



Otago  
Regional  
Council

# Annual Plan 2023-2024

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**Cover Image**

Lake Waihola from Circle Hill, Milburn

# Contents

## **Introduction from the Chair** **4**

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## **Overview** **5**

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Why does this document matter?.....	6
Commitments, priorities and Long-term Plan 2021-31.....	6
What changed in the LTP? .....	7
Community Feedback .....	9

## **What we will deliver** **10**

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Regional Leadership .....	12
Environment .....	20
Safety and Resilience.....	29
Transport .....	36

## **Forecast Financial Information** **41**

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Overview .....	42
Planning Assumptions.....	43
Financial Statements.....	46
Summary of Accounting Policies .....	52
Significant Accounting Policies .....	53
Prudence Disclosures .....	58
Schedule of Fees and Charges .....	64

# Introduction from the Chair

**The Otago Regional Council has adopted the 2023-2024 Annual Plan outlining our work priorities over this next financial year. With it, we are committed to staying on track towards achieving the mahi that you in our communities asked us to do.**



**Gretchen Robertson**  
CHAIR

Three years ago, when we drafted a long-term 10-year work programme, you helped us set out our priorities, asking us to raise Otago's environmental standards. The priority is ensuring we deal with vital land and water environmental challenges and restore and protect our precious waterways.

We are also working hard to inform communities about climate change-related risk in Otago, for example, at the head of Lake Whakatipu and in South Dunedin. We monitor and plan pest control efforts, an area where it has been crucial to have community partnerships in place. This has been a strong focus for our growing team of dedicated catchment advisors, who provide advice, facilitating assistance to landowners, communities and catchment groups. These are people who, like us, seek improved water and land practices and more sustainable communities. We also support community-led and government-funded projects for catchment initiatives restoring important waterways.

As you can see, we are not alone. I want to thank our community, who are equally as invested in our beautiful region; who keep us on track, let us know what they think and participate in consultative and engagement processes, including on what we proposed in this Annual Plan. Later this year, we will be asking for further feedback on our emerging Land and Water Regional Plan, a critical guide to enable all custodians to better manage Otago's lakes, rivers and streams with new and improved rules and regulations. Our iwi partners have been alongside us on this journey. There is great strength in standing together. As kaitiaki/guardians of our land, mana whenua partnership is critical to a positive, sustainable future.

The people of Otago have invested in a vision for our outstanding region in a dynamic and challenging three-year period. This newly-elected council has needed to make some tough decisions, prioritising resilience and sustainable futures while acknowledging a changing economic environment and inflationary pressure — pressures facing all of Aotearoa New Zealand and unforeseen three years ago. Considered investment in capacity, capability and key projects will keep us on our current pathway to achieving our communities' collective goals.

Later this year, we will review and redraft our Long-term Plan (LTP). This will take a longer view of the work programme and the expenditure and funding (including rates) needed to deliver the next 10 years of work. Since the last LTP, we have built a solid foundation and a clear pathway. Together with Otago's community, we expect to build on that and forge ahead with important work to protect, restore and enhance our environment.

Kā mihi,

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

**Gretchen Robertson,**  
ORC Chair.

# Overview



# Why does this document matter?

This Annual Plan 2023-2024 (AP) reflects the results of a process that has decided required adjustments to the adopted Otago Regional Council Long-term Plan 2021-31 (LTP).

The LTP assists Council to achieve its purpose under the Local Government Act (2002) to:

- ▶ Enable democratic local decision making and action by, and on behalf of, communities
- ▶ Promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future

Council has identified how it contributes to 'wellbeing' and this is reflected in part two Community Outcomes section of the LTP.

## Commitments, priorities and Long-term Plan 2021-31

### 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 LTP 2021-31, 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

The Council heard the priorities for Otago's future 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

## Long-term Plan 2021-31

The LTP describes Council activity – key work programmes that deliver on these commitments and priorities. It defines the expenditure and funding (including rates) needed to deliver this activity.

The LTP also includes the Financial and Infrastructure Strategies, along with a Revenue and Financing Policy. These are important directional documents embedded in the LTP, with the latter defining who pays for Council activity (e.g. everybody across the region, or targeted), and how they pay (e.g. rate on land value, or user charge).

## What changed in the LTP?

This section outlines the change that was planned in the LTP, and the changes that have been decided in this Annual Plan 2023-24.

In terms of the ‘big picture’, the Council has stuck with the LTP work programme.

The LTP forecast a 12% average rate increase for this annual plan year and included more work across the activity shown below.

### Land and Water

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

### Biodiversity and Biosecurity

- ▶ Extending knowledge and monitoring of biodiversity
- ▶ On-the-ground initiatives
- ▶ Implementing the Regional Pest Management Plan and Operations Plan

### Safety and Resilience

- ▶ Planning and co-ordination for emergency management response (this occurred in year 2)
- ▶ Better understanding of natural hazards and climate-related risk

This Annual Plan 2023-24 includes additional work across the activity shown below.

This additional work, along with inflationary adjustments, resulted in an 18.1% increase in average total rates. This is 6.1% higher than the LTP forecast discussed above.

## Environment

- ▶ Continued water remediation work at Toitū Te Hākapupu / 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

## Transport

- ▶ 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

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

## Regional Leadership

- ▶ 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



# Community Feedback

The Council invited community feedback on the review of the LTP and the resulting draft Annual Plan 2023-24. Given Council was not proposing any significant change to its LTP work programme, it decided on a less formal consultative approach with specific questions/focus on:

- ▶ The level of rating (i.e. the overall value proposition)
- ▶ General open-ended feedback about services and service levels

While the level of response was lower compared to LTP consultations (i.e. less than 100 versus greater than 500), the topics/issues in the response was broad. This response is recorded as a public record and available on the ORC website.

All feedback was provided to Councillors and staff for consideration and the following matters were specifically discussed in a Council workshop prior to the adoption of the Annual Plan at the 24 May 2023 Council meeting:

- ▶ Requests to reduce funding impacts of rating and fees and charges were from: Federated Farmers, Business South, specific landowners located in the Taieri Drainage Schemes
- ▶ Funding requests from community-based organisations including: WAI Wānaka, Southern Lakes Sanctuary, Upper Clutha Wilding Tree Group, Dunedin Tracks Network, Community Networks Wānaka — LINK Upper Clutha (via Queenstown Lakes District Council)
- ▶ Request to reprioritise (bring forward) planned environmental work for the Clutha Lagoon — Otago Fish and Game
- ▶ Confirmation of resource/capacity to implement specific aspects of planned work — Queenstown Lakes District Council

Consideration of the community feedback resulted in Council deciding on the following changes to the draft Annual Plan 2023-24:

- ▶ A rating freeze for landowners located in the targeted rating Taieri Drainage Schemes
- ▶ Reallocation/reprioritisation of budgeted staff resource (engineering) to support the Dunedin Tracks Network to complete the Wingatui to Waihola via the operational use of and access to ORC floodbank assets
- ▶ Invite the Upper Clutha Wilding Tree Group to apply for the 'ORC funded portion' via the ECO Fund, and under the proviso that Queenstown Lakes District Council agrees to fund the remaining 50%

# What we will deliver



In this section, you'll find an outline of our work represented as ten activities grouped under four key headings.

**Our work activities:**

## **1. Regional Leadership**

- Governance and Community Engagement
- Regional Planning
- Regulatory

## **2. Environment**

- Land and Water
- Biodiversity and Biosecurity
- Air

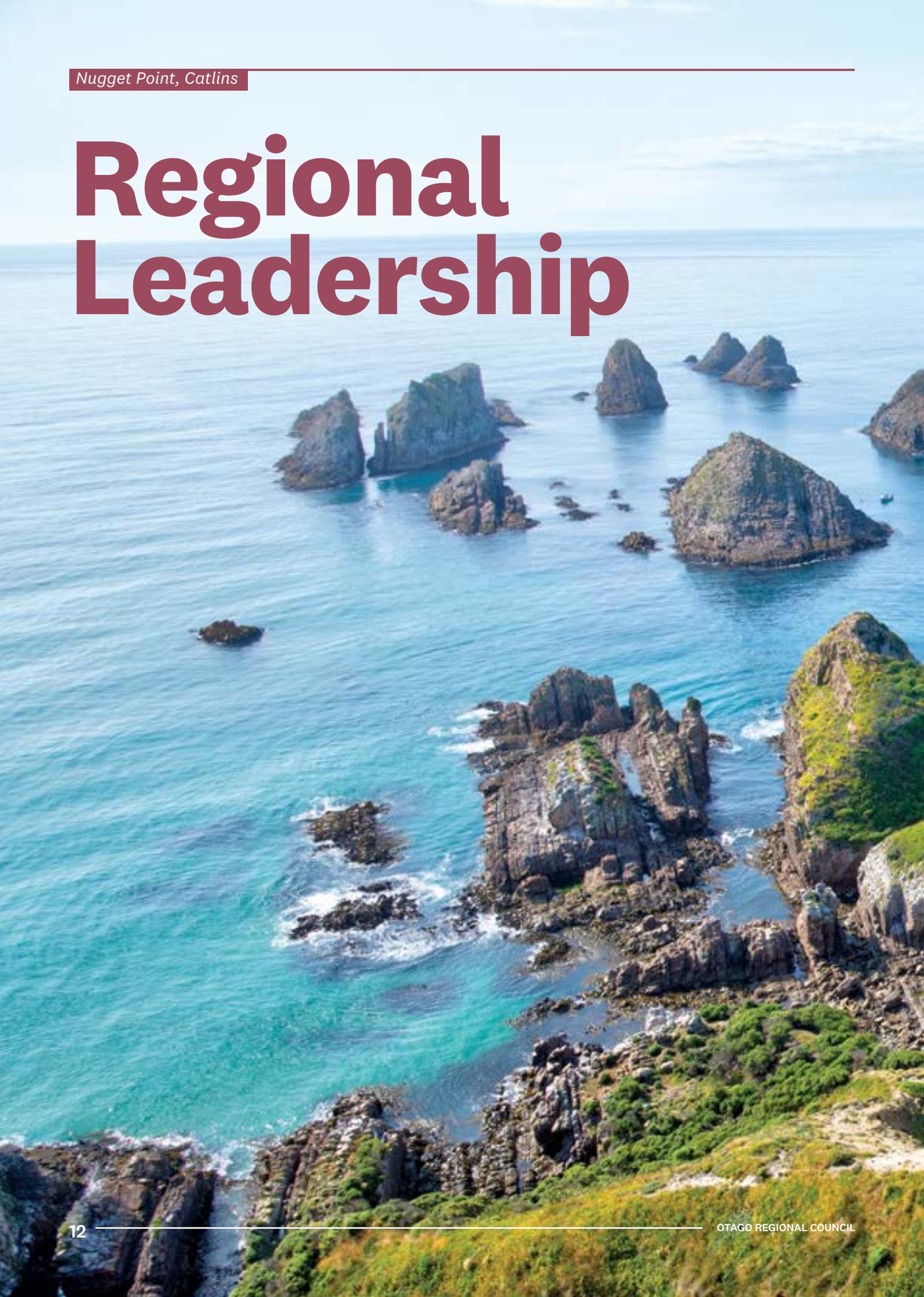
## **3. Safety and Resilience**

- Natural Hazards and Climate Change
- Flood Protection, Drainage and River Management
- Emergency Management

## **4. Transport**

- Transport (including Regional Land Transport and Public Passenger Transport)

# Regional Leadership



# Regional Leadership

- ▶ Governance and Community Engagement
- ▶ Regional Planning
- ▶ Regulatory

Our Regional Leadership work supports informed decision making and an engaged community. Our democratic decision-making process and community-elected councillors ensure everyone’s voices around Otago are heard and that leadership is provided to benefit Otago.

Our regional plans set out objectives, policies and rules for the sustainable use of natural and physical resources in Otago, and our regulatory work supports the sustainable management of water, land, air and coast.

We also need organisational and functional strategies and plans to support regional regulation and implementation, promote regional wellbeing and build community capacity and resilience.

## Group Revenue and Expenditure – Regional Leadership

2022/23 Annual Plan \$000s		2023/24 LTP \$000s	2023/24 Annual Plan \$000s
7,775	Governance and Community Engagement	7,598	8,649
2,293	Regional Planning	2,751	3,071
13,477	Regulatory	14,427	14,245
<b>23,545</b>	<b>Expenditure</b>	<b>24,776</b>	<b>25,965</b>
16,499	General Rates	17,730	20,064
200	Targeted Rates	210	210
5,833	Fees & Charges	6,495	4,971
75	Grants	75	225
260	Other Income	282	270
678	Reserves	16	224
<b>23,545</b>	<b>Revenue</b>	<b>24,776</b>	<b>25,965</b>

# Governance and Community Engagement

## What we do

Connecting our communities in a timely and meaningful way to the work of the Regional Council is vital. Through our elected representatives and communication and engagement activities, the many diverse voices from around Otago can be heard and be part of our decision-making processes. In turn, we share the stories about our work to raise awareness of the results of the investment Otago people make in us.

We aim to provide quality leadership that benefits our region and our work in this activity supports Otago's elected Regional Council representatives to carry out their duties.

The key programmes that make up this activity are:

- ▶ Media and Communications
- ▶ Governance and Democracy

## Why we do it

Supporting governance, good decision making, and connecting and engaging with our communities are essential features of a civilized society. Connecting the community in a timely and accessible way to decision making and the work of Council is critical. Legislation also enshrines principles, powers, duties and functions that underpin this activity and the need for it.

## Key work for year 3

The AP includes a modest increase in the level of capacity for this activity. One full time equivalent position has been included to support partnership with Kāi Tahu and iwi liaison, along with one other executive support position.

