

# Council Agenda 23 October 2024

Meeting will be held at The Hutton Theatre, Tūhura Otago Museum, 416 Great King Street North, North Dunedin, and live streamed to the [ORC YouTube Channel](#)



## Members:

- Cr Gretchen Robertson, Chairperson
- Cr Lloyd McCall, Deputy Chairperson
- Cr Alexa Forbes
- Cr Gary Kelliher
- Cr Michael Laws
- Cr Tim Mepham
- Cr Kevin Malcolm
- Cr Andrew Noone
- Cr Bryan Scott
- Cr Alan Somerville
- Cr Elliot Weir
- Cr Kate Wilson

Senior Officer: Richard Saunders, Chief Executive  
Meeting Support: Kylie Darragh, Governance Support Officer

23 October 2024 09:00 AM

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## MEETING PART TWO

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- 10.3 Forest and Bird, Chelsea McGaw accompanied by Wise Response and the Central Otago Environmental Society

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#### 11.1 [Notification of the Proposed Land and Water Regional Plan](#) 109

To present the Otago Regional Council (ORC or Council) with options for progressing the next stages in the development of the Proposed Otago Land and Water Regional Plan (pLWRP) and Evaluation Report prepared pursuant to Section 32 of the Resource Management Act 1991 (RMA).

Attachments for this paper are available via the link in the report (paragraph 18) and in the [Diligent Resource Centre](#).

### 12. CLOSURE



**Council  
MINUTES**

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**Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 25 September 2024, commencing at 11:15 AM.**

**PRESENT**

Cr Gretchen Robertson *(Chairperson)*  
Cr Lloyd McCall *(Deputy Chairperson)*  
Cr Alexa Forbes  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Kevin Malcolm  
Cr Tim Mepham *(online)*  
Cr Andrew Noone  
Cr Bryan Scott  
Cr Alan Somerville  
Cr Elliot Weir  
Cr Kate Wilson

*DRAFT*

## 1. WELCOME

Chair Robertson welcomed Councillors, members of the public and staff to the meeting at 11:15am. Staff present included Richard Saunders (Chief Executive), Joanna Gilroy (GM Environmental Delivery) Nick Donnelly (GM Finance) Tom Dyer (GM Science and Resilience) Amanda Vercoe (GM Strategy and Customer, Deputy CE), Libby Caldwell (Manager, Environmental Delivery), Kylie Darragh (Governance Support Officer)

## 2. APOLOGIES

There were no apologies for this meeting.

## 3. PUBLIC FORUM

Pierre Marasti spoke via Zoom on behalf of Extinction Rebellion, there was an opportunity for questions. Chair Robertson thanked Pierre for attending.

Ciaran Keogh, Environmental Consultant from EcOtago spoke on consenting, there was an opportunity for questions. Chair Robertson thanked Ciaran for attending.

## 4. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

## 5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

## 6. CONFIRMATION OF MINUTES

**Resolution: Cr Somerville Moved, Cr McCall Seconded**

*That the minutes of the (public portion of the) Council meeting held on 28 August 2024 and Council Extraordinary 5 September 2024 be received and confirmed as a true and accurate record.*

**MOTION CARRIED**

## 7. PRESENTATIONS

### 7.1. Otago Rescue Helicopter Trust Annual Report

Stephen Woodhead (Trustee) and Ross Kirkpatrick (Critical Care Flight Paramedic and Team Leader) and Vivienne Seaton (Secretary Manager) presented the Otago Southland Rescue Helicopter Trust Annual Report 2024 to Council and were available to respond to questions. Chair Robertson thanked the Trust for their attendance and its crucial support and service.

### 7.2. Annual Reports from Otago Catchment Community

Otago Catchment Community Groups Craig Simpson, Regional Lead, and Hannah Stalker, Chair of the Otago Catchment Community, presented the annual report. There are now 26 Catchment groups in Otago with over 1800 members. Chair Robertson thanked the OCC for the presentation and continuing the positive energy of communities getting involved.

### 7.3. Annual Report Whakatipu Wilding Control Group

Grant Hensman presented online the annual report to Council for the Whakatipu Wilding Control Group 2023-2024. There was an opportunity for questions and Chair Robertson thanked Grant for attending and the team and volunteers for the massive amount of work.

### 7.4. Annual Report Central Otago Wilding Conifer Group

Pete Oswald presented the annual report on behalf of the Central Otago Wilding Conifer Group including a video from central landowners on some of the areas wilding conifer spread and its effect. Chair Robertson thanked Pete for attending and the continuing the effort in managing the gains made.

**It was moved by Cr Robertson and seconded by Cr Kelliher:**

*That Council adjourn for lunch until 1:45pm*

**MOTION CARRIED**

**8. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)**

Open actions from resolutions of the Committee were reviewed. No changes were noted.

**9. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS**

**9.1. Chairperson's Report**

Cr Robertson summarised some of the activities over the last month.

**Resolution: Cr Forbes Moved, Cr Wilson Seconded**

*That the report be noted.*

**MOTION CARRIED**

**9.2. Chief Executive's Report**

**Resolution: Cr Forbes Moved, Cr Somerville Seconded**

*That the report be noted.*

**MOTION CARRIED**

**10. MATTERS FOR CONSIDERATION**

**10.1. Six-monthly report to the Minister on recommendations to develop a fit for purpose planning framework for Otago.**

[YouTube 2:56:44] The purpose of this paper was to present for approval by Council, the tenth progress report to the Minister for the Environment, in accordance with section 27 of the Resource Management Act 1991 in relation to the recommendations made under section 24A of the Resource Management Act. Joanna Gilroy, GM for Environmental Delivery and Libby Caldwell, Manager Environmental Delivery were available to respond to questions.

The recommendation was amended, and a division was called.

**Resolution CM24-180: Cr Laws Moved, Cr Malcolm Seconded**

*That the Council:*

- 1. Approves** the tenth report to the Minister for the Environment, that reports on progress against the recommendations made in the Minister's letter dated 19 November 2019 with the addition of clarifying the ministerial directive relating to the sequencing of the operative Regional Policy Statement with the Draft Land and Water Regional Plan.
- 2. Notes** that changes to the reporting requirements may occur as a result of the new Minister.

FOR:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Noone, Cr Wilson, Cr Robertson
AGAINST:	Cr Forbes, Cr McCall Cr Mephram, Cr Scott, Cr Somerville, Cr Weir
ABSTAINED:	
CASTING VOTE	Cr Robertson

**MOTION CARRIED**

### **10.2. Annual Plan 2025-2026 Process**

[YouTube 3:41:00] This report communicated the 2025-2026 Annual Plan process. Mike Roesler, Manager Corporate Planning, Amanda Vercoe, GM Strategy and Customer and Nick Donnelly, GM Finance were available to respond to questions.

#### **Resolution CM24-181: Cr Malcolm Moved, Cr Noone Seconded**

**That** the Council:

1. **Notes** *the proposed Annual Plan 2025-2026 process outlined in this report.*

**MOTION CARRIED**

### **10.3. South Dunedin Future - Risk Assessment Update and Programme Changes**

[YouTube 3:59:40] This report provided an update on technical work relating to the South Dunedin Risk Assessment, describing constraints faced in finalising this technical report, and associated implications for the South Dunedin Future programme. Tom Dyer (GM Science and Resilience) Jean-Luc Payan, Manager Natural Hazards, and Jonathan Rowe, Programme Manager – South Dunedin Future were available to respond to questions on the report.

#### **Resolution CM24-182: Cr Wilson Moved, Cr Scott Seconded**

**That** the Council:

1. **Notes** *a review of the draft risk assessment for South Dunedin has identified information gaps and data limitations that have prevented finalisation of this technical report.*
2. **Notes** *work underway to address identified information gaps and data limitations, including bringing forward completion of an updated flood model and collection of building floor level information for South Dunedin.*
3. **Notes** *the associated delay in finalising the risk assessment and spatial adaptation options for South Dunedin, which are now expected to be presented to Councils and released publicly in February 2025.*
4. **Notes** *a copy of this report was considered by Dunedin City Councillors on 24 September 2024.*

**MOTION CARRIED**

#### **It was Moved by Cr Robertson and Cr Somerville Seconded**

**That** Council adjourn for a 15-minute break.

**MOTION CARRIED**

### **10.4. Standing Orders - Administrative Update**

[YouTube 4:32:20] This paper was brought to Council to consider an administrative update to Council's Standing Orders. Amanda Vercoe (GM Strategy and Customer) was available to answer questions on the report.

#### **Resolution CM24-183: Cr Wilson Moved, Cr Weir Seconded**

**That** the Council:

1. **Notes** *this report.*
2. **Notes** *a 75 percent majority is required to amend Standing Orders.*
3. **Adopts** *the attached updated Standing Orders.*
4. **Notes** *that Local Government New Zealand and Taituarā are currently reviewing its template for Standing Orders and staff will workshop the new template with councillors in 2025, ahead of the next local body elections.*

**MOTION CARRIED**

**11. RESOLUTION TO EXCLUDE THE PUBLIC**

**It was moved by Cr Robertson and Cr Noone Seconded**

**That** the public be excluded from the following parts of the meeting, namely:

1.1 *Confirmation of Confidential Minutes of Council 28 August 2024*

1.2 *Confirmation of Confidential Minutes of Extraordinary Council 5 September 2024*

3.1 *GOV2433 Delegations Manual Update*

**MOTION CARRIED**

Cr Laws, Cr Kelliher and Cr Malcolm voted against the motion.

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
<p>1.1 <i>Confidential Minutes of Council 28 August 2024</i></p>	<p>To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>1.2 <i>Confidential Minutes of Extraordinary Council 5 September 2024</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— 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 – Section 7(2)(c)(i) To maintain legal professional privilege – Section 7(2)(g)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>



<p>3.1 Delegations Manual Update</p>	<p>To maintain legal professional privilege – Section 7(2)(g)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
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This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

**12. CLOSURE**

There was no further business and Chairperson Robertson declared the meeting closed at 3:45 pm.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date



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**Council  
MINUTES**

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**Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber,  
Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Thursday 3 October 2024,  
commencing at 9:00 AM.**

<https://www.youtube.com/live/YVDFbjHTdKo?si=4yh8eDS0jjQxe0Uy>

**PRESENT**

Cr Gretchen Robertson *(Chairperson)*  
Cr Lloyd McCall *(Deputy Chairperson)*  
Cr Alexa Forbes *(online)*  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Kevin Malcolm  
Cr Tim Mepham  
Cr Andrew Noone  
Cr Bryan Scott  
Cr Elliot Weir  
Cr Kate Wilson

## 1. WELCOME

Chair Robertson welcomed Councillors, Mayor Jules Radich, Stephen Hill of Electionz, all submitters including those watching online, members of the public and staff to the meeting at 9 am and opened with a karakia. Staff present included Richard Saunders (Chief Executive), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Kylie Darragh (Governance Support)

## 2. APOLOGIES

**Cr Robertson Moved, Cr Wilson Seconded:**

*That the apologies for Cr Somerville, and for lateness Cr Laws and Cr Forbes, be accepted.*

**MOTION CARRIED**

*9:07am Cr Forbes joined the meeting online.*

## 3. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

## 4. DECLARATIONS OF INTERESTS

Members were reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

## 5. MATTERS FOR CONSIDERATION

### 5.1. ORC Membership Representation Review - hearings

[Youtube 8:00] Councillors were provided with the report of the submissions received on ORC's membership representation review Initial Proposal, and a schedule for hearings for submitters who wish to present to Council.

#### Hearings of Submissions

Mayor Jules Radich, from Dunedin City Council attended in person to speak, there was an opportunity for Councillors to ask questions of clarification on the submission and Chair Robertson thanked the mayor for attending.

Mayor Glyn Lewers of the Queenstown District Lakes Council attended online to speak, there was an opportunity for Councillors to ask questions of clarification on the submission and Chair Robertson thanked the mayor for attending.

Mayor Tim Cadogan, from Central Otago District Council, attended online to speak, there was an opportunity for Councillors to ask questions of clarification on the submission and Chair Robertson thanked the mayor for attending.

Chair Robertson reminded all submitters that cross examination was not permitted and that the Councillors would be mindful of the scope of each submitter's own submission in its deliberations.

Simon Telfer attended online to speak, there was an opportunity for Councillors to ask questions of clarification on the submission and Chair Robertson thanked Simon for attending.

At 9:40 am **Cr Robertson Moved, Cr Noone seconded:**

That Council adjourn for ten minutes.

**MOTION CARRIED**

Duncan Eddy, West Harbour Community Board, attended online to speak, there was an opportunity for Councillors to ask questions of clarification on the submission and Chair Robertson thanked Duncan for attending.

At 9:58 am **Cr Robertson Moved, Cr Noone seconded:**

That Council adjourn for two minutes.

**MOTION CARRIED**

Harriet Jopp, and Simon Davies from Federated Farmers attended online to speak, there was an opportunity for Councillors to ask questions of clarification on the submission and Chair Robertson thanked Harriet and Simon for attending.

At 10:10 am **Cr Robertson Moved, Cr Weir seconded:**

That Council adjourn for ten minutes.

**MOTION CARRIED**

**GOV2436 ORC Membership Representation Review - Deliberations**

[YouTube 1:26:30] Following hearings, this paper provided a format for deliberating on guidance for the Final Proposal. Amanda Vercoe, GM Strategy and Customer and Stephen Hill of Electionz were available to respond to questions on the report.

At 10:38 am **Cr McCall Moved, Cr Noone seconded:**

That Council adjourn for three minutes.

**MOTION CARRIED**

The recommendation was amended and taken in two parts:

**Resolution CM24-185: Cr Laws Moved, Cr Wilson Seconded**

*That the Council:*

- 1. Notes this report.**
- 2. Acknowledges and thanks** submitters to the ORC's 2024 membership representation review for the time taken to prepare their submissions on the Initial Proposal, which contained useful information and insights into the communities' views.
- 3. Acknowledges and thanks** submitters that came to present their submissions on the Initial Proposal to the hearings on the representation review.

**MOTION CARRIED**

A division was called for the remaining recommendation:

**Resolution CM24-186: Cr Laws Moved, Cr Wilson Seconded**

*That the Council:*

- 4. Provides staff** with the following guidance for the preparation of Council's Final Proposal to be adopted at the Council meeting on 23 October 2024: Either
  - a. Prepare the Initial Proposal** for adoption as the Final Proposal

For:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr McCall, Cr Noone, Cr Scott, Cr Weir, Cr Wilson, Cr Robertson.
Against:	Cr Forbes, Cr Mepham

Abstained:	
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**MOTION CARRIED**

**6. CLOSURE**

There was no further business and Chair Robertson declared the meeting closed at 12:02 pm.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date

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**Council (Extraordinary)  
MINUTES**

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**Minutes of an extraordinary meeting of the Otago Regional Council held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Thursday 3 October 2024, commencing at 1:02 PM.**

[https://www.youtube.com/live/sSfOaT\\_jvy4?si=SrAkw9HxB\\_81ivNi](https://www.youtube.com/live/sSfOaT_jvy4?si=SrAkw9HxB_81ivNi)

**PRESENT**

Cr Gretchen Robertson *(Chairperson)*  
Cr Lloyd McCall *(Deputy Chairperson)*  
Cr Alexa Forbes *(online)*  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Kevin Malcolm  
Cr Tim Mepham  
Cr Andrew Noone  
Cr Bryan Scott  
Cr Alan Somerville *(online)*  
Cr Elliot Weir  
Cr Kate Wilson

**1. WELCOME**

Chair Robertson welcomed Councillors, members of the public and staff to the meeting at 1:03 pm. Staff present included Richard Saunders (Chief Executive), Tom Dyer (GM Manager Science and Resilience) Joanna Gilroy (GM Environmental Delivery), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Kylie Darragh (Governance Support).

**2. APOLOGIES**

**Resolution: Cr Robertson Moved, Cr McCall Seconded:**

*That the apology for Cr Alexa Forbes for lateness be accepted.*

**MOTION CARRIED**

*1:05 pm Cr Alexa Forbes joined the meeting online.*

**3. CONFIRMATION OF AGENDA**

The agenda was confirmed as published.

**4. DECLARATIONS OF INTERESTS**

No changes to Councillor Declarations of Interests were noted.

*Cr Scott left the meeting at 1:12 pm.*

*Cr Scott returned to the meeting at 1:14 pm.*

**5. MATTERS FOR COUNCIL CONSIDERATION**

**5.1. Correspondence from the Minister for the Environment regarding the LWRP**

[YouTube 9:30] This report presented the most recent letter received from the Minister for the Environment, regarding Otago Regional Council’s Land and Water Regional Plan and sought direction from Council on a response to that letter. Richard Saunders, Chief Executive, was available to respond to questions.

**Resolution CM24-187 moved Cr Weir, seconded Cr McCall**

*That the Council:*

**1. Notes the report.**

**MOTION CARRIED**

Cr Kelliher, Cr Malcolm, and Cr Noone voted against.

A division was called with the last two recommendations taken separately:

**Resolution: CM24-188 moved Cr Weir, seconded Cr McCall**

*That the Council:*

**2. Directs staff to include the option for a short pause as set out in the letter from the Minister for the Environment dated 26 September 2024, along with an assessment of the advantages and disadvantages of this option, as part of the report to consider plan notification on the 23<sup>rd</sup> of October 2024.**

<b>For:</b>	Cr Forbes, Cr McCall, Cr Mephram, Cr Scott, Cr Somerville, Cr Weir, Cr Robertson.
<b>Against:</b>	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Noone, Cr Wilson.
<b>Abstained:</b>	

**MOTION CARRIED**

**CM24-189 moved Cr Weir, seconded Cr McCall**

*That the Council:*

**3. Approves the draft response from the Council to the Minister for the Environment.**

<b>For:</b>	Cr Forbes, Cr McCall, Cr Mepham, Cr Scott, Cr Somerville, Cr Weir, Cr Robertson.
<b>Against:</b>	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Noone, Cr Wilson.
<b>Abstained:</b>	

**MOTION CARRIED**

**7. CLOSURE**

There was no further business and Chair Robertson declared the meeting closed with a karakia at 2:04 pm.

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

DRAFT



Council Agenda 23 October 2024 - ACTIONS (Status of Council Resolutions)

Document	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
Council Meeting 2023.03.22	GOV2306 Proposal to participate in CouncilMARK programme	In Progress	The Chief Executive will execute an agreement with CouncilMARK to undertake an independent assessment in 2024. <b>Res CM23-130</b>	Chief Executive	<p><b>13/09/2023 Governance Support Officer</b></p> <p>Underway. Assessment likely to take place February 2024</p> <p><b>15/05/2024 Governance Support Officer</b></p> <p>Te Korowai (formerly CouncilMARK) is underway and due to be completed in September 2024. The main data gathering exercise takes place between May and June. A Councillor Workshop for input into our assessment is due to take place by July.</p> <p><b>19/07/2024 Governance Support Officer</b></p> <p>Workshop took place on 3 July. Next workshop takes place on 7 August.</p> <p><b>21/08/2024 General Manager Strategy and Customer</b></p> <p>Workshop took place on 7 August. Te Korowai assessors onsite 3/4 September 2024.</p> <p><b>11/10/2024 Governance Support Officer</b></p> <p>10/10/24 - CE</p> <p>Assessment has been completed and we are awaiting the final report which will be on a future Council agenda.</p>	16/12/2024
Council Meeting - 20 March 2024	Chairperson's Report	In Progress	A summary review on the Wanaka Show 2024 is to be completed covering the topics of general interest, to be submitted to the Regional Leadership Committee before a firm decision is made whether to commit again next year for the Committee's consideration.	Chief Executive, Manager Communications and Marketing	<p><b>22/04/2024 Governance Support Officer</b></p> <p>Summary review of Wanaka Show effectiveness and efficiency to be submitted to the Regional Leadership Committee before a firm decision made as to whether to commit again next year.</p> <p><b>16/05/2024 Governance Support Officer</b></p>	01/11/2024

Council Agenda 23 October 2024 - ACTIONS (Status of Council Resolutions)

Document	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
					<p>An engagement workshop will be organised where development of an engagement calendar for general use and then for whole organisation attendance will be discussed</p> <p><b>18/07/2024 Governance Support Officer</b></p> <p>Engagement workshop confirmed for 26/06/24. Paper for Regional Leadership Committee will be prepared for November Regional Leadership Committee meeting.</p>	
Council Meeting - 20 March 2024	REG2404 Update to Delegations Manual to Include Delegations to staff for Freshwater Farm Plan Regulations 2022	Assigned	<b>CM24-120</b> Update to Delegations Manual to include delegations to staff for Freshwater Farm Plan Regulations 2022 as outlined in the report.	Chief Executive	<p><b>16/05/2024 Governance Support Officer</b></p> <p>Workplan on pause due to changes at Central Government. An update will be provided.</p>	16/12/2024
Finance Committee LTP Deliberations - 29&30 May 2024	CS2421 Long-Term Plan 2024-2034 Deliberation	Assigned	<b>FIN24-139:</b> <b>32) Directs</b> Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including: <b>g.</b> Requests that staff complete a review of options for the allocation of Public Transport targeted rates and report back in time for the 25/26 annual plan.	General Manager Finance, General Manager Regional Planning and Transport		06/12/2024
Finance Committee LTP Deliberations - 29&30 May 2024	CS2421 Long-Term Plan 2024-2034 Deliberation	In Progress	<b>FIN24-149:</b> <b>50) Requests</b> that staff research and report on alternative community ownership models for flood and drainage schemes as a way of addressing financial unsustainability.	General Manager Finance, General Manager Science and Resilience		27/06/2025

Council Agenda 23 October 2024 - ACTIONS (Status of Council Resolutions)

Document	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
Finance Committee LTP Deliberations - 29&30 May 2024	CS2421 Long-Term Plan 2024-2034 Deliberation	Assigned	<b>FIN24-138:</b> <b>32) Directs</b> Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including: <b>d.</b> Investigate within existing year one forecast budgets the feasibility of incorporating an Oamaru-Dunedin service within the 'Oamaru year two and three public transport trial.	General Manager Regional Planning and Transport		27/06/2025
Finance Committee LTP Deliberations - 29&30 May 2024	CS2421 Long-Term Plan 2024-2034 Deliberation	Assigned	<b>FIN24-137:</b> <b>32) Directs</b> Council staff to make the following adjustments to the draft Long-Term Plan 2024-2034 detailed in paper 6.1.2 and including: <b>c.</b> Allocate \$50,000 in Year two Long-Term Plan 2024-2034 for potential sponsorship of the activity outlined in 'Dunedin Tracks and Trails' submission or other activity that would deliver on the Public and Active Transport Connectivity Strategy.	General Manager Regional Planning and Transport		27/06/2025
Finance Committee LTP	CS2421 Long-Term Plan 2024-2034 Deliberation	In Progress	<b>FIN24-120:</b> <b>44) Requests</b> staff undertake a	Chief Executive, General Manager Finance, General	<b>11/10/2024 Governance Support Officer</b>	

Council Agenda 23 October 2024 - ACTIONS (Status of Council Resolutions)

Document	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
Deliberations - 29&30 May 2024			review of all flood and drainage schemes to inform rate allocation and report back to Council on the Terms of Reference and timing for this review	Manager Science and Resilience	10/10/24 CE Underway. Staff are considering the best approach for this work and will report back to Council early in 2025.	
Council Meeting - 24 July 2024	PPT2408 Adoption of Draft Otago Southland Regional Land Transport Plan 2021-2031	In Progress	<b>CM24-154</b> Forwards the approved Otago Southland Regional Land Transport Plan 2021-2031 to the New Zealand Transport Agency	Executive Assistant - Regional Planning and Transport, Manager Transport		31/10/2024
Council Meeting - 28 August 2024	POL2419 Waitaki River Update	Assigned	<b>CM24-167</b> Notes a further update will be provided in 2025, after the early engagement has been undertaken.	Executive Assistant - Regional Planning and Transport, General Manager Regional Planning and Transport		01/06/2025
Council Meeting - 28 August 2024	POL2423 Identification of Potential Commissioners to Hear the Draft Land and Water Regional Plan	Assigned	<b>CM24-173</b> Directs staff to approach the members of the recently completed Freshwater Hearings Panel for the RPS as part of the identification process.	Executive Assistant - Regional Planning and Transport, General Manager Regional Planning and Transport		31/10/2024
Council Meeting (Extraordinary) - 20 September 2024	GOV2434 Investigating Options for Government Support on LWRP Matters	In Progress	<b>CM24-178: Requests</b> that staff engage with officials to discuss the NPS-FM review process and identify actions that seek to address the issues associated with Plan Change 6AA and Plan Change 7 should a new LWRP not be notified and report back to Council ahead of the decision on notification of the plan.	Chief Executive		06/12/2024
Council Meeting - 3	GOV2436 ORC Membership	In Progress	<b>CM24-186</b>	General Manager Strategy and		01/12/2024

Document	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
October 2024	Representation Review - hearings and deliberations 2024		<ol style="list-style-type: none"> <li>1. <b>Provides staff</b> with the following guidance for the preparation of Council’s Final Proposal to be adopted at the Council meeting on 23 October 2024:                             <ol style="list-style-type: none"> <li>a. <b>Prepare</b> the Initial Proposal for adoption as the Final Proposal.</li> </ol> </li> </ol>	Customer		

### **8.1. Chairperson's Report**

**Prepared for:** Council  
**Activity:** Governance Report  
**Author:** Chair Robertson  
**Date:** 23 October 2024

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#### **Flood Readiness, Response, and Recovery**

I want to acknowledge the work of Emergency Management Otago for their efforts during the recent flooding events in our region. To the Otago Regional Council staff who supported this work in readiness, response, and recovery - your dedication is deeply appreciated. Minister Mark Mitchell (Minister for Emergency Management and Recovery) and Prime Minister Chris Luxon highlighted the importance of a united effort and spoke highly of the readiness and response work.

A special thanks goes to the people of Otago for their prompt actions, which played a key role in reducing risk during these events. Looking out for each other is what defines us, and your support for friends, family, and neighbours did not go unnoticed. I want to particularly acknowledge those most impacted by flooding and the wet conditions, especially in South Dunedin, and on farms across the region.

There have been significant impacts on rural communities, with many farms especially in South and West Otago experiencing flooding alongside already waterlogged paddocks. Livestock, crop and infrastructure losses, as well as disrupted farm operations, have added to challenges already faced by many. Despite these hardships, the resilience and solidarity shown by rural residents in supporting each other and working towards recovery has been truly commendable.

Similarly, multiple Dunedin residents have experienced challenging times. Being displaced from your home or experiencing damage to your property is deeply disruptive and has impacts on daily life. We acknowledge the emotional toll this takes and acknowledge you and your families. Thank you to all those who have helped lighten the load by offering your assistance in activities like sandbagging, and well as skills, resources, and kindness. In both rural and urban Otago, emergencies often bring positive qualities to the fore and this event was no different - quick thinking, resilience, and community spirit shone in so many examples from food distribution and stock management to offering accommodation or grazing.

We extend our gratitude to all who came together so effectively - mayors, territorial authorities, NEMA, Central Government, local emergency services, and the many others who didn't hesitate to give their all. Your efforts embody the great Southern spirit that makes Otago strong.

Whilst natural hazards are challenging, they are also inherent within the dynamic environment we live. Each new event presents an opportunity to learn and increase resilience. With this in mind, in the wake of the recent flooding, the Otago Regional Council (ORC) and Civil Defence Emergency Management (CDEM) Otago will assess and learn from this event. Our teams will review response efforts, gather data, and identify improvements to enhance resilience in future emergencies. A comprehensive report on the flood will be presented to an upcoming ORC committee meeting. This event will also inform ongoing hazards work programmed in our Long Term Plan, which includes collaboration with territorial authorities, mana whenua, and communities. In areas like South Dunedin and the Lower Clutha Delta, this work will help in building long-term strategies for hazard management and community resilience.



