



Otago
Regional
Council

Annual Report 2024–2025



Otago Regional Council Annual Report

1 July 2024 to 30 June 2025



Lake Hāwea

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Richard Saunders, Chief Executive & Gretchen Robertson, Chairperson

Message from our Chairperson and Chief Executive

Tēnā koutou katoa

We are pleased to share with you this report on our progress, achievements and challenges over the 2024/25 financial year.

The vision that guides all our work is that Otago's environment and communities are healthy and connected ki uta ki tai — from the mountains to the sea. The ORC has important responsibilities in relation to the air we breathe, the water we enjoy, the food we grow and gather, the ways we travel, and how we understand and deal with climate change, hazards and emergencies. In all our work, we value working in partnerships with mana whenua and our diverse communities to achieve this vision.

Following a period of growth to meet increasing community expectations and legislative requirements, we are now finding ways to do things better to deliver value for ratepayers. Two recent external reviews — the Efficiency Review by Morrison Low in 2023 and Te Korowai, a review of continuous improvement in 2024 — gave us a good understanding of what we are doing well and where we can improve. We developed an action plan in 2024 and continue to work towards being more efficient and effective. Our ratepayers also benefit from the strong performance of Port Otago as a strategic asset, which delivered an \$18 million dividend in 2024/25, offsetting rates.

In 2024/25, we delivered a number of significant projects that will help shape Otago's future. Key among these are the proposed Otago Regional Policy Statement, the Climate Change Strategy and organisational greenhouse gas inventory, the draft Indigenous Biodiversity Strategy, and the Te Awa Otakoū – Otago Harbour Issues and Opportunities report. Developed in consultation with our communities, these core documents set out what we will deliver in the coming years and how we will achieve our goals. This strategic work guides activity across the organisation and ensures we remain accountable.

We are also delivering steady improvements in our everyday work to plan for disasters, understand hazards, and look after the vital infrastructure that protects communities across the region. The October 2024 floods demonstrated the importance of rigorous planning and proactive work in civil defence, engineering and hazard management, enabling the ORC and affected communities to understand what was happening, respond effectively and move into recovery work. In this year, we also completed the first region-wide assessment of natural hazard risks and completed an adaptation strategy for the Head of Lake Whakatipu / Whakatipu Waimāori.

Our work to improve our public transport system is seeing passenger numbers at record levels, and the importance of public transport in people's everyday

lives was reflected in the strong engagement on our Regional Public Transport Plan. Replacement of 13 buses in Mosgiel in the 2024/25 year means that approximately 30% of the Dunedin fleet is now electric - a significant contribution to our efforts to reduce climate emissions.

We continue to play our part in upholding environmental standards for the region through our regulatory and educational work. This was seen in the actions we took in 2024 to address compliance issues with the Shotover wastewater treatment plant. Workshops and educational programmes on intensive winter grazing, stream health, stormwater management and empower people across Otago as they care for the environment.

Sound and considered engagement was critical to much of what we achieved in the 2024/25 year. This is about taking the time to connect with and listen to our communities, supporting the exceptional work that Otago people are doing on the ground, and building strong collaborations and partnerships. For example, ongoing work with the Dunedin Youth Council and the Joint Dunedin Students' Council to make buses and bus stops safe, welcoming and accessible for rakatahi-led to a bus safety campaign to encourage good behaviour and let young people know how to report any issues. Our joint programme with the DCC, South Dunedin Future, reached the milestone of completing the scenario and risk assessments and presenting seven possible futures to the community.

We work with mana whenua and environmental groups, organisations, schools, farmers and other landowners across Otago to look after catchments, care for rivers, manage pest animals and plants, and care for our diverse environments. Weaving together mātauraka Māori, local knowledge, community-based work, scientific and subject matter expertise and a strong monitoring regime gives us a comprehensive understanding of our environment and the ability to collectively make a real difference to Otago's environment and people. A highlight for 2024/25 is our work at Waiwhakaata Lake Hayes, where a mana whenua and community-led strategy has recently been endorsed by Council. After a series of interventions, the lake is now showing signs of recovery. Our partnerships with territorial authorities are also important, as reflected in the joint future development strategies with the Queenstown Lakes District Council and the Dunedin City Council.

While our activities over the 2024/25 year show the value of strategic and connected work, we also need to be adaptable and able to respond to Government direction and changes to legislation. In this year, we had to pause notification of the Land and Water Regional Plan and related work, and have been preparing for changes to freshwater legislation, the Resource Management Act, fast-track legislation and

changes to the Local Government Act. We are also preparing for a significant shift in funding for environmental work.

To deliver exceptional quality for Otago people, our staff need the tools and resources to work effectively and well. We are working to strengthen our internal processes and policies, and to make sure our buildings, technology and equipment are robust and fit for purpose. This equips us to deliver high-quality work and provide value for money for the region's ratepayers.

In the post-Covid period, grant funding made it possible to take on projects such as the water quality improvement project for Te Hikapupu | Pleasant River delivered in partnership with Kāti Huirapa Rūnaka ki Puketeraki. With these funding sources now ending, we are preparing to introduce our own funding scheme, a significant investment that will support large-scale, community-driven projects that deliver lasting environmental benefits.

Financially Council has performed well, responding to previous audit feedback concerning deficit budgets. We've generated a \$9.2 million surplus this year. This includes a \$4.5 million property gain on sale which was budgeted in the previous financial year and is to support our new head office fit-out costs.

We also received \$2 million of unbudgeted grant funding from central government for the Taieri flood and drainage contour channel project. This and additional grants that are still to be received will significantly reduce the rates required for the project over future years. There were also cost savings in some activities such as regional planning, and where possible those savings have been carried forward to reduce next year's rates. We continue to focus on prudent financial management, including planning and delivering balanced budgets in future years.

The 2024/25 year has been one of solid progress, careful financial management, and constructive partnerships. These results have only been possible through the valued contributions of Otago's ratepayers and funding partners, along with the collaboration of mana whenua, community groups, councils, and many others. Together, we are delivering on our vision of healthy, connected communities and environments — ki uta ki tai, from the mountains to the sea.

Kā mihi nui,

Gretchen Robertson
CHAIRPERSON

Richard Saunders
CHIEF EXECUTIVE

Partnering with mana whenua

The Otago Regional Council values its relationship with Te Rūnanga o Ngāi Tahu and our partnerships with the Papatipu Rūnaka. Te Rūnanga o Ngāi Tahu is the tribal representative body of Ngāi Tahu Whānui, a body corporate established on 24 April 1996. The takiwā (tribal area) of Ngāi Tahu Whānui includes the entire Otago region, as outlined in Section 5 of the Te Rūnanga o Ngāi Tahu Act 1996.

The Council recognises that these partnerships extend beyond administrative boundaries. The takiwā of Ngāi Tahu includes areas of shared interest in Southland, reflecting the interconnected nature of our environment, communities, and kaupapa. Regional boundaries do not limit the significance of our partnerships. The enduring connections and responsibilities we hold with mana whenua continue to guide and influence our work across both Otago and neighbouring regions.

Te Rūnanga o Ngāi Tahu encourages consultation, in the first instance, with the Papatipu Rūnaka.

There are four Kāi Tahu ki Otago Rūnaka:

- Te Rūnanga o Moeraki
- Kāti Huirapa Rūnaka ki Puketeraki
- Te Rūnanga o Ōtākou
- Hokonui Rūnanga

There are also three Ngāi Tahu ki Murihiku Rūnaka with interests in the Otago region:

- Awarua Rūnaka
- Waihōpai Rūnaka
- Ōraka-Aparima Rūnaka

We have two formal agreements that guide our engagement:

- The Memorandum of Understanding and Protocol (2003) between ORC, Te Rūnanga o Ngāi Tahu, and Kāi Tahu ki Otago continues to guide meaningful engagement.
- The Charter of Understanding (2016) between seven Southland and Otago councils and Southland rūnanga and Te Ao Mārama Incorporated has been refreshed and re-endorsed by ORC Council (22 July 2025), with a formal re-signing planned later in 2025.

He Mahi Rau Rika, ORC’s Significance, Engagement and Māori Participation Policy, developed with mana whenua, also guides how and when we engage with mana whenua and Māori. The Otago Regional Council has outlined its commitment to working in partnership with mana whenua through the 2024–2034 Long-Term Plan. This commitment recognises the importance of strengthening relationships, honouring Te Tiriti o Waitangi, and ensuring Māori have opportunities to contribute to regional decision making.

In the 2024/25 year, the Council took steps to give effect to these commitments and further embed iwi partnership across its work. These actions reflect an ongoing effort to move beyond legislative compliance, toward a more meaningful and enduring relationship with mana whenua.

Steps to achieve this

We received the finalised Te Tiriti o Waitangi Audit, commissioned in 2023/24 to reflect on the health of the partnership, led by Te Kura Taka Pini (TKTP) and supported by rūnaka. The audit noted that “considerable mutual respect exists and there is a willingness to see the relationship continue to mature and advance”. It also made a series of recommendations to “move beyond engagement towards the partnership aspirations of both the Council and mana whenua”. An implementation plan was developed and taken to Mana to Mana, and is progressively being worked through. Four Mana to Mana hui were held between Kāi Tahu ki Otago and Murihiku rūnaka chairs and ORC councillors to support shared governance, strengthen decision making, and align on strategic priorities. Key discussions covered topics like mahika kai, central government reform, Mātauraka Māori, freshwater planning, Council committee delegations, and reviewing the quarterly programme of work. These discussions often took place ahead of Council decisions on particular issues and helped inform decision makers.

Two Kāi Tahu ki Otago representatives continued their membership on the Strategy and Planning Committee (formerly the Environmental Science and Policy Committee), including as co-chair.

An iwi representative was a member of the former Regional Leadership Committee before it was restructured into two new committees, Community and Partnerships, and Environmental Delivery. This membership translated to the Environmental Delivery Committee.

ORC continues to partner with Aukaha and Te Ao Mārama Inc. to ensure iwi perspectives are embedded in policy and planning processes. These entities remain key engagement partners in ORC's approach to resource management.

Partnership funding was provided to support mana whenua capacity for meaningful participation in Council processes, as per our legislative obligations.

A few examples of the projects that ORC and mana whenua have worked together on in 2024/25 are:

- Toitū Te Hākapupu, partnering with Kāti Huirapa Rūnaka ki Puketeraki to restore and enhance the mauri and health of this important East Otago river system using Jobs for Nature funding from central government.
- The development of The Catlins and Upper Lakes catchment action plans, enabling the community to work together when it comes to environmental protection activities.

- Te Awa Ōtākou Issues and Opportunities report was delivered, providing a cultural narrative and opportunities assessment related to Te Awa Ōtākou (Otago Harbour).
- The development of the Wai Whakaata Strategy and draft Indigenous Biodiversity Strategy, with mana whenua representatives on the reference groups for these projects.
- Aonui was gifted by mana whenua to ORC as the name for our new office building in Dunedin, a building which has been shaped through an ongoing co-design partnership with Kāi Tahu.
- An iwi representative was part of the panel making decisions on how to award ORC's annual ECO Fund to applicants.



Waitangi Day 2023, Ōtākou Marae

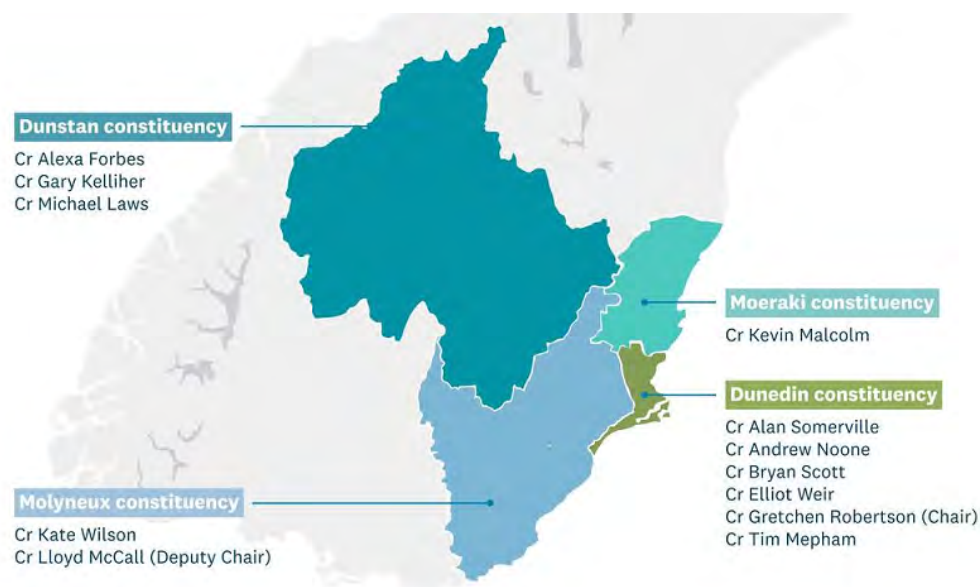
Councillors and constituencies

Your elected Otago regional councillors represent the region's four constituencies – Dunedin, Dunstan, Moeraki and Molyneux.



Back row left to right: Cr Andrew Noone, Cr Alan Somerville, Cr Bryan Scott, Cr Elliot Weir, Cr Tim Mepham, Cr Michael Laws. Insert: Cr Gary Kelliher

Front row left to right: Cr Alexa Forbes, Cr Kevin Malcolm, Cr Gretchen Robertson (Chair), Cr Lloyd McCall (Deputy Chair), Cr Kate Wilson



Strategic Directions

In 2023, councillors and mana whenua participated in a programme of work to revise the organisation's strategic directions. Both global and local trends, as well as existing enduring priorities, were taken into consideration as part of the process. As a result, our vision for Otago has been defined as:

Our environment and communities are healthy and connected ki uta ki tai (from the mountains to the sea)

The diagram outlines the focus areas and the outcomes we want to achieve for each focus area.



Our ambition is to make significant progress towards realising our vision over the next ten years by aligning our work programmes with six focus areas. We have set goals that link to the outcome for each focus area, which allows us to arrange and prioritise our work to ensure our aspirations are fulfilled.