Our work programme includes:

- ▶ Elected member committee structure, council meetings
- ▶ Partnership with Kāi Tahu and iwi liaison
- ▶ Engaging with partners, organisations and community groups as part of the next Long-term Plan
- ▶ Council communications and engagement capacity and expertise to assist with connecting council and the community
- ▶ Advice, support and information to assist completion of strategic direction for the next Long-term Plan, climate change, Lakes Strategic Plan, and Otago Harbour Plan
- ▶ Secretariat support for the 'Otago Mayoral Forum'

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**Level of Service:** Provide and promote governance processes and democratic decision making that is robust and transparent for the community.

Performance measures	Targets
Percentage of council agendas that are publicly available two working days or more before a meeting.	100%
Percentage of official information requests responded to within 20 working days of being logged.	100%

**Level of Service:** Develop and deliver robust and effective corporate planning and reporting.

Performance measures	Targets
Deliver our statutory requirements with acceptable process and deliverables to decision makers and the community.	Unmodified audit reports received

**Level of Service:** Build mana whenua participation in Council decision making through a treaty-based partnership approach in our engagement.

Performance measures	Targets
Work done in partnership with iwi.	Maintain or increase the number of outputs and/or projects*
Build the bicultural competency of ORC staff and councillors.	≥50 participants in programme per year

*\*from 2021-22 baseline*

**Level of Service:** Provide relevant, timely and accessible communications and engagement activities which enable the community to understand and participate in ORC's programmes and decision making.

Performance measures	Targets
Annual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.	Improved satisfaction levels with how ORC services the region
Customers express high levels of satisfaction with customer service provision.	Conduct benchmarking of customer satisfaction

**Level of Service:** Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues.

Performance measures	Targets
Report on community wellbeing indicators.	Complete baseline report on wellbeing indicators and issues

**Level of Service:** Collect and make publicly available accurate, relevant and timely information on climate change in Otago.

Performance measures	Targets
Information on climate change in Otago is shared with the community and stakeholders.	Co-ordinate the development and delivery of a regional sequestration study by December 2023

**Level of Service:** Lead a regional approach to climate change in partnership with local councils and iwi.

Performance measures	Targets
Report on regional stakeholder engagement and collaboration on climate change.	Complete annual report on regional climate change collaboration and report to Council by 30 June 2024
Develop a Regional Climate Strategy.	Strategy finalised and reported to Council by 30 June 2024

# Regional Planning

## What we do and why

This activity sets strategic direction on Otago’s natural resources through a resource planning framework that guides how people interact with the environment. Our regional plans set out objectives, policies and rules for sustainably using natural and physical resources in Otago, including water, land, air, and the coast.

The Regional Policy Statement (RPS) is a critical component of this activity that sits over the various plans that ORC has developed under the Resource Management Act. These plans include water (fresh water, land and coast), air, and waste. As part of this activity, we also work with our partners, including the Dunedin City Council and Otago’s district councils, to implement our RPS. This liaison role with the city and district councils also supports some of Council’s other functions, such as engineering and hazards management. Importantly, our Urban Development works within this planning, partnership and advisory framework and other regulatory frameworks such as Transport. An integrative approach is taken.

## Key work for year 3

The Annual Plan maintains capacity to:

- ▶ Complete the Regional Policy Statement
- ▶ Progress the development of the Regional Plan: Air. This Annual Plan includes additional air policy staff
- ▶ Progress the Regional Plan: Coast
- ▶ Progress the Urban Development Strategy
- ▶ Respond to national legislative processes to advocate for Otago, e.g. submissions, select hearings
- ▶ Work with Otago’s other councils regarding the implementation of the RPS
- ▶ Work in partnership with Dunedin City Council and Queenstown Lakes District Council on an Urban Development Strategy

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Support Otago’s councils and communities to manage environmentally sustainable urban growth.	
Performance measures	Targets
Develop an integrated planning framework that enables well-managed urban growth across Otago.	Joint ORC and DCC/QLDC HBA update and joint FDS completed by 30 June 2024
	Mapping of highly productive land completed by 30 June 2024*

\*To align with the National Policy Statement on Highly Productive Land (NPS-HPL)

Level of Service: Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.	
Performance measures	Targets
Complete review of existing Regional Policy Statement (RPS).	Make RPS operative

# Regulatory

## What we do and why

As a regulatory authority, ORC supports the sustainable management of water, land, air and the coast. We process resource consents and develop rules for how natural resources are used and managed, monitoring them and ensuring the rules are applied. We investigate activities that don't comply, providing services to ensure activities in Otago are consistent with both national and regional rules in the Resource Management Act.

Regulation is not the only way to get results. ORC has an educational and awareness-raising role, collaborating with Otago communities on campaigns to increase knowledge and understanding of environmental matters.

We are also responsible for maritime activity and navigational safety on lakes, rivers and harbours and for the regulation of ports under the Maritime Transport Act. In Queenstown and Wānaka, navigational safety is delegated to the Queenstown Lakes District Council.

## The key programmes that make up this activity are:

- ▶ Consent Processing
- ▶ Compliance Monitoring and Contaminated Sites
- ▶ Incident Response, Investigation and Enforcement
- ▶ Harbours and Waterway Management

## Key work for year 3

The Annual Plan maintains service levels.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**Level of Service:** Provide effective, efficient and customer-centric consenting processes under the Resource Management Act (RMA) 1991 to enable the lawful use of natural and physical resources.

Performance measures	Targets
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative time frames.	≥98%
Percentage of public enquiries for consent information completed within seven working days.	Maintain or increase*

\*from 2021-22 baseline

**Level of Service:** Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.

Performance measures	Targets
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%
Percentage of significant non-compliances identified where action is taken in accordance with Compliance Policy.	100%

**Level of Service:** Provide effective and efficient environmental response services to pollution incidents or notifications of non-compliant activities.

Performance measures	Targets
Maintain 24-hour/7-day-a-week response for environmental incidents.	Pollution hotline staff available/on call 24/7
Maintain 20 appropriately trained responders for maritime oil pollution incidents.	20 responders attend 3 exercises per year

**Level of Service:** Develop and maintain robust regulations and procedures to enable safe use and navigation of our region's ports, harbours, coastal areas and inland waterways.

Performance measures	Targets
Maintain compliance with Port and Harbour Marine Safety Code.	External review is completed and deemed to be code consistent.

**Level of Service:** Promote and encourage safe use of ports, harbours, coastal areas and inland waterways and take appropriate action in response to non-compliance and incidents.

Performance measures	Targets
Major incidents on Otago's harbours and waterways will be responded to.	Major incidents and ORC's response are reported to Council quarterly
On-water engagement, education of recreational users and safety campaigns are documented and reported annually.	Report to Council by 30 June 2024

# Environment



# Environment

- ▶ Land and Water
- ▶ Biodiversity and Biosecurity
- ▶ Air

Environmental management is at the heart of what the regional council does. Our focus over this LTP has been to enhance the overall effectiveness of environmental management by:

- ▶ Establishing robust regional plans that underpin the protection and use of Otago’s natural resource. The Regional Plan: Land and Water is a priority
- ▶ Transition to an integrated catchment management approach
- ▶ Leading, partnering and working with community groups, stakeholders and land managers to promote desired environmental outcomes
- ▶ Increasing our level of work in biosecurity (pest) management
- ▶ Continuing to promote the protection of Otago’s unique biodiversity via co-ordinated and cross-agency initiatives across the region
- ▶ Improved science with a focus on better environmental monitoring to inform our regional planning and decision making about Otago’s natural resources

The air quality implementation programme was paused at the start of year 1 of this LTP cycle due to funding and capacity constraints. Year 3 of the LTP indicates work progressing on a Regional Air Plan and Strategy to inform the future implementation programme. Our air monitoring programme continues, with some improvement.

## Group Revenue and Expenditure – Environment

2022/23 Annual Plan \$000s		2023/24 LTP \$000s	2023/24 Annual Plan \$000s
18,937	Land and Water	18,552	20,293
11,460	Biodiversity and Biosecurity	9,824	10,531
810	Air	786	968
<b>31,206</b>	<b>Expenditure</b>	<b>29,162</b>	<b>31,791</b>
16,859	General Rates	18,406	19,455
4,814	Targeted Rates	6,365	6,320
205	Fees & Charges	210	
5,518	Grants	2,179	3,841
364	Other Income	364	
3,447	Reserves	1,638	2,176
<b>31,206</b>	<b>Revenue</b>	<b>29,162</b>	<b>31,791</b>

# Land and Water

## What we do

Our role involves working with Otago communities to manage water quality and quantity. To do this well we need robust, integrated and consistent regional plans and strategies. Our current work includes an ambitious planning programme to develop a new Land and Water Regional Plan by 2023.

We also assess water quality and quantity through our network of monitoring sites across the region, and this data informs planning and future decision making. Our water monitoring and science programmes have expanded to include monitoring of: estuaries, the coast, groundwater, biodiversity, land use and soil.

We collaborate with communities to protect Otago's water resource through education, engagement and action. Our implementation programme includes education and support for landowners and catchment groups, as well as involvement in community-led projects and remediation works.

The key programmes that make up this activity are:

- ▶ Land and Water Planning
- ▶ Land and Water Implementation
- ▶ Land and Water Science and Monitoring

## Why we do it

Protecting our high-quality freshwater and improving degraded freshwater are key community concerns in the region. Although parts of the region have good or excellent water quality, some catchments have degraded water quality. There is evidence of a greater number of degrading water quality trends, compared to improving, across ORC's monitoring sites between 2006 and 2017. Additionally, there have also been strong pressures on water allocation in some parts of the region.

ORC has a key role to play in ensuring Otago's water bodies and coast support healthy ecosystems and a healthy community:

- ▶ Only ORC has the power to control the use of water, land, and the coast under the Resource Management Act 1991
- ▶ It must engage with the region's communities to define visions and objectives for the region's freshwater bodies, and identify the methods to achieve these visions and objectives (National Policy Statement for Freshwater 2020)
- ▶ It has the technical expertise and knowledge to advise on the region's environmental health, issues and risks, and to monitor natural water resources

Importantly, water also plays a significant role in Kāi Tahu spiritual beliefs and cultural traditions. When the natural environment is strong and healthy, the people are strong and healthy and so too is their mana.

## Key projects

The AP maintains the agreed LTP programme. As a recap, the key work programmes include:

- ▶ Continued preparation of the Regional Plan: Land and Water
- ▶ Precursory work to initiate the review of the Regional Plan: Coast
- ▶ Environmental Enhancement (freshwater implementation)
  - Priority site-specific projects of Lake Hayes, Tomahawk Lagoon and Lake Tuakitoto
  - Support for catchment groups and land managers delivering desired results. Includes funding of Otago Community Catchments (OCC) and Upper Clutha Lakes Trust.
  - Support of various grant-funded projects and community initiatives, including: Te Hākāpupu / Pleasant River, hill country erosion, Environmental Freshwater Fund
  - Complete scoping study for Otago Lakes Strategic Plan
- ▶ Planned increase in capacity to prepare integrated catchment action plans
- ▶ Further increase in science and environmental monitoring staff capacity

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

<b>Level of Service:</b> Monitor the state of Otago’s freshwater resources and coastal environment and make accurate, relevant and timely information publicly available.	
<b>Performance measures</b>	<b>Targets</b>
Implement a regional coastal environment monitoring programme.	Annual report on monitoring programme completed and reported to Council
Implement freshwater environment monitoring programme.	Annual report on monitoring programme completed and reported to Council
Implement estuarine environment monitoring programme.	Annual report on monitoring programme completed and reported to Council
Percentage of data from the water monitoring network that is captured quarterly.	≥95% data capture achieved

<b>Level of Service:</b> Monitor Otago’s land use and make accurate, relevant and timely information on sustainable land use publicly available.	
<b>Performance measures</b>	<b>Targets</b>
Develop and implement a regional land use monitoring programme	Annual report on monitoring programme completed and reported to Council
Percentage of data from the land-use monitoring network that is captured quarterly.	≥95% data capture achieved

**Level of Service:** Provide a robust and integrated environmental planning framework for Otago’s land, water and coast resources.

Performance measures	Targets
Complete the Land and Water Regional Plan (LWRP).	Notify LWRP by 30 June 2024*
Complete a review of the Regional Plan: Coast.	Issues and options papers developed and reported to Council by 30 June 2024

\*An extension to the notification time frame was requested in early 2023. David Parker, Minister for the Environment, subsequently granted an extension of the planned notification date by six months to 30 June 2024.

**Level of Service:** Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.

Performance measures	Targets
Catchment Action Plans (CAPs) are developed in collaboration with iwi and community.	Drafting of pilot CAP completed and drafting of second CAP commenced by 30 June 2024

**Level of Service:** Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.

Performance measures	Targets
Otago Catchment Communities funding is administered as per agreement.	100%
Otago Catchment Communities is supported to meet deliverables and targets of funding agreement.	Report to Council on deliverables and targets achieved by 30 June 2024

**Level of Service:** Promote and enable best practice land management for soil conservation, water quality preservation, the efficient use of water and to enhance Otago’s biodiversity and ecosystems.

Performance measures	Targets
Landowner/community-led projects promoting best-practice land management for soil conservation, water quality and the efficient use of water are identified and supported.	Three or more projects supported per year

**Level of Service:** Collaborate with iwi, communities and landowners to develop and deliver a programme of actions to improve water quality and indigenous biodiversity in selected degraded water bodies.

Performance measures	Targets
At least three site-specific action plans for selected degraded water bodies are developed, prioritised, and implemented.	Projects confirmed and actions identified by 30 September 2023
	90% of actions undertaken within specified time frames

# Biodiversity and Biosecurity

## What we do

Otago is home to unique species that we need to look after. Our Regional Pest Management Plan (Pest Plan) sets out the framework for how pest plants and animals will be managed in Otago. It is supported by a Biosecurity Strategy that looks at how we will work with other organisations and the community to achieve the goals set out in the pest plan.