Manuherikia joining the Clutha; Taieri River toward Outram; Koau Mouth Clutha; Leith upstream of Clyde St.

**Port Otago 150<sup>th</sup>**

Port Otago has been the gateway to the world for our region for a century and a half, supporting the regional economy through its vital role in exporting primary products and connecting Otago’s industries with global markets. Through both imports and exports, the port is a key enabler of economic activity, directly benefiting the livelihoods of our communities. Its impact on household and business rates is significant with the dividends it provides to the Otago Regional Council helping to offset rates. The Port Otago dividend to ORC is equivalent to 38% of the general rates take this year.

Port Otago's stewardship extends beyond just economic contributions – it is a committed partner to local communities, embodying a spirit of care and responsibility. With a vision of being New Zealand's "always open port," the port has developed a forward-thinking strategy that focuses on safety, efficiency, and service, while maintaining strong relationships with its neighbours and customers. This strategy, underpinned by investment in infrastructure and a dedication to continuous improvement, ensures that Port Otago remains secure, adaptable, and prepared for the future. As we celebrate 150 years, we honour the port's role in driving growth, fostering community, and sustaining our region for generations to come.

I would like to extend a special thanks to the dedicated current and past directors and staff of Port Otago for its significant positive presence in, and dedication to, our Region.

**Meetings attended:**

**30 September, New Dunedin Hospital (Online meeting)**

Zoom meeting with Blake Lepper (Te Whata Ora/Health NZ, head of Infrastructure) and Otago/Southland mayors.

**1 October, Toitū Te Hākapupu project day (Waikouaiti)**

Planting day with ORC staff involved in the project. Melanie White (ORC, Project Delivery Specialist) led the event which was held on Marie and Jim Pauling's property bordering the Lagoon. An excellent day and hats off for the huge progress through collaborative efforts being made in the catchment to date.

**3 & 4 October, Weather Event Briefings and Response**

Ongoing contact with ORC staff and regional Mayors throughout the event.

**3 October, Meeting with Minister Mark Mitchell**

I attended this meeting in my capacity as CDEM Joint Committee Chair. This was an update in forecasting, readiness, and response to the impending flood. Minister Mark Mitchell attended in his capacity as Emergency Management and Response Minister and was accompanied by Minister Mark Patterson. The meeting was led by Emergency Management Otago Group Manager/ Group Controller Matt Alley with a presentation from Tom Dyer (General Manager Science and Resilience).

**15 October, LGNZ Regional Sector Meeting (Online meeting)**

Covered:

- Final Report of the Inquiry into Climate Adaptation

<https://selectcommittees.parliament.nz/v/6/821f67ff-6f67-43d2-cd3a-08dce18146d7>

Submissions from LGNZ and Te Ura Kahika.

- The Regional Sector and core services

As part of the Government's 'Local Government forward work-programme' the Minister of Local Government has signalled upcoming legislative change to the purpose of local government. This will involve changing the purpose of local government, removing all other references to the 4 aspects of community well-being, and defining in legislation the core



services that councils must have particular regard to (aka s11a). These changes replicate the LGA Amendment Act 2010 and at the time core services were defined as:

- Network infrastructure
- Public transport services
- Solid waste collection and disposal
- The avoidance and mitigation of natural hazards
- Libraries museums, reserves, and other recreational and community amenities

The specific core services are important as other potential elements for the forward work programme will build on these such as performance measures, benchmarking, and revenue caps. It is expected (but not known) that the new core services will be modelled on the 2010 list. A decision is expected in December 2024 with legislation introduced in March 2025. The Regional Sector Group discussed whether it should put forward a revised list to describe the core services regional councils deliver. Examples given include: biosecurity, biodiversity, managing environmental health, monitoring, compliance, consenting, planning.

**17 October, QLDC/ORC Joint PATAG Meeting (Queenstown)**

**19 October, Port Otago 150<sup>th</sup>**

**21 October, DCC/ORC Joint Public and Active Transport Group Meeting**

#### **Letters Sent/Received**

##### **Incoming:**

- **26 September – Min Penny Simmonds**

##### **Outgoing**

- **4 October – Min Penny Simmonds**

#### **RECOMMENDATION**

*That the Council:*

1. **Notes this report.**

#### **ATTACHMENTS**

1. P S- CO R 0757 - Letter from Minister Simmonds [8.1.1 - 1 page]
2. ORC Letter to Minister Simmonds - 4 October 2024 [8.1.2 - 1 page]

## Hon Penny Simmonds

Minister for the Environment  
Minister for Tertiary Education and Skills  
Associate Minister for Social Development and Employment



26 SEP 2024

Cr Gretchen Robertson  
Chairperson  
Otago Regional Council  
Gretchen.Robertson@orc.govt.nz

Dear Gretchen

Thank you for taking the time to meet with Hon Todd McClay and myself on 12 September.

At that meeting we offered to assist the Council to align your plan with the new National Policy Statement for Freshwater Management (NPS-FM) in an efficient way avoiding unnecessary cost on ratepayers. We note Council resolved to explore this further. To support your decision making we have set out below how we suggest the Council and Government can work together.

We propose Otago Regional Council participate in targeted engagement on the review and replacement of NPS-FM between October and early 2025, ahead of public consultation. This will provide the Council with the ability to test proposals are robust, provide advice on workability, and input into how to ensure effective and efficient implementation. This would also provide you early access to the direction of the new NPS-FM.

To allow for the new direction for NPS-FM to be incorporated into your draft plan you would need to delay notification until at least early 2025.

If you need to delay your plan further, we understand this could have unintended consequences, particularly for water take and discharge consent holders and applicants. If that eventuates, the Government will work with you to make sure unintended consequences do not negatively impact resource users or unnecessarily burden ratepayers. This could include a legislative amendment extending timeframes or establishing temporary measures to provide certainty for resource users until a new plan is developed.

We hope Councillors consider this proposal and see the benefits in working together on this matter to reduce the risks of unnecessary duplication and cost to Otago ratepayers.

Kind regards,

A handwritten signature in black ink, appearing to read 'Penny Simmonds'.

Hon Penny Simmonds  
**Minister for the Environment**



4 October 2024

Minister for the Environment  
Private Bag 18041  
Parliament Buildings  
**Wellington 6160**

via EMAIL: [P.Simmonds@ministers.govt.nz](mailto:P.Simmonds@ministers.govt.nz)

Dear Minister Simmonds,

Thank you for your recent letter dated 26 September 2024 setting out opportunities for ORC to work closely with Government to align our Land and Water Regional Plan (LWRP) with the new National Policy Statement for Freshwater Management (NPS-FM).

Council held an extraordinary meeting on 3 October to consider your letter. We appreciated the clarity it provided us and the willingness from the Government to work with ORC on this matter. Alongside an early view of the NSP-FM policy direction we note your intent to work with ORC to make sure any unintended consequences of delaying notification do not negatively impact resource users or unnecessarily burden ratepayers.

Council has resolved to direct staff to include this option along with the associated advantages and disadvantages in the report we are due to consider on 23 October 2024. This will ensure that we are able to make a fully informed decision on our LWRP with all of the options in front of us, in accordance with the decision-making principles of the Local Government Act 2002. It also gives us time to seek the views of mana whenua who have been partners with ORC in the drafting of the LWRP.

Thank you again for your letter and for the intent to work constructively with ORC on this matter. We look forward to updating you on the decision made by Council following our meeting scheduled for 23 October 2024

Yours sincerely

A handwritten signature in blue ink, appearing to read "Gretchen Robertson".

Cr Gretchen Robertson  
**Chairperson**

## 8.2. Chief Executive's Report

**Prepared for:** Council  
**Activity:** Governance Report  
**Author:** Richard Saunders, Chief Executive  
**Date:** 23 October 2024

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### PURPOSE

- [1] This report provides Council with an overview of Otago Regional Council's key projects, financial performance and progress against our levels of service

### EXECUTIVE SUMMARY

- [2] Staff have delivered a report to today's Council meeting which seeks a decision on whether or not to notify the draft Land and Water Regional Plan (LWRP). This is in accordance with the programme set by Council earlier in 2024.
- [3] Planning is underway for the Annual Plan for 2025/26 process (Year 2 of the LTP). A workshop is scheduled with Councillors on the 30<sup>th</sup> of October.
- [4] Staff have provided an update on customer enquiry data received this calendar year, including separate data for rates enquiries, as requested by Council. September 2024 was the highest recorded month for customer enquiries due to rates and consultation on the climate strategy.
- [5] Staff have continued to implement the recommendations of the Morrison Lowe Efficiency Review. An update shows that some recommendations are substantially complete or underway with a number of more significant or complex actions still to commence.
- [6] Five non-financial level of service measures are currently being reported as at risk and two are reported as off track at the end of September.
- [7] At the end of September ORC is reporting a surplus of \$3.741m against a budgeted surplus of \$685k. Full phasing and initial year-end forecasts will be discussed at the upcoming November Finance Committee meeting.

### RECOMMENDATION

*That the Council:*

- a) **Notes this report.**

### DISCUSSION

#### Land and Water Regional Plan

- [8] Staff have completed the work programme required to bring a draft LWRP and associated documents to Council for a decision on notification prior to the end of October. The most recent project report is included as Attachment 1.
-

- [9] The next steps in the process will be determined by the decisions made by Council at today's meeting.
- [10] In anticipation of a decision to notify In October 2024 or at some point in the future staff have been preparing an implementation plan. This work ensures there is an appropriate plan in place to operationalise the dLWRP at the time of notification. An update on the plan will be provided to Council at the appropriate time subject to decisions made by Council.

#### Annual Plan 2025/26

- [11] Work continues on the 25/26 annual plan. Staff are preparing for a Council workshop later in October. The focus of the workshop will be to review the year two budget and programme from the approved Long Term Plan.
- [12] Staff are currently reviewing year 2 budgets to identify opportunities for savings. The focus is on staff and consultant costs.

#### Customer Experience Report

- [13] At last months Council meeting a request was made for the inclusion of some customer experience data to show the impact of rates on call volumes.
- [14] Attachment 2 shows the customer data by enquiry type for the 2024 calendar year. It also includes specific data on calls received regarding rates over the past three years.
- [15] The key themes identified by the customer experience team have been:
  - a. Queenstown customers unhappy their % increase is significantly more than the reported average rates increase
  - b. General complaints about increasing rates
  - c. Changes to rate types and understanding why these are paid
  - d. Confusion around changes to the direct debit arrangements offered by ORC
- [16] Despite record levels of calls staff have maintained a high level of service with 90% of calls answered. This has assisted to maintain a customer satisfaction rating of 91% with the customer experience service.
- [17] The focus will now shift to planning for the call peak experienced when rates penalty notices go out in November. This is traditionally a period of high call volumes and can be expected to be again this year.

#### Efficiency Review Recommendations

- [18] Attachment 3 shows an update on progress made against the recommendations of the Morrison Lowe Efficiency Review.

- [19] Staff have continued to progress actions which can be accommodated with existing staff budgets and commitments. As identified in the attached report some of the more comprehensive recommendations may require consultant support.
- [20] Progress has been made on a number of the financial recommendations, with some progress also being made on project and programme management.
- [21] Plans are being prepared for the remainder of the recommendations and quarterly updates will be provided through future CE reports.

#### Non-financial Levels of Service

- [22] Attachments 4 and 5 show the results for the non-financial levels of service contained in the LTP. At the end of August there are five measures being reported as at risk and two measures being reported as off track.
- [23] The off track measures relate to consultation on maps for highly productive land which is due to occur prior to 31 December 2024 but is awaiting further direction from Central Government, and satisfaction with the provision of public transport timetable and service information which will be reassessed in Q4. At risk measures include official information request timeframes, the Queenstown Future Development Strategy, joint biodiversity and biosecurity project action delivery, the Head of the Lake natural hazards adaptation project delivery and Civil Defence emergency response staffing levels.
- [24] The punctuality of public transport services which was reported as at risk at the end of August is now reporting as on track.

#### Financial Performance

- [25] The statement of comprehensive revenue and expenditure is included as attachment 6 and the statement of financial position is included as attachment 7.
- [26] At the end of September ORC is reporting a surplus of \$3.741m against a budgeted surplus of \$685k. Expenditure is \$2.5m underspent against budget. It is expected that this variance will reduce throughout the year. The managed fund is \$595k favourable to budget.
- [27] At this early stage in the financial year there are no significant budget risks to raise with Council. Full phasing of the 24/25 budget is currently being completed by Managers and will be reported to the November Finance Committee meeting. This report will also include the first round of year end forecasting.

#### **OPTIONS**

- [28] As this is a report for noting there are no options to consider.

**ATTACHMENTS**







1. LWRP GG October Meeting - Milestones Status Update - 2024 Milestones [**8.2.1** - 2 pages]
2. September Customer Report [**8.2.2** - 2 pages]
3. Efficiency review Implementation update October 2024 [**8.2.3** - 2 pages]
4. Summary LOSM Report Sept 2024 - Summary [**8.2.4** - 2 pages]
5. Summary LOSM Report Sept 2024 - Exceptions [**8.2.5** - 1 page]
6. Statement of Financial Position Sep-2024 [**8.2.6** - 1 page]
7. Statement of Comprehensive Revenue and Expense Sep-2024 [**8.2.7** - 1 page]

ORC REPORT ON PROGRESS AGAINST CRITICAL MILESTONES AND TASKS

Project Name	Project Start Date	Project Sponsors	Project Owners	Report Date
Land and Water Regional Plan for Otago	1-Jul-21	Anita Dawe	Fleur Matthews	30/09/24

Progress Summary and Focus for Next Month
<p><b>This past month the team focused on:</b></p> <ol style="list-style-type: none"> <li>1. Feedback from the independent reviewer of the section 32 report</li> <li>2. Finalising the draft LWRP and draft section 32 report to send to Councillors on 17 September</li> <li>3. Considering feedback from 24/9 and 2/10 council briefings and making any necessary revisions</li> <li>4. Continuing discussions with potential Hearings Panel nominations</li> <li>5. Testing e-plan software (Isovist) for LWRP</li> <li>6. Ongoing discussions with Ministers and Ministry for the Environment staff on notification timeframes and alternatives</li> </ol>
<p><b>Next month (October) the team will focus on:</b></p> <ol style="list-style-type: none"> <li>1. Preparing the pLWRP and section 32 report to be ready for notification in October</li> <li>2. Preparing advice for Council on notification decision in October</li> </ol>

Resource Management Act and Critical Tasks
<p><b>CP 1.</b> Environmental Outcomes, Objectives, Provisions, Rules Developed - July 2023</p> <p><b>CP 2.</b> Community Consultation Prior to Formal Schedule 1 Process - August-November 2023</p> <p><b>CP 3.</b> Pre-Notification Consultation (Clause 3 and Clause 4A) - January - August 2024</p> <p><b>CP 4.</b> Public Notification - 31 October 2024</p>

KEYS		
RMA CRITICAL PATH	HEALTH	STATUS
 Milestone is on the critical path	 Work not yet due to start	1. Not due to start
 Meets or exceeds project expectations	 Issues are being managed within the team and not expected to impact final deadline	2. Not started
 issues impacting project and overall timeline and need escalation and action	 Milestone / task finished	3. Ready to start
		4. Start delayed
		5. On hold
		6. In progress
		7. Complete
		8. Withdrawn

Milestone	Critical Path	Baseline		Forecast	End date	Actual End	Previous Status	Current Health & Status	Commentary	
		Start date	End date	Revised End Date	Variance	Date				
<b>Preparatory and Plan Writing</b>										
Māori economy report completed by ORC and Iwi			31-Jul-23	9-Aug-24	+12 Months		In progress	Complete	Report received 30 September.	
<b>Section 32 Report</b>										
First Draft of Section 32 completed	CP4	1-Dec-23	20-Dec-23	23-Feb-24	+ 2 Months		Complete	Complete		
Second Draft of Section 32 completed	CP4	1-Apr-24	30-Apr-24	30-Jun-24	+ 2 Months		Complete	Complete		
Final Draft of Section 32 completed	CP4	15-Jul-24	18-Oct-24	17-Sep-24	- 6 weeks		Complete	Complete	s32 circulated on 17/9	
<b>Pre-Notification Consultation</b>										
Clause 3 Consultation Period		11-Jan-24	23-Feb-24	2-Apr-24	+ 5 Weeks		Complete	Complete		



Council Agenda 23 October 2024 - CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

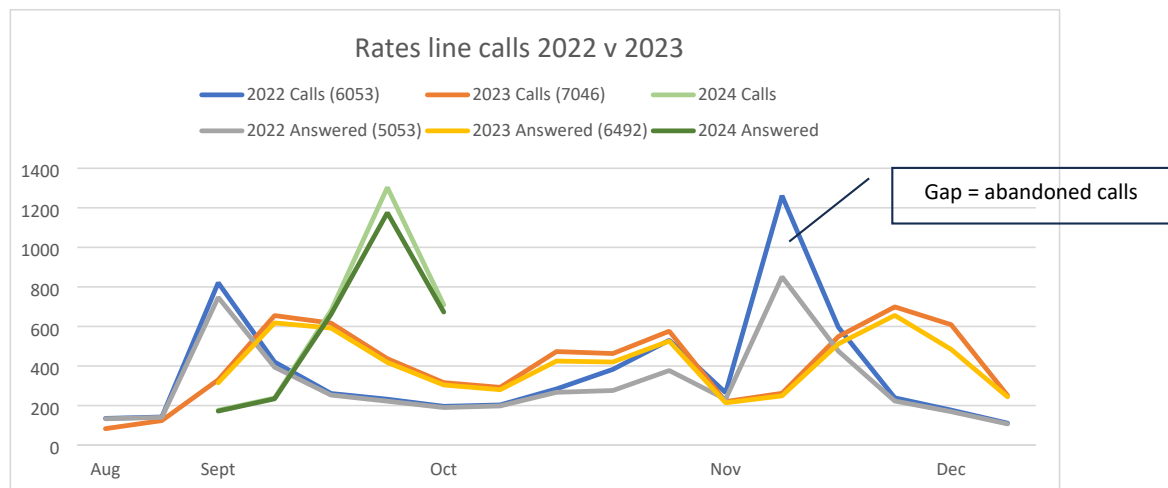
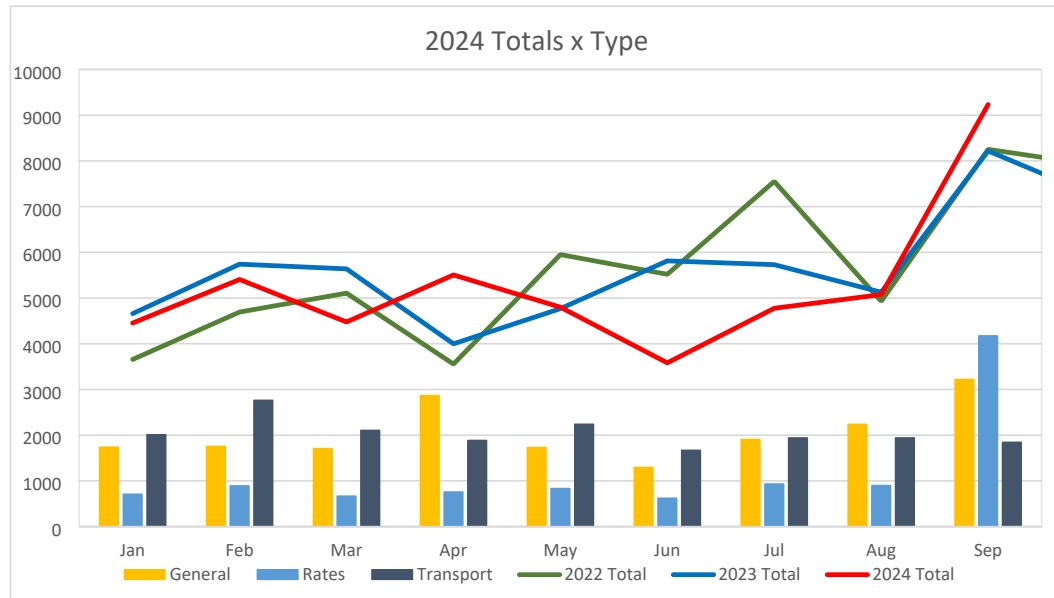
Milestone	Critical Path	Baseline		Forecast	End date	Actual End	Previous Status	Current Health & Status	Commentary
		Start date	End date	Revised End Date	Variance	Date			
Collate and Analyse Clause 3 Feedback		26-Feb-24	15-Mar-24	30-Apr-24	+ 6 Weeks		Complete	Complete	
Feedback to Council Committee		15-May-24	15-May-24				Complete	Complete	
Clause 3 Consultation Complete	CP3		15-May-24				Complete	Complete	
Clause 4A Consultation Period		15-Jul-24	9-Aug-24				Complete	Complete	
Collate and Analyse Clause 4A Feedback		10-Aug-24	23-Aug-24				Complete	Complete	
Feedback on Clause 4A consultation to Council Committee		29-Aug-24	29-Aug-24				Complete	Complete	
Clause 4A Consultation Complete	CP3		23-Aug-24				Complete	Complete	
Pre-Notification Consultation Complete	CP3		23-Aug-24				Complete	Complete	
<b>Notification</b>									
LWRP Reviews by Legal and ELT		1-Sep-24	13-Sep-24				In progress	Complete	
Final Updates to LWRP		26-Aug-24	17-Sep-24				In progress	Complete	Final changes, formatting, preparation for e-plan
Council Committee briefings on section 32 report and final draft LWRP		24-Sep-24	2-Oct-24				In progress	Complete	Briefings completed: 24 September and 2 October.
Draft Proposed Land and Water Regional Plan and Draft s32 Report complete	CP4		18-Oct-24				In progress	In progress	Final changes, formatting, preparation for e-plan
Council Paper, LWRP and s32 due for Council Meeting	CP4		18-Oct-24				In progress	In progress	
Otago Regional Council Resolution to Notify Proposed Land and Water Regional Plan for Otago	CP4		23-Oct-24				Ready to start	Ready to start	
Proposed Land and Water Regional Plan for Otago Publicly Notified	CP4		31-Oct-24				Ready to start	Ready to start	

## September 2024 Customer Report

Currently tracking at 12-month average of 5551 customer interactions per month (across phone, reception, email, social media).

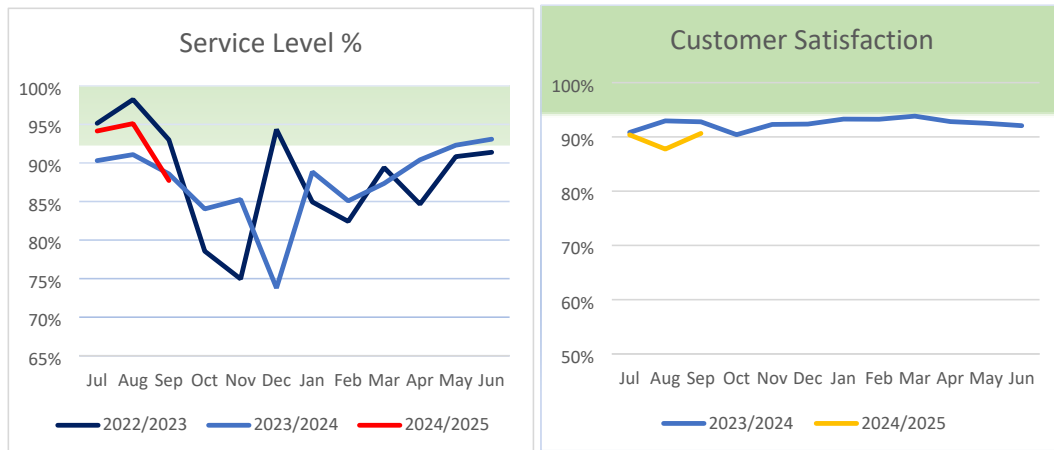
Transport 37%, General 35%, Rates 28% average no. of enquiries per year.

September 2024 jumped to 9233, due to rates and climate change strategy survey – highest in 3 years.








### Rates impact.





- The customer volume increased at week 1 to predicted level (from 1<sup>st</sup> delivery drop), but the week 2 increase exceeded planned volumes. Due to higher-than-expected increases, changes to rate types, tighter delivery spread, and triannual payment resets.
- Although the volumes were the highest in 2 years, the Customer team were able to answer 90% (1175/1303) of the calls and were supported at times by the Finance Revenue team who took overflow calls. This helped maintain the service level at 88% and our customer satisfaction rating at 91%.