The goals we have set for each focus area are as follows:

Partnership

- 1 Te ao Māori concepts of intergenerationally and deeply connected systems are incorporated throughout Council's work programmes.
- 2 Mātauraka Māori and the principle of te mana o te wai are incorporated into our environmental planning, management, and decision making.
- 3 We always go above and beyond our statutory responsibilities (as prescribed in local government and treaty settlement legislation) to support the intention of the Crown to uphold the principles of the Treaty of Waitangi.

Resilience

- 1 Plans are in place to ensure that the region's most vulnerable communities (geographic and demographic) and ecosystems are resilient in the face of natural hazards.
- 2 Our infrastructure is designed and built to accommodate variability and uncertainty associated with changing weather patterns and sea level rise.
- 3 Our Regional Policy Statement and regional plans control development in areas that are vulnerable to natural hazards.

Communities

- 1 Our communities trust us, and they are satisfied with us and the outcomes that we are delivering.
- 2 Our communities are supported and empowered to achieve better environmental outcomes.
- 3 The social, cultural, economic, and environmental wellbeing of Otago is consistently improving.

Climate

- 1 The carbon footprint of our organisation is reduced in line with our Climate Change Strategy, and we are supporting and collaborating with others to do the same.
- 2 Climate change mitigation and adaptation are key considerations in all our decisions.
- 3 Our agriculture and horticulture systems are more climate resilient in the face of changing weather patterns, water availability and consumer choice.

Environment

- 1 Ecosystems are healthy, our water and air are clean, and biodiversity loss is arrested across the region.
- 2 We predict and address emerging environmental issues before they arise.
- 3 Our regional plans are effective at ensuring our resources are managed sustainably within biophysical limits in a planned and considered way.

Transport

- 1 Congestion is reduced and connection is increased throughout the region.
- 2 Carbon emissions are reduced and air quality is improved across the region, supported by our efficient and affordable public transport services.
- 3 Active transport is the preferred mode for short journeys in urban areas.

Progress

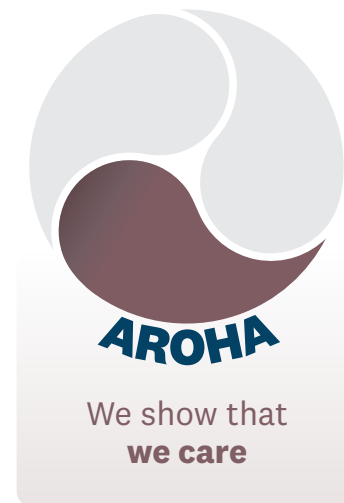
We are already making good progress towards achieving some of these goals, but for others, future decisions on resource allocation may be required. We can't do this on our own, and so will draw on support from within and beyond our organisation and the Otago region to ensure we have the right teams in place to address specific challenges and opportunities. Effective collaboration and relationship management will, therefore, be key to making this possible.

Over the next 10 years, we will monitor progress towards achieving our goals and adjust our work programmes accordingly. Being agile in our approach will be important to ensure we can respond to changing circumstances and/or new challenges and opportunities. We are continuously improving our broader framework for defining, measuring and reporting ORC's performance. This includes developing a suite of indicators to monitor progress against each goal.

Our Values Ō Mātau Uara

We empower, acknowledge, and support each other.

Let's bring our values to life — not only in what we say, but in what we do every day.



Our Mission Te Kaupapa

Protecting, connecting and enhancing Otago's environment, now and for the future.

Mōu, mōku, mō tātou. For you, for me, for us.

Community Outcomes

Embedding our Strategic Directions throughout our work programmes ensures that we can make progress towards our desired community outcomes.

	Partnership Otago Regional Council has effective and meaningful partnerships with mana whenua, creating better outcomes for our region.
	Communities Otago has cohesive and engaged communities that are connected to the environment and each other.
	Environment Otago has a healthy environment ki uta ki tai (from the mountains to the sea), including thriving ecosystems and communities, as well as flourishing biodiversity.
	Resilience Otago builds resilience in a way that contributes to community and environmental wellbeing through planned and well-managed responses to shocks and stresses, including natural hazards.
	Climate Otago is a climate-resilient region that plans for and invests in initiatives that reduce emissions and help us adapt to our changing climate.
	Transport Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.

						
Regional Leadership	✓	✓	✓			
Environment			✓			
Climate Change and Resilience				✓	✓	
Transport						✓
Council Organisation	✓	✓	✓	✓	✓	✓

Acknowledgements

We thank the district and city councils, other institutions, urban and rural industries, Kāi Tahu and the communities of Otago for working constructively with us to ensure the best possible outcomes for our region and its people.



Gretchen Robertson
CHAIRPERSON



Richard Saunders
CHIEF EXECUTIVE



Our Activities Cover

Our activities and performance



Overview of our activities

Otago Regional Council's activities are arranged into five groups:



- **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. 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.



- **Land and Water**
- **Biodiversity and Biosecurity**
- **Air**

Environmental management is at the heart of what Otago Regional Council does. We have a responsibility to lead and work with communities in our natural environment. We facilitate the sustainable use of water, land, air and coasts. We do this in part by protecting our unique biodiversity, managing pests and monitoring the state of the environment. We are also reviewing our regional plans and transitioning towards an integrated catchment management approach to protect freshwater, land, coastal environment, and ecosystems.



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

Risk management and building resilience is a key focus for Otago Regional Council. We identify and monitor natural hazards and work to support communities to understand the implications of risk and to make informed decisions. We are working to better understand the climate change challenges and risks to the region — this supports adaptation planning. Our flood protection schemes help protect people and properties from floods, and our drainage schemes help maintain the productive capability of the land and waterways. We also respond to flood events and support Otago Civil Defence and Emergency Management.



- **Regional Transport**
- **Public Passenger Transport**

Otago Regional Council is responsible for public transport in Otago, and through contracted operators, we provide public passenger transport services in Dunedin and Queenstown. We also provide a region-wide 'Total Mobility Scheme' to assist eligible people who are unable to use public transport. We facilitate wider transport projects in Otago and prepare a Regional Land Transport Plan.



- **Internal Services**
- **Port Otago**

Our 'Council Organisation' activity ensures that all the other external-facing Council activity has support for specific business needs to deliver their work efficiently and effectively. Internal Services includes information management; financial management and reporting; operational buildings; human resources, health and safety and the vehicle fleet. Council holds 100% ownership of Port Otago and considers it a strategic asset held on behalf of the Otago community. Each year, Port Otago pays dividends to ORC, which helps reduce general rates required from ratepayers — effectively sharing the financial benefits of ownership across the region.

Statement of Service Provision

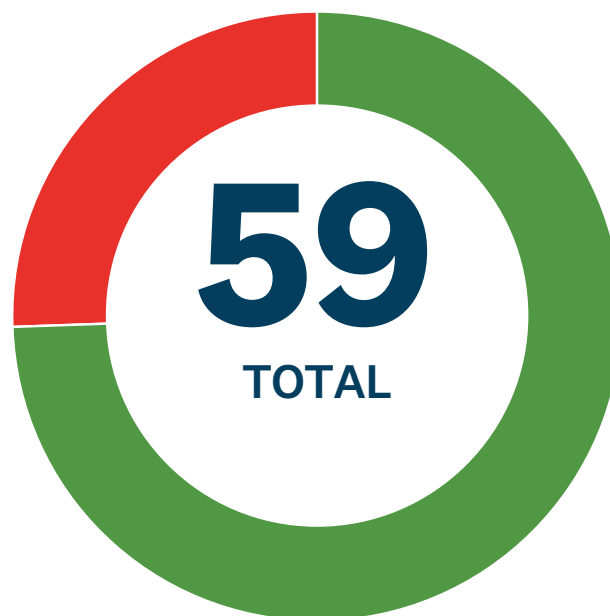
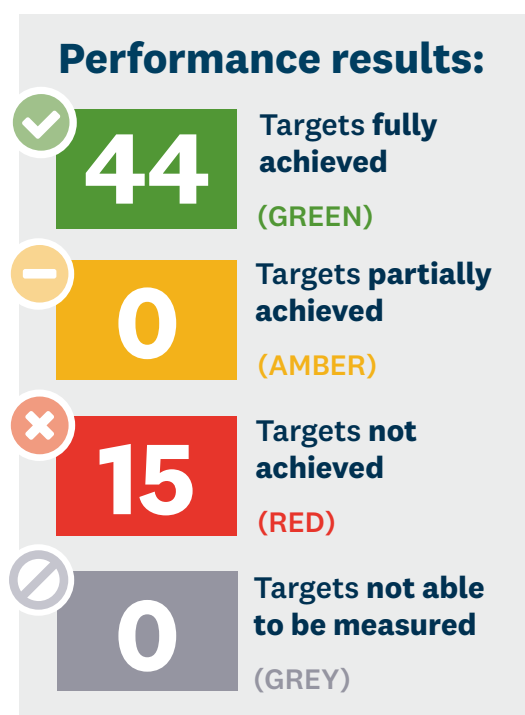
This section reports on Council's performance against service measures adopted in the Long-Term Plan 2024-2034.

Council's development of the forecast statement of service provision in the 2024-2034 Long-Term Plan included selection of service performance measures for its groups of activities.

The measures and targets were selected to reflect the level of service Council is planning to provide to the community. Considerations included national requirements for measurement, understanding delivery over time and availability of baseline information, and the underlying ability to monitor measures and targets. The Long-Term Plan 2024-34 contains 35 Level of Service statements, 56 measures and 59 targets for Year one.

This annual report reflects delivery across Year one 2024/25 and reports on performance against the agreed service measures. Performance against these service measures and targets is reported by groups of activities. Over this annual report period, progress and performance has been reported quarterly to Council's Finance Committee.

A summary of financial performance is included for each group with the complete Funding Impact Statements, which identify the costs and funding associated with each group, are included in the financial section of this annual report.



How to read this section

Under each activity in this section, you will find the following information:

Community outcomes/ Aspirations

Each group of activity section includes how our activities contribute to our strategic goals and aspirations set in the LTP 2024-34.

Performance and delivery

Each activity includes a comprehensive end-of-year reflection, highlighting key achievements, challenges, and lesson learned throughout the financial year.

Performance results

This refers to the levels of service statements, measures and targets set in the year one of the Long-Term Plan 2024-34.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Specific indicator used to assess how effectively an activity/service is achieving its intended outcome.	<div>✓</div> Result from the previous year	Goal we set for the year	<div>✓</div> Result from current year	#

Notes: commentary to provide context and more information on the performance result.

Performance result status:

<div>✓</div>	Achieved targeted performance
<div>—</div>	Partially achieved the targeted performance*
<div>✗</div>	Targeted performance not met
<div>⊘</div>	Not able to be measured

*Partially achieved performance means that while measurable progress or work was delivered, the timeframe for the reporting did not align with the target set in the Long-Term Plan.

Regional Leadership

This group of activities includes the following council activities:

- Governance and Community Engagement
- Regional Planning and Urban Development
- Regulatory

Performance results



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At a governance level, the membership representation review, committee restructure, councillor engagement, and regular events have ensured equitable representation and connection with our communities, whilst upholding te Tiriti o Waitangi.

We have continued to build partnerships that help us meet the needs of Otago's diverse communities, meeting and hearing people and their thoughts on what we're working on and how we're doing.

We've been working closely with central government and other local councils to plan for Otago's healthy environmental future, with progress on future development strategies, improved support, collaboration, and a regional deal.

These delivery achievements, partnership initiatives, and compliance activities are further detailed in the following sections of this report.

Waihora / Lake Waihora

This activity is influenced by the focus areas defined in our Strategic Directions 2024–2034.



Partnership



Communities



Environment



Resilience



Climate



Transport

Governance and Community Engagement



This activity supports the structure (e.g. partnership agreements, committees) and running (e.g. meetings, recording decisions) of Otago's regional democracy. It enables elected regional councillors to carry out their responsibilities effectively. Communication and engagement work is an important aspect that seeks to connect communities to the proposals, decisions of governance and the work of the regional council.

Work in this activity includes:

- elected member committee structure, council meetings (including 3–4 regional meetings a year)
- partnership with Kāi Tahu and iwi liaison
- engaging with partners, organisations and community groups on key work initiatives
- communications and marketing to assist with connecting council and the community
- advice, support and information to develop and give effect to Council's Strategic Directions 2024-34
- governance advice and projects
- secretariat support for the Otago Mayoral Forum
- managing requests under the Local Government Official Information and Meetings Act 1987 (LGOIMA)
- delivering long-term plans and annual plans as per our statutory requirements

The key programmes that make up this activity are:

- Governance and democracy
- Communications and marketing

Performance and Delivery

Governance

A significant project this year was the membership representation review, which looked at the number of elected members and their distribution across constituency boundaries. The review was completed in March 2025. Due to significant population growth in Central Otago, Council decided to reduce the number of Dunedin councillors from six to five and to increase the Dunstan councillors from three to four.

The Council's committee structure was reviewed in March 2025. The new structure aligns better with our internal organisational structure and makes it easier for communities to engage with Council decision making on the issues they are interested in.

Council met monthly, and committees met quarterly. As required, all Council agendas were publicly available two or more working days before the relevant meeting. Over the year, councillors engaged with the region's mayors, visited community sites, took part in major regional events and supported ORC events for a wide range of projects and programmes.

The local body elections in October 2025 are a significant activity, and we have a dedicated Deputy Electoral Officer to ensure we deliver the elections to a high standard.

Iwi partnerships

We aim to give effect to Te Tiriti o Waitangi in our everyday practice and long-term partnership building. Mātauraka Māori and the principle of Te Mana o te Wai are increasingly integrated into ORC's environmental planning, resource management, and decision-making processes, ensuring that cultural values shape the outcomes we seek to achieve.

Our commitment to partnership with mana whenua is brought to life in collaborative projects with rūnaka, their regional environmental entities (Aukaha and Te Ao Mārama Inc) and other partners across the Otago region and ORC's work. Examples from the 2024/25 financial year are co-designing the new ORC headquarters (due to open in early 2026) and the redeveloped ORC website, which reflect Kāi Tahu identity, language and values.