Our biosecurity work supports the control of prolific pests, such as feral rabbits. We do this by educating our communities, facilitating compliance and through funding projects. Council also plays a lead role in facilitating government funding and overseeing projects such as wilding conifer removal and wallaby eradication.

Council's biodiversity work programme is growing and our monitoring programme is progressing. We are strengthening partnerships across the region and we encourage and empower communities to take local action through our ECO Fund.

The key programmes that make up this activity are:

- ▶ Biodiversity Science and Monitoring
- ▶ Biodiversity Implementation
- ▶ Biosecurity (Pest Management)
- ▶ Wilding Conifers

## Why we do it

At a national level, the Te Mana o Te Taiao — Aotearoa New Zealand Biodiversity Strategy 2020 articulated the urgency of addressing biodiversity decline in New Zealand, and the draft National Policy Statement on Indigenous Biodiversity identified a key role for regional government in leading collaboration and co-ordinating efforts. Under the Biosecurity Act 1993, Otago's Regional Pest Management Plan (RPMP) identifies 51 species to be managed by land occupiers, with oversight from us.

There are many agencies and stakeholders across different land tenures involved in and/or with an interest in biodiversity in Otago. ORC is the only agency with a remit across all of Otago to promote biodiversity protection and enhancement. It has a key role in facilitating regional collaboration, including both developing a monitoring approach and seeking to partner in projects and initiatives.

## Key work for year 3

The AP maintains the agreed LTP programme, albeit planned central government grant funding has radically reduced compared to the LTP.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

**Level of Service:** Monitor the state of Otago’s indigenous biodiversity ecosystems and make accurate, relevant and timely information publicly available

Performance measures	Targets
Develop and implement a regional indigenous biodiversity ecosystems monitoring programme.	Annual report on monitoring programme completed and reported to Council
Percentage of data from the biodiversity monitoring network that is captured quarterly.	≥95% data capture achieved

**Level of Service:** Collaborate with iwi, DOC and other key organisations to develop, co-ordinate and deliver a programme of actions to enhance indigenous biodiversity.

Performance measures	Targets
Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	90% of current year actions achieved within time frames specified
Biodiversity partnerships established and joint projects developed and progressed.	≥95% data capture achieved
	Maintain or increase number of partnership engagement activities and events and report to Council
	Projects and progress against milestones reported to Council

**Level of Service:** Provide support and funding to selected initiatives and organisations across the region which deliver biosecurity, biodiversity and environmental outcomes that align with our strategic objectives.

Performance measures	Targets
Percentage of funding administered as per agreements.	100%
Complete a report on the initiatives and organisations supported and the key deliverables achieved.	Report to Council by 30 June 2024

**Level of Service:** Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan (RPMP).

Performance measures	Targets
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed.	90% of actions achieved within time frames specified

# Air

## What we do

Good air quality is necessary for health and wellbeing. We are responsible for making sure our region complies with the government's National Environmental Standards for Air Quality and, under the Resource Management Act, for controlling the discharge of contaminants into the air.

Meeting air quality standards is especially challenging in areas with extremely cold winter weather and temperature inversions. Otago's air quality often degrades during winter when domestic heating emissions increase with cold and calm weather and inversion layers occur.

We monitor air quality at sites across Otago, including Milton, Mosgiel, Dunedin, Alexandra, Clyde, Cromwell and Arrowtown. These sites measure the concentration of particles in the air and capture a mixture of pollutants.

ORC also contributes to clean air and healthy homes as a Trustee of the Cosy Homes Trust.

The key programmes that make up this activity are:

- ▶ Air Monitoring
- ▶ Regional Plan: Air
- ▶ Air Strategy (Air Quality Implementation programme paused)

## Why we do it

In Otago, air pollution is mostly driven by emissions from home heating, home insulation and ventilation and is mostly observed in winter. Arrowtown, Clyde, Cromwell, Alexandra and Milton are the pollution hotspots of the region. Outdoor burning is an additional factor to air pollution.

ORC has a key role to play in protecting Otago's people from the risks of air pollution. Only ORC has the power to control discharges of pollutants to air under the Resource Management Act 1991 and is required to implement the National Environmental Standards for Air Quality.

## Key projects

The Annual Plan programme includes:

- ▶ Review the Regional Plan: Air — requires an update to existing rules, policies and information to provide an appropriate regulatory framework for Otago
  - Drafting in year 4 for notification by 30 June 2025
- ▶ Maintaining our air quality monitoring
- ▶ Pausing our air quality implementation work until July 2023. An Air Implementation Strategy will be drafted to inform future implementation action to reduce air pollution

## Level of Service Statements, Measures and Targets

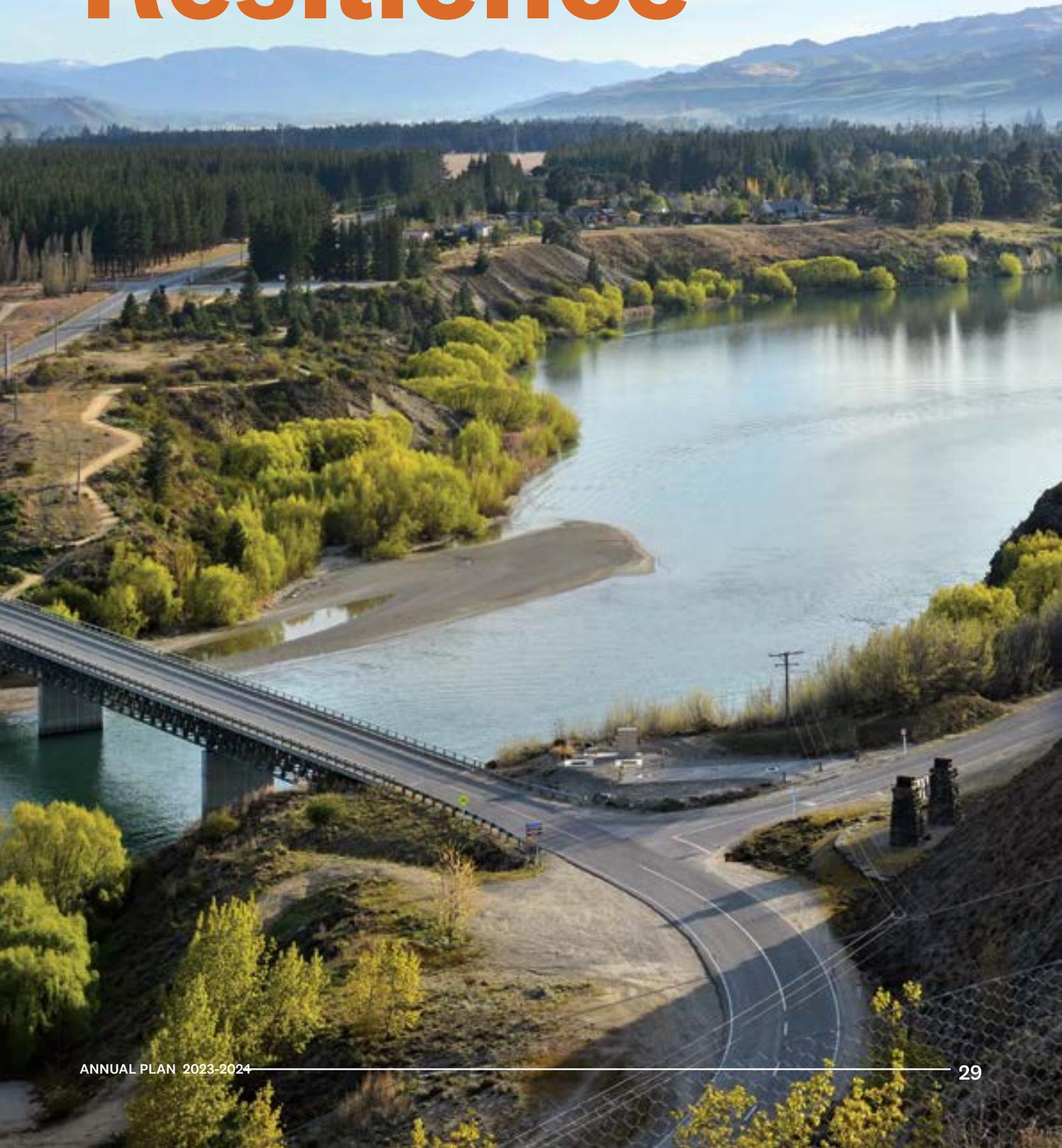
The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

<b>Level of Service:</b> Monitor Otago's air quality and make accurate, relevant and timely information publicly available.	
<b>Performance measures</b>	<b>Targets</b>
Implement regional air monitoring programme.	Annual report on monitoring programme completed and reported to Council
Percentage of data from the air monitoring network that is captured quarterly.	≥95% data capture achieved

<b>Level of Service:</b> Provide a robust and integrated environmental planning framework for Otago's air resource.	
<b>Performance measures</b>	<b>Targets</b>
Complete review of the Regional Plan: Air.	Issues and options papers completed by 31 December 2023
	Community engagement for development of Regional Plan: Air completed by 30 June 2024

<b>Level of Service:</b> Develop and implement partnerships and programmes to reduce harmful emissions and support clean heating, warm homes and clean air.	
<b>Performance measures</b>	<b>Targets</b>
Air implementation strategy is scoped.*	Reported to Council by 30 June 2024

# Safety and Resilience



# Safety and Resilience

- ▶ Natural Hazards and Climate Change
- ▶ Flood Protection, Drainage and River Management
- ▶ Emergency Management

Risk management and building resilience is a key focus for ORC and our capacity to deliver work across these three activities has increased over this LTP cycle. Identifying, monitoring and communicating natural hazards to support informed decision making remains our focus.

Historical decisions about flood protection and drainage have provided many Otago communities with legacy flood and drainage infrastructure that manages a certain level of risk and, in the case of drainage, enables productive land use.

While this LTP, in the large part, has continued to support a level of asset management that provides flood protection schemes to help protect people and properties from floods, the risk profile is changing. Climate change is a critical factor in this and the Infrastructure Strategy (IS) contained in the LTP highlights the key issues, our understanding of these issues, and next steps.

Climate Change has implications beyond our IS for Otago, and Council is working to better understand the broader issues, risks and challenges. This informs adaptation planning.

Given that the risk of natural hazard events is changing, it is crucial that the community can, in the first instance, respond effectively. This LTP cycle has seen the region’s Civil Defence and Emergency Management capacity increase with more staff to plan and implement an effective response.

## Group Revenue and Expenditure – Safety & Resilience

2022/23		2023/24	2023/24
Annual Plan		LTP	Annual Plan
\$000s		\$000s	\$000s
3,413	Climate Change & Natural Hazards	3,551	3,607
12,540	Flood Protection, Drainage and River Management	11,894	13,108
3,336	Emergency Management	2,960	3,497
<b>19,289</b>	<b>Expenditure</b>	<b>18,405</b>	<b>20,212</b>
3,935	General Rates	4,167	4,354
10,337	Targeted Rates	10,680	10,577
522	Fees & Charges	484	580
1,337	Grants	613	582
869	Other Income	877	1,104
2,289	Reserves	1,584	3,016
<b>19,289</b>	<b>Revenue</b>	<b>18,405</b>	<b>20,212</b>

# Natural Hazards and Climate Change

## What we do

This activity sets direction on the management of natural hazard risks in Otago. We support decision making to mitigate, or reduce the effects of natural hazards, climate change, and other risks.

We identify, monitor, and investigate natural hazards to provide intelligence that supports community resilience and the ability to adapt to environmental change. Our work includes monitoring rainfall, river and lake levels, and providing public information on water levels and flows, all of which help inform responses to flood events.

We engage with people, communities, iwi partners, and other stakeholders in Otago to develop partnerships and implement projects to address hazard risks, as well as increasing awareness and understanding.

We're working to understand more about the future impacts of climate change on natural hazards so we can collaborate with territorial authorities and communities to prepare and adapt.

We're developing a comprehensive spatial approach to natural hazards to inform future priorities, at the same time as undertaking projects for the risks we already know about.

The key programmes that make up this activity are:

- ▶ Natural Hazards
- ▶ Flood and Low Flow Risk Management
- ▶ Climate Change Adaptation

## Why we do it

The Otago region is exposed to a wide variety of natural hazards that impact on people, property, infrastructure and the wider environment. The natural hazard threats range from coastal erosion and flooding in lowland coastal areas to alluvial fan deposition, landslip, rockfall, river and lake flooding in alpine areas of the region.

There is a need to consider all of these and their interactions as well as the additional risk and uncertainty created by climate change. The RMA requires that natural hazard risks and climate change are addressed as part of regional-scale planning.

While high-risk places have been identified, there is a need to have comprehensive assessment and spatial mapping of the risks to inform planning and decision making. Within communities and businesses there are also different levels of awareness and risk tolerance to hazards, including the implications of climate change and the need for adaptation.

Community engagement and communication, including as part of planning for natural hazards and climate change adaptation, is needed to inform the community and facilitate the awareness and planning necessary to ensure resilient communities.