**Efficiency Review – Implementation Update****October 2024****1. Financial Processes****Sponsor:** Nick Donnelly - GM Finance



Actions	Status	Notes	Progress
1) Review use of consultants, and processes for procurement and budget setting to ensure internal capabilities are considered	Commenced	<i>Policy and process changes are being developed to ensure consideration of internal capabilities.</i>	
2) Review revenue targets and charge-out rates for cost recovered activities	Commenced	<i>Charge out rates and revenue targets were reviewed in LTP 2024-34. Further revisions will be looked at for AP 2025-26.</i>	
3) Review overhead allocation and reporting process to ensure visibility of “below the line” activities	Completed	<i>Overhead allocation revised for LTP 2024-34. No further action needed.</i>	
4) Review timesheet function to reduce the reliance on timesheets for budgeting and cost allocation	Planning	<i>External expertise will support the process; the scope and timing of the review is being developed.</i>	
5) Review of budgeting process and financial management/financial reporting (simplifying and aligning delivery outcomes, budget management, internal and external reporting, consultant use and output management)	Commenced	<i>New financial system will improve budget processes. This is a large and complex review and work is underway to confirm the full scope.</i>	

**2. Integrated Planning and Reporting****Sponsor:** Amanda Vercoe, GM Strategy and Customer/Deputy CE

Actions	Status	Notes	Progress
1) Review non-financial performance measures	Commenced	<i>Service measures were reviewed in LTP 2024-34. Further revisions will be looked at for AP 2025-26.</i>	
2) Develop a definition of “efficiency” and an organisational approach to efficiency	Planning	<i>Planning is underway to confirm the project team and scope of this action.</i>	
3) Develop a strategic and operational planning framework, including an approach to coordinating resources and consolidating work programmes through the organisation	Planning	<i>Planning processes were amended in the LTP process. To progress this action requires alignment with the Strategic Directions implementation plan. Planning is underway to confirm the project team and scope of this action.</i>	
4) Develop integrated work planning process that is clearly aligned to resource planning, budget setting, strategic plan, delivery plans, external/internal resourcing	Not started	<i>This is a large and complex action with many dependencies, so will not progress further until other actions have been progressed.</i>	


**3. Project and Programme Management**

**Sponsor:** Richard Saunders – Chief Executive

Actions	Status	Notes	Progress
1) Review existing projects and consider where a programme management approach may be appropriate	Commenced	<i>Programme management implemented on Datasape. A desktop scan/audit of existing projects has been initiated.</i>	
2) Develop an ORC approach to project and programme management and consider introducing a PMO	Commenced	<i>Project management is being introduced to large projects. Need coordination to develop a single system for projects.</i>	



**4. Data Management**

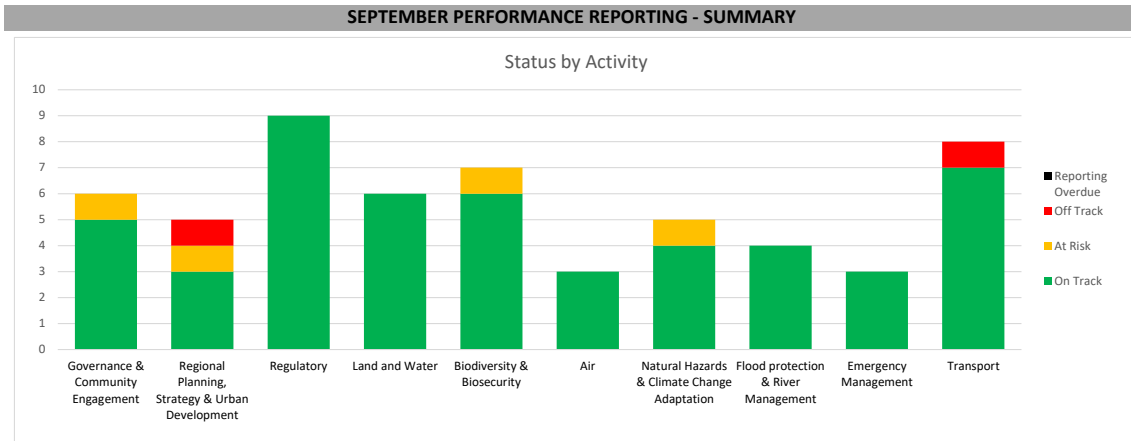
**Sponsor:** Tom Dyer – GM Science and Resilience

Actions	Status	Notes	Progress
1) Develop a data management framework and adopt common data standards	Planning	<i>This is a large and complex review and the scope and timing of the review is being developed.</i>	

**5. Additional Opportunities**

**Sponsor:** Amanda Vercoe, GM Strategy and Customer/Deputy CE

Actions	Status	Notes	Progress
1) Aligning strategic goals and outcomes: - Developing clear approaches for translating strategy to action and delivery - Identifying and communicating link between inputs and outputs through systems that align planned effort with planned outcomes - Clarifying the link between input, outputs, and outcomes	Planning	<i>This action requires alignment with the Strategic Directions implementation plan. Planning is underway to confirm the project team and scope of this action.</i>	
2) Communicating our value: - Communicate what, why, when and how work is being delivered - Develop processes and language for communicating “value for money” with the community	Commenced	<i>Communication activities have increased through Te Matapuna. This action will be further progressed through ORC’s engagement framework and development of the Strategic Directions Implementation Plan.</i>	

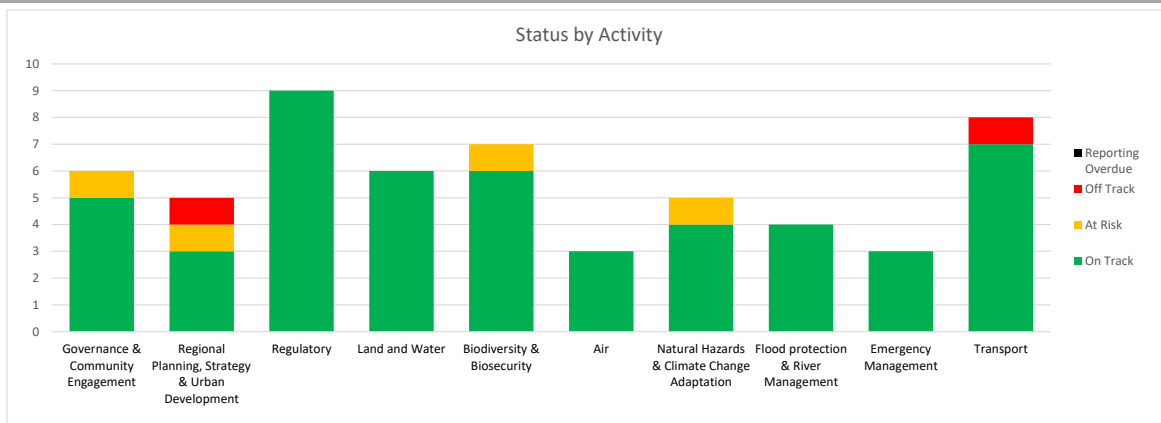


Service Measure and Target			
REGIONAL LEADERSHIP			
Governance & Community Engagement	JUL	AUG	SEPT
Percentage of official information requests responded to within 20 working days of being logged - Target: 100%	On Track	At Risk	On Track
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements - Target: Annual Plan adopted by council prior to 30 June 2025	On Track	On Track	On Track
Percentage of council agendas are publicly available two working days or more before a meeting - Target: 100%	On Track	On Track	On Track
Biannual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC - Target: Report against the action plan to Council by March 2025.	On Track	On Track	On Track
Customers express high levels of satisfaction with customer service provision - Target: Develop Customer Policy to determine satisfaction levels	On Track	On Track	On Track
Increase opportunities for engagement with diverse groups across Otago to lift awareness and understanding of the work of the regional council and seek feedback on performance Target: Create and implement engagement plan and establish engagement data	On Track	On Track	On Track
Regional Planning, Strategy & Urban Development	JUL	AUG	SEPT
Support integrated and well managed urban growth across Otago - Target: Joint Queenstown future development strategy completed by 30 June 2025	On Track	At Risk	On Track
Support integrated and well managed urban growth across Otago - Target: Consultation on maps of highly productive land completed by 31 December 2024	On Track	Off Track	On Track
Develop a regional biodiversity strategy and implement ORC actions. Target: Draft regional biodiversity strategy is made available for public consultation by 30 June 2025	On Track	On Track	On Track
Develop a Regional Air Quality Strategy and implement ORC actions. Target: Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025.	On Track	On Track	On Track
Develop a Regional Climate Change Strategy and implement ORC actions -Target: ORC actions from the Regional Climate Change Strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually.	On Track	On Track	On Track
Regulatory	JUL	AUG	SEPT
Maintain 24-hour/7 day a week response for environmental incidents - Target: Pollution hotline staff available/on call 24/7	On Track	On Track	On Track
Maintain 20 appropriately trained responders for maritime oil pollution incidents -Target: 20 responders attend 3 exercises per year	On Track	On Track	On Track
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes - Target: ≥98%	On Track	On Track	On Track
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets - Target: ≥90%	On Track	On Track	On Track
Percentage of significant non-compliance identified where action is taken in accordance with Compliance Policy - Target: 100%	On Track	On Track	On Track
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets - Target: ≥90%	On Track	On Track	On Track
Maintain compliance with Port and Harbour Marine Safety Code - Target: External review is completed and deemed to be code consistent.	On Track	On Track	On Track
The safety campaign for recreational 'boaters' is delivered - Target: 80% achieved	On Track	On Track	On Track
Percentage of public enquiries for consent information completed within 7 working days - Target: Maintain or increase	On Track	On Track	On Track
ENVIRONMENT	JUL	AUG	SEPT
Land and Water	JUL	AUG	SEPT
Complete the Land and Water Regional Plan (LWRP) - Target: Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025.	On Track	On Track	On Track
ORC led and community/landowner supported workshops and events are delivered which promote best practice land management for soil conservation, water quality and/or the efficient use of water. Target: At least 12 ORC led workshops or events are delivered annually	On Track	On Track	On Track
Site specific projects are developed for selected degraded waterbodies - Target: New projects and associated milestones are developed and reported to Council	On Track	On Track	On Track
Site specific projects are developed for selected degraded waterbodies - Target: Project actions have been progressed as scheduled (>80%)	On Track	On Track	On Track
Catchment Action Plans (CAPs) give effect to the ICM programme and are developed in partnership with iwi and in collaboration with the community. Target: One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2025	On Track	On Track	On Track
Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments. Target: Annual report for each of the 4 environments to Council prior to 30 June 2025.	On Track	On Track	On Track

Biodiversity & Biosecurity	JUL	AUG	SEPT
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 100% of targets for priority pests are delivered.			
Externally funded biosecurity projects/programmes are implemented as per their agreements - Target: 90% of deliverables in the agreements with Central Government are progressing as scheduled			
Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed - Target: New projects and associated milestones are developed and reported to Council and forum partners			
Joint projects are implemented against milestones - Target: Project actions have been progressed as scheduled (>80%)			
Alignment between initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives - Target: 80% alignment			
Externally funded freshwater projects/programmes are delivered as per their agreements - Target: 90% of deliverables in the agreements with Central Government are progressing as scheduled			
Report the results of environmental monitoring for regional indigenous biodiversity ecosystems - Target: Annual report completed prior to 30 June 2025			
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed - Target: 90% of actions achieved within timeframes specified.			
Air	JUL	AUG	SEPT
Implement a regional air monitoring programme - Target: Annual report on monitoring programme completed and reported to Council			
Report the results of environmental monitoring for air. - Target: Annual report for air monitoring for previous financial year reported to Council by 30 Sept 2024. Note: ≥95% = achieved			
Complete review of the Regional Plan Air - Target: Council approves Regional Plan Air for notification by 30 June 2025			
SAFETY AND RESILIENCE			
Natural Hazards & Climate Change Adaptation	JUL	AUG	SEPT
Natural hazards information is available via the web-based Otago Natural Hazards Database - Target: Database is accessible and up-to-date 100% of the time			
Percentage of flood warnings that are issued in accordance with the flood warning manual - Target: 100%			
Implement the findings of the regional natural hazards risk assessment and inform adaptation planning and implementation - Target: Implementation and additional assessments of natural hazards and risks based on the findings of the Otago Natural Hazards Risk Assessment. Phased delivery Yr 1 to 10			
Implement prioritised natural hazard risks adaptation works - Target: The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024; Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.			
Implement prioritised natural hazard risks adaptation works - Target: Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan			
Flood protection & River Management	JUL	AUG	SEPT
Percentage of scheme renewals programme: Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. - Target: > 85% of renewal programmes completed			
Percentage of scheme maintenance programme: Major flood protection drainage and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. - Target: > 85% of planned maintenance programme completed			
Percentage of planned maintenance programme: Channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents - Target: >85% of planned maintenance programme completed			
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Flood repair programme: Damage identified, prioritised and a repair programme is made available to affected communities within 3 months of the event/100%.			
Respond within defined timelines for reported issues and to flood events in a timely manner - Target: Reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.			
Emergency Management	JUL	AUG	SEPT
Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency - Target: Maintain a duty roster for 24/7 365 coverage for initial responses to Civil Defence emergencies			
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation. Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response			
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM - Target: Fulfill all requirements as the administering authority and the Otago CDEM Partnership Agreement			
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response			
TRANSPORT			
Transport	JUL	AUG	SEPT
Percentage of scheduled services on-time (punctuality – to five minutes) - Target: 95%			
Overall passenger satisfaction with Dunedin Public Transport system at annual survey - Target: Maintain or increase 3 yr rolling average >=90%			
Annual public transport boardings in Queenstown - Target: Increase			
Annual public transport boardings in Dunedin - Target: increase			
Percentage of scheduled services delivered (reliability) - Target: 95%			
Overall passenger satisfaction with Wakatipu Public Transport system at annual survey - Target: Maintain or increase 3yr rolling average >=90%			
Percentage of users who are satisfied with the provision of timetable and services information - Target: Maintain or increase 3 yr rolling average >=90%			
Percentage of users who are satisfied with the overall service of the Total Mobility scheme- Target: Maintain or increase 3 yr rolling average >=90%			

On Track	At Risk	Off Track	Reporting Overdue
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SEPTEMBER PERFORMANCE REPORTING - EXCEPTIONS TO AUGUST



Service Measure and Target				
<b>REGIONAL LEADERSHIP</b>				
<b>Governance &amp; Community Engagement</b>	JUL	AUG	SEPT	<b>COMMENT</b>
Percentage of official information requests responded to within 20 working days of being logged - Target: 100%	On Track	At Risk	At Risk	This is currently at 97% compliance. As we are required to be 100% compliant, we will not achieve this target at end of year.
<b>Regional Planning, Strategy &amp; Urban Development</b>	JUL	AUG	SEPT	<b>COMMENT</b>
Support integrated and well managed urban growth across Otago - Target: Joint Queenstown future development strategy completed by 30 June 2025	On Track	At Risk	At Risk	As the Housing and Business development capacity assessments (HBCA) for the joint ORC QLDC FDS (Spatial Plan Gen 2.0) is delayed until November 2024 at least it is uncertain when the FDS will be notified to the public, heard by a Panel and completed.
Support integrated and well managed urban growth across Otago - Target: Consultation on maps of highly productive land completed by 31 December 2024	On Track	Off Track	Off Track	It is unlikely that public consultation will be completed by end of December 2024 as we are still waiting on direction from central government.
<b>ENVIRONMENT</b>				
<b>Biodiversity &amp; Biosecurity</b>	JUL	AUG	SEPT	<b>COMMENT</b>
Joint projects are implemented against milestones - Target: Project actions have been progressed as scheduled (>80%)	On Track	On Track	At Risk	Project actions as still being developed.
<b>SAFETY AND RESILIENCE</b>				
<b>Natural Hazards &amp; Climate Change Adaptation</b>	JUL	AUG	SEPT	<b>COMMENT</b>
Implement prioritised natural hazard risks adaptation works - Target: The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024; Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.	On Track	On Track	At Risk	A revised schedule to deliver the first iteration of the strategy will be in early 2025 so we won't make it to the 31 December 2024 target. This is to allow sufficient time for community/public feedback on the draft strategy, and incorporation of this feedback into the final version of the Strategy document.
<b>Emergency Management</b>	JUL	AUG	SEPT	<b>COMMENT</b>
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency - Target: Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region wide response	On Track	At Risk	At Risk	This is dependant on acquiring staff to be trained for a civil defence emergency.
<b>TRANSPORT</b>				
<b>Transport</b>	JUL	AUG	SEPT	<b>COMMENT</b>
Percentage of scheduled services on-time (punctuality – to five minutes) - Target: 95%	On Track	At Risk	At Risk	Services are heavily affected in Dunedin by extensive roadworks and road closures, whilst Queenstown continues to be affected by heavy congestion on the approaches in and out of central Queenstown/St Stanley Street at peak times and significant ongoing roading works. It is anticipated that Dunedin punctuality will improve significantly with the completion of the central city works.
Percentage of users who are satisfied with the provision of timetable and services information - Target: Maintain or increase 3 yr rolling average >=90%	On Track	At Risk	Off Track	Surveys are completed in Q4 - Across both networks the overall level of satisfaction with time-table and services information will remain as 89.3% until Q4.







**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2024**

	Sept 2024 Actual	June 2024 Prior Year Actual	Year to Date Variance	June 2025 Budget
	\$000s	\$000s	\$000s	\$000s
<b>Assets</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	11,453	13,605	(2,151)	2,455
Trade and other receivables	78,003	17,139	60,864	18,180
Property held for sale	3,350	3,350	(0)	0
Related party receivable	38,355	38,480	(125)	0
Other financial assets	28,473	27,284	1,188	29,181
Other Current Assets	2,123	1,561	562	1,433
<b>Total Current Assets</b>	<b>161,756</b>	<b>101,419</b>	<b>60,337</b>	<b>51,249</b>
<b>NON-CURRENT ASSETS</b>				
Shares in subsidiary	732,720	732,720	0	780,239
Property, plant and equipment	95,614	96,161	(547)	109,835
Intangible assets	342	408	(66)	2,025
Related party receivable	75,323	75,198	125	150,088
Investment Property	16,850	16,850	0	17,134
Borrower Notes	500	500	0	500
<b>Total Non-current Assets</b>	<b>921,350</b>	<b>921,838</b>	<b>(488)</b>	<b>1,059,821</b>
<b>Total Assets</b>	<b>1,083,106</b>	<b>1,023,256</b>	<b>59,849</b>	<b>1,111,070</b>
<b>Liabilities</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	61,558	20,281	41,277	22,594
Employee entitlements	2,782	3,293	(511)	2,716
Borrowings	63,702	48,359	15,342	69,878
<b>Total Current Liabilities</b>	<b>128,042</b>	<b>71,934</b>	<b>56,108</b>	<b>95,188</b>
<b>NON-CURRENT LIABILITIES</b>				
Non current borrowings	90,528	90,528	0	110,438
<b>Total Non-current liabilities</b>	<b>90,528</b>	<b>90,528</b>	<b>0</b>	<b>110,438</b>
<b>Total Liabilities</b>	<b>218,570</b>	<b>162,462</b>	<b>56,108</b>	<b>205,626</b>
<b>NET ASSETS (Assets minus Liabilities)</b>	<b>864,535</b>	<b>860,794</b>	<b>3,741</b>	<b>905,444</b>
<b>Equity</b>				
<b>PUBLIC EQUITY</b>				
Public Equity	106,208	102,467	3,741	120,576
<b>Total Public Equity</b>	<b>106,208</b>	<b>102,467</b>	<b>3,741</b>	<b>120,576</b>
<b>RESERVES</b>				
Reserves	758,328	758,328	0	784,868
<b>Total Reserves</b>	<b>758,328</b>	<b>758,328</b>	<b>0</b>	<b>784,868</b>
<b>Total Equity</b>	<b>864,535</b>	<b>860,794</b>	<b>3,741</b>	<b>905,444</b>



## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD ENDING 30 SEPTEMBER 2024

	Sept 2024 Actual Year to Date	Sept 2024 Budget Year to Date	Variance Actual Year to Date	2025 Forecast Full Year	2025 Budget Full Year	Variance Forecast Full Year
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Revenue</b>						
<b>Revenue from non-exchange transactions</b>						
Rates Revenue	16,200	16,223	(23)	64,893	64,893	0
Grant revenue and subsidies	5,760	5,498	262	21,991	21,991	0
Other Revenue non exchange	2,643	2,714	(71)	10,856	10,856	0
<b>Revenue from exchange transactions</b>						
Interest and investment revenue	1,834	2,441	(607)	9,765	9,765	0
Dividends	4,688	4,500	188	18,000	18,000	0
Other Revenue Exchange	1,068	911	157	3,644	3,644	0
<b>Total Revenue</b>	<b>32,193</b>	<b>32,287</b>	<b>(94)</b>	<b>129,149</b>	<b>129,149</b>	<b>0</b>
<b>Expenditure</b>						
Employee benefits expense	9,702	9,864	(162)	39,454	39,454	0
Depreciation and amortisation	1,098	826	272	3,302	3,302	0
Finance Costs	2,228	2,356	(128)	9,424	9,424	0
Other Expenses	16,393	18,931	(2,538)	78,879	78,879	0
<b>Total Expenditure</b>	<b>29,420</b>	<b>31,976</b>	<b>(2,556)</b>	<b>131,059</b>	<b>131,059</b>	<b>0</b>
<b>Other gains/(losses)</b>						
Other (gains)/losses	968	373	595	1,493	1,493	0
<b>Surplus/(Deficit)</b>	<b>3,741</b>	<b>685</b>	<b>3,056</b>	<b>(417)</b>	<b>(417)</b>	<b>0</b>
Fair value gain/loss on shares in subsidiary	0	0	0	28,156	28,156	0
<b>Total Comprehensive Revenue and Expense</b>	<b>3,741</b>	<b>685</b>	<b>3,056</b>	<b>27,739</b>	<b>27,739</b>	<b>0</b>

### 9.1. Annual Report 2023/2024

<b>Prepared for:</b>	Council
<b>Report No.</b>	CS2439
<b>Activity:</b>	Governance Report
<b>Author:</b>	Sarah Munro, Finance Manager - Reporting
<b>Endorsed by:</b>	Nick Donnelly, General Manager Finance
<b>Date:</b>	23 October 2024

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#### PURPOSE

- [1] To adopt Council's Annual Report 2023-2024 for the period 1 July 2023 to 30 June 2024.

#### RECOMMENDATION

*That Council:*

- 1) **Receives** this report.
- 2) **Approves** and adopts the Annual Report for the year ended 30 June 2024.
- 3) **Authorises** the Chairperson and Chief Executive to sign the Annual Report 2023-2024 and Representation Letter on behalf of Council.

#### BACKGROUND

- [2] The draft Annual report was presented to the Audit and Risk Committee on 26 September 2024 for their review.
- [3] Council's Auditor, Mrs Heidi Rautjoki from Deloitte, is currently the appointed Auditor of the Council. Mrs Rautjoki and Mr Scott Hawkins, an Associate Director for Deloitte, attended the Audit and Risk Subcommittee meeting and discussed the audit process and their findings with the Audit and Risk Subcommittee.
- [4] Deloitte's audit opinion will be issued after Council approves the Annual Report and Financial Statements. Deloitte have indicated there are no matters that have arisen through the audit that warrant them issuing a modified audit opinion.
- [5] The Audit and Risk Subcommittee endorsed the draft Annual Report and Financial Statements for the year ended 30 June 2024, and recommended that they be presented to Council for adoption at the 23 October 2024 Council meeting.
- [6] The Annual Report includes the Statement of Service Performance for each group of activities and Financial Statements for Council as a whole, and the Group. The Group comprises Council and its wholly owned subsidiary, Port Otago Limited, and its subsidiaries.
- [7] The draft Statement of Service Performance and preliminary financial result for the year were presented to the Finance Committee on 8 August 2024. Final adjustments to complete items outstanding at the time of reporting to the Finance Committee meeting

and any adjustments as a result of the audit review are noted in the “Changes in the Annual Report post Finance Committee Report” section of this paper.

- [8] The Representation Letter is attached to this report.

**CHANGES IN THE ANNUAL REPORT POST FINANCE COMMITTEE REPORT**

- [9] The preliminary financial result presented to the Finance Committee on 8 August 2024 excluded revaluations of Council’s shareholding in Port Otago and investment property.
- [10] These revaluations have now been completed and are included in the Financial Statements in the Annual Report.
- [11] There have been the following changes to the Statement of Comprehensive Revenue and Expenses from the Quarterly Report – 30 June 2024 presented to the Finance committee on 8 August 2024.

	\$’000
Surplus/(deficit) as per Finance Committee 8-Aug	\$2,286
<b>Adjustments:</b>	
Revaluation of investment property	\$1,150
Revaluation of Shares in Port Otago	\$8,830
Surplus/(deficit) as per Annual Report	\$12,266

- [12] The above changes have also been reflected in the Statement of Financial Position and applicable notes to the Financial Statements. There have been no other changes to the Financial Statements other than some minor reclassification adjustments which are not material.
- [13] Additional commentary was added to note 30 subsequent events, to include reference to the 3<sup>rd</sup> and 4<sup>th</sup> October red heavy rain event.

**30. Subsequent Events**

On 3rd and 4th October 2024 a red heavy rain warning event occurred in coastal Otago from Palmerston to the Catlins, and inland to the Manuherikia River in Central Otago. An assessment of any potential damaged caused by this flood event is still being completed as river levels recede.

- [14] A number of results in the Statement of Service Performance have been amended since the draft results were presented to the Finance Committee on 8 August. The following paragraphs outline the measures that have been amended since the Finance Committee meeting on 8 August 2024. These changes were reported to the Audit and Risk Subcommittee on 26 September 2024.

**Regional Leadership Activity**

[15] The following measures were changed during the audit process from yellow to red.

<b>Performance Measure</b>	<b>Draft Annual report page number</b>
Information on climate change in Otago is shared with the community and stakeholders. Target: Coordinate the development and delivery of a regional sequestration study by December 2023.	Pg 18
Develop a Regional Climate Strategy. Target: Strategy finalised and reported to Council by 30 June 2024.	Pg 19

[16] The following measure was changed during the audit process from yellow to green.

<b>Performance Measure</b>	<b>Draft Annual report page number</b>
Develop an integrated planning framework that enables well managed urban growth across Otago. Target: Mapping of highly productive land completed by 30 June 2024.	Pg 22

[17] The following measure were changed during the audit process from green to red.

<b>Performance Measure</b>	<b>Draft Annual report page number</b>
Complete review of existing Regional Policy Statement (RPS). Target: Make RPS operative by 30 June.	Pg 22
Maintain compliance with Port and Harbour Marine Safety Code. Target: External review is completed and deemed to be code consistent.	Pg 26

**Environment Activity**

[18] The following measures were changed during the audit process from yellow to red.

<b>Performance Measure</b>	<b>Draft Annual report page number</b>
Complete the Land and Water Regional Plan (LWRP). Target: Notify LWRP by 30 June 2024.	Pg 33
Catchment Action Plans (CAPs) are developed in collaboration with iwi and community. Target: Drafting of pilot CAP completed and drafting of second CAP commenced by 30 June.	Pg 33
'Otago Catchment Communities' is supported to meet deliverables and targets of funding agreement. Target: Report to Council on	Pg 34

deliverables and targets achieved by 30 June.	
At least three site specific action plans for selected degraded waterbodies are developed, prioritised, and implemented. Target: 90% of priority actions undertaken as scheduled.	Pg 35
Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed. Target: 90% of current actions achieved within time frames specified.	Pg 39
Partnerships established in line with the Biodiversity Action Plan and joint projects developed. Target: Projects and progress against milestones reported to Council.	Pg 39
Develop and implement a regional indigenous biodiversity ecosystems monitoring programme. Target: Annual report on monitoring programme completed and reported to Council.	Pg 40
Complete a report on the initiatives and organisations supported and the key deliverables achieved. Target: Report to Council by 30 June.	Pg 40
Percentage of data from air monitoring network that is captured quarterly. Target: $\geq$ 95% data capture achieved. (PM10 monitoring network)	Pg 46
Air implementation strategy is scoped. Target: Reported to Council by 30 June 2024.	Pg 47

[19] The following measure was changed during the audit process from green to red.

<b>Performance Measure</b>	<b>Draft Annual report page number</b>
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed. Target: 90% of actions achieved within time frames specified.	Pg 41

**Safety and Resilience Activity**

[20] The following measures were changed during the audit process from green to yellow.

<b>Performance Measure</b>	<b>Draft Annual report page number</b>
Develop a regional natural hazards risks assessment and regional approach for prioritising adaption. Target: Complete natural hazard risk assessment and prioritization approach.	Pg 52
An adequate Emergency Coordination Centre (ECC) facility and staffing are available. Target: Adequate staff who are trained and available for any activation of the ECC.	Pg 63

[21] The following measure was changed during the audit process from green to grey.

Performance Measure	Draft Annual report page number
Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner. Target: Programme developed and communicated within 3 months of the event.	Pg 59

**Transport Activity**

[22] The following measure was changed from the Quarter 4 prior to audit as part of the finalisation of the draft Annual Report.

- a. The “Overall passenger satisfaction with Whakatipu Public Transport system at annual survey” was marked as yellow in the Quarter 4 Finance Report but has been changed to red in the draft Annual Report.

[23] The following measure was changed in the audit process from green to red.

Performance Measure	Draft Annual report page number
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by Waka Kotahi.	Pg 67

[24] The following measures were changed in the audit process from yellow to red.

Performance Measure	Draft Annual report page number
Percentage of scheduled services on-time (punctuality – to five minutes) Target: 95%	Pg 69
Percentage of users who are satisfied with the provision of timetable and services information. Target: Maintain or increase (from 2022 baseline) <b>QTN</b>	Pg 69

[25] The following measures was changed in the audit process from yellow to green.

Performance Measure	Draft Annual report page number
Percentage of users who are satisfied with the provision of timetable and services information. Target: Maintain or increase (from 2022 baseline) <b>DND</b>	Pg 69

[26] There were no changes to performance measure results post the Audit and Risk Subcommittee meeting on 26 September 2024.

[27] Minor edits were made to some performance measures targets to align the wording exactly to the Annual Report 30 June 2023 (for 2022/2023 comparative targets) and Annual Plan 2023/2024. The biodiversity / biosecurity measure in the Annual Plan 2023/2024 included a target that should not have been there and a note to this effect has been added to the top of page 40 of the Annual Report.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

[28] There are no strategic framework or policy considerations.

### **Financial Considerations**

[29] There are no financial considerations other than those outlined in the paper.

### **Significance and Engagement Considerations**

[30] There are no significance and engagement considerations.

### **Legislative and Considerations**

[31] Under section 98 of the Local Government Act Council is required to prepare and adopt an Annual Report within 4 months after the end of the financial year.

### **Climate Change Considerations**

[32] There are no climate change considerations.

### **Communications Considerations**

[33] There are no communications considerations.

## **NEXT STEPS**

[34] None.

## **ATTACHMENTS**

1. Draft Annual Report 2024 (Council 23-Oct-24) [9.1.1 - 174 pages]
2. Representation Letter - Annual Report 30 June 2024 [9.1.2 - 5 pages]



[Public entity letterhead]

25 October 2024

Heidi Rautjoki  
Deloitte  
Chartered Accountants  
PO Box 1245  
Dunedin 9054

**REPRESENTATION LETTER FOR THE YEAR ENDED 30 JUNE 2024**

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements and statement of performance of Otago Regional Council and Group for the year ended 30 June 2024 for the purpose of expressing an independent opinion about whether:

The financial statements:

- present fairly, in all material respects:
  - the financial position as at 30 June 2024; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Public Benefit Entity Public Sector Standards.