Our engagement with iwi- and kaupapa Māori-led events is increasing. In 2024, we had our first stall at the Otago Early Childhood and Schools Māori and Pacific Island Festival (Otago Polyfest), one of the region's largest and most significant cultural events.

We are also building staff capability and cultural confidence, using Māori resources and tikanga-based guidance to support more culturally informed everyday practices. Since its launch in March 2025, nearly a

quarter of staff have enrolled in an online programme teaching Te Reo Māori, tikanga and the principles of Te Tiriti o Waitangi. Staff engaged in key Māori cultural events throughout the year, including Matariki, Te Wiki o Te Reo Māori and Waitangi Day.

Strategic engagement

The 2024/25 financial year marked significant progress in how we engage with the region's communities. A new programme of strategic engagement events was approved by Council in November 2024, and ORC attended four major community events: Otago Polyfest, the North Otago A&P Show, the Wānaka A&P Show and Wild Dunedin. We spoke with more than 500 people at these events, and 93% of survey respondents rated these interactions positively. These events increase ORC's visibility, create space for conversations and help people to understand our role.

We also strengthened our connections with strategic stakeholders, who help us to understand community needs and co-design solutions that reflect shared priorities. In partnership with Disabled Persons Assembly NZ, we established the Otago Disability Engagement Group. This group provides vital input into public transport, climate change and emergency management. Disability representatives were added to two Civil Defence committees, with targeted workshops to understand their needs during a crisis.

We work closely with youth groups and Enviroschools. The Climate Strategy online youth workshop and the Bus Hub safety campaign amplified young voices on issues that matter to them.

To build a culture of effective, diverse engagement across the organisation, we launched an online Engagement Hub and delivered bespoke training to 25 staff in June 2025.

Enviroschools

Enviroschools Otago supports environmental education for 100 schools and 22,100 students in Otago. We provide regional coordination of the national Enviroschools programme, offer professional development for students, teachers and environmental educators in the region, and promote key messages and events.

Over the year, the regional coordinating team ran 13 professional development hui for 1,500 primary and secondary students and 150 teachers. We have nine regional partners and 18 collaborative community partnerships, and we work directly with around 50 environmental organisations. Throughout the year, we also connected the region's schools and educators with relevant ORC and community education programmes.

Marketing and communications

Our marketing and communications work shares projects and news about what we do and why it matters. Important topics in the 2024/25 year were the rain event in October 2024, public transport changes, biosecurity and biodiversity news and the 2025 Council elections.

Over the year, we sent out 131 media releases, up from 120 in the previous financial year. We received 354 media queries and 13 requests for radio interviews. The radio requests were down from 27 in the previous financial year) due to reduced rural radio interest in our work.

We made 624 social media posts. Our top organic posts based on reach were about the cold snap with snow, a natural hazards exposure analysis, conifers, monitoring for heavy rain, and volunteer week. We ran several educational and publicity campaigns over the year.

Website updates in the 2024/25 year make it easier for people to see new media releases and navigate to election material. More people are using our website, with pageview stats of 3,964,650. The top 10 pages are all related to public transport, apart from the property search page.

Corporate planning

Council's annual and long-term plans outline our activities, work programmes and finances. We aim to meet our strategic goals and legislative responsibilities and deliver the services that the people of Otago want, while keeping rates affordable.

We consulted with the community on the Annual Plan 2025-2026 during March–April 2025 and received 51 submissions. The Annual Plan, adopted in June, largely reflects the work programmes in Year two of the Long-Term Plan, but we adjusted the Air, Land and Water, Flood Protection, and Transport programmes and found some efficiencies.

We met required time frames for corporate plans and reports. Regular performance updates were provided to Council, including quarterly finance and delivery reports. The Annual Report 2023-2024 was completed to the required quality and time frames and adopted in September 2024.

Customer experience

The customer and complaints policies were developed in the 2024/25 financial year. These policies guide staff and make processes transparent for customers.

Customer satisfaction results were benchmarked at 85%. We collect these results via surveys at the end of phone enquiries, at our reception areas, and via email signatures from customer-facing teams. The aggregated results are reported to the Chief Executive and Council each month.

The ORC is implementing a new customer records management system, which gives staff a single view of each customer's history and the status of their enquiry, so we can provide consistent and timely responses. The system will be implemented by the end of August.

Legal services





The ORC legal team supports work across the organisation. A 2024/25 highlight was the successful tendering for a new insurance broker, which resulted in tailored cover and significant cost savings in 2025/26.

We managed a high number of requests under the Local Government Official Information and Meetings Act 1987 (LGOIMA). Over the year, we managed 283 LGOIMA requests, which is double the usual number of requests we receive each year. Despite the increased volume, scale and complexity, the average processing time was 15 days — and we were 98.23% compliant with the statutory time frame of 20 days.

Other highlights were the launch of ComplyWith internal auditing, a workshop run with the Natural Hazards team for territorial authorities on changes to Land Information Memoranda (LIMs), excellence in governance and delivery of the Government Electronic Tender Service, the successful resolution of privacy breaches, and the introduction of a minor works contract template.

Performance Results

Provide and promote governance processes and democratic decision making that is robust and transparent to the community.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Percentage of council agendas that are publicly available two working days or more before a meeting.	 100%	100%	 100%	
Percentage of official information requests responded to within 20 working days of being logged.	 100% (168 requests)	100%	 98.2%	1

1: Council received 283 Local Government Official Information and Meetings Act (LGOIMA) requests in 2024-25, this is twice the annual average of 141.2 requests (across the previous five years). Due to the volume, scale and complexity of requests, the time frame was not met in five instances. This resulted in Council achieving 98.23% compliance.


Develop and deliver robust and effective corporate planning and reporting.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements.*	 Unmodified audit reports received.*	Annual Plan [Year 2] adopted by council prior to 30 June 2025. Council financial and activity performance against the Year 3 LTP 2021-31 reported to Council by October 2024.		2

* Note: There has been a wording change for this performance measure and target in the LTP; however, the focus and intent remain aligned with the prior year.





2: Annual Plan was adopted by Council on 26 June 2025. The Council's financial and activity performance against the Year 3 LTP 2021-31 was reported to Council on 23 October 2024.

Represent the diverse views and interest of the region in a fair and equitable way through engagement, communication and partnership.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Increase opportunities for engagement with diverse groups across Otago to lift awareness and understanding of the work of the regional council and seek feedback on performance.	New measure	Create and implement engagement plan and establish engagement data.		3

3: Stakeholder engagement programme has been developed. Establishment of engagement data is achieved via attending strategic engagement events identified in the programme.

Provide relevant, timely and accessible communications which enable the community to understand and participate in ORC's programmes and decision making.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Biennial survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.*	 Improved satisfaction levels with how ORC services the region.	Report against the action plan to Council by March 2025.		4
Customers express high levels of satisfaction with customer service provision.	 Conduct benchmarking of customer satisfaction.	Develop Customer Policy to determine satisfaction levels.		5





* Note: The community survey was conducted annually in prior years.

4: The Community Survey 2023 action plan was reported to the Community and Partnerships committee on 26 June 2025.

5: Customer Policy was rolled out in June 2025, and the customer satisfaction benchmark is set at 85%.

PRIOR YEAR MEASURES:

These performance measures were included in the prior year's Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues.	Report on community wellbeing indicators.	 Complete baseline reporting on wellbeing indicators and issues.			
Collect and make publicly available, accurate, relevant and timely information on climate change in Otago.*	Information on climate change in Otago is shared with the community and stakeholders.	 Coordination of a regional sequestration study was underway but not delivered by December 2023.			
Build mana whenua participation in Council decision making through a treaty-based partnerships approach in our engagement.	Build the bicultural competency of ORC staff and councillors.	 (149) > 50 participants in programme per year.			
	Work done in partnerships with iwi; increase the number of outputs and groups working together on projects.	 (40) Maintain or increase numbers from 2022-23 baseline.			

*Note: In the LTP, the level of service statements and performance measures related to climate change strategy have been included in the Regional Planning section.

Regional Planning



We set strategic direction on Otago's natural resources via a planning framework that guides how people interact with the environment. In this framework, our regional plans set objectives, policies and rules for sustainably using natural and physical resources in Otago, including water, land, air, and the coast.

This activity ensures Otago has an effective and compliant regional planning framework under the Resource Management Act (RMA). The Regional Policy Statement (RPS) sits over the detailed plans (e.g. land and water, air and coast) with objectives, policies and rules for the sustainable use of natural and physical resources in Otago.

The key programmes that makes up this activity is:

- Regional planning programme
- Urban development
- Response to policy issues
- Strategy [non Resource Management Act]

Performance and Delivery

Regional Policy Statement

The proposed Otago Regional Policy Statement (pORPS) identifies the significant resource management issues for the region and explains how national direction on resource management will be applied. It is in two parts — freshwater and non-freshwater — and sets out what we want for Otago, what's stopping us achieving this, and how we will solve those problems.

Mediation on the appeals to the pORPS was held during the 2024/25 year. Almost all appeals have been resolved, avoiding significant hearing time in the Environment Court, which saves all parties time and costs.

Urban Development

Under the National Policy Statement on Urban Development, local authorities that are responsible for high-and medium-growth urban environments need to have a Future Development Strategy (FDS). These documents promote long-term strategic spatial planning to make sure urban environments function well as they develop. Over recent years, the ORC has worked with the Dunedin City Council (DCC) and the Queenstown Lakes District Council (QLDC), in partnership with mana whenua, to develop a joint FDS for each area.

The Queenstown FDS was not completed by the end of the year due to delays in the Housing and Business Development Capacity Assessment. An implementation plan for the Dunedin FDS is being developed.

Strategy

We made steady progress in the strategy area over the 2024/25 year, achieving several important milestones and meeting most of our targets.

In December 2024, Council adopted ORC's first Climate Strategy, which outlines how ORC will deliver on the climate-related goals set out in our 2024–2034 Strategic Directions. A report on the implementation and early effectiveness of this strategy to Council in June 2025 showed encouraging progress in its first six months. The report highlighted progress towards a more comprehensive inventory of the ORC's own greenhouse gas emissions, including emissions from the council's car fleet and those produced from Otago's public transport services.

We expect to finalise the inventory of our organisational emissions and take it to Council later in the 2025/26 financial year. The emissions inventory will provide a foundation for an emissions reduction plan that will help ORC lead by example in responding to climate change.

At the same June meeting, Council endorsed the draft ORC Indigenous Biodiversity Strategy — a significant update to how we address biodiversity issues in our region. Developed in partnership with mana whenua and in consultation with over 40 stakeholders, the strategy replaces the current biodiversity and biosecurity strategies and sets a clearer direction for future action. Focus areas are to strengthen relationships with mana whenua and communities, identify priority areas for action, and support others to protect and restore biodiversity. We will invite public feedback on the draft strategy later in 2025.





A significant report, Te Awa Ōtākou – Otago Harbour Issues and Opportunities, was completed in early 2025. The report was shaped by input from more than 40 individuals and organisations, including two workshops with ORC and DCC councillors. Aukaha Ltd worked closely with mana whenua to ensure their perspectives and aspirations were reflected in the report. The report recommends adopting an integrated catchment management approach to help guide collaborative solutions for the harbour's challenges and opportunities.

Progress was also made in developing a new Air Quality Strategy for Otago (see also Air section). The draft strategy — which proposes a combination of regulatory and non-regulatory measures to address air quality concerns — was presented to the Environmental Policy and Strategy Committee in June 2025 for consideration. We are slightly behind our target for public consultation on this draft strategy.

Together, these milestones highlight ORC's commitment to taking practical steps forward in climate action, biodiversity, air quality, and collaborative environmental management.

Performance Results


Support Otago's councils and communities to manage environmentally sustainable urban growth.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Support integrated and well-managed urban growth across Otago.*	<div> Joint ORC and DCC HBA updated and joint FDS completed by 30 June; QLDC FDS delayed.</div>	Joint Queenstown Future Development Strategy completed by 30 June 2025.	<div></div>	1
	<div> Mapping of highly productive land completed by 30 June 2024.</div>	Consultation on maps of highly productive land completed by 31 December 2024.	<div></div>	2

*Note: There has been a wording change for this performance measure in the LTP; however, the focus and intent remain aligned with the prior year measure.



- 1: As the Housing and Business development capacity assessments (HBCA) for the joint Otago Regional Council-Queenstown Lakes District Council Future Development Strategy [FDS] (Spatial Plan Gen 2.0) is delayed, it is uncertain when the FDS will be notified to the public, heard by a Panel and completed.
- 2: Central government has confirmed that there will be changes to the NPS HPL, including the deadline for completing any mapping. Progress within this measure is not entirely within our scope of control.

Lead a regional approach to biodiversity management in collaboration with mana whenua, local councils, and other stakeholders.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Develop a Regional Biodiversity Strategy and implement ORC actions.	New measure	Draft Regional Biodiversity Strategy is made available for public consultation by 30 June 2025.	<div></div>	3


3. Council endorsed the draft ORC Indigenous Biodiversity Strategy for public consultation on the 25 June 2025 Council meeting. Leading up to this, the draft strategy was developed in partnership with mana whenua and over 40 stakeholders, replacing the previous biodiversity and biosecurity strategies to set a clearer direction for future action.

Lead a regional approach to climate change in collaboration with mana whenua, local councils, and other stakeholders*.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Develop a Regional Climate Change Strategy and implement ORC actions.	 Strategy drafted and reported to Council by 30 June 2024 but not finalised.	ORC actions from the Regional Climate Change Strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually.		4

4: A report was brought to Council in June 2025 detailing the implementation and effectiveness of the Climate Strategy.



Lead a regional approach to air quality improvement in collaboration with mana whenua, local councils, and other stakeholders.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Develop a Regional Air Quality Strategy and implement ORC actions.	New measure	Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025.		5

5: The draft Air Quality Strategy was considered during an Environmental Strategy and Policy committee workshop on 26 June 2025. A paper will be brought to Council seeking endorsement of the strategy prior to public consultation in August.

