



Otago
Regional
Council

What we're proposing for the
Annual Plan
2023-2024

orc.govt.nz/annualplan

Progressing the Annual Plan 2023-24

The Otago Regional Council's proposed 2023-2024 Annual Plan signals our intention to stay on track with the work our communities have asked us to do.

We have committed to raising Otago's environmental standards, supporting communities to be more resilient in the face of climate change, improving and restoring land and water quality and improving public transport.

The Annual Plan is set by council for each financial year (between our Long-term Plan review years). It reviews the work programme and funding set out in the 10-year Long-term Plan and includes the annual budget, funding impacts and any adjustments to the work programme or funding.

Our current [Long-term Plan](#) (LTP) is for the period 2021-2031. It was developed and consulted on with the community in 2020. It is reviewed and consulted on every three years.

What has changed?

In brief, our proposed work is on track with that planned in our LTP. However, our proposed rating increase is more than what was planned.

ORC Chair Gretchen Robertson says the Council has agreed to stick to commitments set out in the 2021-2031 LTP for the coming financial year, beginning 1 July 2023. But while there is no substantive change to council's work, the rates are forecast to rise an average 18.8%.

These adjustments reflect new information, the changing work environment and inflation pressures — pressures facing all of Aotearoa New Zealand and unforeseen three years ago. While we absorbed inflation for the current year and stuck with the planned rate rise for 2022-23, we cannot keep absorbing this pressure without reducing planned work.

In the LTP, we had a planned rates rise for the current year (2022-23), and we stuck to it. However, for the coming year (2023-24), the average rates increase is going to be higher than the 12% planned in the LTP. The proposed changes equate to an average rates increase of 18.8%, which is 6.8% higher than that signalled in the LTP.

Compared to the current year, this will mean an approximate \$84 rise on annual rates per household. For some people, depending on where you live, it might be greater, or it might be less. *Check out our [Rates Calculator](#) to find out your proposed property rate.*

These are challenging times for everyone in Otago, and indeed the whole country, as we balance what is expected of us with what is affordable and achievable. ORC is both catching up on its work and responding to the new. There is still a lot to be done, and doing more costs more.

Commitments

Our community and central government have expectations of us in our role to protect, connect, enhance, and enable the wellbeing of Otago communities.

We made commitments in the 2021-31 LTP, which we are sticking with. They are to:

- ▶ Implement central government direction in an Otago context
- ▶ Deliver integrated environmental management
- ▶ Effectively engage with communities and focus on customer needs
- ▶ Collaborate to deliver, including our partnership with mana whenua

Priorities

You told us what the priorities for Otago's future are during our LTP 2021-31 consultation. They include:

- ▶ Delivery of a regulatory framework to meet government and community aspirations for land and water environmental outcomes
- ▶ Capacity to implement the Pest Management Plan
- ▶ Improve the community's understanding of climate change-related risk in Otago for informed decisions and action
- ▶ Improved partnerships and community engagement