The statement of performance:

- presents fairly, in all material respects, the performance for the year ended 30 June 2024, including:
  - the performance achievements as compared with forecasts included in the statement of performance expectations for the financial year; and
  - the actual revenue and expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
- complies with generally accepted accounting practice in New Zealand.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

**General representations**

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations, and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of Otago Regional Council and Group) to prevent and detect fraud or error, and which enables the preparation of the financial statements and the statement of performance that are free from material misstatement whether due to fraud or error.

**Representations on the financial statements and the statement of performance**

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of performance, and that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of performance as required by New Zealand Public Benefit Entity Public Sector Standards and, in particular, that:
  - the financial statements:

- present fairly, in all material respects:
  - the financial position as at 30 June 2024; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Public Benefit Entity Public Sector Standards.
- the statement of performance:
  - presents fairly, in all material respects, the performance for the year ended 30 June 2024, including:
    - the performance achievements as compared with forecasts included in the statement of performance expectations for the financial year; and
    - the actual revenue and expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
  - complies with generally accepted accounting practice in New Zealand.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements and performance information are appropriate to achieve recognition, measurement, or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements and the statement of performance that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements and statement of performance as a whole. A list of the uncorrected misstatements is attached to this representation letter.
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with New Zealand Public Benefit Entity Public Sector Standards.

**Investment Property**

Investment property is valued using the fair value model as detailed in the notes to the Council and consolidated financial statements.

We believe that the measurement methods and significant assumptions adopted in determining the fair value of investment property are appropriate and consistently applied.

**Investment in Shares in Port Otago Limited**

Investment in Shares in Port Otago Limited is valued using the fair value model as detailed in the notes to the Council financial statements.

We believe that the measurement methods and significant assumptions adopted in determining the fair value of investment in shares in Port Otago Limited are appropriate and consistently applied.

**Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of performance; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of performance may be materially misstated as a result of fraud;

- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements and the statement of performance.
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements and statement of performance communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of performance;
- we have provided you with all the other documents ("other information") which will accompany the financial statements and the performance information which are consistent with one another, and the other information does not contain any material misstatements.
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

**Publication of the financial statements and statement of service performance and related audit report on a website**

- The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service performance.
- The electronic version of the audited financial statements and statement of service performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service performance and audit report.
- We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.
- We have assessed the security controls over audited financial and service performance information and the related audit report, and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- Where the audit report on the full financial statements and statement of service performance is provided on a website, the financial statements and statement of service performance are also provided in full.

**Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the Otago Regional Council and Group has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Councillor's continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of performance for the year ended 30 June 2024. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the Otago Regional Council during the period of one year from the date of this letter and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements and the statement of performance adequately disclose the circumstances, and any uncertainties that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the Otago Regional Council and Group.

The representations in this letter are made at your request and to supplement information obtained by you from the records of the Otago Regional Council and Group and to confirm information given to you orally.

Yours faithfully

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Chairperson

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Chief Executive

Appendix 1 : Summary of unadjusted misstatements

**Council**

	Assets Dr/(Cr) (\$'000)	Liabilities Dr/(Cr) (\$'000)	Equity Dr/(Cr) (\$'000)	Profit or loss Dr/(Cr) (\$'000)
<b>Unadjusted misstatements identified</b>				
<b>Current year:</b>				
None noted	-	-	-	-
<b>Prior year :</b>				
Judgemental valuation differences (relating to marketability discount and corporate overhead capitalisation rate) used to determine the value of Councils investment in POL.*	-	-	(19,300) 19,300	-
<b>Total</b>	-	-	-	-

**Group**

	Assets Dr/(Cr) (\$'000)	Liabilities Dr/(Cr) (\$'000)	Equity Dr/(Cr) (\$'000)	Profit or loss Dr/(Cr) (\$'000)
<b>Unadjusted misstatements identified</b>				
<b>Current year:</b>				
Judgemental difference reflecting the fair value on investment property held for sale with unconditional sales and purchase agreements at balance date	2,963	-	-	(2,963)
<b>Prior year :</b>				
None noted				
<b>Total</b>	<b>2,963</b>	-	-	<b>(2,963)</b>

Appendix 2: Summary of Omitted Disclosures

- Operating Leases as Lessor - Council - No commitments schedule in required bands (less than 1 year, 1 – 5 years, > 5 years)
- Financial Instruments – contractual maturity analysis expanded into time bands (less than 1 year, 1- 5 years, >5 years)
- Financial Instruments – Council - Interest rate sensitivity analysis
- Financial Instruments – Derivative Financial Instrument disclosures
- Statement of Changes in Net Assets/Equity – there is no budget column included in the statement of changes in net assets/equity
- Statement of cash flow – there are no disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

## 9.2. Port Otago Statement of Corporate Intent

**Prepared for:** Council

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**Report No.** CS2438

**Activity:** Governance Report

**Author:** Nick Donnelly, General Manager Finance

**Endorsed by:** Nick Donnelly, General Manager Finance

**Date:** 23 October 2024

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### PURPOSE

- [1] To receive Port Otago's Statement of Corporate Intent for the three years to 30 June 2027.

### EXECUTIVE SUMMARY

- [2] Each year the Board of Port Otago Limited is required to provide Council as shareholder, a Statement of Corporate Intent (SCI). The SCI for the three years to 30 June 2027 has been received and is attached.
- [3] The SCI sets out the objectives of the Port Otago group, and the intended nature and scope of activities for the three-year period to 30 June 2027. The three-year scenario covered by the SCI is reviewed annually on a rolling three-year basis.
- [4] The SCI process is the formal opportunity for Council, as 100% shareholder of Port Otago, to have input into the intended activities of the company and its subsidiaries.
- [5] In 2020 the Port substantially revised the SCI format in line with a move to integrated reporting and a focus on sustainability and materiality. The SCI has continued to be refined since as Port Otago's has further developed and refined its integrated reporting framework.
- [6] The Port Board and management presented to Council in a workshop on 8 August 2024 and outline the draft contents of the SCI. Feedback from that meeting has been incorporated in the attached SCI.

### RECOMMENDATION

*That the Council:*

- 1) **Receives** this report and the attached Statement of Corporate Intent for Port Otago Limited to 30 June 2027.
- 2) **Endorses** the Statement of Corporate Intent for Port Otago to 30 June 2027.

## **PERFORMANCE TARGETS**

- [7] Performance targets in relation to health, safety and wellbeing, financial, environmental, and compliance with the Port and Harbour Safety Code are set out on page 14 of the SCI.
- [8] The target level of shareholders' funds as at June 2025 is \$728 million rising to \$745 million at June 2027.
- [9] The dividend policy remains consistent with previous years. Dividends are:  
*"Based on the intention to pay dividends within the range of 50%-70% of the group's normalised operating surplus after tax".*
- [10] Target dividend amounts are \$18m for the year ending 30 June 2025, \$20m for 2026 and \$20m for 2027. These amounts align with the amounts included in Council's Long-Term Plan 2024-34.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [11] The dividend targets included in the SCI align to those included in Council's Long-Term Plan 2024-24.

### **Financial Considerations**

- [12] The dividend targets included in the SCI align to those included in Council's Long-Term Plan 2024-34.

### **Significance and Engagement Considerations**

- [13] There are no significance and engagement considerations.

### **Legislative and Risk Considerations**

- [14] The Port Companies Act 1988 requires the Draft SCI to be delivered to Council within one month of the commencement of each financial year and for the completed document to be finalised within three months of the commencement of the financial year.
- [15] The primary risk is financial and relates to the Port's actual performance meeting the targets set out in the SCI and the Port's ability to pay dividends to Council. This includes underlying market risk which is inherent in the Port's commercial activities. Dividends levels outlined in the SCI are not guaranteed and are dependent upon the Port's underlying financial performance and Directors being satisfied the company will satisfy the Companies Act 1993 solvency test requirements when those dividends are approved.

### **Climate Change Considerations**

- [16] Climate change is considered in the SCI (see page 10, number 11 in the material issues and page 12 goals for our harbour taoka and beyond).

### **Communications Considerations**

- [17] There are no communications considerations.

**ATTACHMENTS**

1. 2024 Port Otago Statement of Corporate Intent to June 2027 [9.2.1 - 17 pages]





# Statement of Corporate Intent

For FY2025, FY2026 and FY2027



Approved by the Port Otago Board

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## Contacts

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+64 3 472 7890  
[www.portotago.co.nz](http://www.portotago.co.nz)

### Directors

Tim Gibson – Chair  
Pat Heslin  
Bob Fulton  
Becky Lloyd  
Chris Hopkins  
Anne McLeod  
Rick Herd

### Chief Executive

Kevin Winders



Statement of Corporate Intent to June 2027

Page 2

## Introduction

This Statement of Corporate Intent (SCI) outlines our plans for the next three years, FY2025, FY2026 and FY2027. We encourage you to read this SCI in conjunction with our 2024 Integrated Report.

## About Port Otago

It was from Port Chalmers that New Zealand's first cargo of frozen meat left for London aboard the refrigerated ship *Dunedin* in February 1882, signalling the start of our country's modern export trade. The Otago Harbour Board managed the port and harbour from 1874 until 1988, when the Port Companies Act 1988 saw the registration of Port Otago Limited and the company's shares vested in the Otago Regional Council (ORC).

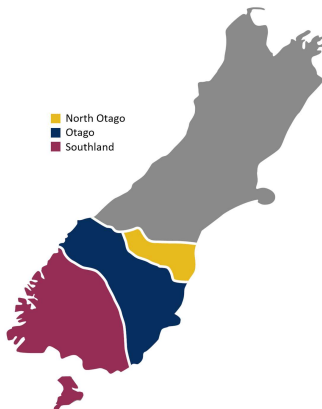
Port Otago remains 100% owned by the ORC and its stated principal objective is to operate as a successful and sustainable business that delivers value to shareholders in the form of both financial and non-financial returns on investment.

Port Otago is located on the Otago Harbour of the South Island of New Zealand. Port Otago benefits from a deep natural harbour taoka, its strategic location for vessel rotation to and from deep-sea destinations and a large primary export cargo region.

Port Otago is a Lifeline Utility under the Civil Defence Emergency Management (Act) 2002, defined as entities that provide essential infrastructure services to the community. The company has a responsibility to ensure its ability to function at the fullest possible extent during and after a civil defence emergency.

## Our region

Port Otago's role facilitating trade for the region's exporters and importers has a significant impact on the economic, as well as the social and environmental, well-being of the Otago-Southland region.



Our region has the infrastructure required for a successful port, including a fit-for-purpose road and rail network and a well-developed warehouse and cool storage sector.

Port Otago operates two wharf systems – Port Chalmers and Dunedin Bulk Port – within Otago Harbour. The lower harbour channel depth is 14.0m, while the upper harbour channel is 8.5m.

Port Chalmers is one of New Zealand's two deepest container ports and can service the largest container ships in the New Zealand. It can store more than 7000 containers and has one of the highest number of reefer points of any New Zealand port, with 1650.

The company has more than 38,000m<sup>2</sup> of covered warehousing at Port Chalmers, built to the high standards required by the dairy industry. It also has two wharf-side cold storage facilities in Dunedin, able to hold up to 10,500 tonnes of chilled product. This is used primarily to service fishing customers.

Port Otago provides 8.0 hectares of log storage area at Port Chalmers and Dunedin Bulk Port.

Port Chalmers is the primary South Island port for cruise ships and generally the port of call immediately before or after visiting Fiordland.

### Economic contribution

Port Otago operates across four sites: Port Chalmers, Dunedin Bulk Port, Dunedin Depot and Fiordland. It employs about 330 people and paid \$41.8 million in wages and salaries during 2023/24.

#### New Zealand Institute of Economic Research report

To better understand Port Otago's impact and role in the region and wider economy, the New Zealand Institute of Economic Research (NZIER\*) was commissioned with quantifying what it would mean for the local community's economy if Port Otago could not operate for a year.

The resulting report, *Regional economic impact assessment: Assessing the contribution of Port Otago to the economy* (February 2024), shows significant negative economic impacts at a national and regional level.

With no economic contribution from Port Otago for 12 months, modelling indicates Gross Domestic Product (GDP) decreased by:

	GDP
Otago region~	- \$154 million
New Zealand-wide	- \$118 million
Southland region	- \$38 million

The report estimates that Port Otago contributed \$61 million to the Otago economy through its export and import trade activities during the year to June 2023. Furthermore, between June 2012 and June 2023, Port Otago's GDP contribution grew at an average annual rate of 7%^.

\* NZIER is an independent, not-for-profit, incorporated society

~ Otago region covers Dunedin city, Queenstown, Central Otago and Clutha

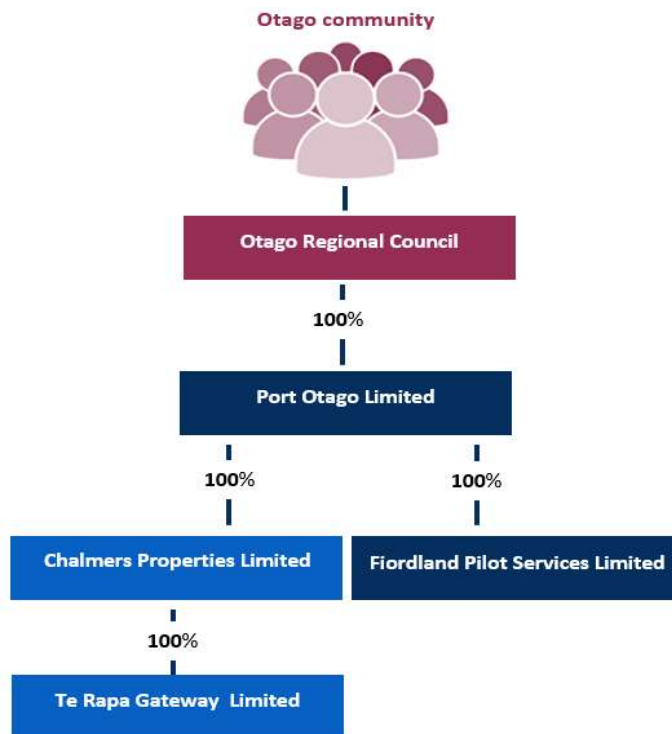
^ Disrupted by Covid 19, which led to a decline in trade activities from 2020 to 2022

## Company structure

This SCI sets out Port Otago’s overall intentions and objectives. It also covers our wholly owned subsidiary companies, Chalmers Properties Limited, Fiordland Pilot Services Limited and Te Rapa Gateway Limited.

Port Otago and its subsidiaries are “Port Companies”, pursuant to the Port Companies (Act) 1988. This SCI has been prepared in accordance with this Act. Pursuant to section 5 of the Act, our principal objective is to operate as a successful business.

The company reviews and updates its SCI annually, in consultation with its shareholder. This SCI covers FY25, FY26 and FY27.



# Integrated Sustainability Policy

Port Otago is committed to working with stakeholders to understand our material issues. We try to be open and honest about what we need to work on. Our commitments in this policy span the six capitals\* and aim to create value, working hard to improve wherever we can.



\* Integrated Reporting is based on creating value across the six capitals:

1. *Human capital:* Our kaimahi.
2. *Social and relationship capital:* Our wider team.
3. *Natural capital:* Our harbour taoka and beyond.
4. *Intellectual capital:* Our know how and skills.
5. *Manufactured capital:* Our assets.
6. *Financial capital:* Our financial value.

## Our value chain

### The port's business model to create value

#### Inputs

##### Our kaimahi

- Our team of 330 people
- Trained in safety and relevant skills
- In-depth safety risk assessments and inspections

##### Our wider team

- Customer relationships
- Partnerships with shipping lines, landside operators and suppliers
- Community and iwi engagement

##### Our harbour taoka and beyond

- Use of air, land and water
- Consumption of energy and other resources
- Listening to community and iwi about any changes to our harbour taoka
- Climate change adaptation scenario modelling

##### Our know how and skills

- Experienced people
- Quality new recruits
- Investment in upskilling
- Investment in secure technology

##### Our assets

- Assets owned and productivity optimised
- Land owned and space utilised efficiently
- Investment in long-term infrastructure
- Climate change adaptation scenario modelling

##### Our financial value

- Diverse and balanced portfolio
- Long-term agreements with customers, partners and suppliers

#### Our business activities & outputs



Outcomes	Work ons	Progress
<b>Our kaimahi</b>		
<ul style="list-style-type: none"> <li>A safety culture where our people look out for each other so that everyone goes home safely</li> <li>Employees who are proud to work for the port</li> </ul>	<ul style="list-style-type: none"> <li>Fatigue management as we roll out our new roster</li> <li>Failing safely to minimise the impact of any incidents</li> <li>Onboarding new recruits making the most of the “fresh eyes” on the job</li> <li>Workplace culture focus as we adapt to change</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> <li>–</li> </ul>
<b>Our wider team</b>		
<ul style="list-style-type: none"> <li>A good neighbour who respects our social licence to operate</li> <li>A strong central link in the value chain, connecting our customers, partners and suppliers from the lower South Island to the world, for mutual growth</li> </ul>	<ul style="list-style-type: none"> <li>Log customer relationships as we plan for the future</li> <li>Container customer relationships as we collaborate on storage solutions</li> <li>Multi-stakeholder approach across the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>–</li> <li>✓</li> <li>–</li> </ul>
<b>Our harbour taoka and beyond</b>		
<ul style="list-style-type: none"> <li>Respect for our beautiful harbour</li> <li>Understanding we need to improve by listening to our community and iwi</li> <li>Reduced contribution to climate change and understanding and adapting to potential future climate change impacts</li> </ul>	<ul style="list-style-type: none"> <li>Understanding nature’s tipping points and partnering to address them</li> <li>Understanding the impacts of climate change on the port and preparing for them</li> <li>Reducing our own contribution to climate change</li> <li>Influencing others in the supply chain to do the same</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>–</li> <li>–</li> </ul>
<b>Our know how and skills</b>		
<ul style="list-style-type: none"> <li>A considered approach to the future</li> <li>A talented workforce with individuals who are willing to learn and have a wealth of knowledge</li> <li>Improved productivity and resilience by embracing new, agile and efficient ways</li> <li>Effective processes to protect the port from cyber attacks</li> </ul>	<ul style="list-style-type: none"> <li>Process innovation for efficiency gains</li> <li>Equipment innovation on port for the future</li> <li>Channel Innovation for shipping and load flexibility</li> </ul>	<ul style="list-style-type: none"> <li>–</li> <li>–</li> <li>✓</li> </ul>
<b>Our assets</b>		
<ul style="list-style-type: none"> <li>Continued investment in infrastructure to the benefit of the local, regional and national economy</li> <li>Proactive development of dynamic solutions to counter shipping volatility</li> </ul>	<ul style="list-style-type: none"> <li>Collaborating on an inland hub and making progress</li> <li>Responding quickly to operational disruption in our port network</li> <li>Being flexible to attract more services to Port Otago and the South Island</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> </ul>
<b>Our financial value</b>		
<ul style="list-style-type: none"> <li>Reliable sustainable dividends for our shareholders, to support regional economic development and benefit our community</li> <li>A sustainable future built on solid investment in infrastructure and long-term customer, partner and supplier relationships</li> </ul>	<ul style="list-style-type: none"> <li>Building operational returns year-on-year</li> <li>Maintaining returns in a tight property market</li> <li>Communication of our contribution to the people of Otago</li> </ul>	<ul style="list-style-type: none"> <li>✓</li> <li>✓</li> <li>✓</li> </ul>



## Our material issues

Port Otago is five years into Integrated reporting and identifying its material issues\*. The first three years involved a survey and interviews with key stakeholders. The full materiality process is now undertaken every two years, including 2024, with stakeholder engagement continuing in alternate years.

\* Our materiality-related work is undertaken independently by Materiality Counts.

### Top 11 material issues in order of priority

#### #1 Safety (same priority as 2023)

Ensuring safety is the number one priority for everyone using the port, including our customers, partners and suppliers. A team that is always looking for ways to improve safety and looking out for each other, so everyone goes home safely.

#### #2 Leadership (up 2)

Leadership across the business and the wider community that is transparent and accountable, with strong governance. Aiming for diversity and the right mix of skills within our leadership to be agile and to adapt into the future.

#### #3 Wharf capacity & infrastructure (up 9)

Balancing wharf capacity between bulk, container and cruise ships. Using a simulator to explore what's possible in the channel, allowing increased volumes of logs to be loaded at Dunedin Bulk Port. Efficient container throughput to optimise space on a resilient wharf, alongside an inland storage depot for expansion.

#### #4 Shipping volatility (up 2)

Working closely with shipping lines to build their confidence in visiting the port, achieving as many services with as far a reach, and as much certainty, as possible for all stakeholders. New services include Maersk Polaris transships and ANL, boosting our container business. Demonstrating agility to come up with solutions to shipping challenges across New Zealand as a dynamic port where the team pulls together to get the job done, with efficient container turnaround times and optimum moves per week.

#### #5 Strong relationships (down 3)

Building strong relationships and true partnerships with our stakeholders (community, iwi, customers, partners, suppliers, shareholder, peers, government, regulators, interest groups, industry bodies) by taking the time to listen to what matters to them, such as farmers doing it tough, and sharing the port's plans. Being a great neighbour by doing what we say we will do for the community and iwi, such as keeping noise levels down, supporting their needs and human rights. Communicating effectively on the day-to-day, such as progress towards performance commitments on container moves and storage space.

#### #6 The best team (down 1)

Attracting and retaining the best team for the job by promoting our values in the community and respecting the human rights of our people. Engaging our team by investing in training, including leadership training, providing recognition and succession planning.

#### #7 Culture and wellbeing hauora (up 1)

A positive workplace culture prioritising wellbeing (including the Good Yarn programme), where everyone feels they belong and their diversity is valued. Open, honest and consistent communication and leadership across our whole team and the unions on topics such as rosters for better work-life balance.

**#8 Financial performance** (down 1)

Generating healthy financial returns for our shareholder from a strong capital base via increased revenue and EBITDA. Contributing to the people of Otago via shareholder dividends facilitating reduced regional council rates.

**#9 Nature** (up 5)

Protecting nature in our harbour by listening to the community and iwi, monitoring things closely and taking action well ahead of any tipping points in harbour health. Protecting the wider environment by developing an overall Harbour Management Plan with our partners. Implementing biosecurity measures specifically to protect our native flora and fauna from these hazards.

**#10 Innovation** (down 1)

Improving resilience and efficiency in our supply chain with automation and digitisation. Working with our customers, shipping lines, infrastructure and logistics partners and peers to innovate and become more agile, using container packing optimisation for example, and supply chain services such as green corridors.

**#11 Climate change** (up 5)

Measuring, reporting and reducing our carbon emissions with science-based targets to protect our harbour taoka and beyond. Influencing others to do the same, including shipping lines, road and rail transport, customers, partners, suppliers and peers. Being prepared for increasing extreme weather events and related impacts on supply chain logistics and our customers' operations. Understanding the likely impacts of climate change.

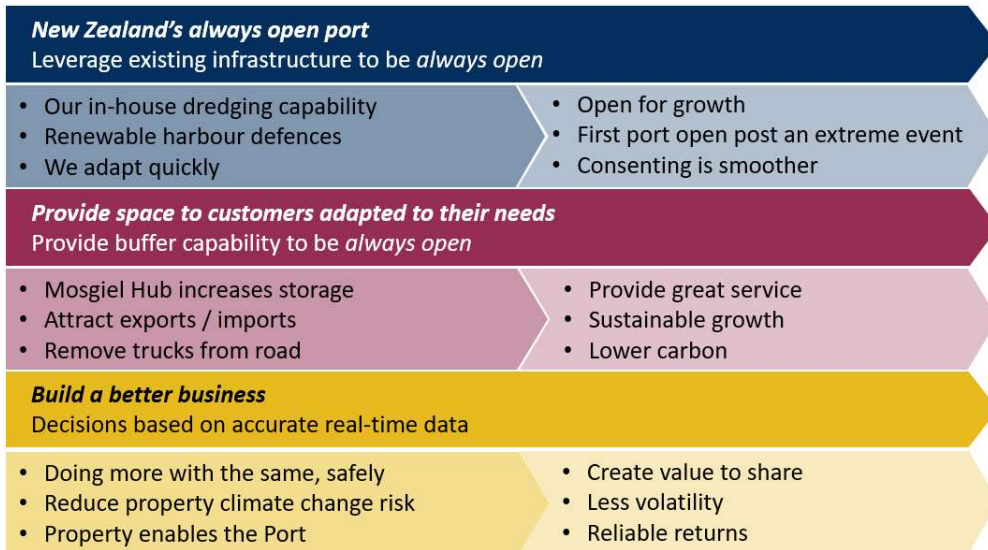
## Our vision: New Zealand's *always open* port

We exist to provide a **safe, efficient** and **always open** gateway to and from the world for our customers. We provide such **excellent service** that no customer wants to leave, while at the same time providing a **secure return** to our owners and being a **respected neighbour** in our community. We balance the short, medium and long term needs of the business with those of our shareholder and stakeholders.

<p><b>SAFE</b> Our people go home safe everyday</p>	<p><b>EFFICIENT</b> Clever use of data delivers benefits to be shared</p>
<p><b>"ALWAYS OPEN"</b> We are always open to shipping, ideas, change, feedback</p>	<p><b>EXCELLENT SERVICE</b> Customers collaborate with us on their future plans</p>
<p><b>SECURE RETURN</b> Reliable dividends are paid to our owners</p>	<p><b>RESPECTED NEIGHBOUR</b> We do the right thing. We respond.</p>



## Our strategy



Our strategy consists of the above *always open* goals developed in 2024 and our ongoing goals developed in 2021 to tackle our material issues and create value for stakeholders and the port. Board meetings continue to be structured using “strategy blocks” based on the six capitals, reminding us to regularly review progress towards our goals.

\* Goals presented in blue are directly related to our always open strategy.

## Our kaimahi

### Material issues

- Safety
- Leadership
- The best team
- Culture and wellbeing hauora

### Goals

- (New) Build a better business: Decisions are based on accurate real-time data.
  - Do more with the same, safely.
- Develop a culture where workforce safety is the number one priority and our team looks out for each other so that everyone goes home safely.
- Build a workplace where the wellness of our team is supported through teamwork, accessible leadership and open and honest communication.

## Our wider team

### Material issue

- Strong relationships

### Goals

- (New) New Zealand's always open port: Leverage existing infrastructure to be always open.
  - Adapting, building on our social licence, making our consenting smoother.
- (New) Space for customers adapted to their needs: Provide buffer capability to be always open.
  - Increased storage at Mosgiel Hub for better delivery windows, making us the preferred option for our customers.
- Be a great neighbour by respecting what is important to our community and iwi and enhancing our social licence to operate.
- Build stronger relationships with our customers, partners, and suppliers to better understand them, measure progress and plan for the future.

## Our harbour taoka and beyond

### Material issue

- Nature
- Climate change

### Goals

- (New) Reduce property climate change risk resulting in less volatility.
- Agree our climate change aspirations and targets.
- Execute our climate change plan covering climate change risk assessment, adaptation/mitigation strategies, reporting framework and current baseline.
- Understand and adapt to potential future climate change impacts on our assets.
- Preserve our beautiful harbour and its biodiversity by listening to our community and iwi, taking care, and monitoring these precious taoka.
- Reduce our noise.