## Key work for year 3

The AP maintains the agreed LTP programme albeit with a modest increase (1 fte) to the Climate Change Adaptation programme. As a recap, work across the Natural Hazards and Climate Change activity includes:

- ▶ Develop a comprehensive risk assessment and mapping of natural hazards across Otago
- ▶ Plan the implementation of the Otago Climate Change Risk Assessment
- ▶ Work collaboratively with district and city councils to inform planning for natural hazards
- ▶ Continue to lead the South Dunedin climate change adaptation programme in partnership with DCC
- ▶ Planning and strategy development for managing natural hazards risk for Lindsay Creek and Clutha Delta
- ▶ Managing natural hazard and climate adaptation risk for Roxburgh and the Head of Lake Whakatipu in conjunction with district councils
- ▶ Continue to monitor and provide information on natural hazards and events, including making improvements to the coastal hazard monitoring network
- ▶ Continue to provide timely warning of flood events and operate the 24/7 flood monitoring

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

<b>Level of Service:</b> Provide information on natural hazards and risks, including the effects of climate change, so that communities and stakeholders can make informed decisions.	
Performance measures	Targets
Relevant and up-to-date natural hazards information is available via the web-based Otago Natural Hazards Database.	Database information is checked and updated monthly
Percentage of flood warnings that are issued in accordance with the flood warning manual.	100%

<b>Level of Service:</b> Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.	
Performance measures	Targets
Develop a regional natural hazards risks assessment and a regional approach for prioritising adaptation.	Complete natural hazard risk assessment and prioritisation approach
Develop and implement prioritised natural hazard risks adaptation works.	Work in priority areas is delivered as per plan by 30 June 2024
	Head of Lake Whakatipu natural hazards adaptation strategy progresses as per annual work plan
	ORC contribution to the South Dunedin Future programme progresses as per annual work plan

# Flood Protection, Drainage and River Management

## What we do

This activity is responsible for operating and maintaining flood protection and drainage schemes throughout Otago.

Around 43,000ha of rural and urban land has council-provided flood protection and drainage infrastructure. Three flood protection schemes, three drainage schemes and one combined flood protection and drainage scheme are council owned and managed. We also own, but commission external management of, parts of the Lower Waitaki River Control Scheme. The schemes, associated infrastructure assets and more specific detail such as the issues, service standards and work programmes are provided in our Infrastructure Strategy (IS).

Core functions include:

- ▶ Maintenance, renewal, and development of infrastructure
- ▶ Investigation, development and renewal of amenity projects
- ▶ Operation of flood protection and drainage schemes during floods
- ▶ Bylaw processing and monitoring of technical compliance with bylaws
- ▶ River management, including the control of channel erosion, willow maintenance, vegetation control, removing obstructions, and repairing critical erosion works
- ▶ Input to consent applications for gravel extraction with a focus on flood protection and river health
- ▶ Processing of consents in conjunction with Council's Natural Hazards activity where consent applications may affect flood protection assets and/or rivers

The key programmes that make up this activity are:

- ▶ Alexandra flood protection
- ▶ Leith flood protection
- ▶ Lower Clutha flood and drainage
- ▶ Lower Taieri flood protection
- ▶ West Taieri drainage
- ▶ East Taieri drainage
- ▶ Tokomairiro drainage
- ▶ Designations and bylaws
- ▶ Dunedin rivers and waterways
- ▶ Clutha rivers and waterways
- ▶ Central Otago rivers and waterways
- ▶ Whakatipu rivers and waterways
- ▶ Wānaka rivers and waterways
- ▶ Waitaki rivers and waterways
- ▶ Lower Waitaki river control scheme (Environment Canterbury)

## Why we do it

Otago has large, developed areas situated on low-lying river flats often close to sea level. Our flood protection schemes help protect people and their livelihoods in adverse weather events, while on the other hand our drainage schemes help maintain the productive capability of land. While there is a relationship between the purpose of our flood protection and drainage work, there is also this fundamental difference.

Under the Soil Conservation and Rivers Control Act 1941, the council also has important responsibilities. We conduct river and waterway management works to maintain channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways.

River and waterway management works are carried out to maintain river and stream channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways.

Looking after our rivers and waterways sustainably is more than simply managing the risk of floods. It's also about meeting community expectations for the safe, enjoyable, and respectful use of rivers and streams. Working together with communities, our goal is to prepare for future environmental challenges and retain the characteristics of our rivers and waterways that make Otago such a great place to live for everyone.

## Operational and Capital Work Programme – 10 years LTP, 30 years Infrastructure Strategy

Up-to-date information about Council's planned operational and capital works programme is provided on the ORC website. The figures presented for the first three years (beginning 2023-24 financial year) represent a detailed level of planning compared to years 4 to 10, which are more indicative. The time frame beyond that is more subject to changes in strategic direction. For example, completing scheme performance reviews is highly likely to impact decisions about future service.

### Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

<b>Level of Service:</b> Provide the standard of flood protection and control agreed with communities.	
Performance measures	Targets
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	≥90% of planned maintenance programme completed
	Schemes function to their constructed design standards
	≥90% of renewals programme completed
<b>Level of Service:</b> Respond efficiently and effectively to damage from natural hazard events.	
Performance measures	Targets
Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner.	Programme developed and communicated within three months of the event
<b>Level of Service:</b> Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.	
Performance measures	Targets
Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	100%
Percentage of planned maintenance actions achieved each year.	≥90%

# Emergency Management

## What we do and why

This activity is responsible for the co-ordination of hazard reduction, readiness, response and recovery for emergency events. It is provided in partnership with councils, emergency response organisations and other stakeholders of the Otago region.

The work of the Otago CDEM Group is administered and co-ordinated by the Otago Regional Council, while governance and operations are overseen by the Co-ordinating Executive Group (CEG) and the Otago CDEM Joint Committee.

This Committee has the statutory responsibility for civil defence emergency management in Otago. It is a statutory committee of Council under the Civil Defence Emergency Management Act 2002 (the Act) and the Local Government Act. Ultimately it is responsible for:

- ▶ Integrating and co-ordinating civil defence emergency management planning and activities
- ▶ Ensuring the response to and management of the adverse effects of emergencies within Otago
- ▶ Overseeing the co-ordination of the response and recovery activities across a range of agencies

The programme in this activity is:

- ▶ Emergency Management

## Key work for year 3

The AP maintains the LTP programme of work noting that an adjustment to the LTP occurred in year 2 (2022-2023) being an additional three full-time equivalent staff (from 14 to 17).

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

<b>Level of Service:</b> Support the Otago CDEM Group in improving the resilience of Otago to civil defence emergencies.	
Performance measures	Targets
Support is provided to the Otago CDEM Group as per the CDEM Act and Otago CDEM Partnership Agreement.	Fulfil all requirements as the administering authority
<b>Level of Service:</b> Provide resources to co-ordinate an efficient and effective region-wide response to a civil defence emergency.	
Performance measures	Targets
An adequate Emergency Coordination Centre (ECC) facility and staffing are available.	Adequate staff who are trained and available for any activation of the ECC
	An appropriate facility is available for activation at all times
Maintain response functionality to enable operational situational awareness when ECC activated.	Response solutions are checked as scheduled and any issues remedied

# Transport



# Transport

This Group contains one activity, also named Transport. The Transport activity includes the following work programmes:

- ▶ Regional Land Transport Plan
- ▶ Public Transport Dunedin
- ▶ Public Transport Queenstown
- ▶ Regional Total Mobility Service

The Council is responsible for completing Otago’s overarching Regional Land Transport Plan and Regional Public Transport Plan (RPTP).

The Land Transport Plan outlines proposed transport network improvements for the next six years, and forms the basis of funding applications to the National Land Transport Fund on a three-yearly cycle. It is developed under a legislative process with the lead government agency, Waka Kotahi. We collaborate with the Southland Regional Council in this process. Under these plans there are specific projects and services that the Council co-funds and facilitates.

Under the RPTP, the Council has a role to deliver public passenger transport in the region. We provide public bus services in Dunedin and Queenstown through contracting to private operators. We also provide the government-funded region-wide ‘Total Mobility Service’ to assist eligible people who are unable to use public transport.

Council also services and maintains three of Otago’s nine stock truck effluent disposal stations (STEDs) under arrangements with local district councils.

## Group Revenue and Expenditure – Transport

2022/23		2023/24	2023/24
Annual Plan		LTP	Annual Plan
\$000s		\$000s	\$000s
548	Transport Planning	693	485
20,667	Public Transport - Dunedin	23,589	23,182
11,261	Public Transport - Wakatipu	11,156	10,532
2,286	Total Mobility & Community Connect	2,374	1,919
<b>34,762</b>	<b>Expenditure</b>	<b>37,811</b>	<b>36,118</b>
762	General Rates	851	767
8,750	Targeted Rates	10,416	10,408
301	Fees & Charges	262	400
15,172	Grants	14,893	15,849
7,016	Other Income	10,229	7,200
2,761	Reserves	1,160	1,494
<b>34,762</b>	<b>Revenue</b>	<b>37,811</b>	<b>36,118</b>

# Regional Land Transport Plan (programme)

## What we do and why

Transport features strongly in our changing world, with climate change, technology and our expectations of lifestyle all in the mix. We are already seeing the opportunities of non-fossil fuelled and autonomous vehicles, along with the use of smart technology in the provision of transport services. Embracing change will require significant decisions about the transport network and how it's used.

For ORC's part, we need to be responsive to the Government Policy Statement on Land Transport 2018, and government direction on climate change and urban development. Our regional transport system is an enabler of economic growth and social cohesion, connecting businesses, providing access to and between communities, and ensuring that we can import and export goods.

The LTP provides for a Regional Land Transport Programme that co-ordinates transport planning across the region. It enables a resilient, multi-modal transport system for the safe, efficient and effective movement of people and goods around the region. The Otago and Southland regional councils share this planning function through the support of a Regional Transport Committee.

A new Regional Land Transport Plan must be developed every six years and the plan reviewed after three years of operation. The plan was reviewed the period 2021-2031 and outlines proposed transport network improvements over six years. This informs the detailed funding applications from the National Land Transport Fund over the first three years. The RLTP influences decisions taken throughout the LTP cycle and potentially beyond.

## Key work for year 3 and beyond

This AP provides for the review of the Otago Land Transport Plan that will in turn influence decisions taken during the next LTP cycle (i.e. 2024-2034).

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

<b>Level of Service:</b> Advocate for Otago's regional transport planning priorities and aspirations at a national level	
<b>Performance measures</b>	<b>Targets</b>
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.	RLTP review completed and adopted by Council by 30 June 2024

# Public Transport Dunedin and Queenstown (programmes)

## What we do and why

The LTP was agreed on the assumption that the ORC would continue to maintain responsibility for the provision of public passenger transport over the next 10 years. Private operators are contracted by ORC to provide bus services in Dunedin and bus and water ferry services in Queenstown, and to provide the Total Mobility scheme across the region. Orbus, our public transport network, is our largest work programme.

Our LTP supports this strategic direction by outlining how we will continue to improve Otago's public passenger transport services. This includes planning, working with partners on the long-term vision for public transport across the region that includes the delivery of infrastructure that supports public transport services in Dunedin and Queenstown, and renewing contracts (with service improvements) for Dunedin and Queenstown public transport services as required.

The next 10 years will be a challenging but exciting period for our public transport system as it responds to changes from population growth and movement, to uncertain economic conditions. Technology is improving and more accessible; at the same time, we have national goals to lower carbon emissions. Public transport will need to become the preferred mode of travel for more people, more often, to support broader societal, economic and environmental outcomes. Importantly, this LTP signals during this 10-year planning horizon, significant decisions on public transport infrastructure, particularly in Queenstown. At this stage, the Council is working with its partners to bring this vision to life for future community consideration.

## This programme faces challenges, including:

- ▶ Social and economic recovery from the COVID pandemic continues to impact on public transport services. While patronage is trending positively, the reliability of services has been severely impacted due to bus driver shortages. We continue to carefully consider immediate and long-term solutions along with our planning assumptions.
- ▶ Private motor vehicle use – a large number of urban residents choose alternative modes of travel, largely single occupancy private car trips. This means the Otago region, particularly the areas paying the targeted transport rate, is not fully benefiting from public transport. Higher patronage provides more funding for more public transport service improvement – a virtuous cycle that reduces traffic volumes, reduces greenhouse emissions, reduces infrastructure requirements to accommodate increasing vehicle usage (e.g. carparking, roading), improves safety, and encourages more active lifestyles.
- ▶ Use of local roading infrastructure – there are policy and investment challenges for both central government and local authorities around the provision and operation of infrastructure that serves multiple needs (e.g. private motor vehicles, public transport, and active options such as cycling).
- ▶ Financial sustainability – delivering a service that attracts desired levels of patronage while remaining financially sustainable for our customers, ratepayers and our funding partners is an important issue. Expenditure on public transport needs to be at a level our communities can afford. To date the service has been operating with a funding shortfall, even with the Waka Kotahi 51% contribution. This shortfall has been supported by reserve funds and additional one-off grants. The transport reserves are in deficit, reflecting this situation. Without the transport services making a positive contribution (via fares) and/or targeted rates increasing, then funding options for desired changes and improvements are limited. The Dunedin Public Transport Joint Committee – consisting of Otago Regional Council, Dunedin City Council and Waka Kotahi – will consider funding, including fares, over this LTP cycle.

## Key work for year 3 and beyond

The AP maintains the agreed LTP programme albeit with additional funding to further develop real-time transport information for the Queenstown and Dunedin services (non-rates funded).

Other adjustments to the LTP include increasing driver wages, and the ferry service remaining at trial level. Scheduled improvements have been spread across multiple years with no changes to planned rates.

## Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below

<b>Level of Service:</b> Provide efficient, reliable and accessible public transport services that meet community needs.	
<b>Performance measures</b>	<b>Targets</b>
Annual public transport boardings in Queenstown per capita.	Increase*
Annual public transport boardings in Dunedin per capita.	Increase*
Overall passenger satisfaction with Whakatipu public transport system at annual survey.	97%
Overall passenger satisfaction with Dunedin public transport system at annual survey.	97%
Percentage of scheduled services delivered (reliability).	95%
Percentage of scheduled services on time (punctuality).	95%
Percentage of users who are satisfied with the provision of timetable and services information.	Maintain or increase*
Percentage of users who are satisfied with the overall service of the Total Mobility scheme.	Maintain or increase*

\*from 2021-22 baselines

# Forecast Financial Information

# Overview

## Operational expenditure (000's)

Group	Activity	22/23 AP	23/24 LTP (yr3)	23/24 AP
<b>Regional Leadership</b>	Governance and Engagement	7,775	7,598	8,649
	Regional Planning	2,293	2,751	3,071
	Regulatory	13,477	14,427	14,245
<b>Sub total</b>		<b>23,545</b>	<b>24,776</b>	<b>25,965</b>
<b>Environment</b>	Land and Water	18,937	18,552	20,293
	Biodiversity and Biosecurity	11,460	9,824	10,531
	Air	810	786	968
<b>Sub total</b>		<b>31,206</b>	<b>29,162</b>	<b>31,791</b>
<b>Safety and Resilience</b>	Flood Protection, Drainage and River Management	12,540	11,894	13,108
	Climate Change and Hazards	3,413	3,551	3,607
	Emergency Management	3,336	2,960	3,497
<b>Sub total</b>		<b>19,289</b>	<b>18,405</b>	<b>20,212</b>
<b>Transport</b>	Transport	34,762	37,811	36,118
<b>Total Expenditure</b>		<b>108,801</b>	<b>110,154</b>	<b>114,087</b>

Forecast expenditure at the activity level totals \$114.1 million compared to the \$110.2m as consulted and agreed with the community for the LTP yr3. The proposed total expenditure represents an increase of \$3.9 million compared to the year 3 Long-term Plan forecast.

## Sources of funding (000's)

Funding Source	22/23 AP	23/24 LTP (yr2)	23/24 AP
General rates	23,127	25,226	28,263
Targeted rates	24,101	27,672	27,515
Fees & charges; Grants	37,472	36,963	35,021
Reserves	9,174	4,365	6,910
Port Otago dividends; investment interest	14,928	15,928	16,378
<b>Total Revenue</b>	<b>108,801</b>	<b>110,154</b>	<b>114,087</b>

The table above shows the forecast sources of revenue applied to the cost of Council activity. The total rating revenue (general and targeted) is \$55.8 million.

# Planning Assumptions

The significant forecasting assumptions are scheduled in the Long-term Plan 2021-31 (LTP). The significant forecasting assumptions from the LTP and any material changes in this Annual Plan are discussed below. Actual results achieved are likely to vary from these assumptions and these variations may be material.

## Sources of Funds for Future Replacement of Significant Assets

Sources of funds for the future replacement of significant assets are in accordance with Council's financing policy. For scheme-related assets, these are funded through scheme depreciation, reserves, targeted rates from defined scheme areas, grants where possible and, where necessary, borrowings. Council assets are funded from the asset replacement reserve and, where necessary, general reserves and borrowings. This assumption is assessed as having a low level of risk.

## Growth Change Factors

Economic growth in Otago is dominated by tourism, primary production and education. Economic growth is not expected to impact directly on the level of work carried out by Council, given the nature of its activities.

Primary production growth is dependent on the availability of water. Council has included in this plan increased work on water management issues in this regard.

Population within certain areas of Otago is forecast to grow over the next 10 years, more significantly in the Queenstown Lakes and Central Otago districts.

Changes in population will impact on the level of certain activities carried out by Council, such as transport, demand on resource use, environmental incidents, civil defence and emergency management and natural hazards.

Council's work programmes have considered the projected growth in the region, with new initiatives and resources that reflect population growth. This assumption is assessed as having a medium level of risk.

## Waka Kotahi (formerly NZ Transport Agency) Subsidy Rates

The following rates of subsidy used are based on rates currently advised by Waka Kotahi:

- ▶ Transport planning and public passenger transport to receive 51% subsidy
- ▶ Total Mobility to receive 60% subsidy
- ▶ Total Mobility flat rate payments to receive 100% subsidy

The risks of these assumptions are assessed as having a low to medium level of uncertainty. Waka Kotahi has given no indication that the rates may change during the period. If the subsidy for total mobility was to decrease, the impact would be directly on general rates. Any changes in subsidy for public passenger transport would impact directly on targeted rates, fares and/or the scope of services.

## Useful Lives of Significant Assets

The useful lives of significant assets are as recorded in asset management plans or based upon current financial standards. Depreciation has been calculated in accordance with current accounting policy. This assumption is assessed as having a low level of risk.

## Revaluation of Non-Current Assets

The non-current assets that are revalued annually are Council's investment properties and its shareholding in Port Otago Limited. With respect to the Port Otago Limited investment, the actual results are dependent on factors outside the control of Council and the management of Port Otago Limited. For the purposes of this Plan, an assumption has been made that the value of Council's investment in Port Otago Limited will grow in value by around 4% every year of this Plan.

Investment properties are assumed to increase in value by 1%. The risk of these assumptions is assessed as having a high level of uncertainty. However, the revaluation of non-current assets does not directly impact rates.

## Forecast Return on Investments

Forecast returns used in the Annual Plan estimates are as follows:

- ▶ Rate of return of 3-4.5% per annum on cash balances and the managed fund
- ▶ The risk of this assumption is that a lower return on cash investments will be received. This risk is deemed very low
- ▶ All Port Otago Limited dividends will be received fully imputed and accordingly no taxation liability will arise in respect of them
- ▶ The risk of this assumption is assessed as having a low to medium level of uncertainty because Port Otago Limited has a stable trading base. Shipping trends over past years have been consistent, as are predictions for future trade. Port Otago Limited also has a significant investment property portfolio, which enhances their ability to provide stable dividend payments. Investment income is used to reduce general rates. Any change in return on investments directly impacts general rating requirements

## Investment Properties

This Annual Plan assumes that Council will not sell any of its investment properties.

## Capital Expenditure

Various projects require spending of a capital nature. The estimates are prepared using actual costs, adjusted for inflation, where known, or "Rough Order of Costs". These have been determined using methods such as current known costs.

The risk of the assumptions made on capital expenditure are assessed as having a medium level of uncertainty due to risks outside of Council control, such as the cost of construction materials, freight, etc., over long time frames.

Capital purchases in respect of flood and drainage schemes are funded by those schemes and so any variation in costs will impact on their depreciation and reserves. Variations in other capital expenditure will impact on Council's Asset Replacement Reserve.

## Forecast Interest Rates on Borrowing

The LTP assumed Council would borrow externally from the Local Government Funding Agency (LGFA) at a rate of 1.5% across the 10 years of the LTP. The Annual Plan has revised this cost to 5.8% in line with actual funding rates when this borrowing was obtained. The risk of this assumption being incorrect over the Annual Plan is low, as Council's investment policy sets loan term and fixed rate requirements to minimise interest rate risk.

The LTP also assumed an interest rate of 1.5% would be applied to internal borrowing. This rate remains unchanged in the Annual Plan. Internal interest is an internal transaction and does not impact Council's bottom line; therefore, the risk around this assumption is low.

## Legislation

This LTP assumes that there will be some changes in the legislation under which Council operates that will impact on its work programmes. Council is aware of new requirements from central government. Council's work programme has taken account of the known changes coming. The risk of this assumption is low. Changes in Government policy may directly impact the responsibilities of Council.

## Climate Change

The LTP assumes that climate change will have impacts on parts of Otago. The infrastructure strategy notes the climate context over 30 years. To help address this assumption, Council has incorporated some work programmes in the Flood Protection and Control works activity and in the Safety and Hazards activity to address the risk of potential additional flooding. The risk of this assumption being incorrect is low.

## Natural Disasters and Adverse Events

The LTP assumes there could be major natural disasters that could cause widespread and significant damage to Council's infrastructural assets, i.e. our flood and drainage schemes. What, when, where and how big are impossible to predict, but the LTP and this Annual Plan provide for us to be ready to respond. Such initiatives include Council's Civil defence and emergency management work programme, the retention of Council's Emergency Response Fund and a proactive approach to managing asset resilience through renewals. This assumption has a high level of uncertainty.

## Fare Revenue

Public transport fare revenue was assumed to return to pre-COVID-19 levels over the first 3-4 years of the LTP. The Annual Plan assumes that while patronage has returned (or will return) to those levels as assumed, fare revenue will remain lower than assumed in the LTP due to lower fare incentives remaining in place longer than anticipated. This assumption has a medium level of risk.

# Financial Statements

Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	<b>REVENUE:</b>		
	<b>Revenue from non-exchange transactions</b>		
47,228	Rates revenue	52,898	55,778
22,102	Grant revenue and subsidies	17,760	20,497
10,406	Other revenue	17,241	15,202
	<b>Revenue from exchange transactions</b>		
14,000	Dividends	15,000	15,000
750	Interest & Investment revenue	750	10,250
5,583	Other revenue	5,583	4,317
<b>100,069</b>	<b>Total Revenue</b>	<b>109,231</b>	<b>121,043</b>
	<b>EXPENDITURE:</b>		
	<b>Operating Expenditure:</b>		
32,692	Employee benefits expense	33,174	35,823
4,356	Depreciation and amortisation expense	4,442	4,211
250	Finance cost	262	9,500
66,022	Operating expenses	68,962	71,789
<b>103,320</b>	<b>Total Operating Expenditure</b>	<b>106,841</b>	<b>121,323</b>
1,064	Other gains/(losses)	1,006	1,265
<b>(2,186)</b>	<b>Surplus/(Deficit) for the period</b>	<b>3,396</b>	<b>984</b>
	<b>OTHER COMPREHENSIVE REVENUE &amp; EXPENSES</b>		
24,531	Revaluation gains/(losses)	21,772	28,193
22,344	<b>TOTAL COMPREHENSIVE REVENUE &amp; EXPENSES</b>	<b>25,168</b>	<b>29,177</b>

Prospective Depreciation by Activity for the year ending 30 June 2023/24

Annual Plan 2022-23 \$000s	Activity	Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
392	Environment	507	<b>440</b>
972	Flood Protection	1,068	<b>971</b>
12	Safety & Hazards	47	<b>30</b>
175	Regulatory	129	<b>182</b>
788	Transport	516	<b>724</b>
2,017	Corporate	2,175	<b>1,863</b>
<b>4,356</b>	<b>Total</b>	<b>4,442</b>	<b>4,211</b>

Prospective Statement of Financial Position as at 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	<b>Current Assets:</b>		
<b>2,049</b>	Cash and cash equivalents	(2,759)	6,040
<b>36,796</b>	Other financial assets	35,744	25,426
<b>9,304</b>	Trade and other receivables	13,383	12,126
<b>698</b>	Other current assets	514	883
<b>48,847</b>	<b>Total current assets</b>	<b>46,882</b>	<b>44,476</b>
	<b>Non-current assets:</b>		
<b>106,065</b>	Property, plant and equipment	107,206	110,287
<b>16,810</b>	Investment property	15,831	17,131
<b>657,795</b>	Shares in Port Otago Ltd	608,713	753,013
<b>3,982</b>	Intangible assets	9,168	1,881
	Related Party Receivables		99,960
<b>98</b>	Deferred tax asset	98	98
<b>784,750</b>	<b>Total non-current assets</b>	<b>741,016</b>	<b>982,371</b>
<b>833,597</b>	<b>Total assets</b>	<b>787,898</b>	<b>1,026,847</b>
	<b>Current liabilities:</b>		
<b>18,614</b>	Accounts payable	13,518	18,996
<b>2,343</b>	Employee entitlements	2,615	2,608
<b>20,957</b>	<b>Total current liabilities</b>	<b>16,133</b>	<b>21,604</b>
	<b>Non-current liabilities:</b>		
<b>25,000</b>	Borrowings	25,000	37,200
	Other Financial Instruments		87,956
<b>25,000</b>	<b>Total non-current liabilities</b>	<b>25,000</b>	<b>125,156</b>
<b>45,957</b>	<b>Total liabilities</b>	<b>41,133</b>	<b>146,760</b>
<b>787,640</b>	<b>Net assets</b>	<b>746,765</b>	<b>880,087</b>
	<b>Equity:</b>		
<b>121,520</b>	Public equity	133,986	108,658
<b>637,796</b>	Available for sale reserve	588,713	733,014
<b>754</b>	Asset replacement reserve	931	3,288
<b>1,938</b>	Building reserve	49	8,574
<b>9</b>	Environmental enhancement reserve	(41)	29
<b>4,611</b>	Emergency response reserve	4,181	4,701
<b>5</b>	Water management reserve		705
<b>6,258</b>	Kuriwao endowment reserve	5,176	6,046
<b>14,749</b>	Asset revaluation reserve	13,770	15,070
<b>787,640</b>	<b>Total equity</b>	<b>746,765</b>	<b>880,087</b>

Prospective Statement of Changes in Net Assets/Equity as at 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
765,296	<b>Balance at 1 July</b>	<b>720,703</b>	850,909
22,344	Net Comprehensive Income	26,062	29,177
<b>787,640</b>	<b>Balance at 30 June</b>	<b>746,765</b>	<b>880,087</b>
	<b>Net Movements</b>		
(3,250)	Net surplus transferred to Public Equity	2,391	(280)
7,504	Public Equity	3,533	5,650
24,531	Available for Sale Revaluation Reserve	22,643	28,193
(1,184)	Asset Replacement Reserve	(206)	1,258
68	Emergency Response Reserve	62	
(399)	Kuriwao Reserve	(419)	(420)
166	Asset Revaluation Reserve	155	170
0	Water Mgt Reserve		10
(5,091)	Building Reserve	(2,097)	(5,473)
	Environmental Enhancement Reserve	(1)	0
<b>22,344</b>	<b>Net comprehensive income</b>	<b>26,062</b>	<b>29,177</b>
<b>787,640</b>	<b>Balance at 30 June</b>	<b>746,765</b>	<b>880,087</b>