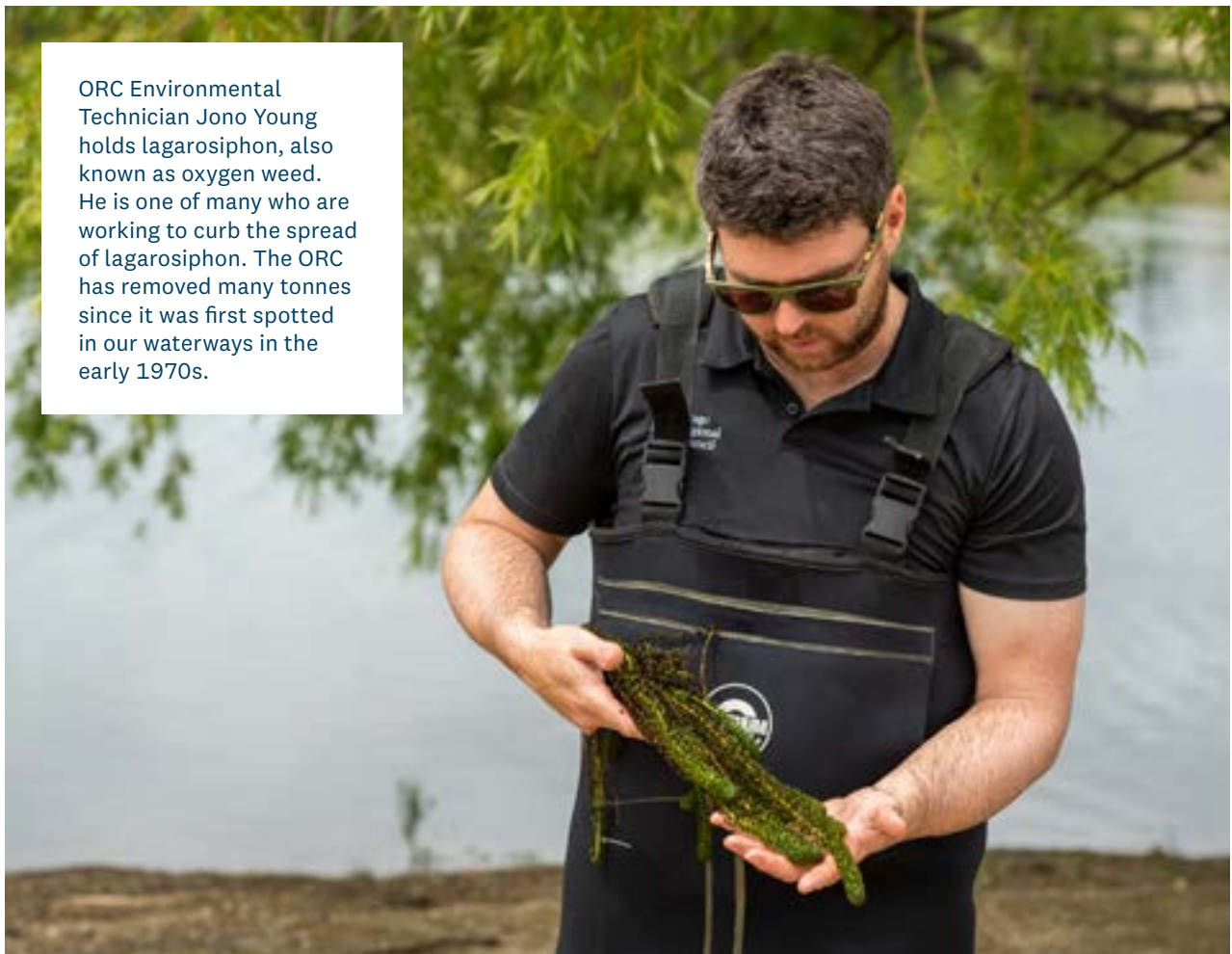
Progress

We have made progress across these commitments, which can be read in ORC's public reporting. Here are some examples of the mahi/work we are doing:

- ▶ [Our Land Water Regional Plan](https://orc.govt.nz/lwrp) orc.govt.nz/lwrp
- ▶ [Increased patronage on buses](https://orc.govt.nz/bususe) orc.govt.nz/bususe
- ▶ [Improved data on water quality and quantity — the environmental data portal](https://orc.govt.nz/edp) orc.govt.nz/edp
- ▶ [Education and information on key changes to farming practices — intensive winter grazing](https://orc.govt.nz/iwg) orc.govt.nz/iwg
- ▶ [Pest control and eradication — meet the pest detective](https://orc.govt.nz/toby) orc.govt.nz/toby
- ▶ [Natural Hazards adaptation programmes — Glenorchy and South Dunedin](https://orc.govt.nz/holw) orc.govt.nz/holw
- ▶ [Flood protection and drainage schemes](https://orc.govt.nz/climateresilience) orc.govt.nz/climateresilience

These services are critical to safeguarding our environment and everyone who lives in Otago.

ORC Environmental Technician Jono Young holds lagarosiphon, also known as oxygen weed. He is one of many who are working to curb the spread of lagarosiphon. The ORC has removed many tonnes since it was first spotted in our waterways in the early 1970s.



Proposed Annual Plan work programme

We have committed to raising Otago's environmental standards, supporting communities to be more resilient in the face of climate change, improving and restoring land and water quality and improving public transport. Here are our key work programmes and the proposed adjustments.

Environmental management

Environmental management that supports healthy people and ecosystems is at the heart of what we do. We do this through our regional plans as well as on-the-ground actions, working with community groups, stakeholders and land managers to promote good environmental outcomes across biosecurity and biodiversity.

We are transitioning towards integrated catchment management to create synergies in our activities that seek to protect fresh water, land, the coastal environment, or ecosystems, while increasing our science capacity with a focus on environmental monitoring.

The LTP provides capacity to work on:

Land and Water [increases]

- ▶ Regional Plan
- ▶ Integrated catchment action plans
- ▶ Site-specific restoration
- ▶ Strategic Lakes Plan

Biodiversity and Biosecurity [increases]


- ▶ Extending knowledge and monitoring of biodiversity
- ▶ On-the-ground initiatives
- ▶ Implementing the regional pest plan and operations plan

Air Quality

- ▶ Paused our implementation work over years 1 to 2
- ▶ Continued and improved air monitoring
- ▶ Direction to create a regional air plan and implementation strategy [starting year 3]

Proposed Annual Plan adjustments [to the LTP]

- ▶ Continued water remediation work at Toitū Te Hākapupu: The Pleasant River Catchment Restoration Plan (non-rates funded)
- ▶ Continued wallaby eradication and Jobs for Nature programme (non-rates funded)
- ▶ Additional land and water work (non-rates funded)
- ▶ Additional air policy staff



Go Bus Driver Peter Dowden helping young passengers Emmett and Willem with their Bee Card on our Orbus public transport service.