PRIOR YEAR MEASURES:

These performance measures were included in the prior year’s Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.	Complete a review of existing Regional Policy Statement (RPS).	<div> RPS not made operative by 30 June.</div>			
Lead a regional approach to climate change in collaboration with mana whenua, local councils, and other stakeholders.*	Report on regional stakeholder engagement and collaboration on climate change.	<div> Complete annual report on regional climate change collaboration and report to Council by 30 June.</div>			

*Note: In prior years the level of service statements and performance measures related to Climate Strategy were included in the Governance and Community Engagement section of the annual reports. Additionally, there has been a wording change for this level of service statement in the LTP; however, the focus and intent remain aligned with the prior year service statement.

Regulatory



Harbourmaster team, Lake Dunstan

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.

Enforcing rules is not the only — or in some cases, the best — 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
- Harbour and waterway management

Performance and Delivery

Consents

The 2024/25 financial year was busy for the Consents team, with 771 consent applications being received. The most common application types continue to be for residential earthworks, effluent discharge and water permits.

We responded to 99.5% of enquiries within seven days, answering most within two to seven days. The topics people asked about most were the consent process, application documents, farming consents and fast-track legislation.

We initiated a fast-track working group and ran a series of workshops on effluent management.

Compliance monitoring and contaminated sites

In the 2024/25 financial year, we completed 1,272 audits and field inspections. This includes 973 consent audits, 257 dairy inspections and 39 forestry inspections. This is an excellent result, equating to 127% of our target for the year.

We also completed 8,794 performance monitoring returns which equates to 147% of our target. Performance monitoring returns include all information that consent holders are required to submit by conditions in their resource consents. This includes photographs of work, water meter returns, complex annual reports, and management plans. In total, our teams monitored 3,553 individual consents compared to 3,174 consents monitored in the previous financial year.

Over the year, we continued to update and maintain the HAIL database of contaminated sites.

Incident response and enforcement

The ORC maintains 24/7 pollution hotline and response teams in coastal and Central Otago. In the 2024/25 financial year, we received and responded to 1,400 service requests relating to 1,036 incidents. This is a slight increase on 1,361 service requests received in the previous financial year.

Over this financial year, we took 124 formal enforcement actions, which included 62 infringements, 56 abatements, five warnings, one prosecution and one enforcement order. The most common causes of enforcement action were non-compliance with a consent (53), outdoor burning (19) and water pollution (15).

The largest case for the team this year was the Shotover Wastewater Treatment Plant, which is owned and operated by the Queenstown Lakes District Council (QLDC). Resource consents from ORC cover a range of activities on site, including the discharge of treated wastewater. We are responsible for investigating incidents at the site and monitoring compliance with the conditions of consents. In the 2024/25 financial year, this involved two abatement notices and 10 infringements, culminating in an enforcement order from the Environment Court. ORC staff are onsite regularly to monitor the discharges and compliance.

Education and engagement (not yet updated)

Resource consents holders are often required to submit performance monitoring returns as a condition of the consent. These returns include information ranging from photographs of work to management plans, water quality results and water meter returns. Staff graded 7,807 returns over the year, representing 130% of the target set in the Compliance Plan presented to Council in August 2023.

The Compliance team also carries out a range of audits and inspections, including consent audits, dairy inspections and forestry site visits. In the 2023/24 year, staff completed 1,411 or 141% of the planned resource consent compliance audits and inspections.

Harbour and waterway management

A highlight of the 2024/25 year was our support of the Environmental Monitoring team to carry out water monitoring across Central Otago.





An external review of our Port and Harbour Marine Safety Code compliance was carried out in November 2025, and the report was presented to Council in June 2025. The report shows the progress we have made in our management of navigational safety for Otago.

We ran a safety campaign over the busy summer season and attended festivals and events to share important safety and water-management messages.

The Harbourmaster Operational Plan Recreational Boating was developed and posted on the website in September 2024. This document gives the public an overview of the harbourmaster's operations and how they will support safety for recreational users on Otago's waterways. We placed new vessel identification signs at boat ramps, and did maintenance work on our wave buoys.

Performance Results







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	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Percentage of resource consent applications processed within Resource Management Act 1991 legislative timeframes.	 99%	≥ 98%	 100%	
Percentage of public inquiries for consent information responded to within 10 working days.*	 99% completed within 7 working days.	Maintain or increase	 100%	1

*Note: There has been a change to this performance measure in the LTP from 7 working days in the prior year measure to 10 working days.

1: In total, there were 1966 enquiries received and all were answered within 10 working days.

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	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	 130%	≥90%	 147%	
Percentage of programmed inspection/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	 141%	≥90%	 125%	
Percentage of significant non-compliance incidents identified where action is taken in accordance with Compliance policy.	 100%	100%	 100%	

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

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Maintain 24-hour/7-day-a-week response for environmental incidents.	<div>✓</div> <div>Pollution hotline staff available /on call 24/7</div>	Pollution hotline staff available /on call 24/7.	<div>✓</div>	
Maintain 20 appropriately trained responders for maritime oil pollution incidents.	<div>✓</div> <div>20 responders attended 3 exercises</div>	20 responders attended 3 exercises	<div>✓</div>	

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	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Maintain compliance with Port and Harbour Marine Safety Code.	<div>✗</div> <div>External review not completed by 30 June 2024.</div>	External review is completed and deemed to be code consistent.	<div>✓</div>	

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	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
The safety campaign for recreational 'boaters' is delivered.	New measure	80% achieved	<div>✓</div> <div>100%</div>	

PRIOR YEAR MEASURES:

These performance measures were included in the prior year’s Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Promote and encourage safe use of ports, harbours, coastal areas and inland waterways and take appropriate action in response to non-compliance and incidents.	Major incidents on Otago's harbours and waterways will be responded to.	<div>✓</div> 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.	<div>✓</div> Report to Council by 30 June.			

Environment

This group of activities includes the following council activities:

- Land and Water
- Biodiversity and Biosecurity
- Air

Performance results



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Rock Wren near French Ridge hut, Queenstown Lakes

We have moved towards the achievement of our environmental aspirations by supporting and empowering mana whenua, communities, and landowners. Over the last year, we've funded, shared knowledge, supported and worked alongside mana whenua and local communities to enable action where it makes the biggest difference. We have continued to monitor the state of the environment, tracking where we do (and can in the future) achieve the most positive impact.

We've made considerable progress on new regional policy to look after our communities by protecting air quality and freshwater, land, coastal and marine environments, having completed a draft proposed Land and Water Regional Plan, and a review of the Regional Plan: Air. Government changes to the RMA have caused us to hit pause on this work.

These delivery achievements, partnership initiatives, and programme outcomes are further detailed in the following sections of this report.

This activity is influenced by the focus areas defined in our Strategic Directions 2024-2034.



Partnership



Communities



Environment



Resilience



Climate



Transport

Land and Water



This activity provides the Land and Water Regional Plan (LWRP) and a range of implementation work to conserve soils, sustainable use of Otago's freshwater resources, including groundwater, rivers, and lakes. The Council works alongside communities and landowners on 'water body' remediation projects, advisory and engagement support across catchments, and funding support to catchment groups. Extensive science and monitoring work is completed to support the above work. Understanding Otago's natural water resource to inform both planning and implementation is critical.

The key programmes which make up this activity are:

- Land and water planning
- Land and water implementation.
- Land and water science and monitoring

Performance and Delivery

Land and water planning

Following national and regional directions on freshwater management, we prepared a draft proposed Land and Water Regional Plan and supporting s32 evaluation report in time for them to be notified by the target date of 31 October 2024. However, the decision on notification could not be progressed, as the Government amended the RMA to prevent regional councils from notifying freshwater instruments until after a new National Policy Statement for Freshwater Management is published or 31 December 2025 (whichever is sooner).

Science and monitoring

Our work to monitor and report on Otago's freshwater, land, estuarine, and coastal environments is on track.

The annual water quality report, which includes river and lake health, was presented to the Environmental Science and Policy Committee in December 2024, with further reporting about water quality for contact recreation in June 2025.

An update on the land and soil programme was taken to the Science and Resilience Committee in June 2025. As discussed in this report, we have updated and revised the land use map, expanded the soil health monitoring network, and carried out projects on alternative approaches to winter grazing and background contaminants in soil. Other highlights are a data sharing agreement with NIWA and the use of 3D-printed landscapes as an educational and communication tool.

A series of reports on SOE broad and fine scale estuarine monitoring was taken to the Environmental Science and Policy Committee in December 2024. Further work on estuary sedimentation rates and mud content was presented in June 2025. The estuary SOE network now includes all 16 estuaries in Otago. Using this baseline data, an upcoming review of the estuary monitoring programme will move towards a risk-based framework for future monitoring.

Coastal science this year has been gearing up to support the pending Coast Plan review. Ongoing work includes ground-truthing marine significant ecological areas. This involves inspection of selected parts of the sea floor with drop or tow cameras. Some significant biogenic habitat has been surveyed, including sponge gardens and bryozoan reefs. An update on this programme was presented to the Science and Resilience Committee in June 2025.

Land and water implementation

Our environmental implementation work met all targets in the 2024/25 financial year.

We carried out a wide range of work on catchments. Over the year, we led or co-led 30 events and attended another 98 run by catchment groups, schools, community groups and industry organisations. We also had 320 one-on-one engagements. The Adopt-a-Drain programmes were extended to coastal and Central Otago schools.

Stream health assessments are another important strand of our work. We attended 32 stream health assessments and talked with another 101 people about stream health.

The ORC has specific programmes of work for three degraded water bodies: Tomahaka Tomahawk Lagoon, Lake Tuakitoto and Waiwhakaata Lake Hayes. Work is underway on implementation plans for Tomahaka Tomahawk Lagoon and Lake Tuakitoto, which were developed with the community.

Over the project to date, we have funded and supported 10 landowners and community groups to enhance habitat at 15 sites around Tomahaka Tomahawk Lagoon. Through this funding, the community is working towards completing 3.3 kilometres of fencing and 18.9 hectares of habitat enhancement, — including stock exclusion — planting 8,736 plants, and completing 2.4 hectares of pest plant control. We also funded and supported six schools and community groups to deliver education initiatives.

At Lake Tuakitoto, we funded Otago South River Care with \$165,000 to enhance the catchment with landowners. To date, 6,508 plants have been planted on 14 properties. A septic tank education programme was also successfully piloted.

At Waiwhakaata Lake Hayes, the project to bring additional clean water into the lake to help with mixing and flushing of contaminants is underway. Sediment was cleared from the pond where this additional water from the Arrow River will enter the lake's inflow. With the downstream works complete, water can now exit the lake more easily. A manual test of augmentation was done successfully. A mana whenua-led strategy has been developed and was endorsed by Council in June 2025.

The ORC is also involved with three national environmental implementation projects. All the deliverables for Toitū Te Hākapupu were achieved in the 2024/25 financial year. This is a multi-year remediation water quality improvement project for Te Hākapupu | Pleasant River run in partnership with Kāti Huirapa Rūnaka ki Puketeraki. Over the project to date,

92,000 plants have gone into the ground and 39 kilometres of fencing has been erected to improve water quality. Better sediment controls have been established in forestry areas, 10 sediment traps have been constructed, and willows have been removed along a 500-metre stretch of the river. Erosion planting has been done at five properties. Our partners, Kāti Huirapa Rūnaka ki Puketeraki, have carried out whitebait monitoring to assess the effectiveness of fish passage barrier improvements. Fish passage has been improved at five priority sites in the catchment. Another ORC-led project addresses hill country erosion across the region. In the 2024/25 year, we delivered two workshops and completed two erosion control plans. A further five plans will be carried out when we have enough poplars for erosion control planting.

All the deliverables for the Maintaining the Gains programme were met or exceeded. The QEII Trust identified 34 priority covenants (totalling more than 2,526 hectares of land) for weed control, which was carried out by the Aukaha field team.

Integrated Catchment Management

To protect and enhance ecosystems across Otago, the ORC is developing catchment action plans (CAP) in collaboration with mana whenua and the community. These plans outline the long-term goals for ecosystem values, show the current situation, rate the pressures on these values, and explain what can be done to

relieve these pressures. The CAPs build on the work that mana whenua, communities and local government are already doing to protect and manage their place and serve as a focus for new actions and projects.

A CAP for The Catlins (our first) was completed by a group involving mana whenua, community, ORC and key stakeholders and endorsed by Council in November 2024. Implementation of The Catlins CAP is underway through four projects funded by ORC. These projects have been developed by the members of the CAP Governance Group and include:

- weed prioritisation and targeted control
- sustainable farming support through eDNA testing, plants for riparian zones and best practice field day
- a prioritised action plan and mapping for invasive mammals
- protection of Irihuka/Long Point headland from the impacts of rabbits.

Over this financial year, we also developed a CAP for the Upper Lakes, and this is due to be presented to Council for endorsement in September 2025.


With co-funding from ORC and the Department of Conservation, Aukaha is hosting a role to support CAP development in the Taieri. Smaller-scale plans have also been developed with stakeholder groups for Lake Hāwea and the Upper Taieri (in draft). These plans are facilitated by the ORC with the existing stakeholder groups using a similar approach to the larger CAPs, which helps with consistency across Otago.



Community planting day at Te Hākapupu / Pleasant River




Performance Results

Implement environmental monitoring programmes across the region which provide accurate, relevant and timely information to decision-makers and the Otago public.*

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments.	New measure*	Annual report for each of the 4 environments to Council prior to 30 June 2025.		



*Note: A similar level of service was included in prior years and addressed by four separate performance measures which were removed in the LTP and are covered by this singular measure.

Provide a robust and integrated environmental planning framework for Otago’s land, water and coast resources.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Complete the Land and Water Regional Plan (LWRP).	 Did not notify LWRP by 30 June 2024.	Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025.		1
Complete a review of the Regional Plan: Coast.	 Issues and options papers not developed and reported to Council by 30 June 2024.	No target set in Yr1 of the LTP. The targets for the future years will be reported in subsequent annual reports.		