Prospective Statement of Reserves as at 30 June 2023/24

Reserves	Opening Balance 1 July 2023 \$000s	Transfers In \$000s	Transfers Out \$000s	Closing Balance 30 June 2024 \$000s
Public Equity	62,776	32,445	(23,808)	71,413
Available for Sale Revaluation Reserve	704,822	28,193		733,014
Asset Replacement Reserve	2,030	3,279	(2,021)	3,288
Emergency Response Reserve	4,631	69		4,701
Kuriwao Reserve	6,466	212	(632)	6,046
Asset Revaluation Reserve	14,900	170		15,070
Water Mgt Reserve	694	10		705
Building Reserve	14,048	127	(5,600)	8,574
Environmental Enhancement Reserve	29	300	(300)	29
River Management Dunedin	886	220	(629)	478
River Management Clutha	(221)	420	(474)	(275)
River Management Central Otago	287	363	(502)	148
River Management Wakatipu	570	246	(568)	248
River Management Wanaka	(306)	240	(447)	(513)
River Management Waitaki	837	413	(390)	859
Emergency Management	(96)	3,336	(3,485)	(245)
Alexandra Flood Protection	(45)	341	(300)	(4)
Leith Flood Protection	(13,233)	1,641	(589)	(12,181)
Lower Clutha Flood Protection & Drainage	(1,396)	1,420	(2,044)	(2,020)
Lower Taieri Flood Protection	2,041	2,048	(2,245)	1,844
West Taieri Drainage	(2,200)	962	(1,403)	(2,641)
East Taieri Drainage	172	749	(1,268)	(347)
Tokomairiro	123	171	(220)	75
Lower Waitaki Flood Protection & River Control	(30)	200	(200)	(30)
Public Transport Dunedin	(9,151)	22,792	(22,747)	(9,107)
Public Transport Wakatipu	(3,193)	9,534	(10,452)	(4,110)
Dairy Compliance	(22)	210	(268)	(80)
Lake Hayes Remediation	(900)	250	(818)	(1,468)
Biosecurity	(1,241)	5,378	(5,697)	(1,560)
Wilding Pines	(419)	200	(206)	(425)
Rural Water Quality	111	2,336	(2,561)	(114)
Infrastructure Assets	67,937	1,723	(946)	68,715
<b>Total</b>	<b>850,909</b>	<b>119,999</b>	<b>(90,821)</b>	<b>880,087</b>

Prospective Statement of Cashflows for the year ended 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	<b>Cashflow from Operating Activities</b>		
	<i>Cash provided from:</i>		
	<b>Receipts from non-exchange transactions</b>		
47,228	Rate Receipts	52,898	55,778
22,102	Grant Income	17,760	20,497
	Other Receipts		19,525
	<b>Receipts from exchange transactions</b>		
750	Interest	750	10,250
14,000	Dividends	15,000	15,000
15,997	Other Receipts	22,831	
<b>100,077</b>	<b>Total Income</b>	<b>109,239</b>	<b>121,050</b>
	<i>Cash Applied to:</i>		
98,714	Payments to Employees & Suppliers	102,136	107,611
250	Interest	262	9,500
<b>98,964</b>	<b>Total Payments</b>	<b>102,398</b>	<b>117,111</b>
<b>1,113</b>	<b>Net Cash from Operating Activities</b>	<b>6,840</b>	<b>3,938</b>
	<b>Cashflow From Investing Activities</b>		
	<i>Cash provided from:</i>		
420	Property, Plant & Equipment Sales	7,430	4,000
0	Term Investment Maturity		
0	Deferred Tax Asset realised		
0	Managed Fund Withdrawal		
<b>420</b>	<b>Total Cash</b>	<b>7,430</b>	<b>4,000</b>
	<i>Cash Applied to:</i>		
0	Managed Fund		
11,258	Property, Plant & Equipment	13,044	13,166
1,850	Intangible Assets	2,019	400
<b>13,108</b>	<b>Total</b>	<b>15,063</b>	<b>13,566</b>
<b>(12,688)</b>	<b>Net Cash from Investing Activities</b>	<b>(7,633)</b>	<b>(9,566)</b>
	<b>Cashflow From Financing Activities</b>		
	<i>Cash provided from:</i>		
0	Borrowings		
	<i>Cash Applied to:</i>		
0	Repayment of Borrowings		
<b>0</b>	<b>Net Cash from Financing Activities</b>		
<b>(11,575)</b>	<b>Net Increase/(Decrease) in Cash Held</b>	<b>(793)</b>	<b>(5,627)</b>
<b>13,624</b>	<b>Cash at 1 July</b>	<b>(1,967)</b>	<b>11,668</b>
<b>2,049</b>	<b>Cash at 30 June</b>	<b>(2,759)</b>	<b>6,040</b>

## Reconciliation of Net Surplus to Net Cash from Operating Activities

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	<b>RECONCILIATION OF NET SURPLUS TO NET CASH</b>		
(2,186)	Net Surplus(deficit) from Activities	3,419	984
	<b>Add(deduct) non cash items:</b>		
4,356	Depreciation	4,442	4,211
(1,064)	Other (gains)/losses	(1,029)	(1,265)
7	Bad Debts	7	7
<b>1,113</b>	<b>Net Cash from Operating Activities</b>	<b>6,840</b>	<b>3,938</b>

## Schedule of Capital Expenditure

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	<b>Environmental</b>		
90	Air Monitoring	73	74
100	Public Awareness		
1,563	Water Monitoring Sites	590	580
120	Harbour Mgt	21	21
90	Biodiversity	94	95
0	Hazards	52	52
0	Compliance		
	<b>Transport</b>		
0	Transport		
	<b>Flood Protection &amp; Control Works</b>		
20	Alexandra Flood Protection	21	20
250	Leith Flood Protection	105	100
680	Lower Clutha Flood & Drainage	336	325
950	Lower Taieri Flood Protection	157	850
1,130	West Taieri Drainage	1,234	283
180	East Taieri Drainage	178	125
20	Tokomairiro	21	20
0	Wanaka River Mgt	105	100
	<b>Council</b>		
5,220	Property	2,203	6100
675	Vehicles	708	750
1,950	Computers & Software	2,124	500
20	Plant	21	20
50	Sundry	52	50
<b>13,108</b>	<b>Total Capital Expenditure</b>	<b>8,096</b>	<b>10,066</b>

# Summary of Accounting Policies

## Reporting Entity

The Council is a regional local authority governed by the Local Government Act 2002.

The Council Group (Group) consists of the Council and its subsidiary Port Otago Limited (100% owned). The Port Otago Limited Group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes. The prospective financial information contained in this Annual Plan relates to the Council only as the group parent. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users.

The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service.

The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from those subsidiaries. Distributions from the Council's subsidiary Port Otago Limited are included in the prospective financial statements of the Council. The Prospective Financial Statements of Council are to be adopted by Council on 24 May 2023.

## Statement of Compliance

The prospective financial statements have been prepared in accordance with PBE FRS 42, Prospective Financial Statements, and in accordance with Tier 1 PBE Standards appropriate for public benefit entities, as it relates to prospective financial statements.

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity. No actual results have been incorporated in these prospective financial statements.

Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## Basis of Accounting

The prospective financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. They are presented in NZ dollars, rounded to the nearest thousand.

## Standards and interpretations issues but not yet adopted

Council has not yet adopted the below standards and expects to adopt them in the period they become mandatory. Council expects the standards to have no material impact on the financial statements.

PBE IPSAS 41 : Financial Instruments

PBE IPSAS 48 : Service Performance Reporting

# Significant Accounting Policies

## Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made.

Type	Recognition and measurement
<b>Revenue from Non-exchange Transactions</b>	
Rates revenue	Rates revenue is recognised as income when levied. Council levies general rates for those functions that are assessed as providing benefits to all ratepayers within each of the constituent districts and city, and levies targeted rates where functions benefit a defined group of ratepayers.
Grants and subsidies	Grants and subsidies are recognised upon entitlement, as conditions pertaining to expenditure have been fulfilled.
Other fee income	Other fee income from non-exchange transactions is recognised when the supplies and services have been rendered.
<b>Revenue from Exchange Transactions</b>	
Dividend income	Dividend income is recognised on the date of the dividend declaration.
Interest revenue	Interest revenue is recognised on a time proportionate basis using the effective interest method.
Revenue from port services	Revenue from port services is recognised in the accounting period in which the actual service is provided.
Revenue from the rendering of services	Revenue from the rendering of services, including relating to contracts and consent applications that are in progress at balance date, is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
Rental income from operating leases	Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.
Fees and charges	Fees and charges are recognised as income when supplies and services have been rendered. Fees received from the following activities are recognised as revenue from exchange transactions: resource consent processing, pest animal and plant contract work, grazing leases and licences and enforcement work.

## Other Gains and Losses

Gains and losses on the sale of investment property, property, plant and equipment are recognised when an unconditional contract is in place and it is probable that the Council will receive the consideration due and significant risks and rewards of ownership of assets have been transferred to the buyer.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

## Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for doubtful debts is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the surplus/(deficit).

## Intangible Assets

Computer software assets are stated at cost, less accumulated amortisation and impairment. The amortisation periods range from one to five years.

### (a) Impairment

At each reporting date, the Council reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## Property, Plant and Equipment

Property, plant and equipment consist of the following.

### Operational Assets

Operational assets include Council-owned land, endowment land, buildings, and plant and vehicles.

### Infrastructural Assets

Infrastructural assets deliver benefits direct to the community and are mostly associated with major flood protection and land drainage schemes. Infrastructural assets include floodbanks, protection works, structures, drains, bridges and culverts.

## Restricted Assets

Endowment land is vested in the Council by the Otago Regional Council (Kuriwao Endowment Lands) Act. The Act restricts disposition of this land to freeholding initiated by lessees.

### (a) Cost

Land and Buildings are recorded at cost or deemed cost less accumulated depreciation and any accumulated impairment losses.

Other property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

### (b) Depreciation

Operational assets with the exception of land, are depreciated on a straight-line basis to write off the cost of the asset to its estimated residual value over its estimated useful life.

Infrastructural assets including flood banks, protection works and drains and culverts are constructions or excavations of natural materials on the land and have substantially the same characteristics as land, in that they are considered to have unlimited useful lives and in the absence of natural events, these assets are not subject to ongoing obsolescence or deterioration of service performance, and are not subject to depreciation. Other infrastructural assets are depreciated on a straight-line basis to write off the cost of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the surplus/ (deficit) in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

Asset	Life
<b>Operational Assets</b>	
Buildings – Council	10-50 years
Plant and vehicles – Council	3-20 years
<b>Infrastructural Assets</b>	
Floodbanks	Unlimited
Protection works	Unlimited
Drains	Unlimited
Culverts	Unlimited
Structures	8-100 years
Bridges	33-100 years
Transport infrastructure and hardware	5-15 years



The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

### **(c) Disposal**

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus/(deficit) in the period the asset is derecognised.

### **(d) Critical Judgements and Assumptions**

The Council owns a number of properties that are held for service delivery objectives as part of the Council's various flood protection schemes. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

## **Borrowings**

Borrowings are recognised initially at fair value. Subsequent to initial recognition, borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings, using the effective interest method.

The carrying amount of borrowings reflects fair value as the borrowing finance rates approximate market rates. The council's secured borrowings are secured by a charge over current and future rates revenue.

# Reserve

## **Restricted and Council Created Reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

## **Available-for-Sale Revaluation Reserve**

The available-for-sale revaluation reserve arises on the revaluation of the shares in subsidiary.

## **Asset Replacement Reserve**

This reserve represents funds held for the replacement of Council operational assets.

## **Emergency Response Reserve**

This reserve is separately funded to enable Council to respond appropriately to emergency situations.

## **Kuriwao Endowment Reserve – Restricted**

This reserve represents the accumulation of net income from Kuriwao Endowment land less any distribution of that income. The reserve is available to fund works for the benefit of the Lower Clutha District.

## **Asset Revaluation Reserve**

This reserve arises on the revaluation of investment property.

## **Water Management Reserve**

The purpose of this reserve is to provide funding for water management initiatives in Otago.

## **Hedging Reserve**

This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to interest payments that have not yet occurred.

## **Building Reserve**

The purpose of this reserve is to set aside funding for a new head office for the Council.

## **Environmental Enhancement Reserve**

The purpose of this reserve is to provide funding for the maintenance or enhancement of areas of the natural environment within the Otago region.