Transport

The LTP focuses on improving bus services in Dunedin and Queenstown for the long term under the direction of the Regional Land Transport and Public Transport Strategies. The services come at a significant cost, and this must be affordable over the medium-to-long run.

We continue to explore the balance between price of fares, targeted rates, and government policy/funding. Growth in passenger numbers is a critical goal and consideration in the financial sustainability of passenger transport. The good news is that patronage is increasing, which means fewer cars and emissions on our roads.

Proposed Annual Plan adjustments [to the LTP]

- ▶ Additional funding to further develop real-time transport information added in Queenstown and Dunedin (non-rates funded)
- ▶ Other public transport changes include increasing driver wages and the ferry service remaining at trial level. Scheduled improvements have been spread across multiple years (no changes to planned rates)

Safety and Resilience

The LTP has maintained our capacity to provide flood protection and drainage schemes across Otago. The government co-funded 'shovel ready' flood resilience work has bolstered the asset renewal programme.

The LTP has increased our capacity to provide:

- ▶ Planning and co-ordination for emergency management response [this occurred in year 2]
- ▶ Better understanding of natural hazards and climate-related risk. Climate change is an issue of global importance, felt locally at key sites, for example South Dunedin and Glenorchy on Lake Whakatipu. Our immediate priorities are to develop our knowledge and understanding for working with our partners and responding appropriately.

Proposed Annual Plan adjustments [to the LTP]

- ▶ Additional funding for flood protection works due to inflationary pressures
- ▶ Additional climate change hazards staff



Looking back at
Lake Whakatipu
and Queenstown.

Regional Leadership

The LTP supports the overarching strategic planning largely focused on the implications of, and giving feedback on, national direction, policy, and key issues, including climate change, while we maintain continued communication and engagement with the community. It also supports Otago's elected regional councillors to perform their role, and supports our partnering initiatives with Kāi Tahu.

It covers consolidation of the resized [i.e. expanded capacity pre-LTP] regulatory activity that educates, monitors, and enforces regional/national rules.

Proposed Annual Plan adjustments [to the LTP]

- ▶ Reduction in planned consenting staff due to efficiencies
- ▶ Increased prosecution funding required due to the ramping up of our enforcement work
- ▶ Increased response costs due to volume of feedback on national direction, policy, and key issues. Additional iwi relationship and executive support.

Measuring levels of service

Our Annual Plan Levels of Service Measures provide the community with clarity on what ORC has committed to deliver, and help us measure and report on our success.

[Click here to view these.](#)

Paying for these Services

The table below shows the funding needed to pay for our Proposed Annual Plan 2023-24 work, and how it compares to the Long-term Plan approved in 2021. While all this funding is crucial, the rates component remains our key revenue stream; it provides 49% of the money to deliver the proposed work.

Understanding the two types of rates on your bill provides some insight into who pays for what. Ratepayers across Otago don't all receive the same services, and this is reflected in the rates they pay. The map on the following page indicates how rates are spread across the region. The proposed average rate increases by 18.8%. This compares to 12% previously planned.

General Rates (GR) are paid by all Otago ratepayers for services where there is a perceived benefit to everyone. The table shows a proposed GR requirement of \$28.3 million, being a 22.6% increase on previous year and \$3.1 million above our LTP estimate.

Approximately half of the \$3.1 million increase is related to the inflationary impact on wages; a quarter to regional leadership activity. Emergency management increases added in year 2 were not in the LTP. There are also a range of increases associated with science, air policy, and safety and resilience activity.

Targeted Rates (TR) pay for services to a specific community (e.g. a district or smaller geographic area). These services are shown on the map below.

