their property during periods when taking water was suspended or rostered under a minimum flow regime. However, viable gully dam sites in the Cardrona catchment are limited by the generally steep terrain and unfavourable geology, while viability of paddock dam sites is also likely to be marginal and will depend on the economics of the enhanced land use potential.
   - There is greater opportunity for larger dams to be filled from the Cardrona River during high flow periods. However, this type of concept is more suited for community dams.
   - It may be more economical to irrigate lower areas of the study area by direct pumping from the Clutha River, thus avoiding or reducing the need for more expensive water storage facilities. However, there will be a threshold distance up the Cardrona Valley, beyond which pumping will become uneconomic.

It is proposed that the pre-feasibility report is provided to water users in the Cardrona Valley and on Wanaka-Cardrona Flats, and to other stakeholders.

4. **Recommendations**
   That:
   
   (a) *This report is noted.*

   (b) *The report “On-farm Water Storage Pre-Feasibility Assessment, Cardrona Valley and Wanaka-Cardrona Flats.” is made available to water users in the Cardrona Valley and on Wanaka-Cardrona Flats, and to other stakeholders.*
1. **Precis**
The proposed Urban Water Quality Strategy (the Strategy) sets out a comprehensive approach to achieve the community’s aspirations for good water quality, and has a focus on urban environments. The Strategy is about people working together. Collaboration with Otago’s territorial authorities, iwi and other key agencies is an important part of the approach. The Strategy will also guide changes to the Regional Plan: Water for Otago.

2. **Background**
The Strategy has been developed over the past year. It has been informed by a survey of Otago’s residents, ‘Waterways Research: Qualitative and Quantitative Findings’ by Versus Research. The results of this survey affirmed Council’s commitment to achieving water of good or excellent quality by 2025, articulated some five years ago through Plan Change 6A (Water Quality). The National Policy Statement for Freshwater Management, revised in 2017, also requires water to be of swimmable standard by 2040 (Otago’s good quality water standard). In addition, a desktop study was prepared on urban contaminants and recent relevant research undertaken within Otago, ‘Literature review of the risks and adverse effects from discharges of stormwater, wastewater, industrial and trade waste, and other hazardous substances in Otago’, by Streamlined Environmental Ltd. Both reports were presented to Council in March 2017.

Council has hosted two urban water quality workshops. A wide range of stakeholders attended the first workshop, in late April 2017. Participants developed the Strategy outcomes and goals. The second, held on 23 August 2017, was attended by the city and district councils, iwi and Public Health South. They generally endorsed the Strategy.

3. **The Strategy**
The proposed Strategy is attached as Appendix A to this report. It includes changes made as a result of the 23 August workshop:
- The Strategy’s vision statement has been aligned with the rural water quality strategy’s vision
- The scope of the strategy has been clarified
- The issues have been grouped to highlight high-level issues better
- The terminology has been made consistent throughout the document, with a higher emphasis on “community wellbeing” and the goal of having “good or excellent water”
- Use of dual English/Maori wording for the Strategy’s outcomes.
4. **Strategy implementation**

An implementation plan is being prepared to give effect to the Strategy. Key components include:

- Development of a series of plan changes to improve provisions relating to:
  - Stormwater
  - On-site wastewater
  - Industrial and trade, and hazardous substance discharges
- Development of a region-wide methodology for assessing the risks and effects of urban contaminants in Otago
- Information for managing urban contaminants
- A multi-agency approach, comprising the August workshop stakeholders, to lead the region-wide urban response.

While some projects are already included in the 2015-2015 Long Term Plan, further projects with an urban focus will be proposed for the 2018-2028 Plan.

5. **Recommendation**

(a) *That the Urban Water Quality Strategy is adopted.*

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Tanya Winter

**Director Policy Planning and Resource Management**
1. **Precis**
The proposed Air Strategy (the Strategy) sets out a comprehensive approach to achieve the community’s aspirations for good air quality throughout Otago, updating Council’s previous strategy. The Strategy focuses on Council’s role and is about how Council will work together with key stakeholders and communities, particularly where there are air quality issues, to achieve both warm homes and clean air. It will also inform the review of the Regional Plan: Air for Otago.

2. **Background**
In 2004, the first National Environmental Standard for Air Quality (NESAQ) was released by the Ministry for the Environment. Amongst other matters, the NESAQ set a maximum limit on particulate matters (PM$_{10}$) discharges in airsheds, and required that woodburners meet specified discharge standards.

Some ten years ago, Council prepared its first Air Strategy to address Otago’s air quality issues in towns, and changed the Air Plan to give effect to the NESAQ. Controls were put in place for all types of solid fuel home heating appliances, with more stringent controls for those areas that frequently breached the NESAQ standards set for PM$_{10}$

The Strategy has been updated over the past year. It has been informed by a 2016 survey of residents of Alexandra, Arrowtown, Milton and Mosgiel: ‘Otago Regional Council Home Heating Survey’ by Key Research and presented to Council in June 2017. The survey provided information on household heating practices and perceptions about home heating and air quality. An inventory of air discharge emissions was prepared, updating the 2006 air discharges inventory. This study showed that while the load of particulate matter had halved in the Air Zone 1 towns, this had made little impact on compliance with the National Environmental Standard for Air Quality, which focusses on a maximum number of PM$_{10}$ exceedances over a 24-hour period. This study was presented to Council in February 2017.

The proposed Strategy focus is on the role of Council and how it intends to work with key stakeholders and communities to achieve good air quality.

3. **The Strategy**
The proposed Strategy is attached as Appendix A to this report.

4. **Strategy Implementation**
An implementation plan is being prepared to give effect to the Strategy. Key components focus on:
• Clean and affordable heating systems
• No smoky or smelly chimneys
• Reduced reliance on outdoor burning
• Management of nuisance

The community by community approach is seen as being critical to achieving good air quality for those towns that have poor winter air quality. It is envisaged that a combined education, advocacy, support and compliance programme, developed with affected communities, will be a central feature.

While some projects are already included in the 2015-2015 Long Term Plan, further projects will be proposed for the 2018-2028 Plan.

5. **Recommendation**  
   (a) *That the proposed Air Strategy is adopted;*  
   (b) *That development of local air quality programmes commence.*

Tanya Winter  
**Director Policy Planning and Resource Management**