# Prudence Disclosures

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

## Rate Funding and Funding Impact Statements

### Funding Impact Statement

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	<b>Sources of operating funding:</b>		
23,127	General rates, UAGC & rate penalties	25,016	28,263
24,101	Targeted rates	27,882	27,515
22,102	Subsidies & grants	17,760	20,497
6,861	Fees & charges	7,451	5,951
14,750	Interest & dividends from investments	15,750	25,250
9,128	Fines, infringement fees & other receipts	15,373	13,568
<b>100,069</b>	<b>Total operating funding</b>	<b>109,231</b>	<b>121,043</b>
	<b>Applications of operating funding:</b>		
98,547	Payments to staff & suppliers	101,963	107,334
350	Finance costs	367	9,700
424	Other operating funding applications	547	77
<b>99,322</b>	<b>Total applications of operating funding</b>	<b>102,877</b>	<b>117,111</b>
<b>748</b>	<b>Surplus(deficit) of operating funding</b>	<b>6,354</b>	<b>3,931</b>
	<b>Sources of capital funding:</b>		
-	Subsidies & grants for capital expenditure		
-	Financial contributions		
-	Increase(decrease) in debt		
<b>420</b>	Gross proceeds from sale of assets	7,430	4,000
-	Lump sum contributions		
-	Other dedicated capital funding		
<b>420</b>	<b>Total sources of capital funding</b>		
	<b>Application of capital funding:</b>		
	<i>Capital expenditure:</i>		
-	- to meet demand		
2,813	- to improve level of service	1,901	875
10,295	- to replace existing assets	6,195	9,191
(11,940)	Increase(decrease) in reserves	5,688	(2,134)
-	Increase(decrease) in investments		
<b>1,168</b>	<b>Total applications of capital funding</b>	<b>13,784</b>	<b>7,931</b>
<b>(748)</b>	<b>Surplus(deficit) of capital funding</b>	<b>(6,354)</b>	<b>(3,931)</b>
-	<b>Funding balance</b>	-	-

**Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense**

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
748	Surplus(deficit) of operating funding per funding Impact statement	6,354	3,931
	Add/(deduct):		
(4,356)	Depreciation	(4,442)	(4,211)
1,064	Other gains/(losses)	1,029	1,265
358	Other	479	
<b>(2,186)</b>	<b>Adjusted Surplus/(Deficit) from Funding Impact Statement</b>	<b>3,419</b>	<b>984</b>
<b>(2,186)</b>	<b>Surplus/(Deficit) from activities per Statement of Comprehensive Revenue &amp; Expense</b>	<b>3,419</b>	<b>984</b>

## Funding Impact Statement - Calculation of Rates for the 2023/2024 Year

Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2023-24 including GST	Estimated rates payable including GST			
				Capital Value \$500,000	Capital Value \$1,000,000	Capital Value \$5,000,000	
<b>General rates:</b>							
<b>General rates</b>							
Contributes to all activities of council	Capital value	Where the property is situated	<b>Allocated as:</b> Central Otago Clutha Dunedin Queenstown Waitaki	<b>\$24,376,460</b> \$2,904,540 \$1,955,417 \$8,813,338 \$9,072,319 \$1,630,846	\$80.84 \$111.50 \$100.16 \$79.41 \$111.60	\$161.68 \$222.99 \$200.32 \$158.82 \$223.20	\$808.38 \$1,114.97 \$1,001.58 \$794.09 \$1,115.99
<b>Uniform Annual General Charge</b> Contributes to all activities of council	Fixed charge per rating unit		Calculated as \$68.88 per rating unit	<b>\$8,125,486</b>	\$68.88	\$68.88	\$68.88
<b>Targeted rates – refer to maps of targeted rating areas</b>							
<b>Flood protection and control works</b>							
Leith flood protection scheme	Capital value	Where the property is situated within the defined scheme area	<b>Allocated as:</b>  Direct benefit zone: * Forsyth Barr Stadium * Excluding stadium * Indirect benefit zone	<b>\$1,679,633</b>  \$33,593 \$806,224 \$839,816	\$65.81 \$270.51 \$14.26	\$131.61 \$541.02 \$28.51	\$658.07 \$2,705.08 \$142.57
Lower Taieri flood protection scheme	Capital value	Where the property is situated using approved classifications	<b>Allocated as:</b>  Lower Taieri Flood Protection WF1 Lower Taieri Flood Protection WF2 Lower Taieri Flood Protection WF3 Lower Taieri Flood Protection WF4 Lower Taieri Flood Protection WF5 Lower Taieri Flood Protection WF6 Lower Taieri Flood Protection WF7 Lower Taieri Flood Protection WF8 Lower Taieri Flood Protection WF9 Lower Taieri Flood Protection EF1 Lower Taieri Flood Protection EF2 Lower Taieri Flood Protection EF3 Lower Taieri Flood Protection EF4 Lower Taieri Flood Protection EF5 Lower Taieri Flood Protection EF6 Lower Taieri Flood Protection EF7 Lower Taieri Flood Protection EF8 Lower Taieri Flood Protection EF9 Lower Taieri Flood Protection EF10 Lower Taieri Flood Protection EF12 Lower Taieri Flood Protection EF13	<b>\$1,207,498</b>  \$481,160 \$589,136 \$239 \$123 \$0 \$0 \$0 \$1,009 \$0 \$25,515 \$35,806 \$1,033 \$12,767 \$2,865 \$1,396 \$830 \$43,810 \$4,293 \$1,973 \$1,983 \$3,560	\$975 \$577 \$9 \$14 \$0 \$0 \$0 \$69 \$0 \$526 \$550 \$547 \$444 \$12 \$546 \$7 \$7 \$3 \$4 \$646 \$645	\$1,951 \$1,154 \$18 \$28 \$0 \$0 \$0 \$137 \$0 \$1,051 \$1,100 \$1,094 \$888 \$25 \$1,092 \$15 \$14 \$7 \$8 \$1,291 \$1,291	\$9,755 \$5,772 \$91 \$142 \$0 \$0 \$0 \$686 \$0 \$5,257 \$5,499 \$5,471 \$4,441 \$123 \$5,462 \$75 \$71 \$33 \$41 \$6,455 \$6,454
Lower Clutha flood and drainage scheme	Capital value	Where the property is situated using approved classifications	<b>Allocated as:</b>  Flood Protection & Drainage A Flood Protection & Drainage B Flood Protection & Drainage C Flood Protection & Drainage D Flood Protection & Drainage E Flood Protection & Drainage F Flood Protection & Drainage U1 Flood Protection & Drainage U2 Flood Protection & Drainage U3 Flood Protection & Drainage U4	<b>\$1,207,501</b>  \$77,578 \$197,981 \$362,602 \$69,542 \$64,117 \$42,989 \$4,484 \$286,567 \$20,735 \$80,906	\$4,163.08 \$1,652.98 \$1,561.15 \$979.55 \$520.38 \$61.22 \$1,653.19 \$550.99 \$122.45 \$91.83	\$8,326.16 \$3,305.97 \$3,122.29 \$1,959.10 \$1,040.76 \$122.44 \$3,306.37 \$1,101.99 \$244.89 \$183.66	\$41,630.79 \$16,529.83 \$15,611.47 \$9,795.48 \$5,203.80 \$612.22 \$16,531.85 \$5,509.93 \$1,224.46 \$918.32
Tokomairiro drainage scheme	Capital value	Where the property is situated within the defined scheme area	<b>Allocated as:</b>  Tokomairiro Drainage A Tokomairiro Drainage B Tokomairiro Drainage C Tokomairiro Drainage D Tokomairiro Drainage E Tokomairiro Drainage F Tokomairiro Drainage U1	<b>\$195,500</b>  \$9,134 \$18,481 \$28,338 \$36,898 \$21,077 \$28,096 \$53,476	\$434.64 \$325.99 \$260.78 \$195.59 \$108.66 \$43.46 \$65.20	\$869.28 \$651.98 \$521.56 \$391.18 \$217.33 \$86.93 \$130.39	\$4,346.42 \$3,259.91 \$2,607.82 \$1,955.92 \$1,086.63 \$434.65 \$651.97

## Funding Impact Statement - Calculation of Rates for the 2023/2024 Year

Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2023-24 including GST	Estimated rates payable including GST			
				Ha	Hectare	Hectare	Hectare
					0.07	2.00	20.00
East Taieri drainage scheme	Fixed charge per hectare	Where the property is situated within the defined scheme area	<b>Allocated as:</b>	<b>\$552,001</b>			
			East Taieri Drainage - ED1	\$199,868	\$15.36	\$438.85	\$4,388.48
			East Taieri Drainage - ED2	\$132,091	\$11.72	\$334.77	\$3,347.67
			East Taieri Drainage - ED4	\$20,936	\$12.95	\$370.00	\$3,700.00
			East Taieri Drainage - ED5	\$80,601	\$5.84	\$166.90	\$1,668.97
			East Taieri Drainage - ED7	\$23,528	\$20.26	\$578.88	\$5,788.79
			East Taieri Drainage - ED8	\$47,245	\$3.88	\$110.73	\$1,107.25
			East Taieri Drainage - ED9	\$32,136	\$3.36	\$96.04	\$960.44
			East Taieri Drainage - ED10	\$15,596	\$2.99	\$85.33	\$853.25
		Fixed charge per hectare	Where the property is situated within the defined scheme area	Allocated across ED1, ED2, ED4, ED5, ED8, ED9 and ED10	<b>\$184,000</b>	\$2.76	\$78.85
West Taieri drainage scheme	Fixed charge per hectare	Where the property is situated within the defined scheme area	<b>Allocated as:</b>	<b>\$660,100</b>			
			West Taieri Drainage - WD1	\$529,247	\$8.75	\$250.06	\$2,500.59
			West Taieri Drainage - WD2	\$88,757	\$2.40	\$68.71	\$687.08
			West Taieri Drainage - WD3	\$28,385	\$6.53	\$186.58	\$1,865.77
			West Taieri Drainage - WD4	\$13,469	\$8.75	\$250.06	\$2,500.64
			West Taieri Drainage - WD5	\$242	\$0.04	\$1.01	\$10.13
		Fixed charge per hectare	Where the property is situated within the defined scheme area	Allocated across WD1, WD2, WD3 and WD4.	<b>\$282,900</b>	\$2.74	\$78.27

## Funding Impact Statement - Calculation of Rates for the 2023/2024 Year

Source of funding and activities	Valuation system and basis of calculation	Matters for differentiation	Est. Revenue sought for 2023-24 including GST				
			Capital Value \$500,000	Capital Value \$1,000,000	Capital Value \$5,000,000		
<b>River and waterway management</b> City and district waterway and river management	Capital value	Where the property is situated	<b>Allocated as:</b> Central Otago Clutha Dunedin Waitaki Wakatipu Wanaka	<b>\$2,599,000</b> \$414,000 \$483,000 \$402,500 \$460,000 \$477,250 \$362,250	\$11.52 \$27.54 \$4.57 \$31.48 \$6.39 \$9.17	\$23.04 \$55.08 \$9.15 \$62.96 \$12.77 \$18.34	\$115.22 \$275.40 \$45.74 \$314.78 \$63.86 \$91.69
Lower Waitaki	Capital value	Where the property is situated within the defined scheme area	<b>Allocated as:</b> Lower Waitaki A Lower Waitaki B	<b>\$207,000</b> \$132,405 \$74,595	\$774.94 \$387.47	\$1,549.88 \$774.94	\$7,749.41 \$3,874.69
<b>Rural water quality</b>	Capital value	Land use type being: - Rural arable farming - Rural dairy - Rural forestry - Rural market gardens and orchards - Rural mineral extraction - Rural multi use within rural industry - Rural specialist livestock - Rural stock finishing - Rural store livestock - Rural vacant - Lifestyle 2 hectares and above	<b>Allocated as:</b> Central Otago Clutha Dunedin Queenstown Waitaki	<b>\$2,015,065</b> \$440,174 \$484,578 \$308,601 \$490,276 \$291,436	\$33.06 \$41.25 \$33.06 \$35.24 \$42.32	\$66.13 \$82.50 \$66.13 \$70.49 \$84.63	\$330.63 \$412.52 \$330.63 \$352.43 \$423.17
<b>Wilding trees</b>	Fixed charge per rating unit		Calculated as \$1.95 per rating unit	<b>\$230,000</b>	\$1.95	\$1.95	\$1.95
<b>Emergency Management</b>	Fixed charge per rating unit		Calculated as \$32.52 per rating unit	<b>\$3,836,400</b>	\$32.52	\$32.52	\$32.52
<b>Dairy monitoring</b>	Fixed charge per rating unit	The activity of being a dairy farm	Calculated as \$557.74 per dairy shed	<b>\$241,500</b>	\$557.74	\$557.74	\$557.74
<b>Transport</b> Dunedin passenger transport	Capital value	Where the property is situated within the defined scheme area, and differentiated on basis of land use: Class A – non-residential Class B - others	<b>Allocated as:</b> Class A Class B * Dunedin * Waitaki	<b>\$9,602,480</b> \$2,536,348 \$7,019,269 \$46,863	\$390.22 \$104.06 \$133.19	\$780.44 \$208.12 \$266.37	\$3,902.18 \$1,040.58 \$1,331.86
Wakatipu passenger transport	Capital value	Where the property is situated within the defined scheme area, and differentiated on basis of land use: Class A – non-residential Class B - others	<b>Allocated as:</b> Class A Class B	<b>\$2,367,052</b> \$613,198 \$1,753,854	\$61.46 \$30.73	\$122.92 \$61.46	\$614.58 \$307.29
<b>Biosecurity</b> City and district pest management plan	Land value	Where the property is situated	<b>Allocated as:</b> Central Otago Clutha Dunedin Queenstown Waitaki	<b>\$4,574,688</b> \$545,461 \$372,222 \$1,303,890 \$2,094,840 \$258,275	\$27.35 \$33.27 \$27.35 \$30.53 \$34.71	\$54.71 \$66.54 \$54.71 \$61.06 \$69.43	\$273.54 \$332.70 \$273.54 \$305.31 \$347.14

## Effect of Rating

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
23,127	General rates	25,016	28,263
-	Targeted air quality rates	210	
865	Rural water quality rate	1,767	1,752
200	Dairy inspection rate	210	210
	<b>Targeted River Management rates:</b>		
340	- Central Otago District	360	360
390	- Clutha District	420	420
310	- Dunedin City	346	350
388	- Wakatipu	415	415
292	- Wanaka	315	315
400	- Waitaki	400	400
171	- Lower Waitaki	179	180
	<b>Targeted Passenger Transport services rate:</b>		
7,013	- Dunedin	8,355	8,350
1,737	- Queenstown	2,062	2,058
	<b>Flood Protection &amp; Drainage rates:</b>		
640	- East Taieri Drainage	720	640
1,461	- Leith Flood Protection	1,461	1,461
950	- Lower Clutha	1,050	1,050
1,050	- Lower Taieri	1,150	1,050
160	- Tokomairiro	170	170
820	- West Taieri Drainage	920	820
3,379	<b>Biosecurity Rates</b>	4,002	3,978
	<b>Targeted Wilding Tree rates:</b>		
24	- Central Otago District	25	24
17	- Clutha District	19	17
91	- Dunedin City	96	91
49	- Queenstown Lakes District	50	49
19	- Waitaki District	20	19
	<b>Emergency Management rates:</b>		
403	- Central Otago District	380	403
280	- Clutha District	265	280
1,531	- Dunedin City	1,450	1,531
812	- Queenstown Lakes District	770	812
310	- Waitaki District	295	310

# Schedule of Fees and Charges

## Scale of Charges

The following scale of charges is to be applied where indicated to activities included in this Schedule of Fees and Charges.