## Our know-how and skills

### Material issues

- Innovation

### Goals

- (New) Build a better business: Decisions are based on accurate real-time data.
  - Do more with the same, safely.
- Investigate the value in future resilient supply chain services, e.g. green corridors, cold ironing and alternative fuels, including the costs, benefits and local demand.
- Improve our efficiency through automation and digitisation, such as systems for berth management, property management and supply chain connectivity.
- Work with our supply chain partners to embrace new and agile ways of working landside.
- Develop a strong platform to train and develop our team.
- Establish effective processes to protect the port from cyber-attacks and respond rapidly.

## Our assets

### Material issues

- Wharf capacity and infrastructure
- Shipping volatility

### Goals

- (New) New Zealand's always open port: Leverage existing infrastructure to be always open.
  - In-house dredging capability making us open for growth.
  - Renewable harbour defences making us the first port open post extreme weather, ready to support others.
- (New) Space for customers adapted to their needs: Provide buffer capability to be always open.
  - Increased storage at Mosgiel Hub for increased delivery windows, making us the preferred option for our customers.
- Grow the container business by investing in additional storage and depot capability.
- Grow the bulk business by increasing storage capacity and enhancing shipping flexibility with Victoria Channel improvements. Relocate storage (where it makes sense), develop wharf replacement options and work with customers on fit-for-purpose infrastructure to meet future needs.
- Improve the quality of cruise business by engaging with the cruise industry, investing in Pilot accommodation, maintaining capability and a new pilot boat.
- Continue to build a sustainable property portfolio as a fundamental part of the port's financial sustainability.

## Our financial value

### Material issues

- Financial returns

### Goals

- (New) Space for customers adapted to their needs: Provide buffer capability to be always open.
  - Attract exports/imports for sustainable growth.
- (New) Build a better business:
  - Decisions based on accurate and complete data.
  - Property enables the port, a successful business in its own right, resulting in reliable returns.
- Provide consistent shareholder dividends with a portfolio that optimises returns, builds resilience and facilitates investment in the future.

## Performance targets

Capital reference	Objectives	Key performance measures	Targets		
			2025	2026	2027
Our kaimahi	Health, safety and well-being	Critical Risk: Visible Leadership Conversations	1000	1000	1000
Our kaimahi	Health, safety and well-being	Total recordable incident frequency rate (per 1 million hours)	<10	<10	<10
Our financial value	Financial	EBIT	\$39m	\$42m	\$46m
Our financial value	Financial	Shareholders' funds (Equity) or Net Assets *	\$728m	\$735m	\$745m
Our financial value	Financial	Return on equity *	4.5%	4.5%	4.0%
Our financial value	Financial	Equity Ratio*	Between 70%-85%		
Our financial value	Financial	Interest cover ratio	5	5	5
Our financial value	Financial	Dividend **	\$18m	\$20m	\$20m

Capital reference	Objectives	Key performance measures	Targets		
			2025	2026	2027
Our harbour taoka and beyond	Environmental	Number of harbour spills caused by Port Otago	0	0	0
Our know-how and skills	Environmental	Percentage of resource consent compliance monitoring events achieving full compliance	100%	100%	100%
Our harbour taoka and beyond	Compliance with Port & Harbour Safety Code (PHSC)	The requirements of the PHSC continue to be met	Yes	Yes	Yes
Our know-how and skills	Compliance with Port & Harbour Safety Code (PHSC)	Risk assessments of new tasks or reviews post incident completed	Yes	Yes	Yes

\*Excludes future unrealised fair value movements of investment properties and hedging interest rate swaps.

\*\* Based on the intention to pay dividends within the range of 50-70% of the group's normalised operating surplus after tax.

Financial performance measure	Definition
EBIT	Earnings before interest, taxation, realised and unrealised investment property gains
Return on equity	Profit divided by average shareholder's equity
Equity ratio	The percentage that equity represents of total assets within the target range between 70% and 85%
Interest cover ratio	The number of times interest is covered by the profit before tax, interest, unrealised fair value movements and unrealised impairment charges.

## Governance and leadership

### The board

Port Otago's shareholder appoints the directors to govern and direct the company's activities. The board is the overall and final body responsible for the proper direction and control of the company's activities and decision making. The board's responsibilities include the overall objectives, strategy, stewardship, performance and reporting of the company.

### Statement of corporate intent (SCI)

The SCI is prepared based on the requirements within the Port Companies Act 1988. The board submits a draft SCI to the company's shareholder after due consultation with the shareholder and, after considering its comments, the board approves the final SCI and delivers it to the shareholder.

### Board operation

The Port Otago board's operation is subject to the company's constitution and board charter, which sets out how the board and directors shall undertake their responsibilities.

The board chair leads the board and its relationship with the shareholder and other major stakeholders. The chair maintains a close professional relationship with the company's CE and, through the CE, the leadership team (LT).

New directors undertake an induction process to familiarise them with matters related to the company.

### Conflicts of interest policy

These documents require all directors and employees to:

- Act with integrity, honesty, transparency, openness and in good faith
- Comply with the law, apply good judgment and proactively identify, disclose and manage conflicts of interest
- Promptly disclose or report any significant potential or perceived conflict or wrongdoing.

The company maintains an Interests Register that is reviewed at the start of every scheduled board meeting.

### Policies

The board reviews the company's key policies at regular intervals.

### Board performance and review

The board regularly reviews its performance and the performance of the CE. The reviews aim to identify opportunities and set plans for performance development and improvement.

### Board meetings and committees

The board meets approximately 10 times per year. Additional meetings are convened as and when required. The board's annual work programme is set by the board before the start of each financial year. The board receives formal agenda papers and regular reports, generally a week in advance of meetings. Senior managers are regularly involved in board discussions. Directors also have other opportunities to obtain information and may seek independent expert advice.

The board delegates some responsibilities and tasks to board committees, but the board retains the ultimate responsibility and accountability for any committee's actions or inactions. Subject to any conflict

issues, all directors receive agenda papers for committee meetings and all directors may attend committee meetings.

The board's four standing committees are:

- Health and Safety Committee (full governance committee) – which assists the board in discharging its responsibilities with respect to health, safety and well-being.
- Audit and Risk subcommittee – which liaises with the company's independent external auditor, and reviews the quality and reliability of internal controls and financial and regulatory information used by and issued by the board.
- People and Remuneration subcommittee – which reviews the company's remuneration policies and practices, and reviews and sets the remuneration of the company's CE and LT.
- Sustainability subcommittee – to help ensure the company is meeting its responsibilities around sustainable business practices.

### Liability insurance and indemnity

Port Otago arranges comprehensive liability insurance policies for the company, directors and officers within the limits and requirements set out in the Companies Act 1993 and the company's constitution. The company also indemnifies directors and employees within the limits and requirements set out in the Act.

### Legislative compliance

The board receives regular updates and representations from management on legislative compliance. Areas of relevant law include industry-specific regulation, health and safety, corporate, taxation, financial reporting, commercial, environmental, human resources and privacy.

### Auditor

Ernst & Young, on behalf of the Auditor-General, is auditor of the company.

### Our compliance with relevant legislation

Port Otago will continue its legislative compliance programmes and aim to ensure we meet our obligations under relevant legislation and regulations.

### Reporting to our shareholders

Port Otago submits its draft SCI to its shareholder for consultation annually, as required under the Port Companies Act 1988. Where appropriate, we will submit a revised SCI to our shareholder. (See appendices for performance targets.)

We will submit an annual report to our shareholder. This annual report will include:

- Audited financial statements
- Performance relative to the targets set in this SCI
- Key issues and progress with sustainability
- Other information to enable an informed assessment of the group's performance and financial position.

Port Otago values shareholder communication facilitated by the Port Liaison Committee which enables periodic interchange with our shareholder





We will also submit an interim report to our shareholder. This report will contain unaudited information similar in content to our annual report and will comply with financial reporting standard NZ IAS 34 – Interim Financial Reporting.

Port Otago’s accounting policies comply with applicable NZ IFRS standards and interpretations. We have applied the same accounting policies when preparing the SCI’s financial forecasts, as for our audited financial statements for the year ended 30 June 2024. Our actual accounting policies during the three-year period of this SCI may change as a result of changes to NZ IFRS standards and interpretations.

### **No surprises policy**

The company will endeavour to inform our shareholder prior to any significant decision being made public and will engage via the Port Liaison Group as required.

### **The commercial value of our shareholder’s investment**

Port Otago estimates the commercial value of its shareholder’s investment in the group is at least that which is stated as shareholder’s equity in our audited financial statements. This is reassessed annually, alongside our audited financial statements.

### **Activities subject to compensation**

The company will provide the following services for the Otago Regional Council, for which Port Otago expects to be remunerated or reimbursed by the council:

- Assistance in matters of good navigation and safety on Otago Harbour.
- Provision of such services as may be requested by the Regional Council.
- Construction of a new office.



### 9.3. Updated Consent Environmental Fee Fund Policy

**Prepared for:** Council  
**Report No.** GOV2449  
**Activity:** Governance Report  
**Author:** Alexandra King, Manager Consents  
**Endorsed by:** Joanna Gilroy, General Manager Environmental Delivery  
**Date:** 23 October 2024

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#### PURPOSE

[1] To provide an updated Resource Consents Fees Support Policy to Council for approval.

#### EXECUTIVE SUMMARY

[2] Council has an existing policy that covers the processing fees for consent applications that relate to activities that have an environmental benefit. At the Regional Leadership Committee meeting on the 28 August the Committee supported changes to the policy. These changes being job titles, minor grammatical errors and clarity about who qualifies under the policy.

[3] It is also recommended, as part of these updates that the policy scope is widened to cover the processing fees associated with bylaws required under the Flood Protection Management Bylaw 2022.

#### RECOMMENDATION

*That Council:*

- 1) **Approves** the proposed changes to the Resource Consent Fees Policy including the expansion of scope of the policy to cover Bylaw processing fees.

#### BACKGROUND

[4] During Long Term Plan (LTP) deliberations in 2021 staff were requested to develop a policy for assisting with resource consent processing costs for environmental enhancement projects. An annual budget of \$50,000 was included for this purpose. Funding for this policy has been provided for the first three years of the new LTP 2024-2034.

[5] The policy was updated in 2022 to widen the scope to include covering processing costs for applications from individuals and compliance and monitoring related costs if full compliance was maintained. As part of the annual review of the policy undertaken at the end of this financial year, changes are recommended to correct minor grammatical errors, update job titles, provide certainty on who can seek funding and to include processing fees for bylaws that are required for environmental enhancement projects.

[6] Under Council's Flood Protection Management Bylaw 2022, some projects that have an environmental benefit may need approval before they can undertake the project. The policy does not currently cover processing fees for these. It is recommended that the policy does include these processing fees as they are not currently covered by the policy.

## DISCUSSION

- [7] At the Regional Leadership Committee meeting on 28 August the Committee supported proposed changes to the Resource Consent Fees Support Policy. These changes being job titles, dates, minor grammatical errors and clarifying who can apply for funding.
- [8] The current scope of the policy is limited to applications from:
- a) Catchment Groups
  - b) Community groups
  - c) Iwi/hapu groups
  - d) Incorporated societies
  - e) Community trusts and boards
  - f) Resident and ratepayer groups
  - g) Educational institutes or trusts
- [9] There was discussion at the Committee about adding in other parties to the scope of the policy or making grammatical changes to the above list to clarify who could or could not apply to the fund. This was to address situations where a Council, or Company needed to apply on behalf of one of the listed groups. The change proposed to the policy is adding in the ability for Councils and Companies to apply for the fund on behalf of the eligible parties listed in the policy. This is instead of opening up the fund to Councils or Companies. This keeps the scope of who can apply for and use the fund limited to the above existing list.
- [10] Additional changes proposed to the policy include the ability for the fund to cover fees associated with Council's Flood Protection Management Bylaw 2022. Often projects that need consent, may also need approval under Council's Bylaw, or just need Bylaw approval. An example of this is planting within a floodway or on a schedule drain. The recommendation to include bylaws mean that if an application needs both resource consent and bylaw approval the whole application can get funding under this policy.
- [11] The proposed changes to the policy are shown in track changes in Appendix 1.

## OPTIONS

- [12] There are three options available as it relates to Policy.
- Option 1 – recommended option. The Committee endorses the recommended changes to the policy.**
- [13] The changes to the policy are approved.
- [14] There are no clear disadvantages to this option. The only disadvantage is that companies are not included in the scope of the policy, but the policy is clear that projects are not to be for commercial gain.
- [15] The advantages of this option are that it allows all people wanting to undertake environmental enhancement can do so; widens the scope to include more projects and it ensures the policy is correct and can continue to be implemented. Making the changes would also enable the fund to continue to operate in advance of a wider project looking at all environmental funding to be completed ahead of year 2 of the LTP.

**Option 2 – the Committee recommends no changes to the Policy.**

- [16] The disadvantages of not making the changes, is that the fund is not available to all who are wanting to undertake environmental enhancement. This may cause confusion for those applying under the policy. It would also mean that those who need Bylaw approval from Council will continue to pay for these, which may be a barrier for those wanting to undertake projects. There are no clear advantages of this option.

**Option 3 – The Committee recommends other changes and endorses the Policy.**

- [17] Any advantages or disadvantages will depend on the nature of any additional changes sought by the Committee.

**CONSIDERATIONS**

**Strategic Framework and Policy Considerations**

- [18] The policy and fund are consistent with the ORC Strategic framework. This includes supporting our vision for Otago, including that our communities are supported and empowered to achieve better environmental outcomes.

**Financial Considerations**

- [19] Budget for this is included in the first three years of the new Long-Term Plan.
- [20] A budget of \$50,000 was provided for the fund annually. It is expected that even with the increased scope that there are sufficient funds available.

**Significance and Engagement**

- [21] As this is an update to a current policy consideration of the Significance and Engagement Policy is not required.

**Legislative and Risk Considerations**

- [22] A number of legislative requirements govern the activities of the Environmental Delivery Group.
- [23] There are no climate change considerations associated with this report. However, applications that receive fee support may be ones which seek to address or relate to projects around climate change.

**Communications Considerations**

- [24] The fund has been previously promoted and will be promoted again now that we are in the new financial year.
- [25] Communication with the Otago community occurs on a regular basis to educate and inform people on regulatory matters. Potential applicants are advised of this fund and their ability to use it as part of pre-application discussions. This will continue to happen. Information is also available on our website.

**NEXT STEPS**

- [26] The Consents Team and the Engineering Team will continue implementing the policy.

**ATTACHMENTS**

1. Financial Support for Resource Consent Processing Fees Environmental Enhancement Projects [9.3.1 - 5 pages]



## Otago Regional Council

### Financial Support for Resource Consent and Bylaw Processing Fees - Environmental Enhancement Projects

**October ~~July~~ 2024**



<b>Document Name:</b> Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects
<b>Document Owner:</b> General Manager Environmental Delivery
<b>Authorised By:</b> Council
<b>Implementation Date:</b> <u>July 2022-1 July 2024</u>
<b>Review Period:</b> Annual
<b>Last Reviewed:</b> <u>October 2024 1 July 2022</u>
<b>Next Review:</b> 1 July 2025

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## 1. INTRODUCTION

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The Financial Support for Resource Consent Processing Fees - Environmental Enhancement Projects Policy provides guidance to those groups wishing to apply for support for a project which requires a resource consent, [bylaws](#). The policy confirms the Council's support for qualifying groups who are delivering environmental enhancement projects which are consistent with the Council's Strategic Directions or priorities listed in other statutory documents.

## 2. PURPOSE

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The purpose of the policy is to give clear direction to applicants seeking support for resource consent, [or bylaw](#) processing fees for environmental enhancement projects.

## 3. SCOPE

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The scope of this policy is limited to resource consent processing [and bylaw](#) fees associated with applications made by qualifying groups for eligible environmental enhancement projects. The following costs are not within scope of this policy and will not qualify for support:

- work required in response to any actual or potential enforcement action.
- administrative charges and annual consent monitoring fees associated with a granted consent.
- costs associated with retrospective consents.
- any costs incurred by the applicant in the preparation of the application.
- costs associated with the [i](#)Implementation of the activity for which consent is sought.

In addition fees support will not be provided for a publicly notified application, [or](#) costs associated with a hearing for a limited notified application.

## 4. DELEGATIONS

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Decisions on applications for fees support will be made by the General Manager Environmental Delivery. The final decision is at Council's discretion and will be considered on a case-by-case basis. Approval of fees support is entirely at the discretion of Council and is subject to budget availability. There is no objection or appeal rights.

Budget availability and an indication of support for any application will be provided by staff at the required pre-commencement meeting.

## 5. CRITERIA

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To qualify for fees support the application for consent, [or bylaw](#) must be lodged by a not-for-profit individual, [or company](#) or organisation such as:

- Catchment Groups
- Community groups
- Iwi/hapu groups



- Incorporated societies
- Community trusts and boards
- Resident and ratepayer groups
- Educational institutes or trusts
- Councils
- Or any other entity such as a Council or Company applying on behalf of the above. Company

~~and they~~They must be able to demonstrate that their activity will deliver an environmental enhancement or service. For example, it:

- Supports or delivers improved water quality in Otago
- Supports or delivers improved air quality in Otago
- Supports or delivers improved biodiversity outcomes in Otago
- Protects the Otago environment
- Enhances the Otago environment
- Promotes the Otago environment (e.g. does it inform or create an awareness in the community or educate people?)

The project must also be consistent with Council's priorities as set in the Strategic Directions, Long Term Plan or other ORC statutory documents.

Decisions on applications for fees support will be made by the General Manager Environmental Delivery, who may approve or decline the application. No further consideration of the application will be undertaken following issue of the final decision. There are no objection or appeal rights.

The maximum amount of support offered for consent processing fees on an individual project will be \$10,000 total. Costs over and above this amount will be payable by the applicant in accordance with ORC's Fees and Charges Schedule. Applicants will have the right to object to these additional fees under the standard provisions of section 357B of the Resource Management Act.

Consent and bylaw processing fees support is a first come first served process. If the allocation is exhausted no further applications will be considered until the following financial year.

## 6. PROCESS

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In order to receive consent processing fees, or bylaw-support the group or individual applying for the consent must lodge a written request to the General Manager for processing fees to be supported before the application for consent, or bylaw is submitted to Council for processing. The relevant application form can be found on the ORC website. Information required to enable consideration of the application includes:

- how it meets the criteria in the policy; and
- confirmation that the group is a not for profit group and there is no commercial gain; and
- confirmation that a pre-application meeting has been or will be held with ORC ~~consent~~ staff prior to lodgement of the consent application.

Written confirmation of acceptance for support will be provided to the applicant within 10 working days of the request being received. This confirmation letter should be included with the application material at the time the consent application is lodged.

## 7. RELATED DOCUMENTS

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- Resource Consent and Bylaw Fees Support Application Form
- Ecofund Funding Checklist and Application form (Note: your project may qualify for additional support from ORC)
- Revenue and Financing Policy

#### 9.4. Air Quality Work Programme Reference Group

**Prepared for:** Council

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**Report No.** STG2404

**Activity:** Environmental: Air

**Authors:** Hilary Lennox (Manager Strategy).

**Endorsed by:** Amanda Vercoe, General Manager Strategy and Customer  
Richard Saunders, Chief Executive

**Date:** 23 October 2024

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#### PURPOSE

[1] This paper has two purposes:

- a) To update Council on ORC's approach to reviewing the Regional Plan: Air for Otago (Plan) and the 2018 Air Quality Strategy (Strategy), including key milestone points;
- b) To recommend Council establish a Councillor Reference Group to oversee the process of updating the Plan and Strategy.

#### EXECUTIVE SUMMARY

- [2] ORC is in the process of reviewing its approach for managing air quality through the review of both its Plan and Strategy. The work to update both documents is progressing as a joint project undertaken collaboratively by the Policy and Planning Team and the Strategy Team.
- [3] Staff from the Policy and Planning Team and the Strategy Team have mapped the process for developing the revised Plan and Strategy. This sees the draft Plan and draft Strategy being ready for Council endorsement in August 2025 prior to public notification of the Plan and public consultation on the Strategy. A high-level overview of the timeline is provided in Attachment One.
- [4] ORC staff recommend Councillors establish a Councillor Reference Group to oversee this process of updating the Plan and the Strategy. The team working on the Strategy and the Plan would work with this Councillor Reference Group to provide updates on progress and ensure information provided to Council is tailored to support efficient decision making, thereby maximising the value of full Council meetings and workshops.

#### RECOMMENDATION

*That the Council:*

1. **Notes** this report.
  2. **Notes** ORC's joint approach to updating the Regional Plan: Air for Otago and the 2018 Air Quality Strategy.
  3. **Agrees** to establish a Councillor Reference Group and appoints members.
  4. **Approves** the Terms of Reference.
-

## **BACKGROUND**

- [5] The Resource Management Act 1991 requires regional councils to manage air quality. We must ensure national air quality standards are met and ensure overall air quality is well managed. This is important for the health of Otago communities.
- [6] The National Environmental Standards for Air Quality (NESAQ) sets the standards which ORC must meet by managing air quality. Specifically, we must monitor urban areas where air quality exceeds the standards and take action to reduce emissions where a breach of the standards has occurred.
- [7] The existing Plan was made operative in 2003, with plan changes in 2006 and 2009, and an amendment in 2023. According to the RMA, Councils must review their regional plans every 10 years. The 2024 – 2034 Long Term Plan includes that ORC will review and notify the Plan by 30 June 2025.
- [8] ORC last updated its Air Quality Strategy in 2018. This version of the strategy provides a good foundation for the current work. However, implementation of the Strategy became strained when funding was exhausted.
- [9] ORC staff are engaging with our counterparts from other regional councils to share and understand learnings, opportunities, and emerging expectations around improvements to air quality management in New Zealand.
- [10] Regarding mana whenua involvement, ORC staff have a recurring fortnightly meeting appointment with Aukaha Ltd's resource management team to discuss upcoming plan change / strategy development consultation work. It is anticipated that ORC staff could be seeking mana whenua's input on strategic pathways as early as December 2024.
- [11] ORC staff will also be meeting with Aukaha Ltd's Better Homes team to better understand their Otago Home Upgrade Programme and see whether there is strategic alignment and / or any opportunities.

## **DISCUSSION**

- [12] It is well recognised that effective air quality management requires regional councils to understand and target the causes of poor air quality. Often a combination of regulatory and non-regulatory approaches is used. For example, the success of a rule requiring the community to only burn dry wood depends on the community's understanding of what dry wood is, and their access to dry wood. The regulatory component, therefore, may be most effective if combined with non-regulatory activities, such as education campaigns on what we mean by 'dry wood'. Also, a certification scheme for firewood retailers to demonstrate that their wood is dry has been successful in other areas. These are the types of approaches ORC is exploring as part of reviewing the Strategy.
- [13] Specifically, the Strategy will provide the overarching framework for how ORC will fulfil its responsibilities regarding air quality management, identifying goals and a clear pathway for how regulatory and non-regulatory approaches will complement one another to maximise efforts. The Plan will be part of the Strategy, with the Strategy encompassing ORC's regulatory approach as part of this pathway.

- [14] The joint approach will ensure ORC is effective and efficient in its approach to air quality management.

*Timelines for air quality programme*

- [15] Staff from the Policy and Planning team and the Strategy team have mapped the process for collaboratively developing a revised Plan and Strategy.
- [16] In early 2025, ORC staff intend to seek guidance from the Environmental Science and Policy Committee on the pathway ORC should pursue to manage air quality through the Strategy and Plan. To support the Committee's consideration at this workshop, we will provide detailed analysis of approaches available to ORC, with information on costs, impacts, and co-benefits (if any). At that time, we will also provide an analysis of the feedback received through the recent public engagement, and our engagement with Kāi Tahu.
- [17] Following this guidance, ORC will undertake the pre-notification consultation on the draft Plan and return to Council in August 2025 seeking a decision to publicly notify the draft Plan and make the draft Strategy available for public consultation.
- [18] The approach to revising the Plan and Strategy alongside each other means that two LTP 2024-2034 Level of Service measures will be delivered two months later than originally anticipated (i.e. by August 2025 rather than June 2025). This additional time is critical for ORC to deliver a robust, effective, and connected approach to air quality management through the Strategy and Plan. A high-level overview of the revised timeline is provided in Attachment One.
- [19] ORC has recently undertaken public engagement on air quality issues and opportunities (July – August this year). ORC designed this public engagement to be broad in scope, gathering feedback on content which will inform both the Strategy and the Plan. We are currently working through the feedback received, which will play a critical role in our development and analysis of management pathways. We will provide more information on this public feedback at the Environmental Science and Policy Committee workshop we propose for early 2025.

*Establishing a Councillor Reference Group*

- [20] ORC recommends Councillors establish a Councillor Reference Group to assist staff to progress the air quality work programme. This group would operate like the Climate Reference Group which oversaw progress on the Strategic Climate Action Plan (SCAP). ORC will work with this group to provide updates on progress and test material prior to it being taken to the Environmental Science and Policy Committee and Council. This will ensure information provided is tailored to support efficient decision making and maximise the value of Governance input. We recommend that this Reference Group is comprised of four Councillors, preferably with representation from Central Otago where some of the towns with the poorest air quality are located. Councillors may also wish to invite a Mana Whenua representative to join the Reference Group. A draft Terms of Reference is included in Attachment Two.
- [21] We anticipate that the air quality team would seek input from the Reference Group at no more than monthly intervals between November 2024 and August 2025, although

based on our experience from developing the SCAP, the meeting intervals are likely to be less than this.

## OPTIONS

- [22] **Option 1 (recommended):** Establish a Reference Group to oversee the review of the Regional Plan: Air for Otago and the 2018 Air Quality Strategy.
- [23] **Option 2:** Choose not to establish a Reference Group to oversee the review of the Regional Plan: Air for Otago and the 2018 Air Quality Strategy

## CONSIDERATIONS

### Strategic Framework and Policy Considerations

- [24] Progressing work on updating the Strategy and Plan together strongly aligns with the Strategic Directions' vision as it will ensure both the Strategy and Plan will work together to deliver the best outcomes for the environment and Otago communities.
- [25] This work broadly supports many goals within the Strategic Directions. In particular, it supports the goal *'Ecosystems are healthy, our water and air are clean, and biodiversity loss is arrested across the region'* as this work is focused on improving air quality; and the goal *'our communities trust us, and they are satisfied with us and the outcomes we are delivering'*, as our joint approach will communicate how ORC as a whole is working to improve air quality in the region, and how the Plan and Strategy fit together.

### Financial Considerations

- [26] This work programme is budgeted for in the current year of the Long Term Plan.

### Significance and Engagement

- [27] For the Plan, the RMA requires ORC to engage with Kāi Tahu and the community. Where appropriate, ORC's engagement material will reflect the joint approach to developing the Strategy with the Plan. ORC has planned for this statutory engagement as part of the timeline for progressing this work. This is reflected in the table of key milestones in Attachment One.
- [28] As noted above, ORC has already completed the first stage of public engagement on this work. This included targeted engagement with key stakeholders, and broad community engagement both in person and online over the months July – August 2024. ORC will provide further information on the public feedback received at the workshop planned for 2025.

### Legislative and Risk Considerations

- [29] According to the RMA, ORC is required to review, and update as necessary, the Plan at least every 10 years. The last update to the Plan was in 2009 and ORC was required to review and update this in 2019. Due to resourcing constraints and competing priorities, the work to update the Plan only substantially started in early 2023.
- [30] We do not consider the delay to this work a substantial risk.

### **Climate Change Considerations**

- [31] Many of the emissions which degrade Otago's air quality, are also greenhouse gases which contribute to climate change. Action by ORC to manage air pollutants to improve air quality will also reduce the emissions of the region.
- [32] Climate change will impact the weather patterns in the Otago region, which is likely to lead to warmer temperatures and more extreme weather events. Some of the amenities which may be affected by this work (i.e. fireplaces, outdoor burning) may have intersecting roles in improving the climate-resilience of the region.
- [33] The climate change co-benefits and risks of various ORC actions to improve air quality will be considered as part of the policy analysis and reflected in ORC's material for the workshop in early 2025.