1: The proposed LWRP and the section 32 report were ready for notification decision by end of October 2024, but this decision has been deferred due to legislative change.

Promote and enable best practice land management for soil conservation, water quality preservation and the efficient use of water.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
ORC led and community/landowner supported workshops and events are delivered which promote best practice land management for soil conservation, water quality and/or the efficient use of water.*	 6 projects supported (target of 3+ per year)*.	At least 12 ORC led workshops or events are delivered annually.	 30	

*Note: There has been a wording change for this performance measure and target in the LTP; however, the focus and intent remain aligned with the prior year.

Partner with iwi and collaborate with communities and landowners to develop and implement projects which enhance water quality and indigenous biodiversity in selected degraded water bodies.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Site specific projects are developed for selected degraded waterbodies.*	<div>✔</div> <div>Projects confirmed and priority actions identified by 30 September.</div>	New projects and associated milestones are developed and reported to Council.	<div>✖</div>	2
	<div>✖</div> <div>77%</div>	Project actions have been progressed as scheduled. (>80%)	<div>✔</div> <div>82.4%</div>	

*Note: There has been a wording change for this performance measure in the LTP; however, the focus and intent remain aligned with the prior year measure.

2: The funding has been reallocated to other projects of work. No new-site projects developed for selected degraded waterbodies.

Develop and maintain an integrated catchment management programme that aligns with national directions and enables sustainable environmental management.









PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Catchment Action Plans (CAPs) give effect to the ICM programme and are developed in partnership with iwi and in collaboration with the community.*	<div>✖</div> <div>Drafting of pilot CAP completed; drafting of second CAP not commenced by 30 June.</div>	One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2025.	<div>✔</div>	

*There has been a wording change for this performance measure in the LTP; however, the focus and intent remain aligned with the prior year measure.



PRIOR YEAR MEASURES:

These performance measures were included in the prior year's Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Monitor the state of Otago's freshwater resources and coastal environment and make accurate, relevant and timely information publicly available.	Implement a regional coastal environment monitoring programme.*	 Annual report on monitoring programme completed and reported to Council.			
	Implement freshwater and estuarine environment monitoring programmes.*	 Freshwater: Annual report on monitoring programme completed and reported to Council.			
		 Estuarine: Annual report on monitoring programme completed and not reported to Council.			
	Percentage of data from the water monitoring network that is captured quarterly.	 98%			
Monitor Otago's land use and make accurate, relevant and timely information on sustainable land-use publicly available.	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.	 99%			
Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.	Otago Catchment Communities' is supported to meet deliverables and targets of funding agreement.	 Funding is administered as per agreement. (100%)			
		 Deliverables and targets achieved not reported to Council by 30 June.			

* Note: These four performance measures were removed in the LTP, they are covered by a similar service statement and a singular performance measure.

Biodiversity and Biosecurity



This activity delivers two different but related workstreams where Biodiversity focuses on preserving ecosystems that support indigenous flora and fauna, while Biosecurity seeks to eliminate or manage plant and animal pests.

It provides both planning [i.e. Biodiversity Action Plan: Te Mahi hei Tiaki i te Koiora (2019-2024); Otago Regional Pest Management Plan] and Operational Plan and implementation work (e.g. Biosecurity work programme; support and funding to partnering groups/organisations for work to maintain and enhance Otago biodiversity).

The Biodiversity workstream also includes a science-based monitoring programme and a catchment planning and advisory work programme. The latter takes an 'ecosystem' perspective and integrates across all 'Environment' activity.

The key programmes which make up this activity are:

- Biodiversity implementation
- Biodiversity monitoring
- Catchment planning and advice
- Biosecurity (Pest Management)

Performance and Delivery

Biodiversity Science and Monitoring

Our biodiversity science and monitoring work is largely on track. The programme has been running for several years, and covers four indigenous biodiversity ecosystems: freshwater, estuaries and coast, rare and threatened terrestrial ecosystems, and natural wetlands.

Our initial focus has been to develop monitoring methods and protocols and to establish sites. With monitoring now underway, we are building up the data we need to establish trends. An overview of regional indigenous biodiversity monitoring was presented in a report to the Science and Resilience Committee in June 2025.

Terrestrial biodiversity monitoring has focused on Otago’s naturally uncommon ecosystems, including coastal turfs and inland saline environments. Monitoring protocols are also being developed for active sand dunes, shingle beaches and inland outwash gravels.

A paper presented to the Environmental Science and Policy Committee in December 2024 highlighted the methods our staff use to measure and monitor biodiversity, including salmonid removal, eDNA sampling, bird monitoring and fish passage assessment.

We are continuing to map natural wetlands as directed by the National Policy Statement for Freshwater Management, with approximately 80% of Otago now completed. A wetland monitoring protocol has been developed for Otago, and we’ve completed the first year of monitoring.

Reports detailing the conservation status of birds and selected fungal taxa were presented to Council committees, along with reports on Otago’s regionally endemic species and the locations where species of terrestrial animals, plants, and fungi were first identified.

Biodiversity Implementation

A vacancy in our dedicated biodiversity role meant that we had a slower start in this area than usual. The role was filled in January, and all planned work on QEII partnerships, education materials and projects in high biodiversity sites was underway by the end of the year. The review of the biodiversity strategy meant no new projects were developed this year.

The Biodiversity Forum is a collaborative regional meeting that brings together partners and key stakeholders to support the implementation of the Otago Biodiversity Strategy 2018. It coordinates and strengthens biodiversity management across Otago, so we can work collectively to achieve shared biodiversity outcomes. The forum met four times in the 2024/25 year to discuss project ideas. Participants supported the development of a biodiversity strategy to inform possible future projects.

Twenty-eight projects were supported in the 2025 ECO Fund round. We are supporting a Predator Free Dunedin project as part of an OSPRI transition programme that aligns with our strategic objectives. Predator Free Dunedin is a large-scale conservation initiative aiming to manage or eliminate invasive mammalian pests, specifically possums and stoats, from Dunedin’s urban and rural landscapes— it was part of New Zealand’s broader Predator Free 2050 vision. OSPRI’s TB free programme aims to eradicate bovine tuberculosis (TB) from New Zealand cattle and deer herds. As possums are known to carry TB, OSPRI controls their numbers to eradicate TB in specific areas. We are funding a Predator Free Dunedin project to investigate initiatives that could build on the reduced possum numbers achieved by OSPRI to support biodiversity gains. The project is also looking at ways we could keep possum numbers low once OSPRI leaves an area. Predator Free Dunedin completed their project milestones for the 2024/25 financial year and submitted a project report with recommendations.

Biosecurity

Our biosecurity work is on track to be delivered as expected. For pests other than rabbits, we completed 295 inspections (41% of which were compliant) and 2,841 monitoring visits. These numbers are a slight improvement on 2023/24, when we conducted 282 pest inspections, with 38% compliant. We also monitored 793 biocontrol sites, where natural methods, such as insects, are used to control pest plants.

We have received and signed funding agreements from the Ministry for Primary Industries (MPI) for work on wallaby and wilding conifer programmes. All wallaby surveillance and control operations planned for the 2024/25 financial year have been completed, and we responded to all credible sightings. Judas wallaby research has also been completed. This technique uses tagged animals (eg. radio satellite and/or VHF transmitter) to lead control operators to other individuals of the same species, significantly reducing the effort required to find and remove them. The overall aim of this research was to assess the Judas technique and determine whether it can be used to help detect Bennett’s wallabies in very low-density environments. Results for this research are currently being analysed to understand if this is something we should investigate further.

Over the year, 50 properties were visited to check their compliance for wilding conifers. We have completed all control operations planned for the 2024/25 year. Across the region, 24,076 hectares are controlled through 53 National Wilding Conifer Control Programme projects. A further 9,845 hectares have been cleared through 40 community projects that receive ORC and other funding.

We completed 31 rabbit night counts. The overall trends are stable, with some hotspots around Ettrick and Queensberry/Luggate. We also completed 460 rabbit inspections (37% compliant). In the previous year, we completed 658 rabbit inspections (33% compliant). Reports were completed on rabbit virology, a revision of the model used to assess which areas are more prone to rabbits, and the current effectiveness of the Regional Pest Management Plan.

All eleven priority lagarosiphon sites have been visited at least twice since November 2024. We have done 42 monitoring visits to check for freshwater pests. The Check Clean Dry Programme was completed with 830 interactions.

Mediterranean Fanworm was found in Otago Harbour, and follow-up work is underway.

We monitored 59 rookeries, and found no rooks.



Performance Results

Implement an indigenous biodiversity monitoring programme across the region which provides accurate, relevant and timely information to decision-makers and the Otago public.*

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2025/2025 RESULT	NOTES
Report the results of environmental monitoring for regional indigenous biodiversity ecosystems.*	<div>✗</div> Annual report on monitoring programme partially completed but not reported to Council.	Annual report completed prior to 30 June 2025.	<div>✓</div>	


*Note: There has been wording changes for this level of service statement and performance measure in the LTP, however the focus and intent remain aligned with the prior year.

Collaborate with iwi, DOC and other key organisations through leading the Otago Biodiversity Forum and develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed.	New measure	New projects and associated milestones are developed and reported to Council and forum partners.		1
Joint projects are implemented against milestones.	New measure	Project actions have been progressed as scheduled.		




1: Project ideas and milestones have been developed and discussed with forum partners. A year end review will be presented to the 4 September Environmental Delivery Committee after the financial year enabling the collection and analysis of relevant data required for reporting.

Provide support and funding to selected initiatives and organisations across the region which deliver environmental outcomes that align with our strategic objectives.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Alignment between *initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives.	New measure	80% alignment	 100%	

* Initiatives and deliverables provided by non-council groups and organisations.

Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Actions within the Biosecurity Operational Plan (BOP) are progressed.	 80%	90% of actions progressed within time frames specified.	 79%	2
	New measure	100% of targets for priority pests are delivered.	 96%	3

2: 67% (22/33) of measurable non-priority pests targets achieved. One action have been deferred to the next FY. Seven remaining targets were partially achieved. 96% of priority pests achieved.

3:24/25 of measurable targets achieved.

Ensure that ORC's externally funded biosecurity programmes (such as wilding conifers, wallabies and Check, Clean, Dry) are delivered as per the agreement.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Externally funded biosecurity projects/programmes are implemented as per their agreements.	New measure	90% of deliverables in the agreements with Central Government are progressing as scheduled.	<div><div></div><div>100%</div></div>	

Ensure that ORC's externally funded Freshwater programmes (such as Essential Freshwater Hill Country Erosion Funding) are delivered as per the agreement.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Externally funded freshwater projects/programmes are delivered as per their agreements.	New measure	90% of deliverables in the agreements with Central Government are progressing as scheduled.	<div><div></div><div>100%</div></div>	



ORC's display at Wild Dunedin's NatureDome

PRIOR YEAR MEASURES:

These performance measures were included in the prior year’s Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Implement an indigenous biodiversity monitoring programme across the region which provides accurate, relevant and timely information to decision-makers and the Otago public.	Percentage of data from the biodiversity monitoring network that is captured quarterly.	<div>✖</div> 95% data capture not achieved.			
Collaborate with iwi, DOC and other key organisations through leading the Otago Biodiversity Forum and develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.	Actions listed in Biodiversity Action Plan (BAP) are prioritised and progressed.	<div>✖</div> 60% of current actions achieved within time frames specified.			
	Biodiversity and biosecurity partnerships established and joint projects developed and progressed.	<div>✔</div> 12 engagement activities			
		<div>✖</div> Projects and progress against milestones not reported to Council by 30 June.			
Provide support and funding to selected initiatives and organisations across the region which deliver environmental outcomes that align with our strategic objectives.	Complete a report on the initiatives and organisations supported and the key deliverables achieved.	<div>✖</div> Reported to Council after 30 June.			
	Percentage of funding administered as per agreements.	<div>✔</div> 100%			

Air



Good air quality is necessary for health and wellbeing. We are responsible for aligning our region with the government's National Environmental Standard 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. Council's implementation role and approach regarding air quality is 'on hold' with a planned strategic refresh. In the meantime, the regional air plan review has been initiated and will assist direction on implementation.

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 PM₁₀ and PM_{2.5} pollutants. ORC also contributes to clean air and healthy homes as a Trustee of the Cosy Homes Trust.

The key programmes which make up this activity are:

- Air monitoring
- Regional plan: air
- Air strategy

Performance and Delivery

ORC’s air science and monitoring this year focused on monitoring site upgrades and region-wide monitoring in winter, the results of which will help inform the review of our Regional Plan: Air.

Air Quality strategy and Regional Plan: Air

The Policy, Strategy and Science teams are working together on the management of air quality in Otago. Our focus over the last year has been the development of a draft Air Quality Strategy, which included changes to the Regional Plan: Air.

We received a large amount of feedback during the first round of community engagement in winter 2024. Staff then worked with mana whenua, territorial authorities, Te Whatu Ora, community service providers, and other stakeholders to prepare the draft strategy. A Councillor reference group has supported the process.

The draft strategy describes the suite of regulatory and non-regulatory approaches that ORC will take to address the region’s air quality issues. A strong focus of the strategy is to reduce discharges from domestic heating in priority areas where air quality is the poorest.

Council decided on its level of ambition and preferred approaches for the strategy on 19 March, and the draft strategy was brought to the Environmental Strategy and Planning Committee for consideration on 26 June. Public engagement on the draft strategy was planned for early August 2025, which is just over a month behind the target date for notification of 30 June 2025. This has, however, been further delayed by Government announcements halting any changes to regional plans before the current resource management framework is replaced.

Air monitoring

Otago’s air quality is monitored continuously at nine locations in the region. The main pollutants monitored are two different sizes of fine particles called particulate matter (PM10 and PM2.5). The main source of particulate matter in Otago is solid fuel burning for home heating.