Charge	From 1 July 2023
Staff time per hour:	
• Management	\$215
• Team Leader/Principal	\$195
• Senior Technical	\$175
• Technical	\$150
• Field staff	\$150
• Administration	\$115
• Specialist Expert Services. For example: Science, Hazards or Engineering time.	\$175
Disbursements	Actual
Additional Site Notice	Actual
Advertisements	Actual
Vehicle use per kilometre	As per IRD Published Rates
Harbourmaster vessel per hour	\$395
Travel and accommodation	Actual
Testing charges	Actual
Consultants	Actual
Commissioners	Actual
Councillor Hearing fees per hour:	
• Chairperson	\$100
• Member	\$80
• Expenses	Actual

## Resource Management Act – Section 36 Charges

Set out below are details of the amounts payable for those activities to be funded by fees and charges, as authorised by Section 36(1) of the Resource Management Act 1991 (RMA).

### Resource Consent Application Fees

Note that the fees shown below are a deposit to be paid on lodgement of a consent application and applications for exemptions in respect of water measuring devices. The deposit will not usually cover the full cost of processing the application, and further actual and reasonable costs are incurred at the rate shown in the scale of charges. GST is included in all fees and charges. Costs for applications are typically invoiced at the end of process.

#### Pre-application Work

We offer a pre-application service to help customers. The first 30 minutes of pre-application advice or review of application documents is free of charge. We will always advise before we start charging for application advice. For larger pre-application projects we may invoice before, during, and after the process is complete. Fees payable for pre-application work carried out before a consent application is lodged with Council will be incurred at the rates shown in the scale of charges.

Deposits		Previous To 30 June 2023	NEW From 1 July 2023
<b>Publicly Notified Applications Deposits:<sup>3</sup></b>	First application	\$15,000	\$15,000
<b>Non-Notified Applications and Limited Notification Applications Deposits: <sup>3</sup></b>	First application	\$1,750	\$1,750
	Multiple Applications	\$2,300	\$2,300
<b>Other Application Types</b>			
	Variation to Conditions – s127	\$1,750	\$1,750
	Administrative Variation – s127	\$1,750	\$1,750
	Multiple Bores	\$1,500	\$1,500
	Deemed Permitted Activity	\$1,750	\$1,750
<b>Fixed Fees</b>			
	Single Bore	\$750	\$1,365
	Exemption under regulation 7A of the Water Metering Regulations	\$150	\$150
	Exemption under regulations 9 or 10 of the Water Metering Regulations	\$450	\$450
	Intensive Winter Grazing Consent	NEW	\$1,600
<b>Hearings</b>			
	Payment for Commissioner request – s100A	Per Note 2 below	Per Note 2 below
	Payment for Commissioner request – s100A	Per Note 4 below	Per Note 4 below
<b>Objections</b>	Payment for Commissioner request – s357AB	Per Note 4 below	Per Note 4 below
<b>Transfer of Consent Holder and Certificates Deposits:</b>			
	Transfer of permits and consents	\$200	\$200
	Priority Table	\$200	\$200
	Certificate of Compliance	\$1,750	\$1,750
	All Other Costs	As per Scale of Charges	As per Scale of Charges

## Notes:

1. For additional permits in respect of the same site, activity, applicant, time of application, and closely related effect as the first application.
2. The deposit payable shall be 90% of the cost of a hearing as calculated by Council in accordance with information contained in the application file and using the scale of charges. The amount payable will be due at least 10 working days before the commencement of the hearing. If the amount is not paid by the due date, then the Council reserves the right under S36(7) of the Resource Management Act 1991 to stop processing the application. This may include cancellation of the hearing.
  - ▶ Should a hearing be cancelled or postponed due to the non-payment of the charge, the applicant will be invoiced for any costs that arise from that cancellation or postponement
  - ▶ Following completion of the hearing process, any shortfall in the recovery of hearing costs will be invoiced, or any over-recovery will be refunded to the applicant
3. Where actual and reasonable costs are less than the deposit paid, a refund will be given.
4. Where an applicant requests under s100A (for a consent hearing) or under s357AB (for the hearing of an objection) an independent commissioner(s); the applicant will be required to pay any increase in cost of having the commissioner(s).

## Use of Consultants for Resource Consents

If ORC uses an external consultant for the processing of a consent, or to provide technical input into the application, then the full actual and reasonable costs of the consultant are charged to the applicant. This may include instances where the applicant makes a request for urgency, the application involves complex and/or technical matters or a peer review is necessary. ORC will also charge the applicant for time spent managing the consultant. ORC will advise the applicant before engaging a consultant.

If ORC uses a consultant to commission a report under section 92(2) of the RMA, the full cost of the consultant is charged to the applicant.

## Review of Consent Conditions

Following the granting of a consent, a subsequent review of consent conditions may be carried out at either the request of the consent holder, or as authorised under Section 128, as a requirement of Council. Costs incurred in undertaking reviews requested by the consent holder will be payable by the consent holder at the rates shown in the Scale of Charges above.

Reviews initiated by Council will not be charged to consent holders.

# Compliance Monitoring

## Performance Monitoring

The following charges will apply to the review of performance monitoring reports for all consent holders, except those listed in 'Fees for Specific Consent Holders' section below. The charges shown are annual fixed fees per performance monitoring report or plan and are inclusive of GST.

Resource Consent Monitoring and Annual Administration Charges	Previous	New from 1 Jul 2023
One-off compliance administration fee to be charged on all new applications. Covers the cost of compliance monitoring systems.	\$150	\$150
Ongoing compliance administration fee to be charged on consents with Performance Monitoring requirements.	\$50	\$50
Late performance monitoring fee to be charged as required.	\$150	\$150
Annual Consent Compliance Monitoring Charges		
Compliance monitoring charge for each other item due during the financial year (unless covered by one of the fees below). Examples include management plans, provision of photos, bore logs, notifications, record of complaints, annual reports.	\$70	\$70
Annual charge for the receipt and processing of telemetered water take data/information (including verifications returns).	\$175	\$175
Each additional telemetered water measuring device.	\$50	\$50
Annual charge for the receipt and processing of manual and data logger water take data/information (including verification returns), excludes those who hold a WEX for the installation of telemetry.	\$225	\$225
Each additional non telemetered water measuring device	\$100	\$100
Annual charge for the receipt and processing of all returns relating to small/simple discharge consents.	\$75	\$75
Annual charge for the receipt and processing of all returns relating to medium/moderately complex discharge consents.	\$300	\$300
Annual charge for the receipt and processing of all returns relating to large/complex discharge consents.	\$900	\$900
Annual charge for the receipt and processing of all returns relating to simple/small earthworks consents.	NEW	\$300
Annual charge for the receipt and processing of all returns relating to standard/medium earthworks consents.	NEW	\$1,000
Annual charge for the receipt and processing of all returns relating to complex/large earthworks consents. Very large developments may be set up as major clients.	NEW	\$2,500
Inspection reports for small dams	\$145	\$145
Inspection reports for large dams	\$280	\$280
Structural integrity report	\$100	\$100
Low Flow Monitoring Charges		
Kakanui at McCones	\$350	\$350
Unnamed Stream at Gemmels	\$1,550	\$1,550

## Fees for Specific Consent Holders

Performance monitoring will be charged as 75% of actual costs when applying the fixed charges listed above does not represent a fair and reasonable charge.

This includes major consent holders who hold a large number of individual consents and/or consents which contain complex monitoring requirements. It also includes consents where data or information is consistently submitted in a way which generates significant extra costs for Council. Additional charges may be incurred for new consents granted during the year.

# Resource Consent Monitoring

## Resource Consent Audits

Monitoring compliance with consents and audit of resource consents will be charged at the actual and reasonable cost incurred using the Scale of Charges. This includes, but is not limited to:

- ▶ Staff time to carry out an inspection (if required), audit any monitoring information provided by consent holders, follow up any non-compliance and report back to consent holders (if required)
- ▶ Any disbursements related to the monitoring, including sampling and testing costs and any specialist or technical advice needed

## Resource Consent Non-compliance

Where non-compliance with resource consent conditions is identified, all follow-up work and enforcement action related to the consent non-compliance will be charged at the Scale of Charges.

This includes, but is not limited to:

- ▶ Staff time to consider the non-compliance, prepare reports and correspondence, and any disbursements (e.g. sampling services, technical advice) related to consent non-compliance
- ▶ Costs for generating and issuing enforcement notices
- ▶ Inspections to determine compliance with an enforcement order or abatement notice to confirm that the required action has been taken and full compliance with the notice is achieved
- ▶ Reactive site visits as a result of an incident notification (e.g. a complaint about water pollution or odour discharge), the consent holder is only charged if the consent is breached and non-compliance is observed
- ▶ Costs for external consultants/contractors (actual charges)

## Other Compliance Activities

The following activities will be charged at the actual and reasonable cost incurred, using the Scale of Charges:

- ▶ Performance and compliance monitoring of permitted activities under a National Environmental Standard, including but not limited to Freshwater, Plantation Forestry and Storing Tyres Outdoors
- ▶ Monitoring compliance of farm operators with freshwater farm plan regulations and receiving notifications and audit reports of freshwater farm plans
- ▶ Monitoring Compliance Certificates

## Non-Compliance, Incidents and Complaints

### **Pollution Incidents and Non-compliance with Permitted Activity Rules**

Where non-compliance with the RMA or permitted activity rules in Regional Plans or National Environment Standards is identified, the actual and reasonable costs and expenses incurred may be charged at the Scale of Charges. This includes, but is not limited to:

Dealing with initial response to the pollution incident such as initial enquiries and site visit.

- ▶ Enforcement work including staff time for investigating, monitoring and reporting and any disbursements (e.g. sampling services and technical advice) related to the non-compliance
- ▶ Costs of any actions required to avoid, remedy, or mitigate the adverse environmental effect, including the remediation and clean-up

### **Gravel Inspection and Management**

Gravel extraction fee — \$0.66 per cubic metre (incl. GST). Where more than 10,000 cubic metres of gravel is extracted within a prior notified continuous two-month period, the actual inspection and management costs will be charged, as approved by the General Manager Corporate Services and CFO.

### **Resource Monitoring**

Water or air monitoring work carried out for external parties — Scale of Charges.

### **Private Plan Changes**

Work carried out on privately initiated plan changes — Scale of Charges.

# Building Act 2004 – Section 243 Charges

## Dam Safety and Building Control

The following table of charges and deposits will apply to the Dam Safety and Building Control activity.

Activity	Description	Deposit	2023/24 Fees
Issue of Certification of Acceptance (CoA)	Receive, process and grant or refuse applications for CoA	\$2,000	Scale of Charges plus MBIE/BRANZ levies where applicable*
Project Information Memorandum (PIM) for a Dam	Receive, process and issue PIM applications	-	Scale of Charges
Dam Safety	Dangerous dams, earthquake-prone dams, and flood-prone dams – inspections and enforcement	-	Scale of Charges
	Consider and approve (or refuse) dam classifications	-	Scale of Charges
	Approve or refuse dam safety assurance programmes	-	Scale of Charges
	Receive annual dam safety assurance programme compliance certificates	-	Scale of Charges
Notices to Fix (NTF)	Issue of NTF	-	Scale of Charges
	Inspection(s) of building work under NTF	-	Scale of Charges
Any other activity under the Building Act			Scale of Charges

\*Ministry of Business, Innovation and Employment (MBIE) and Building Research Association of New Zealand (BRANZ) levies apply to CoA applications where the estimated value of building work is greater than \$20,000. The Otago Regional Council is required to collect these levies from the applicant on behalf of MBIE and BRANZ. The levies quoted are as required by regulation and may change in accordance with amendments made to regulations.

# Biosecurity Act – Section 135 Charges

## Pest Management Strategy Implementation

Work carried out resulting from inaction of landowners not complying with Council’s Pest Management Strategy for Otago. The ‘Scale of Charges’ applies.

Review of Rabbit Control Programmes from non-compliant farms, and work associated with ensuring implementation of those programmes – Scale of Charges.

# Local Government Act – Section 150 Charges

## **Transport Licensing Exempt Services**

Apply to register or vary an existing registration – Scale of Charges; deposit payable of \$575.

## **Bylaw Application Processing**

Processing bylaw applications with the ‘Scale of Charges’ applying and deposit payable of \$300.

# Local Government Official Information and Meetings Act – Section 13 and Resource Management Act Section 36(1)

## **Information Requests**

Information requests that require more than half an hour to respond to, and multiple copies of Council reports. The ‘Scale of Charges’ applies.

# Local Government (Rating) Act 2002 – Section 88 Charges

## **Postponement**

A postponement fee to cover administration and financial costs may be charged on postponed rates – scale of charges.

**Back cover Image:**  
Crown Range, Central Otago



**Annual Plan 2023-2024**



Otago  
Regional  
Council