### **Communications Considerations**

- [34] There are no communications considerations of this paper.

### **NEXT STEPS**

- [35] If established, ORC staff will work with the Councillor Reference Group at regular intervals to progress this work.
- [36] ORC staff will seek guidance from the Environmental Science and Policy Committee on the potential management pathways for ORC to improve air quality in Otago.

### **ATTACHMENTS**

Overview of the Timeline

Terms of Reference for the Air Plan and Air Quality Strategy Reference Group

1. Attachment One Overview of Timeline (1) [9.4.1 - 1 page]
2. Attachment Two Terms of Reference [9.4.2 - 1 page]

**Attachment One**

**AIR PLAN AND AIR QUALITY STRATEGY REVIEW  
OVERVIEW OF TIMELINE**

<b>Milestone</b>	<b>Date completed</b>
Consolidated report on potential pathways for Council decision, which will include input from Kai Tahu, economic and environmental assessments, and a legal review.	End of January 2025
Council workshop on the pathway ORC will pursue to improve air quality through the Strategy and Plan.	Early 2025
Drafting of Strategy, Plan, s32 report, and Implementation Plan	April 2025
Clause 3 consultation on Plan, as required by RMA	May 2025
Kai Tahu review	July 2025
ORC staff return to Council for decision on notification	August 2025



**Attachment Two**

**TERMS OF REFERENCE  
AIR PLAN AND AIR QUALITY STRATEGY REVIEW REFERENCE GROUP**

**1. PURPOSE**

The Reference Group will provide guidance and direction to staff during the development of the Air Quality Strategy (Strategy) and Regional Plan: Air (Plan).

**2. BACKGROUND**

The Resource Management Act 1991 requires regional councils to manage air quality. Accordingly, Otago Regional Council (ORC) must ensure air quality standards are met and ensure overall air quality is well managed. This is important for the health of the Otago communities.

The ORC is in the process of updating its approach to managing air quality. This involves updating its Strategy and Plan. In its October 2024 meeting, Councillors decided to establish a Councillor Reference Group to oversee the work of updating the Strategy and Plan.

**3. ROLE OF THE GROUP**

The Reference Group will provide guidance and direction on the following:

- a) Actions and policy direction for the Strategy and Plan;
- b) Information gaps and how to address these to best support Councillor decision making;
- c) Any other topics which is relevant to the development of the Strategy and Plan.

**4. SCOPE OF THE GROUP**

The Group shall focus on issues related to the review of the Strategy and Plan.

**5. GENERAL**

**Membership**

Councillor representative, tbc

Councillor representative, tbc

Councillor representative, tbc

**Supported by:**

Fleur Matthews, Manager - Policy

Hilary Lennox, Manager - Strategy

**QUORUM AND DECISION-MAKING**

No formal decisions will be made by the group.

**FREQUENCY OF MEETINGS**

The Reference Group will meet as required, but no more than once per month between November 2024 and July 2025.

### 9.5. Biodiversity Strategy Reference Group

Prepared for: Council

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Report No. STG2405

Activity: Environmental: Land

Author: Shay van der Hurk, Senior Advisor Strategy

Endorsed by: Amanda Vercoe, General Manager Strategy and Customer

Date: 23 October 2024

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#### PURPOSE

- [1] To progress the establishment of a Biodiversity Strategy Reference Group and note the scope for the Biodiversity Strategy.

#### EXECUTIVE SUMMARY

- [2] On 25 September 2024, the Environmental Science and Policy Committee endorsed the establishment of a Reference Group of both Mana Whenua and Councillors to provide guidance and direction for the revision of ORC's Biodiversity Strategy.
- [3] This paper sets out a Terms of Reference for a Reference Group, proposes that the Council appoint two Councillors to the group and invite Mana Whenua to appoint two Mana Whenua representatives to the group.
- [4] This paper also highlights some of the scope for the revised Biodiversity Strategy.

#### RECOMMENDATION

*That the Council:*

1. **Notes** this report.
2. **Approves** the Terms of Reference.
3. **Appoints** two Councillors to the Reference Group.
4. **Invites** Mana Whenua to appoint two Mana Whenua representatives to the group.

#### BACKGROUND

- [5] The Environmental Science and Policy Committee received a briefing from staff about the context and scope for the revision of the ORC Biodiversity Strategy at a workshop on 25 September 2024. Committee members were supportive of the approach and the establishment of a Reference Group with both Mana Whenua and Councillor representation to provide guidance and direction to staff during the development of the strategy.
- [6] Advice was sought from Mana to Mana on how Mana Whenua might best participate in the revision of the Biodiversity Strategy at the meeting in August, and there was interest from Mana Whenua in participation in a Reference Group.

#### Context for the Biodiversity Strategy

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- [7] Otago is one of the most biodiverse regions in Aotearoa New Zealand. Many of Otago's species are rare. Over and above its intrinsic value, the indigenous biodiversity of Otago is fundamental to Mana Whenua, and important to Otago communities and businesses e.g. for wellbeing; tourism; soil formation; flood mitigation; erosion control; water supply.
- [8] Indigenous biodiversity in Aotearoa New Zealand is in crisis. From research in Otago, it is clear that indigenous biodiversity is not being maintained in the region.
- [9] ORC has the levers, responsibility, and mandate to maintain indigenous biodiversity in Otago. Revision of the biodiversity strategy is timely, with the imminent conclusion of the Jobs for Nature stimulus, the expansion of the restoration economy in Otago, and recent long term plan submissions indicating the expectations of our communities.

## **DISCUSSION**

- [10] Staff recommend that the Reference Group take a similar format to the working group for the Strategic Climate Action Plan, providing guidance and direction for the revision of the strategy. The Terms of Reference have been drafted to reflect this and to include both Mana Whenua and Councillor representation.
- [11] Both Mana Whenua and Councillor representation on the group will help to achieve the Strategic Directions goals set by Councillors towards an effective and meaningful partnership with Mana Whenua, creating better outcomes for our region. This will also support the strategy to achieve the directions set out in the National Policy Statement Indigenous Biodiversity 2023 (NPSIB.)
- [12] Biodiversity is fundamental to Mana Whenua. Mana Whenua are an effective partner in the maintenance of indigenous biodiversity in Otago. This is demonstrated through leadership, advocacy and on the ground efforts in the protection and enhancement of biodiversity throughout Otago.
- [13] It is anticipated that the Reference Group will provide guidance and direction on the following: (a) community and stakeholder engagement; (b) identifying the issues that biodiversity is facing today and into the future; (c) the biodiversity outcomes we want to achieve for the region; (d) the approach we take to achieving those outcomes; (e) any other relevant topics for the Biodiversity Strategy's development.

### **Scope for the Biodiversity Strategy**

- [14] ORC has a role to deliver the purpose and principles of the Resource Management Act through the maintenance of indigenous biodiversity. The revised Biodiversity Strategy will detail how ORC will deliver on this role but will not be a regulatory document. It will inform ORC's future work programmes and policies and is intended to provide alignment with the National Policy Statement for Indigenous Biodiversity 2023 and Te Mana O Te Taiao – Aotearoa New Zealand Biodiversity Strategy 2020.
- [15] Much of the scope of the strategy is already provided by policy (e.g. the NPSIB), but there are some areas where there are options. For these areas the following scope is recommended:

- a. Replace the Biosecurity Strategy by including Biosecurity in the revised Biodiversity Strategy;
- b. Prepare the Biodiversity Strategy in partnership with Mana Whenua, with a high degree of collaboration with DOC and Territorial Authorities (TAs), but not to seek signatories to the strategy; and
- c. Include the terrestrial, freshwater, coastal and marine realms in the strategy to take a Ki Uta Ki Tai approach.

[16] Conversations with Aukaha, Te Ao Marama, Department of Conservation (DOC), TAs, Regional Councils across the country and contributions from staff across ORC have informed these recommendations.

### OPTIONS

- [17] **Option 1 (recommended):** Establish a reference group consisting of two ORC councillors and two Mana Whenua representatives to oversee the strategy development process.
- [18] **Option 2:** Aukaha and Te Ao Marama continue to provide advice on behalf of Mana Whenua to the strategy development process at a staff level, with direct Mana Whenua review and input through the ESP Committee and/or Mana to Mana.
- [19] In both options, Staff will do the work, with support from Aukaha and Te Ao Marama, working closely at important steps in the process.

### CONSIDERATIONS

#### Strategic Framework and Policy Considerations

- [20] Option 1, the recommended option best delivers on the Partnership focus area and goals in the Council's Strategic Directions, providing an opportunity for a meaningful and effective partnership, and is much more likely to result in incorporating Mātauraka Māori and Te Ao Māori concepts of intergenerationally and deeply connected systems into ORC's Biodiversity work.
- [21] The Biodiversity Strategy more broadly seeks to deliver on the Environment, Resilience and Community focus areas, these areas are likely to benefit from an effective partnership with Mana Whenua, most effectively delivered by Option 1.

#### Financial Considerations

- [22] The revision of the strategy is budgeted for in the current year of the Long Term Plan. Costs incurred by either option will be budgeted for in the project budget.

#### Significance and Engagement

- [23] Option 1, the recommended option best delivers on the Otago Regional Council Significance, Engagement and Māori Participation Policy, reflecting the significance of Indigenous Biodiversity to Mana Whenua and to our communities.
- [24] The Strategy Team will take a best practice engagement approach that reflects the interest that Otago communities have in biodiversity. This approach will include making the most of engagement already happening through ORC's existing work e.g. Integrated

Catchment Management. The draft strategy will have a period of public consultation after 30th June 2025.

#### **Legislative and Risk Considerations**

- [25] ORC has a role to deliver the purpose and principles of the Resource Management Act through the maintenance of indigenous biodiversity. The Biodiversity Strategy is an important part of effectively delivering this role and to mitigate risks associated with biodiversity loss.

#### **Climate Change Considerations**

- [26] The revised Biodiversity Strategy is intended to align with the Strategic Climate Action Plan, responding to its goals and approaches, including supporting the resilience of indigenous biodiversity.

#### **Communications Considerations**

- [27] The engagement approach outlined above will work alongside a communications plan currently being developed.

#### **NEXT STEPS**

- [28] Work to understand the current situation, and identify issues that biodiversity is facing in Otago, is ongoing.
- [29] Assuming the preferred option is confirmed, Mana Whenua representatives will be sought, and a Reference Group established. Staff will then proceed with strategy development.

#### **ATTACHMENTS**

Terms of Reference for the Biodiversity Strategy Reference Group

1. TOR ORC Biodiversity Strategy Reference Group [9.5.1 - 1 page]

**Terms of Reference  
Biodiversity Strategy Reference Group**

**Purpose**

The Reference Group will provide guidance and direction to staff during the development of the revised ORC Biodiversity Strategy.

**Background**

ORC has made a commitment in the 2024-2034 Long Term Plan to revise the 2018 ORC Biodiversity Strategy and is working toward releasing a draft revised strategy for public consultation by 30 June 2025.

ORC has a role to deliver the purpose and principles of the Resource Management Act through the maintenance of indigenous biodiversity. The revised Biodiversity Strategy will detail how ORC will deliver on this role - including the promotion of landscape scale restoration - but will not be a regulatory document. It will inform ORC's future work programmes and policies and is intended to provide alignment with the National Policy Statement for Indigenous Biodiversity 2023 and Te Mana O Te Taiao - Aotearoa New Zealand Biodiversity Strategy 2020.

ORC has identified the opportunity for an effective working partnership between ORC and Mana Whenua and to realise some of the goals within ORC's Strategic Directions 2024-2034. This Reference Group is part of the approach to achieving this.

**Role of the Group**

The Reference Group will provide guidance and direction on the following:

- a) Principles for the revision of the strategy, including the partnership approach with mana whenua, collaboration with other agencies, and community and other stakeholder engagement;
- b) Scope and parameters for the strategy;
- c) The vision for indigenous biodiversity in Otago;
- d) The strategic approach to achieving the vision including outcomes and milestones;
- e) Any other topic which is relevant to the development of the ORC Biodiversity Strategy

**Scope of the Group**

The Group will focus on issues related to the development of the ORC Biodiversity Strategy while maintaining an understanding of the broader context of biodiversity issues and options for addressing these issues in New Zealand and globally.

**Membership of the group**

- a) Two Councillor representative, tbc
- b) Two Mana Whenua representatives, tbc

**Support for the group**

Support will be provided by the ORC Strategy Team.  
The Group may co-opt technical expertise if needed.

**Quorum and decision making**

No formal decisions will be made by the group.

**Frequency of meetings**

No more than once a month between November 2024 and June 2025.

## 9.6. Membership Representation Review: Final Proposal

<b>Prepared for:</b>	Council
<b>Report No.</b>	GOV2450
<b>Activity:</b>	Governance Report
<b>Authors:</b>	Amanda Vercoe, GM Governance, Culture, Customer, Stephen Hill, Representation Review Advisor, Electionz.com
<b>Endorsed by:</b>	Richard Saunders, Chief Executive
<b>Date:</b>	23 October 2024

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### PURPOSE

- [1] To adopt a final proposal for the ORC's 2024 Membership Representation Review.

### EXECUTIVE SUMMARY

- [2] Under the Local Electoral Act 2001, Council is required to undertake a Membership Representation Review (the review) every six years. The last review was undertaken in 2018, and no changes were made.
- [3] An initial proposal was adopted on 24 June 2024 that:
- a. retained the current electoral boundaries for the region based on existing communities of interest;
  - b. retained the current total number of councillors; and
  - c. reduced the number of councillors in the Dunedin constituency from six (6) to five (5) and increased the number of councillors in the Dunstan constituency from three (3) to four (4).
- [4] Following consultation, hearings and deliberations, Council directed staff to bring the initial proposal back for adoption, without amendment, as the final proposal in line with statutory requirements.
- [5] This paper provides a response to the key themes from the submissions and Council's reasoning for not making alterations to the initial proposal.

### RECOMMENDATION

*That the Council:*

- 1) **Receives** this report.
- 2) **Notes** the response to submissions.
- 3) **Adopts** the following final representation proposal pursuant to section 19N of the Local Electoral Act 2021:
  - a. That the Otago Regional Council shall comprise of four (4) regional constituencies.
  - b. These four constituencies will be:
    - i. **Moeraki Constituency**, comprising the Otago portion of the Waitaki District territorial area, being part of the Ahuriri and Corriedale wards, and the entirety of the Oamaru ward and Waihemo ward.

- ii. **Dunedin Constituency**, comprising the comprising central Dunedin and the Waikouaiti Coast, West Harbour, Otago Peninsula and Saddle Hill community board areas located within the Dunedin City territorial area.
- iii. **Dunstan Constituency**, comprising the Central Otago District and Queenstown Lakes District territorial areas.
- iv. **Molyneux Constituency**, comprising the Clutha District territorial area and Mosgiel-Taieri and Strath-Taieri community board areas located within the Dunedin City territorial area.

c. There will be 12 Councillors, elected as follows:

- i. 1 councillor elected by the electors of the Moeraki Constituency
- ii. 5 councillors elected by the electors of the Dunedin Constituency
- iii. 4 councillors elected by the electors of the Dunstan Constituency
- iv. 2 councillors elected by the electors of the Molyneux Constituency.

4) **Notes** that the decision to reduce the number of Dunedin councillors from 6 councillors to 5 and increase the number of Dunstan councillors from 3 to 4 reflects and responds to significant population growth in the Dunstan constituency since the last representation review was undertaken.

5) **Notes** that the population that each member will represent is as follows:

Constituency	Population	Members	Population member-ratio	Difference from quota	% difference from quota
Moeraki	22,300	1	22,300	1,083	5.11
Dunedin	115,200	5	23,040	1,823	8.59
Dunstan	78,800	4	19,700	-1,517	-7.15%
Molyneux	38,300	2	19,150	-2,067	-9.74
<b>Otago Regional Boundary Total</b>	<b>254,600</b>	<b>12</b>	<b>21,217</b>		

6) **Notes** that a public notice outlining the final proposal will be made by 3 November 2024.

7) **Notes** that there will be an appeals period of not less than one month.

## BACKGROUND

- [6] The scope of the review is the representation arrangements for Otago Regional Council, including:
  - a. Number of electoral subdivisions (constituencies)



- b. Boundaries and names of constituencies, and
- c. Number of elected members.

- [7] The following steps have been taken to date:
- a. **23 August 2023** – council resolved to change electoral system to Single Transferable Vote (STV) for the 2025 and 2028 elections.
  - b. **Late 2023** – no decision was taken to consider the introduction of a Māori Ward.
  - c. **21 November 2023** – workshop to outline the Membership Representation Review process and considerations
  - d. **6 December 2023** – council paper to agree approach to the review
  - e. **February 2024** – early engagement through letters to territorial authorities, Rūnaka and an online community survey
  - f. **21 March 2024** – workshop to consider early engagement feedback, data, communities of interest and potential options
  - g. **22 May 2024** – council paper to consider potential options for the initial proposal
  - h. **26 June 2024** – council paper adopting an initial proposal.
  - i. **10 July – 8 September 2024** – consultation on initial proposal
  - j. **3 October 2024** – hearings and deliberations took place.

[8] The key issue the ORC was dealing with in the 2024 review was significant population growth in the Dunstan Constituency since the last representation review – this was affirmed through early engagement, where challenges with access to elected members came through as a theme. A secondary issue related to where the Mosgiel community board area from the Dunedin City Territory best fitted, from a community of interest perspective.

[9] Through the workshop and subsequent Council meeting alternative options were considered, including establishing a new constituency for part of the upper lakes, with various boundaries considered. However, there were challenges to do this within the legislated +/-10% rule (the population per member ratio), without splitting up territorial authority boundaries. Consideration was also given to moving the Mosgiel-Taieri community board area and Strath Taieri community board area into the Dunedin constituency, however, the end decision was to leave these areas in the Molyneux constituency.

**DISCUSSION**

[10] Council adopted its initial proposal on 26 June 2024. Following consultation on the initial proposal, Council undertook hearings and then deliberations on 3 October 2024. The following discussion highlights the themes of submissions received in scope and why they were rejected. This information also has to be provided as part of the public notice under Section 19N of the Local Electoral Act 2001.

[11] A table of territorial authorities’ submissions is below for information. All other submissions can be found on the Council Hearings and Deliberations agenda from 3 October 2024.

Central Otago District Council	Support Initial Proposal
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Clutha District Council	Support Initial Proposal
Dunedin City Council	Don't support Initial Proposal
Queenstown Lakes District Council	Don't support Initial Proposal

**Submission theme: Create a 5<sup>th</sup> Upper Lakes constituency**

[12] Council heard and accepted that there was strong support for a 5<sup>th</sup> constituency to be created for the Upper Lakes due to the rapid and sustained population growth, and the unique issues these areas are facing such as public transport, development and the deep-water lakes.

[13] Council did not direct a change to the Dunstan constituency as proposed in the submissions for the following reasons:

- Council felt that by the time of the next representation review, the population data will likely support a 5<sup>th</sup> Upper Lakes constituency.
- Based on current population data, the case for a 5<sup>th</sup> constituency does not meet the legislative guidelines (Section 19U(c) of the Local Electoral Act), as Cromwell would need to be included, which means breaking up the existing Central Otago District Council and Queenstown Lakes District Council boundaries. Retaining alignment with the territorial boundaries of Queenstown Lakes District and Central Otago District maintains the integrity of perceptual, functional and political dimensions.
- It is also critical for a regional council to have adequate rural representation, as rural communities of interest need to be fairly and effectively represented. Otago's population distribution doesn't easily allow for this. The creation of an Upper Lakes constituency would leave only one councillor to represent the remaining Dunstan area, which is a large geographic footprint to cover which could impact the ability of those communities of interest to be represented fairly and effectively.
- Council felt that the addition of one (1) councillor, to increase representation to four (4) councillors for the Dunstan constituency as proposed in the initial proposal, along with the legislative change to the Local Government Act which allows remote attendees to meetings to count for quorum and voting, and the ORC's shift to Single Transferable Vote together should increase the number of people interested in standing for the next election, and therefore representation for the Upper Lakes areas.

**Submission theme: The Dunedin constituency should remain at six (6) councillors by including Mosgiel-Taieri community board area (rather than this being part of the Molyneux constituency)**

[14] Council heard that there were strong connections between the Mosgiel-Taieri community board area with Dunedin, including schools, transport and water services links, and that moving this area into Dunedin would support the retention of six (6) councillors in the Dunedin constituency (and have the subsequent impact of reducing the Molyneux constituency to one (1) councillor).

[15] Council did not direct a change to the Dunedin and Molyneux constituencies as proposed in the submissions for the following reasons:

- While there are communities of interest in common with Dunedin for Mosgiel-Taieri, Mosgiel-Taieri also includes rural interests, with sheep and beef farming and dairy farming, along with other rural activities which aligns Mosgiel and Balclutha as rural support centres.
- ORC run flood and drainage assets do create a community of interest between Mosgiel and Balclutha. While the schemes aren't physically connected there are common issues to manage and respond to, for example in the recent floods one of the comments that has been made was that the response communications were too focussed on Dunedin, rather than the Taieri and Clutha areas.
- As above, it is critical for a regional council to have adequate rural representation, as rural communities of interest need to be fairly and effectively represented. Otago's population distribution doesn't easily allow for this. Moving the Mosgiel-Taieri area into Dunedin would leave only one councillor to represent the Molyneux area, which is a large geographic footprint to cover and could impact the ability of those communities of interest to be represented fairly and effectively.
- To remain within the legislated +/- 10% rule, the Strath-Taieri community board would need to remain in the Molyneux constituency, which means the concern about moving back to the Dunedin City Council boundary for the Dunedin constituency would be impacted.

**Submission theme: Increase the total number of councillors to thirteen (13) in order to retain six (6) councillors in the Dunedin constituency and two (2) councillors in the Molyneux constituency.**

- [16] Council did not direct a change to the total number of councillors in the initial proposal for the following reason:
- Council considered that given the relatively compact size and form of the Dunedin City area, the representation needs of the community can be effectively supported by five elected members, so the total number of councillors does not need to shift.

## **OPTIONS**

- [17] The options available to Council are either to adopt the initial proposal, without amendment, as the final proposal, or to make amendments to the initial proposal, based on submissions received. There are no alternative options provided as part of this paper, as options from submissions for the final proposal were considered during the deliberations process on 3 October 2024 and direction was given at that time for the final proposal presented today. The statutory deadline for final proposals to be adopted is 3 November 2024. Should Council choose not to adopt the final proposal, ORC may end up in breach of its statutory obligations due to the limited time left to notify a final proposal.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [18] This review is a statutory requirement.

### **Financial Considerations**

- [19] The final proposal has limited budgetary implications. There may be a small increase to mileage and accommodation costs with an additional councillor from the Dunstan constituency, but this can be accommodated within existing budgets.
- [20] The review itself was unbudgeted but can be absorbed within the budget of the Governance, Culture and Customer directorate budgets. An estimate of cost is around \$35,000, including consultant help plus advertising for early engagement and consultation and submissions process, and public notices. This excludes staff time, which has been drawn from the Governance Team, the Communications and Marketing Team and the GIS Team at various points in the process.

### **Significance and Engagement**

- [21] This process required formal consultation under the Local Electoral Act 2001.
- [22] Early engagement was undertaken with territorial authorities, mana whenua and the community through an online survey.

### **Legislative and Risk Considerations**

- [23] The review is required under legislation. There is a risk of appeals to the Council decision, which would trigger a review and determination by the Local Government Commission.
- [24] Appeals can be lodged by anyone who submitted on the Initial Proposal on issues contained in their submission. If appeals are received, this triggers a review and determination by the Local Government Commission.

### **Climate Change Considerations**

- [25] Nil.

### **Communications Considerations**

- [26] Following adoption of the final proposal, a further public notice and media release will be issued on the final proposal, and a communication will be sent to submitters advising them that the final proposal has been notified.

### **NEXT STEPS**

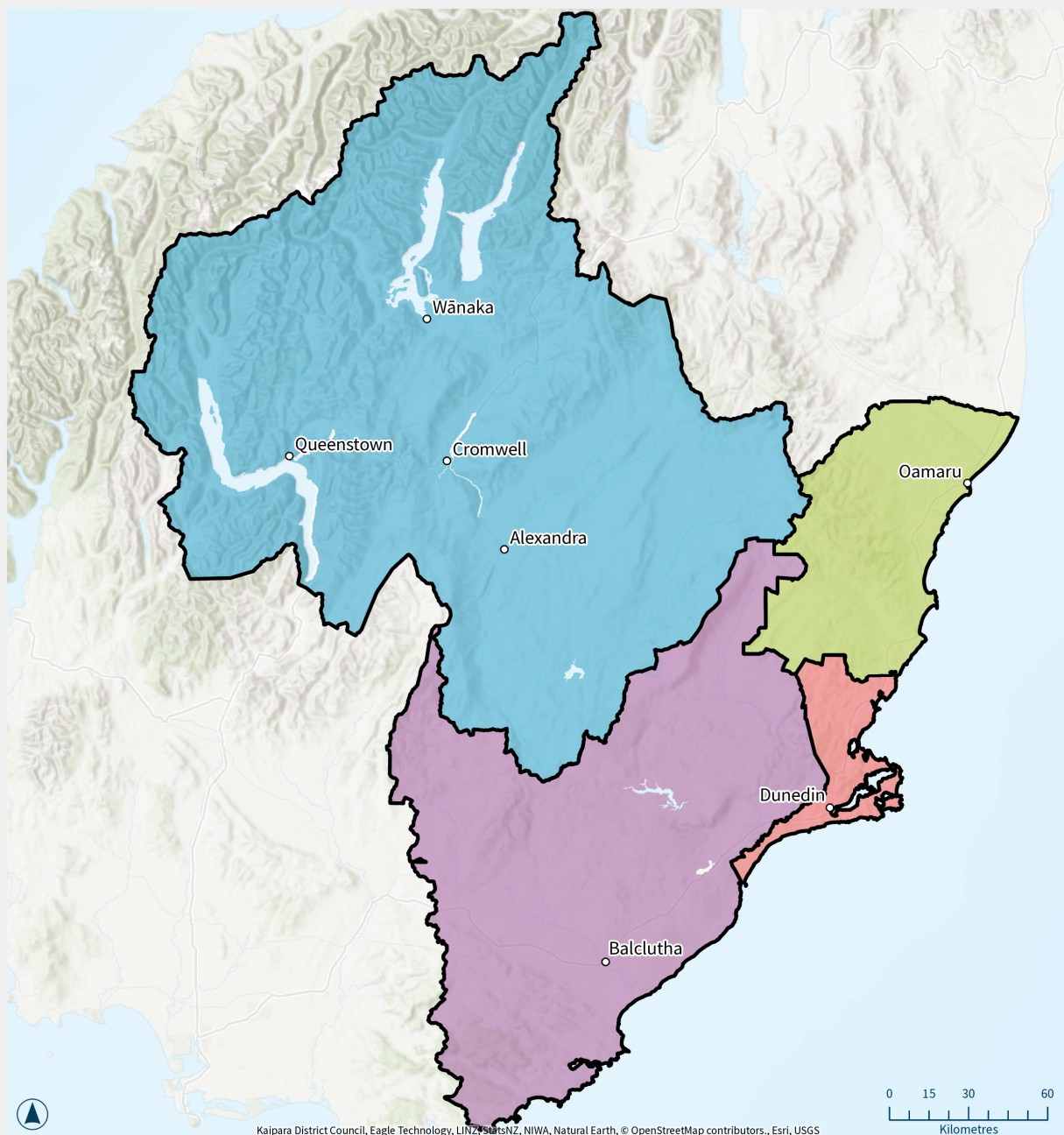
- [27] An indicative timeframe for next steps includes:
- Public notice issued before 3 November 2024.
  - Appeals period until Tuesday 5 December 2024.
  - If no appeals, then public notice #3 of final proposal to be given.
  - If appeals are received, these are to be forwarded to the Local Government Commission by Friday 20<sup>th</sup> December 2024 for determination (decisions made by 11 April 2025).