Data from our monitoring programme is publicly available on the LAWA website, and we report all air quality exceedances (above the national limits for PM10) through news media. We recorded 28 exceedances over the 2024 winter months, with 16 in Arrowtown, 11 in Alexandra, and one in Mosgiel. An annual report on Otago’s 2024 air quality was presented to the Council’s Science and Resilience Committee in June 2025.




We also monitor black carbon, a component of fine particulate matter, at Arrowtown. These results show similar seasonal and daily patterns to PM10, which indicates that it comes from solid fuel heaters such as woodburners.

A new permanent air quality site was installed at Frankton (near Queenstown) this year, and we deployed a new mobile (trailer) air quality instrument, which is currently operating at Albert Town.

Our data capture rate for both PM10 and PM2.5 was 96%, above the target of 95%.

Performance Results

Monitor Otago's air quality and make accurate, relevant and timely information publicly available.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Implement regional air monitoring programme.	 Annual report on monitoring programme completed and reported to Council in March 2024.	Annual report on monitoring programme completed and reported to Council.		
Report the results of environmental monitoring for air.	New measure	Annual report for air monitoring for previous financial year reported to Council by 30 Sept 2024. <i>Note: >95%= achieved</i>		

Provide a robust and integrated environmental planning framework for Otago's air resource.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Complete the review of the Regional Plan - Air	 Issues and options papers developed by 31 December 2023.	Council approves Regional Plan Air for notification by 30 June 2025.		1
	 Community engagement for development of Regional Plan Air not completed by 30 June 2024.	TARGET REMOVED*		

1: An additional round of public engagement will occur in either August or October/November. This will cause a delay in notifying the plan until at least early 2026.

*The measure had two targets last year and only one in current LTP year, so the target has been removed but the measure is retained.

PRIOR YEAR MEASURES:

These performance measures were included in the prior year’s Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Develop and implement partnerships and programmes to reduce harmful emissions and support clean heating, warm homes and clean air.	Air implementation strategy is scoped.	<div><div></div><div>Draft completed but not reported to Council by 30 June 2024.</div></div>			
Monitor Otago’s air quality and make accurate, relevant and timely information publicly available.	Percentage of data from the air monitoring network that is captured quarterly.	<div><div></div><div>94% average</div></div>			



Climate Change and Resilience

This group of activities includes the following council activities:

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

Performance results



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Tomohaka / Tomahawk Beach, Ōtepoti Dunedin

We have completed significant planning, capacity building, and readiness work towards achieving a resilient region that is well equipped to respond to shocks and stresses. The flood event of October 2024 was a real-life test of our ability to respond in an emergency and to manage the recovery process.

We have continued to maintain and care for the infrastructure that

protects land and communities, helping us adapt to our changing climate. We have engaged with landowners and communities throughout the year, to give community a stronger voice in our infrastructure management and adaptation planning.

These delivery achievements, partnership initiatives, and programme outcomes are further detailed in the following sections of this report.

This activity is influenced by the focus areas defined in our Strategic Directions 2024–2034.



Partnership



Communities



Environment



Resilience



Climate



Transport

Natural Hazards and Climate Change



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 an approach to assess risk across our communities 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
- Adaptation - natural hazards and climate change
- Flood planning and forecasting

Performance and Delivery

Over the last year, we worked closely with Otago communities and relevant organisations to provide hazard information and technical support, and to guide adaptation to natural hazards.

We made significant progress on natural hazard and climate change adaptation work across the region, continuing to improve our understanding of natural hazards and to make this information easily accessible to the community.

Natural hazards

Work to investigate and assess natural hazards progressed well in the 2024/25 financial year, particularly in the Roxburgh and Middlemarch areas. We continue to support territorial authorities in the region.

A highlight of the year was the completion of the first region-wide natural hazards exposure assessment. This assessment improves our understanding of how natural hazards may affect people, property, and critical facilities across Otago, and will inform the development of the ORC natural hazards programme. An online viewer showing the level of exposure to natural hazards for community areas is also available now. The final report was endorsed by the Safety and Resilience Committee in June 2025.

Throughout the year, the natural hazards database has been updated and kept accessible. The portal interface was replaced to make it easier for people to use.

Flood and low flow risk management

Our 24-hour flood warning system operated as expected over the year. The flood warning service was critical to the ORC's response to the October 2024 flood event, and to other smaller heavy rain events during the year.

Climate change adaptation

We made significant progress on several natural hazards and climate change adaptation programmes this year. A highlight was completing the Head of Lake Whakatipu/Whakatipu Waimāori) natural hazards adaptation strategy. This is the culmination of five years of work with the community and the Queenstown Lakes District Council. The strategy was endorsed by Council and is now in the implementation stage.

The delivery of the first iteration of the strategy in early 2025 was slightly later than initially planned to allow sufficient time to seek and incorporate community/public feedback. This delay was reported to the Safety and Resilience Committee in August and November 2024.






The joint ORC-DCC South Dunedin Future programme achieved two milestones in the 2024/25 year: the completion of the risk assessment and adaptation options and the presentation of the seven futures to the community.



Taieri floodbank by Otokia Road

Performance Results

Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Implement the findings of the regional natural hazards risk assessment and inform adaptation planning and implementation.	New Measure	Implementation and additional assessments of natural hazard and risks based on the findings of Otago Natural Hazards Risk Assessment. Phased delivery Yr1 to 10		
Implement prioritised natural hazard risks adaptation works.*	 The Head of Lake Whakatipu natural hazards adaptation strategy progressed largely as planned.	The first Head of Lake Whakatipu natural hazards adaptation strategy completed by 31 December 2024.* Actions developed, implemented and reviewed, as per Head of Lake Whakatipu natural hazard adaptation strategy.		1
	 ORC contribution to the South Dunedin Future programme progressed as per annual work plan.	Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses as per annual work plan.*		2

*There has been a wording change for the performance measure and targets in the LTP, however the focus and intent remain aligned with the prior year .

- 1: A revised schedule for delivering the first iteration of the strategy was presented and endorsed by Council in May 2025, which meant the target of December 31, 2024 was not met. As the strategy was endorsed past the target date, we are only in the process of initiating the implementation phase.
- 2: The timeline of the South Dunedin Future Programme has been revised, the expected final delivery date was not affected. The programme is on track in accordance with the new timeline.

Provide information on natural hazards and risks, including the effects of climate change, so that communities and stakeholders can make informed decisions.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Natural hazards information is available via the web-based Otago Natural Hazards Database.*	<div>✓</div> <div>Database information was checked and updated monthly.</div>	Database is accessible and up-to-date 100% of the time.^	<div>✓</div>	
Percentage of flood warnings that are issued in accordance with the flood warning manual.	<div>✓</div> <div>100%</div>	100%	<div>✓</div>	

*Note: There has been a wording change for this performance measure in the LTP; however, the focus and intent remain aligned with the prior year.

^Target updated in the LTP.

PRIOR YEAR MEASURES:

These performance measures were included in the prior year’s Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.	Develop a regional natural hazards risks assessment and regional approach for prioritising adaption.	<div>—</div> <div>Complete natural hazard risk assessment and prioritisation approach.</div>			
	Implement prioritised natural hazard risks adaptation works.	<div>—</div> <div>Work in priority areas largely delivered as planned.</div>			

Flood Protection, Drainage and River Management



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, and our drainage schemes help maintain the productive capability of land.

Around 43,000 ha of rural and urban land in Otago 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 for parts of the Lower Waitaki River Control Scheme.

The key programmes which make up this activity are:

- Flood Protection
- Drainage Schemes
- Rivers and Waterways
- Designations and Bylaws

Performance and Delivery

Area	Progress/Performance
ALEXANDRA FLOOD PROTECTION SCHEME	100% of planned maintenance completed. Three Linger and Die pumps and two pumps in the Alexandra central business district were removed and inspected for maintenance.
LEITH FLOOD PROTECTION SCHEME	100% of planned maintenance completed. Planned maintenance on the Leith Flood Protection Scheme was completed under Dunedin Rivers and Waterway Management. The maintenance has progressed as planned.
LOWER CLUTHA FLOOD PROTECTION AND DRAINAGE SCHEME	100% of planned maintenance completed, 25 tasks complete. All scheduled maintenance tasks and a further 14 reactive maintenance tasks were completed. One renewals project is at the design and consenting stage.
LOWER TAIERI FLOOD PROTECTION SCHEME	100% of planned maintenance completed, 24 tasks complete. All scheduled maintenance tasks and a further 20 reactive maintenance tasks were completed. Three renewals projects are progressing as planned.
WEST TAIERI DRAINAGE SCHEME	100% of planned maintenance completed, 25 tasks complete. All scheduled maintenance tasks and a further 23 reactive maintenance tasks were completed. Two renewals projects progressed as planned.
EAST TAIERI DRAINAGE SCHEME	100% of planned maintenance completed, 31 tasks complete. All scheduled maintenance tasks and a further 15 reactive maintenance tasks were completed.
TOKOMAIRIRO DRAINAGE SCHEME	100% of planned maintenance completed, 9 tasks complete. All scheduled maintenance tasks and a further three reactive maintenance tasks were completed. One renewals project is at the scoping and investigations stage.
DUNEDIN RIVERS AND WATERWAY MANAGEMENT	95% of planned maintenance completed, 269 out of 283 tasks complete. This data includes planned inspections and contract work in the annual work programme, plus any reactive works.
CLUTHA RIVERS AND WATERWAY MANAGEMENT	84% of planned maintenance completed, 135 out of 161 tasks complete. This data includes planned inspections and contract work in the annual work programme, plus any reactive works.
CENTRAL OTAGO RIVERS AND WATERWAY MANAGEMENT	85% of planned maintenance completed, 33 out of 39 tasks complete. This data includes planned inspections and contract work in the annual work programme, plus any reactive works.
WHAKATIPU RIVERS AND WATERWAY MANAGEMENT	83% of planned maintenance completed, 19 out of 23 tasks complete. This data includes planned inspections and contract work in the annual work programme, plus any reactive works.
WĀNAKA RIVERS AND WATERWAY MANAGEMENT	91% of planned maintenance completed, 29 out of 32 tasks complete. This data includes planned inspections and contract work in the annual work programme, plus any reactive works.
WAITAKI RIVERS AND WATERWAY MANAGEMENT	65% of planned maintenance completed, 40 out of 62 tasks complete. This data includes planned inspections and contract work in the annual work programme, plus any reactive works.
LOWER WAITAKI RIVER CONTROL SCHEME	This programme is managed by Environment Canterbury on behalf of ORC. Work has been done in with the ORC/ECan agreement.

Flood protection and drainage scheme maintenance

During the 2024/25 financial year, we completed all planned maintenance for the ORC's five flood protection and/or drainage schemes (Tokomairiro, East Taieri and West Taieri drainage, Lower Taieri flood protection, and Lower Clutha flood protection and drainage). This was above the performance target of 90%. A number of reactive maintenance tasks were also completed.

We carried out planned routine removal and inspection of the pumps at the Alexandra CBD and Linger & Die pump stations, both in the Alexandra flood protection scheme. The work at the Linger & Die pump station was deferred from the previous financial year.

Scheme renewals programme

Seven scheme renewal projects progressed as planned during the 2024/25 year, each achieving the target set for the year. The projects span multiple years and will continue to progress into the next financial year.

Co-funded programmes

With the completion of the contour channel (stages 5-10) project, the central government co-funded ORC Climate Resilience programme was completed within budget and ahead of the agreed completion date.

ORC has secured central government co-funding from the Regional Infrastructure Fund for the continuation of the contour channel project. Construction on the project began this year, and the project is tracking well against the milestones in the funding agreement.

Flood scheme and risk management

We are investigating the condition of critical components in older flood protection schemes. Understanding the risk better will inform emergency response procedures and help the ORC and communities build further resilience if needed.

An investigation of the section of floodbank near Outram (part of the Lower Taieri Flood Protection Scheme) confirmed that it is relatively consistent and stable, which reduces its risk profile. We will continue to monitor the condition and performance of the floodbank.

Further investigations are planned for other critical components of the Lower Taieri and other flood protection schemes.

Scheme liaison group

The Lower Taieri Scheme Liaison Group was re-established in the 2024/25 financial year, in response to feedback during the Long-Term Plan 2024-2034 process. The group will improve lines of communication between scheme residents and ratepayers, key infrastructure providers and ORC, and will provide community perspectives and insights on the scheme's performance. The group will also provide feedback on work programmes, levels of service and the development of the infrastructure strategy, asset management plans and relevant rating/funding proposals.

We are planning to establish scheme liaison groups for other areas, such as the Lower Clutha, in the next financial year.



Flooding on the Taieri, October 2024

River management

Our river management programme has a target of completing 85% of planned maintenance activities. In the 2024/25 year, we completed 524 (87%) out of 604 maintenance tasks. This comprised of 390 planned inspections, 48 programmed works and 86 reactive works.

The engineering team engaged with landowners and members of the community and attended many community meetings throughout the year, including with the Strath Taieri, Peninsula and Waikouaiti Coast Community Boards as needed.

Flood event and recovery programme

The October 2024 flood event affected waterways across Otago, particularly in the Dunedin and Clutha areas. This resulted in flooding within waterways and ORC's flood protection and drainage schemes in Lower Clutha, Tokomairiro and the Lower Taieri.

Repairs to scheme infrastructure have progressed well, with most works underway or fully completed. Larger repairs, such as the Puerua Outfall at the Koau mouth of the Clutha River/Mata-Au, are scheduled to continue into the next financial year.

An online interactive map of our flood repair and recovery programme shows repair sites, their programmed completion and status.

Bylaws

ORC's Flood Protection Management Bylaw 2022 safeguards flood protection and land drainage assets owned or managed by the ORC. We received 41 bylaw applications during the year: 40 have been granted and one is pending. None were declined this year.

Community enquiries

The engineering team received 338 enquiries about rivers, drainage and flood protection schemes in the 2024/25 year. Of those 131 (39%) were about river management, 60 (18%) were about schemes, 29 (9%) were related to general engineering activities, and 118 (35%) were referred elsewhere for action.