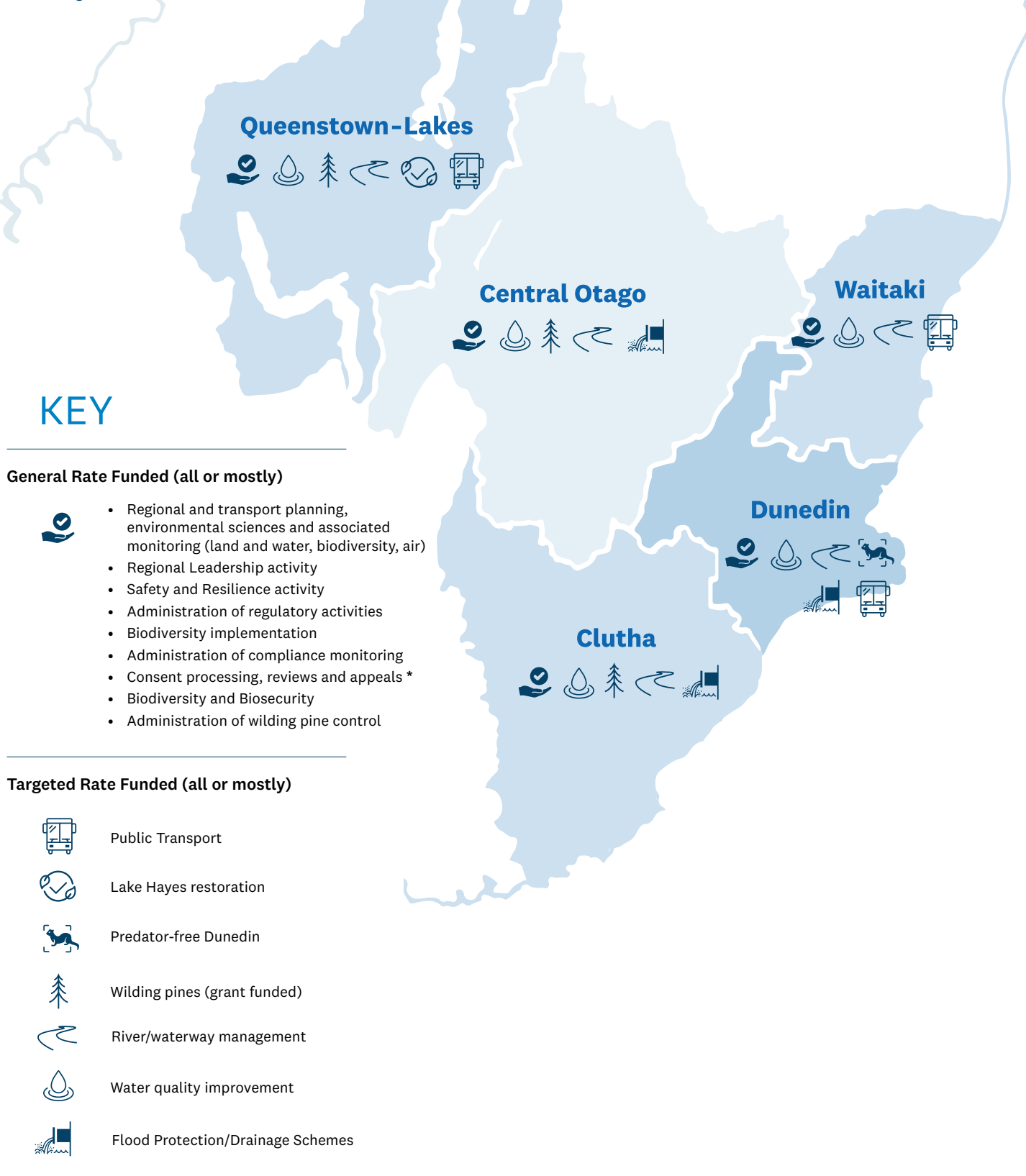
The funding table shows a proposed targeted rate requirement of \$27.7 million, being a 15.2% increase on the previous year and very similar to that estimated in the Long-term Plan.

Nearly half of the 15.2% increase is related to public transport activity, approximately 14% flood and drainage activity, and similar for biosecurity.

FUNDING SUMMARY (000's)	Long Term Plan Year 3	% change	Proposed Annual Plan 23-24 Year 3	% change	Annual Plan vs Long Term Plan \$ change
General Rates	25,226	9.1%	28,349	22.6%	3,123
Targeted Rates	27,672	14.8%	27,762	15.2%	90
Total Rates	52,898	12.0%	56,110	18.8%	3212
Grants	17,760	-19.6%	20,495	-7.3%	2,735
Fees & Charges	7,451	8.6%	6,167	-10.1%	(1,284)
Bus Fares	8,667	57.4%	6,100	10.8%	(2,567)
Other Income	3,086	2.8%	2,373	-21%	(713)
Dividends	15,000	7.1%	15,000	7.1%	
Interest & Investment Income	928	0.0%	928	0.0%	
Reserves - SRD	2,496	-61.6%	4,723	-27.3%	2,227
Reserves	1,870	-30.1%	1,842	-31.1%	(27)
Total Non Rates	57,256	-7.0%	57,628	-6.4%	372
Total Revenue	110,154	1.2%	113,738	4.5%	3,584

Our services

This map shows our services across Otago and provides insight into how general and targeted rates are used to fund them.



*ORC policy is to fund largely via fees and charges. Our Annual Report shows we are not meeting our policy. This issue, the reasons for it, and potential solutions will be considered in the upcoming Long-term Plan process.