### **ATTACHMENTS**

1. ORC Final Proposal 2024 [9.6.1 - 1 page]

# Representation Review

ORC Initial Proposal 2024



Kaipara District Council, Eagle Technology, LINZ, StatsNZ, NIWA, Natural Earth, © OpenStreetMap contributors, Esri, USGS

Constituency	Population	Members	Population Member-Ratio	Difference From Quota	Difference From Quota %
Moeraki	22,300	1	22,300	1,083	5.11%
Dunedin	115,200	5	23,040	1,823	8.59%
Dunstan	78,800	4	19,700	-1,517	-7.15%
Molyneux	38,300	2	19,150	-2,067	-9.74%
Otago Region Total	254,600	12	21,217		

Information on this map may not be used for the purposes of any legal disputes. The user should independently verify the accuracy of any information before taking any action in reliance upon it. This map was generated for A4 printing on 13/06/2024 at the scale of 1:1,995,000.

### 9.7. LWRP documents incorporated consultation feedback

<b>Prepared for:</b>	Council
<b>Report No.</b>	POL2426
<b>Activity:</b>	Governance Report
<b>Authors:</b>	Tom De Pelsemaeker (Team Leader Freshwater and Land), Amber Smith (Policy Analyst - Freshwater).
<b>Endorsed by:</b>	Anita Dawe, General Manager Regional Planning and Transport
<b>Date:</b>	23 October 2024

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#### PURPOSE

- [1] To inform Council of the feedback received on the consultation about documents that are to be incorporated by reference in the proposed Otago Land and Water Regional Plan (pLWRP), and subsequent staff recommendations.

#### EXECUTIVE SUMMARY

- [2] The Resource Management Act 1991 (RMA) includes a requirement that the council inform the public of documents that are proposed to be incorporated by reference in the pLWRP before it is notified. This paper gives an overview of that process and the resulting feedback and makes staff recommendations.

#### RECOMMENDATION

*That the Council:*

- 1) **Notes** this report.
- 2) **Considers** the feedback received on the proposal to incorporate documents by reference in the proposed Land and Water Regional Plan.
- 3) **Approves** the staff recommendation (Option 1) that no changes are made to the list of documents to be incorporated in the proposed Land and Water Regional Plan.

#### BACKGROUND

- [3] Clause 34, Part 3 of the First Schedule of the RMA requires that the council:
- a. Inform the public of documents that are proposed to be incorporated by reference in the pLWRP and make copies of the documents available.
  - b. Provide the public with a reasonable opportunity for persons to comment on the proposal to incorporate the proposed material by reference; and
  - c. Consider any comments made by the public.
- [4] The types of documents proposed to be incorporated by reference in the pLWRP include accepted standards, papers produced by central government and iwi partners, and ORC plans and bylaws.
- [5] A public notice of the consultation was advertised on Friday 23 August 2024. The documents proposed to be incorporated by reference in the Otago Land and Water
-

Regional Plan were available to view online or at ORC offices from Friday 23 August 2024 until Friday 13 September 2024.

- [6] The list of documents consulted on are attached as Attachment 1 to this report.

**DISCUSSION**

- [7] Feedback on the documents proposed to be incorporated by reference was received from two parties: the Department of Conservation and Federated Farmers.
- [8] The Department of Conservation (DoC) had no comments on the documents consulted on, but suggested there were some omissions from the list. Therefore, DoC staff recommended a number of additional documents be incorporated by reference. DoC’s suggestions and the subsequent ORC staff considerations and recommendations are shown below in Table 1.

*Table 1: Department of Conservation feedback and ORC staff considerations and recommendation*

<b>Topic: Fish Passage – documents requested for incorporating by reference</b>
(1) New Zealand Fish Passage Guidelines, Version 2.0. Prepared for Ministry for Environment (Franklin, P. Baker, C., Gee, E., Bowie, S. C., Melchior, M., Egan, E., Aghazadegan, L., Vodjanksy, E., 2024).
<p>ORC staff considerations:</p> <ul style="list-style-type: none"> <li>• The New Zealand Fish Passage Guidelines have largely been incorporated into the National Policy Statement for Freshwater Management 2020 (NPSFM) and (National Environmental Standards for Freshwater (NES-F), which together provide the relevant regulatory and policy direction from the fish passage guidelines at a national scale.</li> <li>• The guidelines establish some national direction that is useful to consider but there may be minor inconsistencies when considering the Otago context, and the objectives and environmental outcomes that the pLWRP is seeking to achieve.</li> <li>• The guidelines have been developed for structures up to four metres. The pLWRP seeks to manage larger structures through the provisions in the BED chapter, and DAM chapter.</li> <li>• In accordance with NPSFM clause 3.26(6), ORC will prepare the Otago Fish Passage Action Plan (not yet started) that will sit outside the pLWRP but will assist with achieving the pLWRP’s fish passage outcomes. The fish passage guidelines may be incorporated by reference into the Action Plan.</li> </ul> <p><b>ORC staff recommendation: No change.</b></p>
<b>Topic: Fish Screens/Water intakes – documents requested for incorporating by reference</b>
(2) Toward national guidance for fish screen facilities to ensure safe passage for freshwater fishes. Prepared for SFF Project 4405972: Adoption of good practice fish screening. (Hickford, M., Jellyman, P., Bowie, S., McCormick, T., McNally, S., Meredith, A., Morgan, P., Webb, M., Pringle, B., 2023).
(3) Adoption of Good Practice Fish Screening Project Policy and Practice. Report prepared as part of SFF Project 405972: Adoption of Good practice Fish Screening Project for Irrigation NZ. (Purdon, R., 2023).
ORC staff considerations:

<ul style="list-style-type: none"> <li>• These documents were considered in the development of the fish screen provisions in the pLWRP and have informed the criteria for fish screening. These documents are not incorporated by reference as the plan sets out specific criteria rather than incorporating external documents by reference.</li> </ul> <p><b>ORC staff recommendation: No change.</b></p>
<p><b>Topic: New Zealand Threat Classification System – documents requested for incorporating by reference</b></p>
<p>The Department of Conservation suggested incorporating a number of reports from the New Zealand Threat Classification System, including reports on the conservation status of New Zealand freshwater fishes, invertebrates, birds, reptiles and bats.</p> <p>ORC staff considerations:</p> <ul style="list-style-type: none"> <li>• The New Zealand Threat Classification System is incorporated into the NPSFM, and therefore has informed the development of the pLWRP. The pLWRP uses the NPSFM definition of <i>threatened species</i>:</li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p><b>Threatened species</b> means any indigenous species of flora or fauna that:</p> <ul style="list-style-type: none"> <li>(a) Relies on water bodies for at least part of its life cycle; and</li> <li>(b) Meets the criteria for nationally critical, nationally endangered, or nationally vulnerable species in the <i>New Zealand Threat Classification System</i></li> </ul> </div> <ul style="list-style-type: none"> <li>• Although the New Zealand Threat Classification System is referred to in the definitions section, this does not equate to being incorporated by reference.</li> </ul> <p><b>ORC staff recommendation: No change.</b></p>

- [9] Federated Farmers also commented on the proposed documents. Their comments have been summarised in Table 2, along with an overview of ORC staff considerations and recommendations.

Table 2: Federated Farmers feedback and staff response

<p><b>Federated Farmers' feedback</b></p> <p>Federated Farmers noted that ORC had not released a copy of the provisions nor any context to assess the appropriateness or otherwise of the material proposed to be relied on. They expressed concern that ORC had released the material to be incorporated by reference as a tick box formality, and they questioned what feedback can be usefully provided in the absence of any context, including how or when the material is proposed to be incorporated. They also questioned how the Aqualinc Irrigation Guidelines from 2017 are to be used in the plan. They reserved their right to seek further material to be incorporated by reference when the LWRP is notified. They concluded that they were reluctant to provide any feedback without being fully informed (i.e., before receiving the plan provisions).</p> <p>ORC staff considerations:</p> <ul style="list-style-type: none"> <li>• The purpose of this consultation is to seek comments on the proposal to incorporate the material that has been made publicly available by reference in the LWRP, not to seek comments on the draft LWRP.</li> <li>• The RMA prescribes a process for consultation during the development of a</li> </ul>
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proposed regional plan and there is no requirement in the RMA to provide a copy of the draft LWRP with the documents to be incorporated by reference. It is common practice to give public notice of the documents to be incorporated without the associated draft provisions so that comments are received on the proposal to incorporate the documents rather than the wording of the provisions.

- Additional documents may be incorporated by reference through the submissions and hearings process on the pLWRP. Therefore, Federated Farmers (and others) will have an opportunity through a submission on the plan to provide further comment on the documents to be incorporated or to seek that additional documents be incorporated.

**ORC staff recommendation: No change.**

- [10] Overall, the ORC staff recommendation on both sets of feedback, is that there should be no changes made to the list of documents to be incorporated into the pLWRP, for the reasons listed in Table 1 and Table 2.

## **OPTIONS**

- [11] Option 1: Make no changes to the list of documents to be incorporated as per the staff recommendation.
- [12] Option 2: Make changes as suggested by DOC. This option is not recommended as it will likely be more costly than Option 1. Each time the reports incorporated by reference are updated, ORC would need to implement a plan change to incorporate the most up-to-date version. Not incorporating the documents does not preclude them from consideration in resource consent assessments.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

- [13] ORC is responsible for implementing national direction and regulations, including by notifying proposed policy statements and plans that will give effect to relevant higher order planning instruments. ORC has committed to a work programme that seeks to develop a new pLWRP ready for notification by the end of October 2024.
- [14] The new pLWRP will contribute to fulfilling Council's objectives under ORC's Strategic Directions of leading environmental management in Otago, in partnership with mana whenua; promoting collaboration with territorial authorities and others to achieve resilient and sustainable communities; and promoting a healthy and resilient environment whose capacity for sustaining life and ecosystem health is enhanced and sustained.

### **Financial Considerations**

- [15] There are no financial considerations as a result of this paper. Consultation on the proposal to incorporate material by reference in the pLWRP is part of the wider process of developing the pLWRP. The development of the LWRP is a budgeted activity.

### **Legislative and Risk Considerations**

- [16] The legal requirements relating to the public consultation on the proposal to incorporate material by reference into a proposed plan, are set out in clause 34 of Schedule 1 of the RMA.
- [17] Clause 34 of the First Schedule of the RMA requires that upon approving the plan change, ORC undertakes the following:
- (a) *Make copies of the material proposed to be incorporated by reference or the proposed amendment to, or replacement of, material incorporated by reference (proposed material) available for inspection during working hours for a reasonable period at the ORC offices; and*
  - (b) *Make copies of the proposed material available for purchase at the ORC offices; and*
  - (c) *Give public notice stating that—*
    - (i) *The proposed material is available for inspection during working hours, the place at which it can be inspected, and the period during which it can be inspected; and*
    - (ii) *Copies of the proposed material can be purchased and the place at which they can be purchased; and*
    - (iii) *If copies of the material are available under subclause (3), details of how and where it may be obtained or accessed; and*
  - (d) *Allow a reasonable opportunity for persons to comment on the proposal to incorporate the proposed material by reference; and*
  - (e) *Consider any comments they make.*
- [18] The process for consulting on the proposal to incorporate material by reference into pLWRP was carried out in accordance with these legal requirements.

### **Significance and Engagement Considerations**

- [19] This paper in itself does not trigger ORC's *He Mahi Rau Rika: ORC Significance, Engagement and Māori Participation Policy*. However, the process undertaken to consult on the proposal to incorporate material by reference into the pLWRP in accordance with Clause 34 of Schedule 1 of the RMA has satisfied the consultative requirements of the *He mahi rau rika: ORC Significance, Engagement and Māori Participation Policy*.

### **Climate Change Considerations**

- [20] There are no climate change considerations as a result of this paper.

### **Communications Considerations**

- [21] There are no communication considerations as a result of this paper.

### **NEXT STEPS**

- [22] Council will be asked to consider whether to notify the pLWRP for public submissions later in the agenda for this meeting.

**ATTACHMENTS**

1. List of LWRP documents incorporated [9.7.1 - 1 page]

**LWRP incorporation of documents by reference: Documents online**

- A guide for the management of closing and closed landfills in New Zealand (Ministry for the Environment, 2001)
- Civil Aviation Rules: Part 61 - Pilot Licences and Ratings (Civil Aviation Authority of New Zealand, 2021)
- Contaminated land management guidelines No 1: Reporting on contaminated sites (Ministry for the Environment, 2021)
- Contaminated land management guidelines No 5: Site investigation and analysis of soils (Ministry for the Environment, 2021)
- Erosion and sediment control guide for land disturbing activities in the Auckland region (Auckland Council, 2016)
- Flood protection management bylaw (Otago Regional Council, 2022)
- Freshwater policy (Te Runanga o Ngai Tahu, 1999)
- Guidelines for assessing and managing petroleum hydrocarbon contaminated sites in New Zealand (Ministry for the Environment, 1999)
- Guidelines for reasonable irrigation water requirements in the Otago Region (Aqualinc, 2017)
- Hazardous activities and industries list (HAIL) (Ministry for the Environment, 2011)
- He Huarahi Mō Ngā Uri Whakatapu – The Charter of Understanding between Te Ao Marama Incorporated representing Ngāi Tahu Ki Murihiku and Councils including ORC (2016)
- IPENZ Practice Note 21: Farm Dairy Effluent Ponds (Institution of Professional Engineers New Zealand, 2017)
- IPENZ Practice Note 27: Dairy Farm Infrastructure (Institution of Professional Engineers New Zealand 2017)
- Kāi Tahu Ki Otago Resource Management Plan (2005)
- Koiwi Tangata: The policy of Ngai Tahu concerning the human remains of our ancestors (Te Runanga o Ngai Tahu, 1993)
- Memorandum of understanding and protocol between Otago Regional Council, Te Runanga Ngai Tahu, and Kai Tahu Ki Otago (2003)
- Moeraki Mataitai Reserve (2010)
- New Zealand dam safety guidelines (New Zealand Society on Large Dams, 2023)
- Otakou Mataitai Reserve (2016)
- Puna Wai Toriki (Hays Gap) Mataitai Reserve (2011)
- Regional Plan: Water for Otago - Chapters (Otago Regional Council, 2022)
- Regional Plan: Water for Otago - Schedules, glossary and appendices (Otago Regional Council, 2022)
- Small landfill closure criteria: Risk assessment for small closed landfills (Ministry for the Environment, 2002)
- Te Tangi a Tauira - Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan (2008)
- Technical guidelines for disposal to land (Waste Management New Zealand, 2023)
- Waikouaiti Mataitai Reserve (2016)
- Waitaki Catchment Water Allocation Regional Plan (Waitaki Catchment Water Allocation Board, 2005)
- Waitaki Iwi Management Plan (2019)

**New Zealand Standards - Hard copies at Philip Laing House Dunedin**

- Best Practice Guidelines for Composting Systems (Appendix K) NZS4454:2005
- Environmental Standard for Drilling of Soil and Rock NZS 4411:2001
- Management of Agrichemicals NZS8409:2021
- Onsite Domestic Wastewater Management AS/NZ 1547:2012

### 11.1. Notification of the pLWRP

<b>Prepared for:</b>	Council
<b>Report No.</b>	GOV2437
<b>Activity:</b>	Governance Report
<b>Author:</b>	Tom De Pelsemaecker (Team Leader Freshwater)
<b>Endorsed by:</b>	Anita Dawe, General Manager Regional Planning and Transport
<b>Date:</b>	23 October 2024

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#### PURPOSE

- [1] To present the Otago Regional Council (ORC or Council) with options for progressing the next stages in the development of the Proposed Otago Land and Water Regional Plan (pLWRP) and Evaluation Report prepared pursuant to Section 32 of the Resource Management Act 1991 (RMA).

#### EXECUTIVE SUMMARY

- [2] Since 2018 ORC has been developing a new regional plan for managing freshwater that is fit for purpose and gives effect to all relevant regional and national higher order planning instruments.
- [3] ORC staff, in partnership with Kāi Tahu, have now completed the draft pLWRP and Section 32 Evaluation Report. The draft pLWRP was informed by a comprehensive science and economic work programme and builds on the community and stakeholder perspectives collated through three stages of public engagement.
- [4] Since the change of government in late 2023, there have been signals indicating that the National Policy Statement for Freshwater Management (NPSFM), to which the pLWRP must give effect, will be replaced in 2025. In addition, there has been an amendment to the RMA, changing the deadline for notifying plan instruments that give effect to the NPSFM from 31 December 2024 to 31 December 2027.
- [5] More recently, the Minister for the Environment has proposed that in the event Council does not resolve to notify its pLWRP in October 2024, ORC staff can participate in engagement with the Government on the review and replacement of the NPSFM. Where notification is to be delayed for a longer period, the Minister has also offered to assist Council to ensure that the unintended consequences of delayed notification do not negatively impact on resource users or pose an unnecessary burden on ratepayers.
- [6] Council has three options for progressing the next stages in the development of the pLWRP. These options are:
- a. Publicly notifying the pLWRP on 31 October 2024 (**Option A**);
  - b. Pausing work on the pLWRP to participate in engagement on the review and replacement of the NPSFM between October 2024 and early 2025 (**Option B**);
- and

- c. Pausing work on the pLWRP until after the replacement NPSFM is gazetted (**Option C**).

[7] This paper presents the advantages and disadvantages of these options for Council consideration and decision.

## RECOMMENDATION

*That the Council:*

1. **Notes** this report.
2. **Considers** three options for progressing the next stages in the development of the Proposed Land and Water Regional Plan for Otago (pLWRP) and resolves to either:
  - (a) **Option A:** Proceed with notification of the Proposed Land and Water Regional Plan for Otago on 31 October 2024 subject to satisfying the statutory requirements in the Resource Management Act 1991; or  
**Option B:** Direct staff to:
    - 1) Pause work on the Proposed Land and Water Regional Plan for Otago and participate in targeted engagement with Government officials on the review and replacement of the National Policy Statement for Freshwater Management between October 2025 and early 2025, ahead of public consultation on the new national direction proposals; and
    - 2) Report back to Council with a review of the draft Proposed Land and Water Regional Plan for Otago against the proposed new national direction once the proposed new direction is made public, with recommendations for changes to the draft Proposed Land and Water Regional Plan for Otago and/or a work programme to ensure alignment with the new direction; and
    - 3) Report back to Council in February with an update on progress on the review described in (2)(b)(ii).
    - 4) If necessary, work with Government officials on legislative options to ensure that unintended consequences of delayed notification do not negatively impact on resource users or pose an unnecessary burden on ratepayers.
  - (b) **Option C:** Direct ORC staff to:
    - 1) Pause work on the Proposed Land and Water Regional Plan for Otago until gazettal of the replacement National Policy Statement for Freshwater Management; and
    - 2) Work with Government officials on legislative options to ensure that unintended consequences of delayed notification do not negatively impact on resource users or pose an unnecessary burden on ratepayers.

**FOR OPTION A ONLY**

3. *If Council resolves to proceed with notification of the Proposed Land and Water Regional Plan for Otago on 31 October 2024 subject to satisfying the statutory requirements in the RMA, that the Council:*
- (a) **Has particular regard to** advice received from relevant iwi authorities on the draft Proposed Land and Water Regional Plan for Otago in accordance with clause 4A(1)(b) of Schedule 1 to the Resource Management Act 1991.
  - (b) **Has particular regard to** the evaluation report prepared in accordance with section 32 of the Resource Management Act 1991 (Attachment 2).
  - (c) **Resolves to** proceed with public notification of the the Proposed Land and Water Regional Plan for Otago and provision of this document to public bodies in accordance with clause 5 of Schedule 1 of the Resource Management Act 1991.
  - (d) **Resolves to** use the freshwater planning process for the Proposed Land and Water Regional Plan for Otago in accordance with section 80A(6B)(a) and (b) of the Resource Management Act 1991 and that the proposed Otago Land and Water Regional Plan is a freshwater planning instrument in accordance with section 80A(2)(a) and (b) of the Resource Management Act 1991.
  - (e) **Directs**, in accordance with clause 5(1) of Schedule 1 of the RMA, public notification of the Proposed Land and Water Regional Plan for Otago (Attachment 1) on 31 October 2024 with a submission period closing on Friday 28 February 2025.
  - (f) **Makes** available for public inspection, from 31 October 2024, the Proposed Land and Water Regional Plan for Otago (Attachment 1) and the evaluation report prepared in accordance with section 32 of the Resource Management Act 1991 (Attachment 2).
  - (g) **Notes** rules in the Proposed Land and Water Regional Plan for Otago will have immediate legal effect from the date of public notification;
  - (h) **Authorises** the Manager Policy & Planning to make corrections or amendments of minor effect to the Proposed Land and Water Regional Plan for Otago (Attachment 1) and the evaluation report prepared in accordance with section 32 of the Resource Management Act 1991 (Attachment 2) prior to public notification.

**BACKGROUND**

- [8] ORC formally committed to a review of the operative Regional Plan: Water for Otago (RPW) at its meeting on 31 October 2018. On that date, Council adopted ORC's Progressive Implementation Programme (PIP), a document that outlined the steps it was proposing to take to give effect to the relevant NPSFM at the time, the National Policy Statement for Freshwater Management 2014 (amended 2017).
- [9] The process steps for the review of the RPW and associated timeframes set out in the PIP were eventually superseded by a work programme that was agreed between ORC

and the previous Minister for the Environment, Hon. David Parker, in December 2019. The development of this agreed work programme followed a review of ORC's planning functions by Honorary Professor Sir Peter Skelton earlier that year.

- [10] The agreed work programme involved three sequential steps:
- a) By March 2020, the development of an interim planning and consenting framework to manage freshwater up until the time that new discharge and allocation limits are set, in line with the requirements in the relevant NPSFM at that time; and
  - b) By November 2020 [later amended to June 2021], a complete review of the Regional Policy Statement; and
  - c) By 31 December 2023 [later amended to June 2024], the development and notification of a new LWRP for Otago.
- [11] The third step in this work programme, the development of the pLWRP, has taken place over a 4-year period and involved the following key components:
- Internal reviews of the RPW and Regional Plan: Waste for Otago (RPWaste), undertaken between August 2020 and February 2021. These reviews were aimed at identifying provisions or management approaches that were giving effect to the relevant national direction and legislation and that could be carried over into the Water Plan's successor and identifying gaps or opportunities for improved management.
  - Roll-out of a comprehensive science and economics work programmes to inform the development of management approaches and controls to be embedded in pLWRP
  - Three different stages of community engagement undertaken in accordance with the requirements of the National Objectives Framework (NOF) in the NPSFM and carried out between November 2021 and November 2023, plus additional stakeholder discussions at each stage of the process.
  - Pre-notification consultation under Clause 3 and 4A of the First Schedule of the RMA undertaken between January 2024 and August 2024.
- [12] Participation of Kāi Tahu Papatipu Rūnaka with respect to the development of the pLWRP was undertaken in accordance with the requirements of the NPSFM, including the requirements under the NOF, and facilitated through the following processes and initiatives:
- Mana to Mana discussion between Kāi Tahu ki Otago Rūnaka Chairs and Councillors to discuss governance related issues of interest to either side.
  - Iwi representation on the ORC Environmental Science and Policy (ESP) Committee.
  - Memorandum of Understanding and Protocol (2003) between Otago Regional Council, Te Rūnanga Ngāi Tahu and Kāi Tahu ki Otago to provide for effective consultation and liaison between these parties.



- Charter of Understanding (2016) signed with Te Ao Marama Inc. and Southland Rūnanga, which established the common goal to sustainably manage the region's environment for the social, cultural economic and environmental wellbeing of the community for now and into the future.
- Iwi representation on the Land and Water Regional Plan Governance Group, which oversees the project management-related aspects of the development of the pLWRP.
- Partnership approach with iwi, Aukaha and Te Ao Marama in policy development to ensure that iwi views are being incorporated in plan and policy development.
- Partnership funding to support Aukaha and Te Ao Marama to deliver and participate in Council processes.

### SHORT DESCRIPTION OF THE PLWRP

- [13] The pLWRP, which will replace both the RPW and the RPWaste, follows the mandatory format prescribed by the National Planning Standards.
- [14] The plan contains objectives, policies and methods, including rules to manage freshwater and land across the whole of the region, although some provisions apply only in specific parts of Otago (Freshwater Management Units, rohe, or catchments).
- [15] The pLWRP has three parts. *Part 1 - Introduction and general provisions* contains the foreword to the plan, a purpose statement and description of the Otago region. This part of the pLWRP also contains chapters that outline how the plan works and how its provisions must be interpreted and sets out the principles that guide the relationships between the different provisions contained in the various chapters of the pLWRP.
- [16] The plan's objectives, policies, rules, and other methods that provide for the management of the region's natural and physical resources are included in the topic-based (i.e. regionwide) and area-specific (i.e. FMU/rohe specific) chapters in Part 2 *Management of resources* of the pLWRP.
- [17] Finally, the appendices, schedules, and maps of the pLWRP are included in Part 3 of the pLWRP.
- [18] The official version of the proposed Land and Water Regional Plan will be the ePlan which is available at <https://otago.isoplan.co.nz/eplan>. A pdf copy of the proposed Plan text is attached to this report as Attachment 1. If there are any discrepancies between the two versions, the ePlan prevails.

## DISCUSSION

- [19] During the meeting on 27 March 2024<sup>1</sup> Council adopted the following resolution:  
*That the Council:*  
*Approves an option for progressing the proposed Land and Water Regional Plan. Council requests that staff prepare the draft land and water regional plan for notification by 31 October 2024 and the additional time is used to:*
- *Review the impact of the RPS decision on the draft plan,*
  - *Prepare the requested advice for the Minister for the Environment; and*
  - *Ensure that clause 3 feedback has been appropriately considered and factored into the plan.*<sup>2</sup>
- [20] Since the change of government in late 2023, there have been signals indicating that the regulatory context within which the pLWRP has been created and the national direction instruments to which the pLWRP must give effect will be undergoing change.
- [21] The most relevant signalled change is a replacement NPSFM, with a target completion date in 2025, and changing the deadline for notifying plans that give effect to the current NPSFM from 31 December 2024 to 31 December 2027.
- [22] While the choice of when to notify plan changes prior to that date (31 December 2027) still sits with regional councils, various ministers, through written correspondence and in person meetings with ORC staff and Councillors have clearly expressed a strong preference for ORC delaying notification until the NPSFM is replaced.
- [23] More recently the Minister for the Environment, Hon. Penny Simmonds, has proposed the following, in the event that ORC does not resolve to notify its pLWRP in October 2024:
- a. That ORC staff participate in targeted engagement on the review and replacement of the NPSFM between October 2024 and early 2025, ahead of public consultation on the new national direction proposals; and
  - b. That, where notification is to be delayed for a longer period, the Government will work with ORC to ensure that unintended consequences of delayed notification do not negatively impact on resource users (i.e. water take or discharge consent holders and applicants) or pose an unnecessary burden on ratepayers.

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<sup>1</sup> Report No. POL2408 Land and Water Regional Plan: options for timing of notification. <https://www.orc.govt.nz/media/kssdjxjx/council-agenda-20240327.pdf>  
Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 27 March 2024, commencing at 1:00 PM. <https://www.orc.govt.nz/media/l5hb4zd5/council-minutes-public-20240327.pdf>

<sup>2</sup> Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 27 March 2024, commencing at 1:00 PM <https://www.orc.govt.nz/media/l5hb4zd5/council-minutes-public-20240327.pdf>

- [24] The unintended consequences caused by the delay in notification include the following:
- a. Plan Change 6AA delayed certain provisions for managing rural diffuse discharges coming into effect until 1 April 2026. In the absence of a new planning framework that supersedes the existing one rural land holders may need to apply for a resource consent for rural diffuse discharges to ensure compliance with the operative RPW's discharge thresholds from that date onwards.
  - b. The ongoing costs for some resource users seeking to apply for a water permit under the framework in the RPW introduced by Plan Change 7, which was only intended to be a transitional framework.