We responded to 335 of the 338 enquiries (99%) within 20 days. Three enquiries received in October 2024 were not responded to within this timeframe, meaning we did not achieve our target of 100%. We had a significant increase in customer enquiries at the time of the October flood event, which coincided with staff changes. We have put measures in place to reduce the likelihood of this occurring again.



Taieri flooding, October 2024

Performance Results


Protect communities, their livelihoods and infrastructure from the impacts of flood events.*

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Percentage of scheme maintenance programme: Major flood protection drainage and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.*	<div>98%</div>	≥ 85% of planned maintenance programme completed.^	<div>100%</div>	
Percentage of scheme renewals programme: Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.*	<div> >90% with 1 deferred project</div>	≥ 85% of renewal programmes completed.^	<div>86%</div>	

*Note: There has been a wording change for this level of service statement and performance measures in the LTP; however, the focus and intent remain aligned with the prior year.

^Target was reduced in the LTP from ≥ 90% to ≥ 85%.



Respond efficiently and effectively to community issues relating to rivers, schemes and flood events*.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Respond within defined timelines for reported issues and to flood events in a timely manner.*	<div>No flood events occurred</div>	Flood repair programme: Damage identified, prioritised and a repair programme is made available to affected communities within 3 months of the event/100%	<div>100%</div>	
	<div>New target</div>	Reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	<div>99.1%</div>	1

*Note: There has been a wording change for this level of service statement and performance measures in the LTP; however, the focus and intent remain aligned with the prior year.

1: 3 out of 338 enquiries were responded to 3 days beyond the 20-working day target timeframe.

Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.



PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Percentage of planned maintenance programme: Channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.*	 90%	≥ 85% of planned maintenance programme completed^.	 86.75%	

*Note: There has been a wording change for this performance measure in the LTP, however the focus and intent remain aligned with the prior year measure.

^Target was reduced in the LTP from ≥ 90% to ≥ 85%.

PRIOR YEAR MEASURES:

These performance measures were included in the prior year's Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Protect communities, their livelihoods and infrastructure from the impacts of flood events.	Schemes function to their constructed design standards.				
Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.	Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	 100%			

Emergency Management



Maintaining and improving our communities' resilience to emergencies is the fundamental reason for ORC's work in emergency management.

Together with territorial authorities, we have responsibilities under the Civil Defence Emergency Management Act 2002 to ensure Otago's exposure to hazards is reduced, we are prepared to respond to emergencies, and we can recover effectively. ORC administers and coordinates the work of the Otago CDEM Group, operating through a shared service agreement with councils across Otago, while the Coordinating Executive Group (CEG) and the Otago CDEM Joint Committee oversee governance and operations.

Our programmes across the region are centred on national CDEM priorities of reduction, readiness, response, and recovery.

The key programme that makes up this activity is:

- Emergency Management.

Performance and Delivery

Emergency management is a critical activity for the ORC. We plan and prepare for emergencies, and we lead the response and recovery effort when events happen. Our planning and education work aims to support communities to build resilience and make sure they are ready to respond to disasters.

Over the 2024/25 year, we met 100% of our targets for emergency management. Our readiness was successfully tested with the flood event in October 2024, and we made strong progress in our planning and engagement.

Civil Defence and Emergency Management facility

In the 2024/25 year, the emergency management team tested its coordination facility with both a regional exercise and a severe weather event (red warning) in October 2024. The facility has consistently been ready and available for immediate activation when/if required. The facility's alternative power generator and satellite communications were tested throughout the year and met expectations.

Staff and training

A key achievement in the 2024/25 year was the establishment of a new training framework, which is being implemented across the Otago CDEM Group. The new framework increases the foundational skills of Council staff who work in emergency responses. Training for response staff focuses on our operational systems and the protocols we work with. Functional leadership staff now receive both general and focused leadership training tailored to their response role. This training ensures Emergency Management Otago has a cohort of around 300 staff who are trained and capable of supporting emergency responses across the region.

October 2024 flood event

In October 2024, two states of emergency were declared in the Dunedin and Clutha areas following a 1-in-100-year flood event concentrated in coastal Otago. The flood event was challenging for many people in Otago, and the four-day response was a test of our region's civil defence capability.

The emergency coordination centre was activated, and many staff worked throughout the event — leading the CDEM response and ensuring that critical infrastructure was maintained, action was taken at appropriate times, the community and responders were informed about risk, and IT services were maintained for our community. The effectiveness of our training and

support programmes contributed to the success of the response, which was acknowledged locally and nationally.

Planning and readiness

Several projects and achievements over the year strengthened our planning and readiness functions. The Otago Vulnerability Assessment was completed as part of our lifelines programme. The assessment reviewed the vulnerability of the region's critical infrastructure in relation to hazards and risks. We also continued work on AF8 and integrated flood modelling projects, contributed to the Otago Climate Action Plan and supported engagement with the rural sector and infrastructure owners and providers such as power and telecommunications companies, the port and the airport.

Improvements were made in our response and recovery readiness. A regional warning system was implemented, and we worked on alternative communications planning. An automated welfare needs assessment tool is now in place. Otago led a national project to develop a consistent emergency website interface.

A multi-agency earthquake simulation, Exercise Ohotata 2024, was conducted across four council districts, and we published 32 community resilience guides, with more in progress. Community resilience groups were supported with equipment, training, and new group development. Across the region, we took part in events such as the AF8 Roadshow, Clued Up Kids, and local preparedness expos.

A review of the Otago CDEM Group Plan is underway, and a project to enhance Māori engagement continued.

Sector reform

Sector reform continues at pace, and our staff are fully engaged in the design of the Emergency Management System Improvement Program, the re-write of a new Emergency Management Bill, and the implementation of a set of nationally consistent operations tools.

Performance Results

Support the Otago CDEM Group in improving the resilience of Otago to Civil Defence emergencies.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM.*	<div>✓</div> <div>Fulfil all requirements as the administering authority.</div>	Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement.	<div>✓</div>	

*Note: There has been a wording change for this performance measure in the LTP, however the focus and intent remain aligned with the prior year measure.

Provide resources to coordinate a region-wide response to a Civil Defence emergency.*

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency.*	<div>✓</div> <div>An appropriate facility is available for activation at all times.</div>	An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation.*	<div>✓</div>	
	<div>—</div> <div>Adequate staff were trained and available for any activation for the ECC.</div>	Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region-wide response.*	<div>✓</div>	
Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency.	New measure	Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies.	<div>✓</div>	

*Note: There have been wording changes for this level of service statement, performance measure and targets in the LTP, however the focus and intent remain aligned with the prior year.

PRIOR YEAR MEASURES:

These performance measures were included in the prior year’s Annual Plan, but through the Long-Term Plan process they have subsequently been superseded by other current measures and therefore no targets or results are reported against them. They are included here for completeness only.

LOS STATEMENT	PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Provide resources to coordinate an efficient and effective region-wide response to a civil defence emergency.	Maintain response functionality to enable operational situational awareness when ECC activated.	<div>✓</div> <p>Response solutions are checked as scheduled and any issues remedied.</p>			



Emergency Management
Otago Alpine Fault earthquake
exercise, Ōtepoti Dunedin

Transport

This group of activities includes the following council activities:

- Transport Planning
- Public Passenger Transport

Performance results



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The Regional Public Transport Plan was completed to guide progress towards a more accessible and connected region. This included significant community engagement to develop a plan that speaks to the importance of public transport for people across Otago.

Over the past year, we continued to increase bus patronage, achieving

record levels for both Dunedin and Queenstown. We replaced more diesel buses with electric to further reduce our emissions and launched the first on-demand electric bus service in Mosgiel.

These service changes, ticketing developments, and customer service initiatives are further detailed in the following section of this report.

This activity is influenced by the focus areas defined in our Strategic Directions 2024–2034.



Partnership



Communities



Environment



Resilience



Climate



Transport

Transport Planning and Public Passenger Transport



Otago Regional Council is responsible for public transport in Otago, and through contracted operators, we provide public passenger transport services in Dunedin and Queenstown. We also provide a region-wide 'Total Mobility scheme' to assist eligible people who are unable to use public transport. These services sit under a wider umbrella of Regional Land Transport Planning and Regional Passenger Transport Planning that we are responsible for, working with Waka Kotahi, Environment Southland, and councils in the Otago Region. Under these plans, we have a role in facilitating some key transport projects in Otago.

ORC has strategic oversight, in partnership with Waka Kotahi (NZTA), on land transport matters. We coordinate regional land transport activities and produce a Regional Land Transport Plan (RLTP) in partnership with Environment Southland, NZTA and city and district councils. The RLTP outlines future planned transport network improvements and forms the basis of funding applications to the National Land Transport Fund on a three-yearly cycle.

Key work programmes include:

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

Performance and Delivery

Regional Land Transport Plan

A significant project in the 2024/25 year was the development of the Regional Public Transport Plan 2025 – 2035 (RPTP). The plan was adopted on 25 June 2025, following strong public engagement that drew more than 500 submissions.

The RPTP is the guiding strategic document for the planning and delivery of public transport in Otago. It seeks to balance the expectations of our communities with the direction set by the Government. Key directions are to increase public transport use in Dunedin and Queenstown and to work towards new connections between other centres in Otago.

The next steps will be to develop an implementation plan and to continue working with Environment Southland to confirm our strategic direction for the joint Otago Southland Regional Land Transport Plan (2027). We will assess future investment in public transport in the context of the regional deal.

Fare increases

The RPTP set a range of fare increases, which will be implemented from October 2025. The adult Bee Card fare will increase from \$2.00 to \$2.50, and free child fares for 5-12-year-olds will be removed. The child fare will be \$1.50 (40% concession). Future work will include the development of a fare zone structure.

Total Mobility

Our popular Total Mobility services provide subsidised travel for eligible clients, including wheelchair passengers. Overall satisfaction with our Total Mobility services was 98% in 2024/25, only slightly less than the 100% overall satisfaction rating in 2023/24.

The introduction of whitelisting now allows ineligible cards to decline at the time of trip. This increases the integrity of the scheme and safeguards against fraudulent use, while increasing people’s confidence that they have access to the scheme. Whitelisting has been implemented nationally to keep user experience consistent across New Zealand

Total Mobility provides an invaluable service to help eligible people with long-term impairments to access appropriate transport to meet their daily needs and enhance their community participation. However, due to the popularity and high use of these services across the region, we anticipate ongoing funding challenges with how to meet increased demand while national direction is being developed.

Public transport - Dunedin

Patronage

Patronage on the Dunedin network is at record levels, growing by 3% in the 2024/25 year, and with eight of the 12 months seeing record patronage. Although patronage numbers rose, the year-on-year growth is lower than in the 2023/24 year, which had a very high rate of growth. Total annual patronage for Dunedin is 3,942,560.

Service reliability and punctuality

In the 2024/25 financial year, 99.7% of trips ran as scheduled, exceeding the target of 95%. The punctuality of Dunedin services continues to be affected by extensive congestion and roadworks. Over the year, 85.4% of services departed on time. This is below our 95% target, but it is a 3.4% increase on the 2023/24 year. Substantial timetable changes were implemented in July 2025 to improve punctuality and reliability.

Passenger satisfaction

Overall satisfaction with the Dunedin network was 90%, up from 88% in the previous year. Our target for passenger satisfaction is a rolling three-year average of 90%. Lower satisfaction levels in the previous two financial years (86% in 2022/23 and 88% in 2023/24) mean that the rolling average is 88%, which is below the target.

The target for satisfaction with network timetable and services information is also a rolling three-year average of 90%. The satisfaction level in 2024/25 was 89%. Combined with the previous two years (84% in 2022/23 and 89% in 2023/24), this gives a rolling average of 87%, which is below the target.

Highlights

Highlights of the year were the introduction of a further 13 electric buses for Mosgiel services, and the launch of our first on-demand electric bus service to replace circular services in Mosgiel. Approximately 30% of the Dunedin fleet is now electric, reducing diesel emissions by 31%.

Public transport - Whakatipu

Patronage

Patronage on the Whakatipu bus network was at record levels in the 2024/25 year, increasing by 4% from the previous financial year. Patronage records were set in 10 of the 12 months. Although patronage numbers rose, the year-on-year growth is lower than in the 2023/24 year, which had a very high rate of growth. Total annual patronage is 1,966,086.

Service reliability and punctuality

Over the year, we ran 99.4% of scheduled trips, exceeding the target of 95%.

The punctuality of Queenstown services continues to be affected by substantive Queenstown Alliance works around the Frankton bus interchange area, which affects all bus services. Over the year, 90.3% of services departed on time, below the 95% target and a 2.7% drop from 2023/24. While new timetables were introduced in July 2025, the Alliance work will continue to affect services into 2025/26 and beyond.

Passenger satisfaction

Overall satisfaction with the Queenstown service in 2024/25 was 92%. The rolling average for the past three years is 92% (92% in 2022/23 and 91% in 2023/24), above the target.


Satisfaction with the Queenstown network timetable and services information was 81% in 2024/25. With 91% in 2022/23 and 90% in 2023/24, this brings the rolling average for the past three years to 87%, which fails to meet the target.

Highlights

A highlight in the 2024/25 year was the introduction of new services for Jack’s Point, Kelvin Heights and Arrowtown. The new services extend routes to Whakatipu High School before and after school to meet increasing demand.


Performance and Results

Advocate for Otago's regional transport planning priorities and aspirations at a national level

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency.	<div>RLTP completed in August 2024</div>	No target*		

*This is a three year process so there is no target for 2024-25, but there will be one for the next financial year.

Provide efficient, reliable and accessible public transport services that meets community needs.