### **OPTIONS – GENERAL OVERVIEW**

- [25] In light of the above considerations staff have developed three options for progressing the next stages in the development of the pLWRP. These options are:
- a. **Option A:** Publicly notify the pLWRP and Section 32 Evaluation Report by end of October 2024
  - b. **Option B:** Direct ORC staff to pause work on the pLWRP and participate in targeted engagement on the review and replacement of the NPSFM between October 2024 and early 2025.
  - c. **Option C:** Direct ORC staff to pause work on the pLWRP until after the replacement NPSFM is gazetted.
- [26] The options, their implications for the future stages of the plan development process (including submissions and hearings process) and the advantages and disadvantages associated with each of them are discussed in greater detail in the sections below.
- [27] There is likely to be support as well as opposition within the Otago community for each of the three options.

### **Option A: Notify the pLWRP and S32 Evaluation Report on 31 October 2024**

- [28] This option provides for the public notification of the pLWRP and for making the Section 32 Evaluation Report publicly available, in accordance with the timeframe adopted by Council during its meeting on 27 March 2024.
- [29] Clause 5(3)(a) of Schedule 1 of the RMA requires that the closing date for submissions on a proposed plan shall be at least 40 working days after public notification.
- [30] Should the pLWRP be publicly notified on 31 October 2024 the statutory minimum submission period would extend until least 17 January 2025. Applying the minimum submission period could result in reduced stakeholder and community buy-in into the submission process and may pose practical challenges for some people, agencies or originations, due to the interruption caused by the Christmas holiday period. (For example, this would be the case if key staff within organisations that seek to make a submission are still on holiday leave or if the lodging of a submission requires internal sign-off processes that are temporarily paused during the Christmas period).
- [31] To provide every person with the best opportunities to prepare a submission and get involved in the further stages of the plan development process, staff are proposing that,

should Option A be approved, the submission period be extended beyond the minimum 40-day statutory timeframe, with a closing date for submissions of 28 February 2025, which provides a 69 working day submission period.

[32] The following process steps and milestones are proposed under option A:

Option A	Process steps and key milestones
23 October 2024	Otago Regional Council: <ul style="list-style-type: none"> <li>• Approves the public notification of the pLWRP a</li> <li>• Resolves to make the Section 32 Evaluation Report publicly available.</li> <li>• Resolves to use the freshwater planning process for the pLWRP and that the pLWRP is a freshwater planning instrument.</li> <li>• Approves the closing date for submissions on the pLWRP.</li> </ul>
31 October 2024	Public notification of the pLWRP and making the Section 32 Evaluation Report publicly available.
20 November 2024	Otago Regional Council considers recommendations with respect to ORC nominations for the Freshwater Hearing Panel.
28 February 2025	Closing of submission period.

[33] Advantages and disadvantages associated with Option A are outlined below.

ADVANTAGES
<p><b>Reduces environmental risks</b></p> <p>Option A allows for the timely replacement of the current freshwater framework with a new one. This will reduce the risk of reductions in environmental health, damage to ecosystem, cultural, recreational, and natural character values. As the pLWRP provisions will have legal effect from 31 October 2024, option A will allow for concrete steps to be taken towards ensuring that the Plan’s objectives (determined through engagement with communities and mana whenua) are achieved within the set timeframes.</p>
<p><b>Reduces financial and economic risks associated with transitional provisions in plan</b></p> <p>Option A provides for a timely replacement of the transitional provisions introduced to the RPW through plan changes 6AA and 7 with a new long-term planning framework. This will provide resource users and consent holders with better long-term investment security.</p>
<p><b>Provides a more streamlined framework for activities currently insufficiently provided for by the operative Water Plan</b></p> <p>For some activities that are currently insufficiently provided for under the existing RPW framework, the pLWRP will provide land holders and resource users with a management framework that is better tailored towards these specific activities (e.g. hydro-electricity generation activities). This is likely to provide more certainty for organisations or persons wanting to undertake these activities and streamline consenting processes. In other instances, the management framework has been refined to allow activities to occur as a permitted activity under a broader set of circumstances (e.g. earthworks for residential activities, sediment traps).</p>
<p><b>Reduces uncertainty for communities</b></p> <p>Option A is likely to provide the shortest timeframe for a new regional freshwater</p>

<p>planning framework to come into force. This will provide communities with certainty around the future management of freshwater in the region.</p>
<p><b>Capitalises on past investment and avoids further costs associated with plan development in the pre-notification stages</b></p> <p>Option A will avoid further (unbudgeted) costs for ORC, stakeholders and the wider community associated with further analysis and plan development in the pre-notification stages of the pLWRP.</p>
<p><b>Gives effect to relevant higher order national and regional direction (at the time of notification)</b></p> <p>The current draft pLWRP has been developed to give effect to current national direction. Notifying the pLWRP in its current state and in accordance with the timeframes provided for under option A is likely to present a lower risk of legal challenge on the grounds that ORC is not implementing relevant national direction (particularly if the current NPSFM is still in effect at the time of notification).</p>
<p><b>Provides a better-timed submission period</b></p> <p>Extending the submission timeframe until the end of February will create better opportunities for people or organisations intending to prepare a submission on the pLWRP than the standard statutory timeframe. This will enable greater community buy-in and participation in the pLWRP process.</p>
<p><b>May provide opportunities for submissions to address signalled NPSFM direction changes</b></p> <p>Extending the timeframe for submissions until the end of February 2025 increases the chance for submitters to be able to address signalled NPSFM direction changes. More clarity on these proposed changes is expected in early 2025.</p>
<p><b>DISADVANTAGES</b></p>
<p><b>Changes to the pLWRP may be required once the NPSFM is replaced in 2025</b></p> <p>Legislative change may increase the complexity of the future stages of the plan development process (submissions or hearings process) or may require changes to the pLWRP once operative. This is likely to result in a lengthier and more costly plan development process for all parties involved, however these costs can not be quantified at this time. This scenario is not an uncommon occurrence through plan development processes.</p>
<p><b>Risk of Central Government intervention</b></p> <p>There is a risk that the Government will take action against Council in response to a decision to notify in October 2024 (or shortly afterwards). There is no clarity on what this action may be.</p>
<p><b>Opportunity for involvement in the development of the new NPS will not be available</b></p> <p>The offer from the Minister for the Environment for ORC staff to be involved in early consultation on the development of the new NPS is likely contingent on ORC pausing its LWRP process.</p>
<p><b>Extending the submission period reduces the time available for future hearings or pre-hearings (e.g. mediation) stages</b></p> <p>Clause 51, Schedule 1 of the RMA requires that the freshwater hearings panel must provide its report to the relevant regional council no later than the date that is 40 working days before the expiry of 2 years after the date on which the pLWRP was publicly notified. Extending the submissions period puts additional time pressure on the</p>

subsequent stages of the process.<sup>1</sup>

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<sup>1</sup> Under Clause 47 Schedule 1 of the RMA, the Chief Freshwater Commissioner may, at the request of the regional council or the chairperson of a freshwater hearings panel provide for an extension to the time frame specified under Clause 51.

**Option B: ORC staff pause work on pLWRP and engage on the review and replacement of the NPSFM between October 2024 and early 2025**

- [34] Under this option Council directs staff to engage with Central Government officials on the review and replacement of the NPSFM between October 2024 and early 2025, to inform a review of the draft pLWRP against the new national direction. Staff will report back to Council with advice about whether notification can proceed in early 2025, or if further work is required to ensure alignment with the replacement NPSFM.
- [35] If notification does not proceed in early 2025, staff will need to work with the Government on legislative options to ensure that unintended consequences of delayed notification do not negatively impact on resource users or pose an unnecessary burden on ratepayers.
- [36] Under Option B the following process steps and key milestones are proposed:

Date	Process steps and key milestones
23 October 2024	Otago Regional Council directs staff to engage on the review and replacement of the NPSFM
November 2024 – January 2025	Otago Regional Council staff participate in targeted engagement with government officials on the review and replacement of the NPSFM between October 2024 and early 2025.
February 2025	Otago Regional Council staff report to Council on progress on reviewing the draft pLWRP provisions and Section 32 Evaluation Report against the replacement NPSFM.
February / March 2025 (Exact date TBD – could be combined with report above)	Otago Regional Council staff provide advice to Council on whether: <ul style="list-style-type: none"> <li>• Amendments to the draft pLWRP can be made to ensure alignment with new NPSFM and notification can proceed (SCENARIO 1); OR</li> <li>• Further work is needed prior to notification to ensure alignment with the new NPSFM, and a work programme and timeframe to deliver a revised draft pLWRP (SCENARIO 2).</li> </ul>
SCENARIO 1: March/April 2025	Otago Regional Council: <ul style="list-style-type: none"> <li>• Approves the pLWRP for public notification</li> <li>• Resolves to make the Section 32 Evaluation Report publicly available.</li> </ul>
SCENARIO 2: March/April 2025 onwards	Otago Regional Council staff to: <ul style="list-style-type: none"> <li>• Undertake further work on draft pLWRP to ensure alignment with the new NPSFM; and</li> <li>• Work jointly with the Government to address the risk of unintended consequences of the delay in notification (i.e. developing approaches for managing the impacts on consent holders and resource users of the transitional provisions introduced to the RPW through plan changes 6AA and 7).</li> </ul>

[37] Advantages and disadvantages associated with Option B are outlined below.

<b>ADVANTAGES</b>
<p><b>pLWRP is likely to align with future national direction for freshwater management (and with any further changes to the pORPS)</b></p> <p>A short pause on work allows for targeted engagement with government between October 2024 and early 2025 on the review and replacement of the NPSFM. This option is likely to result in ORC notifying a plan that is better aligned with the direction of the forthcoming NPSFM and possibly other upcoming legislative changes. It may also provide an opportunity to further align the pLWRP with any further changes to the pORPS provisions as a result of the ongoing appeal process.</p>
<p><b>Potential for setting a submission period that has more positive flow on effects for subsequent plan development stages.</b></p> <p>Option A proposes to set a submission period of 69 working days (to mitigate the risk of disruptions caused by the Christmas). Option B may allow for shorter submission period that still allows stakeholders and members of the wider public to effectively participate in the submission process, while also providing better opportunities for pre-hearing dispute resolution processes to take place.</p>
<p><b>Reduced risk of central Government intervention</b></p> <p>Under this option the risk that the Government will take action against the Council in response to a decision to notify the pLWRP is reduced (compared to option A).</p>
<b>DISADVANTAGES</b>
<p><b>Results in a delay in the timeframe for providing communities with certainty around the future planning framework</b></p> <p>Compared to option A, option B is likely to result in an extension of the timeframe for making the pLWRP operative. This means that the uncertainty around the future planning framework will continue to exist for a longer time period (than under option A). This period is unknown at this time as an assessment of the new NPSFM will be required to confirm the forward work programme.</p> <p>Depending on the scope and significance of any drafting changes that may be required, Option B may trigger a need to undertake further engagement with tangata whenua and communities, including pre-notification consultation under clauses 3 and 4A of the First Schedule of the RMA.</p>
<p><b>Extra cost associated with the development of the proposed plan during pre-notification.</b></p> <p>Option B is likely to increase the cost of the pre-notification stages of the pLWRP. Additional costs associated with option B are likely to involve staff time associated with engagement with Central Government.</p> <p>While no further technical (science) work is anticipated under option B, further expenditure may be required to make drafting changes, check for integration and consistency across the document and require amendments to the Section 32 Report.</p> <p>While the additional cost is not budgeted for, it is anticipated to be relatively small in light of the overall budget.</p>
<p><b>Potential extra cost associated with the need to manage unintended consequences of the delay</b></p> <p>Option B may also result in extra costs associated with the need to manage the risk of unintended consequences caused by the delay in notification. These extra costs may include the cost of staff working with the Government to address issues caused by the transitional provisions introduced to the RPW through Plan Changes 6AA and 7. This additional cost is not budgeted for.</p>



**Uncertainty around the direction set in the new national direction instruments and the implications of changes in national direction for the health of Otago’s freshwater resources**

At present, uncertainty remains around the degree to which the direction set in future national planning instruments and regulations will provide for the health of Otago’s freshwater resources and the diverse cultural, ecological and natural character values supported by these resources.

**Uncertainty around the timing of gazettal of the new NPSFM and increased complexity if pLWRP is aligned with national direction that is not yet gazetted**

If the pLWRP is amended to align with proposed changes to national direction but new national direction is not gazetted before the pLWRP is notified, there is a risk of legal challenge through submissions and the hearing that the pLWRP does not give effect to the national direction that is in force.

(To fully mitigate this risk Council would have to adopt option C below)

**Option C: ORC staff to pause work on the pLWRP until after the replacement NPSFM is gazetted**

- [38] Under this option Council directs staff to pause work on the pLWRP until after the replacement NPSFM is gazetted.
- [39] Staff would need to work with the Government on legislative options to ensure that unintended consequences of delayed notification do not negatively impact on resource users or pose an unnecessary burden on ratepayers, for example through the implementation of Plan Change 6A and the short-term consents required by Plan Change 7.
- [40] Advantages and disadvantages associated with Option C are outlined below.

<b>ADVANTAGES</b>
<p><b>Ensures alignment with future national direction for freshwater management</b>                  Option C provides certainty that the pLWRP can be entirely aligned with the new national direction instruments and regulations. This is because under option C notification of the pLWRP would not occur until after the new NPSFM has been gazetted. This option may also provide an opportunity to further align the pLWRP with any further changes to the pORPS provisions as a result of the ongoing appeal process.</p>
<p><b>Could allow for a better-timed submission period, which has a positive flow on effect for the timing of subsequent plan development stages</b>                  See previous discussion under Option B.</p>
<p><b>Reduced risk of Central Government intervention</b>                  Under this option the risk that the Government will take action against the Council is further reduced (compared to options A and B).</p>
<b>DISADVANTAGES</b>
<p><b>Ongoing uncertainty for communities around the future planning framework</b>                  Under option C the uncertainty for Otago’s communities around the future planning framework will continue to exist as this option does not set a timeframe for notifying a new pLWRP. There is no certainty regarding a gazettal date for the new NPSFM.</p>
<p><b>Ongoing financial risk or economic burden for resource users and consent holders</b></p>

<p>The continued uncertainty around the future regional planning framework for managing freshwater may deter long term investment in key water dependant economic sectors in the region.</p>
<p><b>Extra cost associated with the development of the proposed plan</b></p> <p>Option C is most likely to result in an increase in the cost associated with the pre-notification stages of the pLWRP and the overall total cost of making the plan operative. In the absence of a notification timeframe, it is not possible to estimate the additional cost. Further expenditure is required to make changes to the pLWRP, check for integration and consistency across the document and require amendments to the Section 32 Evaluation Report. Furthermore, it can be assumed that the need for further community or mana whenua engagement and technical work is likely to increase as timeframe for notification is further extended.</p>
<p><b>Extra cost associated with the need to manage unintended consequences of the delay in notification.</b></p> <p>Option C will result in extra costs associated with the need to manage the risk of unintended consequences caused by the delay in notification. These costs may include the cost of staff working with the Government to address issues caused by the transitional provisions introduced to the RPW through Plan Changes 6AA and 7. This additional cost is not budgeted for.</p>
<p><b>Uncertainty around the implications for the health of Otago’s freshwater resource.</b></p> <p>See previous discussion under Option B.</p>
<p><b>Uncertainty regarding Plan Change 6A and 7 implications</b></p> <p>Whilst staff would work with Government officials regarding unintended consequences of delayed notification for resource users associated with Plan Change 6A and expiring short term consents granted under Plan Change 7, there is no certainty regarding the legal mechanism (and timing) to address these issues.</p>

**OVERVIEW OF RELEVANT MATTERS ASSOCIATED WITH OPTION A**

[41] There are a number of relevant matters that must be considered before Council can notify the proposed Land and Water Regional Plan. Each of these matters is discussed below.

***The pLWRP is a Freshwater Planning Instrument***

[42] Section 80A(2) of the RMA states:

*A freshwater planning instrument means:*

- (a) any part of a proposed regional plan or regional policy statement that relates to objectives that give effect to the national policy statement for freshwater management:*
- (b) any provisions of a proposed regional plan or regional policy statement in relation to which the regional council has decided to use the freshwater planning process under subsection (6B)(b):*
- (c) any regional policy statement (including any change or variation to the statement) in relation to which the council has decided to use the freshwater planning process under subsection (6B)(c):*
- (d) any change or variation to a proposed regional plan or regional policy statement if the change or variation—*
  - (i) relates to objectives that give effect to the national policy statement for freshwater management; or*
  - (ii) relates to a provision described in paragraph (b).*

- [43] Subsection (6B) of RMA s80A of the RMA further states that:  
*A regional council—*
- (a) *must use the freshwater planning process when preparing any part of a regional plan or regional policy statement that relates to objectives that give effect to the national policy statement for freshwater management; and*
  - (b) *may use the freshwater planning process when preparing other provisions of a regional plan or regional policy statement that relate to freshwater; and*
  - (c) *may use the freshwater planning process when preparing a regional policy statement or change or variation to the statement if the council is satisfied that doing so is necessary to achieve integrated management of the natural and physical resources of the whole region.*
- [44] Subsection (6A) of RMA s80A of the RMA further stipulates that:  
*A proposed regional plan or regional policy statement (or any part of it) relates to freshwater if it:*
- (a) *it relates (in whole or in part) to an objective of the regional plan or regional policy statement; and*
  - (b) *the objective relates to the performance of a function in section 30(1)(c), (e), (f), (fa), (g), or (ga).*
- [45] The pLWRP is considered to meet the requirements freshwater planning instrument in its entirety because:
- a. It includes provisions that relate to objectives that give effect to the NPSFM in accordance with s80A(2)(a); and
  - b. The Council may decide to use the freshwater planning process for the remainder of the provisions in accordance with subsection (6B)(b) as all of the provisions in the pLWRP relate to freshwater in accordance with subsection (6A). The provisions relate to freshwater because the pLWRP includes objectives, and the associated policies, rules and methods to achieve the objectives in the pLWRP, relate to the performance of ORC's functions in sections 30(1)(c), (e), (f), (fa), (g), and (ga).
- [46] The process to hear and decide freshwater planning instruments is set out in part 4 of Schedule 1 of the RMA. It is very similar to the standard Schedule 1 process.

***Feedback received from iwi authorities on the draft pLWRP***

- [47] Clause 4A of Schedule 1 of the RMA requires a local authority to provide a copy of a proposed plan to an iwi authority consulted under clause 3(1)(d) and allow adequate time and opportunity for the iwi authorities to consider the draft policy plan and provide advice on it.
- [48] Pre-notification consultation under Clause 4A of Schedule 1 of the RMA took place in July and August 2024. A draft copy of the pLWRP provisions was sent to Te Runanga o Ngāi Tahu, Aukaha and Te Ao Marama Inc for comment.
- [49] Clause 4A (1)(b) of the RMA requires that a local authority must have particular regard to any advice received on a draft proposed policy statement or plan from those iwi authorities.

- [50] Following the conclusion of the clause 4A pre-notification process, a public Council briefing was held on 29 August 2024 where staff provided an overview of:
- the feedback received on the draft pLWRP from iwi authorities; and
  - staff recommendations in response to this feedback.
- [51] An overview of how the feedback received from Iwi authorities under Clause 4A of Schedule 1 of the RMA has informed the development of the various pLWRP provisions is discussed in Chapter 5 Evaluation of Objectives and Chapter 6 Assessment of Provisions of the Section 32 Evaluation Report.

***Section 32 Evaluation Report***

- [52] Clause 5(1)(a) of Schedule 1 of the RMA requires that a local authority that has prepared a proposed plan must prepare an evaluation report for the proposed plan in accordance with section 32 and must have particular regard to that report when deciding whether to proceed with the plan.
- [53] The purpose of the s32 report is to summarise the evaluation that the plan making authority has undertaken of the provisions in the pLWRP. The report documents the background and context for developing the pLWRP, the consultation process undertaken (and Council's response to that consultation) and the analysis of provisions under section 32 so stakeholders and decision-makers can understand the rationale for policy choices.
- [54] Section 32 of the RMA requires that:
- a. the objectives of the plan are examined for their appropriateness in achieving the purpose of the RMA; and
  - b. the other provisions of the plan are examined for their appropriateness in achieving the objectives by:
    - i. Identifying other reasonably practicable options for achieving the objectives; and
    - ii. Assessing the efficiency and effectiveness in achieving the relevant objectives (including the benefits and costs of the environmental, economic, social and cultural effects anticipated from the implementation of the provisions and the risk of acting or not acting); and
    - iii. Summarising the reasons for deciding on the provisions.
- [55] The analysis undertaken and documented in the Section 32 Evaluation Report demonstrates that the provisions in the pLWRP are the most effective and efficient way of achieving the objectives of the proposal and the purpose of the RMA.
- [56] The Section 32 Evaluation Report prepared for the pLWRP is attached to this report as Attachment 2.

***Setting a submission period***

- [57] Clause 5(3)(a) of Schedule 1 of the RMA requires that for a proposed plan the closing date for submissions shall be at least 40 working days after public notification.
- [58] As discussed earlier in this report, if the pLWRP is publicly notified on 31 October 2024 staff recommend an extended submission period to 28 February 2025.

***Making minor amendments to the pLWRP and Section 32 report***

- [59] Clause 16 (2) of the First Schedule to the RMA stipulates that:  
*A local authority may make an amendment, without using the process in this schedule, to its proposed policy statement or plan to alter any information, where such an alteration is of minor effect, or may correct any minor errors.*
- [60] Minor errors in the pLWRP and the Section 32 Evaluation Report may come to the staff's attention after Council has considered the pLWRP and Section 32 Evaluation Report at its meeting on 23 October 2024.
- [61] Clause 16 (2) of the First Schedule to the RMA stipulates that a local authority may make an amendment, without using the process in Schedule 1 of the RMA, to its proposed plan to alter any information, where such an alteration is of minor effect, or may correct any minor errors. As per the Delegations Manual of the Otago Regional Council, the Manager Policy & Planning currently has delegated authority to amend the pLWRP after public notification for such alterations or corrections.
- [62] However, in the event Council resolves to proceed with Option A, staff recommend that Council adopt a resolution that authorises the Manager Policy & Planning to make alterations of minor effect to, or correct minor errors in the pLWRP and Section 32 Evaluation Report after Council has resolved to adopt both documents, but before these documents are publicly notified.

**OUTLINE OF NEXT STEPS ASSOCIATED WITH OPTION A**

- [63] If council resolves to adopt Option A and notifies the pLWRP and Section 32 Evaluation Report the next steps will be to:
- a. Identify Suitably Qualified Freshwater Commissioners to Hear the pLWRP; and
  - b. Prepare the summary of submissions and call for further submissions on the pLWRP (At the conclusion of the submission period).

***Identification of Suitably Qualified Freshwater Commissioners to Hear the pLWRP***

- [64] Clause 59(1) stipulates that a freshwater hearings panel comprises 5 members as follows:
- a. Two freshwater commissioners;
  - b. One person with an understanding of tikanga Māori and mātauranga Māori who is either nominated by the local tangata whenua, or on the absence of a nomination, appointed by the Chief Freshwater Commissioner;
  - c. Two persons (who may or may not be elected regional council members) nominated by the regional council.<sup>4</sup>

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<sup>4</sup> Under Clause 59(2) of the First Schedule of the RMA the number of members on a freshwater hearings panel

(a) may exceed 5 if the Chief Freshwater Commissioner considers there are special circumstances in the region to which the freshwater planning instrument applies; or

(b) may be fewer than 5 (but no fewer than 3) if the Chief Freshwater Commissioner considers that the scale and complexity of the freshwater planning instrument does not warrant the appointment of 5 members.

- [65] Clause 37 requires regional councils to nominate to the Chief Freshwater Commissioner, two members to sit on a Freshwater Hearings Panel that is considering a plan or policy statement. As suitable Commissioners are often committed to other hearing processes for months in advance, it is critical to engage council nominated Commissioners as soon as possible.
- [66] If Council resolves to adopt the pLWRP and the Section 32 Evaluation Report and approves notification of the plan on 31 October 2024, staff will bring a paper to the 20 November Council meeting outlining considerations for recommendations with respect to specific nominations for the Freshwater Hearing Panel.

***Summary of submissions and call for further submissions on the pLWRP***

- [67] At the conclusion of the period for making submissions, Council is required to prepare a summary of the decisions requested, publicly notify the availability of that summary, and call for further submissions.
- [68] Under Clause 8 of the First Schedule of the RMA persons may only make a further submission on a proposed plan to the relevant local authority if they:
- a. Represent a relevant aspect of the public interest; and
  - b. Have an interest in the proposed policy statement or plan greater than the interest that the general public has; and
  - c. Are the local authority itself.

**CONSIDERATIONS**

**Strategic Framework and Policy Considerations**

- [69] The pLWRP is the third and final milestone in ORC's transition towards a new freshwater management framework that gives effect to relevant national direction instruments, including the NPSFM and NPSREG and ensures consistency of the regional framework for managing freshwater with relevant national regulations.
- [70] The pLWRP also fulfils Council's objectives under ORC's Strategic Directions of leading environmental management in Otago, in partnership with mana whenua; promoting collaboration with territorial authorities and others to achieve resilient and sustainable communities; and promoting a healthy and resilient environment whose capacity for sustaining life and ecosystem health is enhanced and sustained.

**Financial Considerations**

- [71] The pLWRP has been funded from existing budgets. The costs to date have largely been staff and consultant time. Going forward, there will be ongoing costs associated with notification, hearing costs and costs of managing any appeals that may arise.
- [72] The costs of the pLWRP being heard by the Freshwater Hearings Panel have been budgeted in the current Long-Term Plan.
- [73] As discussed earlier in this report, should Council decide not to proceed with notification in accordance with the timeframe proposed under Option A, and request further work on the development of the pLWRP, that work is not budgeted.

### **Significance and Engagement Considerations**

- [74] Notifying the pLWRP will satisfy the requirements of *He Mahi Rau Rika*. While the plan is likely to have significant impacts on resource consent holders, industries and the community at large, because of the changes in approach for managing freshwater promulgated in the PORPS 2021, any person will be able to submit on it, satisfying the engagement requirements.
- [75] The development of the pLWRP in its pre-notification stages has been undertaken in accordance with, and notification of the pLWRP will be undertaken in accordance with, the formal process prescribed by Schedule 1 to the Resource Management Act 1991 (RMA).
- [76] If Council resolves to adopt Option A, affirms that the pLWRP is a Freshwater Planning Instrument and resolves to notify the pLWRP, then the freshwater planning process and the RMA Schedule 1 process can be followed. These satisfy the requirements of of *He Mahi Rau Rika*.

### **Legislative and Risk Considerations**

- [77] Legislative and wider risk considerations associated with the options presented in this paper are outlined in the tables setting out the advantages and disadvantages included under options A, B and C.

### **Climate Change Considerations**

- [78] The notification and implementation of the pLWRP will assist with making meaningful change on emissions reductions or progress towards increase climate change resilience of both communities and freshwater ecosystems will be more challenging.

### **Communications Considerations**

- [79] Given the significant interests of many stakeholders, and the broader community, it will be important to be as transparent as possible around Council decisions on the plan.
- [80] A specific Implementation workstream involving council staff from various relevant council departments (including Consents, Consents Data, Science, Compliance and Policy) has been established to develop tools, processes and information resources for both internal ORC staff and resource users (including consent holders) that will assist and key messages and ensure will be working with the communications teams to ensure all channels are used to get key messages out and
- [81] Staff recommend that any decision made by Council should be communicated to the Minister without delay.

### **NEXT STEPS**

- [82] The next steps are:
- a. ORC staff to implement the option adopted by Council.
  - b. ORC staff to ensure stakeholders and communities are updated on the Council's decision and kept informed about the future stages of the pLWRP development.