PERFORMANCE MEASURES	2023/2024 RESULT	2024/2025 TARGET	2024/2025 RESULT	NOTES
Annual public transport boardings in Queenstown.	 51% increase from prior year	Increase	 4%	1
Annual public transport boardings in Dunedin.	 21% increase from prior year	Increase	 3%	2
Overall passenger satisfaction with Whakatipu public transport system at annual survey.	 91%	Maintain or increase 3yr rolling average $\geq 90\%^*$	 92%	
Overall passenger satisfaction with Dunedin Public Transport system at annual survey.	 88%	Maintain or increase 3 yr rolling average $\geq 90\%^*$	 88%	
Percentage of scheduled services delivered (reliability).	 99.9% DN  99.7% QTN	95%	 99.7% DN  99.4%	
Percentage of scheduled services on-time (punctuality - to five minutes).	 82% DN  93% QTN	95%	 85.7% DN  90% QTN	3
Percentage of users who are satisfied with the provision of timetable and services information.	 78% DN  72% QTN	Maintain or increase 3 yr rolling average $\geq 90\%^*$	 87% DN  87% QTN	
Overall passenger satisfaction with Total Mobility system at annual survey.	 100%	Maintain or increase 3 yr rolling average $\geq 90\%^*$	 96.6%	

*There has been a wording change for these performance targets in the LTP, however the focus and intent remain aligned with the prior year.

1: Total Queenstown bus patronage is 1,966,086, which is up by 4% compared to the last financial year.

2: Total Dunedin bus patronage is 3,492,560, which is up by 3% compared to the last financial year.

3: Services are heavily affected in both Dunedin and Queenstown by extensive road works, road closures and heavy congestion. Punctuality is based on scheduled service trips leaving origin stop between 59 seconds before and four minutes and 59 seconds after the scheduled departure time.

Public Transport Satisfaction Survey Dunedin

Survey taken June 2025

Statement of Service Provision

Overall satisfaction

90%

The overall level of satisfaction with the Dunedin public transport system has increased in 2025.



▲ 88% in 2024

▲ 86% in 2023

Participants

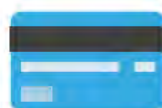
25% aged 18-24 years

25% of participants were aged 18-24 years followed by 18% aged 25-34 years and 45-59 years.



85% non supergold cardholders

85% of participants were not supergold cardholders.



31% travelling to work

31% of participants used the bus to get to work.



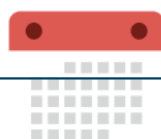
88% would recommend using the bus

88% of participants would likely or very likely recommend public transport to friends or colleagues.



32% 5 or more trips per week

32% of participants use the bus for 5 or more trips per week.



Passenger satisfaction

86% Exterior of the bus
94% in 2024 | 89% in 2023

89% Interior of the bus
93% in 2024 | 92% in 2023

76% The bus is on time
84% in 2024 | 68% in 2023

74% How often the service runs
86% in 2024 | 76% in 2023

88% Value for money of fare
91% in 2024 | 98% in 2023

91% Having enough seats available
95% in 2024 | 95% in 2023

92% Ease of getting on and off the bus
92% in 2024 | 94% in 2023

86% Comfort of the inside temperature
90% in 2024 | 90% in 2023

93% Helpfulness and attitude of driver
93% in 2024 | 95% in 2023

92% Personal security during trip
96% in 2024 | 95% in 2023

93% Satisfaction of current trip
97% in 2024 | 98% in 2023

77% Information about services and delays
78% in 2024 | 64% in 2023

85% Travel time
92% in 2024 | 94% in 2023

91% Convenience of paying
94% in 2024 | 97% in 2023

89% Ease of getting route information
89% in 2024 | 84% in 2023

Public Transport

Statement of Service Provision

Satisfaction Survey Whakatipu

Survey taken June 2025

Overall satisfaction

92%

The overall level of satisfaction with the Whakatipu public transport system has increased in 2025.

▲ 91% in 2024 ► 92% in 2023



Participants

47% aged 25 – 34 years

47% of participants were aged 25 – 34 followed by 18% aged 35 - 44 years.



98% non supergold cardholders

98% of participants were not supergold cardholders.



68% travelling to work

68% of participants used the bus to get to work.



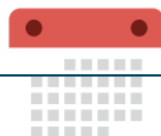
85% would recommend using the bus

85% of participants would likely or very likely recommend public transport to friends or colleagues.



32% 2 or more trips per day

33% of participants use the bus 2 or more trips per day.



Passenger satisfaction

88% Exterior of the bus
▼ 93% in 2024 | 94% in 2023

91% Interior of the bus
▲ 87% in 2024 | 90% in 2023

81% The bus is on time
▲ 76% in 2024 | 79% in 2023

73% How often the service runs
▲ 72% in 2024 | 70% in 2023

87% Value for money of fare
▼ 89% in 2024 | 94% in 2023

96% Having enough seats available
▲ 95% in 2024 | 96% in 2023

98% Ease of getting on and off the bus
▲ 97% in 2024 | 98% in 2023

94% Comfort of the inside temperature
▼ 95% in 2024 | 96% in 2023

91% Helpfulness and attitude of driver
▼ 97% in 2024 | 92% in 2023

98% Personal security during trip
▲ 97% in 2024 | 96% in 2023

94% Satisfaction of current trip
▼ 97% in 2024 | 98% in 2023

68% Information about services and delays
▼ 72% in 2024 | 81% in 2023

83% Travel time
▼ 93% in 2024 | 94% in 2023

87% Convenience of paying
▼ 89% in 2024 | 94% in 2023

81% Ease of getting route information
▼ 91% in 2024 | 90% in 2023



Council Organisation

This group of activities includes the following council activities:

- Internal Services
- Port Otago



Our 'Council Organisation' activity ensures that all other external-facing Council activity has support for specific business needs that ensure they can deliver their work efficiently and effectively.

Therefore, it contributes indirectly to the achievement of desired results across all the strategic focus areas defined by our Strategic Directions 2024–2034.

This activity is influenced by the focus areas defined in our Strategic Directions 2024–2034.



Partnership



Communities



Environment



Resilience



Climate



Transport



Council Organisation



Mt Obi landing site near Round Hill, State Highway 85

Internal Services includes information management; financial management and reporting; operational buildings; human resources, health and safety and the vehicle fleet. Council holds 100% ownership of Port Otago and considers it a strategic asset held on behalf of the Otago community. Each year, Port Otago pays dividends to ORC, which help reduce general rates required from ratepayers- effectively sharing the financial benefits of ownership across the region.

The key programmes which make up this activity are:

- Internal Services
- Port Otago

Performance and Delivery

This new activity in the Long Term Plan 2024-34 explains the internal support services that enable the ORC to deliver its core work for the community. These teams work behind the scenes to ensure we are meeting our statutory obligations and to make our external services more efficient and cost-effective for ratepayers. They provide teams across the ORC with the resources, tools and support they need to achieve our community outcomes.

Mission and values

In August 2024, we launched our refreshed mission and new values to guide our decisions and shape our organisational culture.

Mission

Protecting, connecting, and enhancing Otago's environment, now and for the future. Mōu, mōku, mō tātou – For you, for me, for us.

Values

- Mana — We influence with respect and integrity
- Tika — We do the right thing and do things right
- Aroha — We show that we care

Information systems

In 2024/25, our Information Technology (IT) team delivered an ambitious work programme, supporting nearly every part of the organisation while maintaining and strengthening essential services. The focus has been to replace, develop or implement technology that supports the diverse services of the Council and provides a better customer experience for ratepayers.

Cyber security remained a high priority throughout the year. We carried out staff education and training, improved our monitoring and threat detection capabilities, and adopted best-practice standards across multiple aspects of digital security. These efforts help to protect the organisation from evolving threats and ensure the safety of our systems and data.

ORC's investment in IT programmes reflects the drive to modernise our digital systems and empower better, data-informed decision-making across the organisation.

Fleet and equipment support for operational delivery

To support the reliable, efficient and environmentally responsible delivery of essential services across Otago, ORC maintains a fleet of approximately 140 vehicles. This diverse fleet ensures our staff have the right tools and transport to perform their roles efficiently and safely — whether engaging with community groups, monitoring water quality, running educational workshops or carrying out compliance checks.

In support of ORC's sustainability goals, we continue to transition to low-emission alternatives, procuring hybrid vehicles where appropriate. As a result, 24% of the ORC fleet is now hybrid — a 5% increase in the 2024/25 year.

To further improve efficiency and safety, we introduced telematics to analyse vehicle use, fuel efficiency and driver safety performance. We also installed GPS tracking systems to improve our ability to monitor asset use and optimise deployment.

Property services supporting regional delivery

ORC has staff based across Otago, ensuring strong local connections with the communities and environments we serve. The property team provides and maintains fit-for-purpose workspaces that enable our people to carry out their roles effectively.

We maintain offices in Dunedin and Queenstown, and operate depots in Balclutha, Alexandra, Cromwell, Wānaka, Palmerston, Oamaru and Taieri. These sites provide essential bases for fieldwork, community engagement and operational delivery throughout the region.

Careful planning and ongoing investment in our regional facilities continues to support the wider work of ORC — ensuring staff are well equipped and well located to deliver environmental, regulatory and community outcomes across Otago.

Safety and wellbeing

ORC provides diverse services and carries out complex activities across a broad geographical area — it is a priority to keep our people and contractors safe and ensure their wellbeing.

In the 2024/25 financial year, we focused on work across the organisation to increase engagement with health and safety, improve our policies and maintain quality training. We also reviewed our critical risks (including fire risk/mitigation) and the effectiveness of risk/hazard controls and improvement plans.

Human resources

Results from the 2024 employment engagement survey reflect the work we have done to create a positive culture in the ORC and ensure our workforce is engaged and capable. The survey found that 79% of staff would recommend ORC as a great place to work, and 70% feel that ORC has a positive culture. These results show that ORC is well placed to attract and retain great staff who are committed to delivering excellent services for the region.

Over the financial year, the number of permanent staff turned over by 15.8%, a significant improvement on the 24.8% at the end of June 2023. Benchmarking and work to improve staff satisfaction and retention is ongoing.

Corporate support and information management

The corporate support team enables a wide range of operational needs and ensures legislative compliance in the records and information space.

Over the 2024/25 year, we made strong progress on our digitisation project — reducing our on-site physical records holdings by 50%. Every record we digitise not only reduces our environmental footprint but also enhances information accessibility, improves data security and supports more agile ways of working, reinforcing our commitment to high standards of integrity, transparency and regulatory compliance across Council operations.

Finance

The finance teams are responsible for providing sound and fiscally responsible financial advice and services to all our other activities. Our financial and accounting services are cost-effective and support the organisation to deliver for Otago with financial responsibility, accuracy and transparency.

The 2024/25 year saw improvements and efficiencies with the implementation of a new finance system and the roll-out of new budget software.



ORC at Otago Polyfest 2024

Regional Software Holdings Limited

Performance Indicators

Introduction

Otago Regional Council acquired 1 unlisted share in Regional Software Holdings Limited (RSHL) in the prior financial year end 30 June 2024. There was \$1 compensation paid for the 0.01% shareholding. There are 16 Councils in the shareholding of Regional Software Holdings Limited (RSHL).

RSHL is a not-for-profit Council Controlled Organisation (CCO).

10 regional councils and unitary authorities have signed a partnership agreement with RSHL to collaborate with Datacom on the delivery of a regional sector software platform, and a consistent good-practice operating model. The IRIS NextGen programme from RSHL will coordinate the implementation of the processes and software in councils, ensuring effective organisational change management as well as long-term support and enhancement of the regional sector software platform and processes.

RSHL provides a framework that promotes:


- Shared best practice through collaboration and standardisation.
- Values through economies of scale.
- Greater influence, demonstrating to central government a more cohesive and collaborative sector.
- Responsiveness to legislative change.
- Risk mitigation around the destiny of the sector specific software, through continuity supply.
- Effective reporting to central government.

Performance Targets and Other Measures

Non- Financial

PERFORMANCE STATEMENT:

We will manage our programs to a high standard.

Target 2024-25	Result 2024-25
All projects and programmes will follow an appropriate approval pathway for their size, scope and complexity.	 Self- assessment in June each year.

In the period 1 July 2024 – 30 June 2025 the following projects were initiated at RSHL.

Data Emission Platform Project

The Local Emissions Data Platform is a standardized, accessible online tool designed to enable councils to consistently report and analyse greenhouse gas emissions, supporting evidence-based decision-making and alignment with national and international reporting frameworks. The Local Data Emissions Platform Project was assessed via a feasibility study.

The project was assessed as low risk due to the following factors:

- The funding commitment was for one year.
- The total project annual cost was less than \$0.5M allocated across 19 participating councils.
- The project has no capital expenditure component.

As the project was low risk, a business case was not required, and the project was approved by the participating councils and the board of RSHL via a project scope document.

Public Transport Ticketing Programme

The Public Transport Ticketing Programme enables a consortium of ten councils to operate the Bee Card transport ticketing system, and to work with other regional authorities and Waka Kotahi/NZTA on the National Ticketing Solution (NTS). The programme had previously been hosted at ORC.


Incorporating the programme within RSHL included the transition of 3-5 staff, and management of the vendor contract.

- The board approved the transition of the programme to RSHL via a lite business case.
- The participating councils agreed to the transition via a paper to the programme governance group.

Planning Management System


The Planning Management System (PMS) Project was designed to streamline planning, strategy, and policy processes for local governments, particularly in relation to the Resource Management Act (RMA), by managing and tracking submissions, responses, and resolutions effectively.

- A Feasibility Assessment was completed for this project.
- Based on the Feasibility Assessment the councils elected not to proceed with the project with uncertainty around Resource Management Reform was the deciding factor.

Target 2024-25	Result 2024-25
All programmes will have an effective governance structure appropriate to the size and complexity of the programme.	<div></div> Self- assessment in June each year.

In the period 1 July 2024– 30 June 2025 all projects/programmes operated governance structures as agreed with participating councils, and in accordance with the RSHL Governance Framework. Between February and June this year RSHL reviewed the governance arrangements for programmes. The purpose of the review was to put in place governance structures that enabled RSHL to deliver maximum value to councils for programmes that it operates, while providing councils transparency and control of significant programme decisions.

The review resulted in changes to our standard partnership agreement to include a definition of “significant” decisions, and a new process for these decisions to be approved by the board and councils.

Target 2024-25	Result 2024-25
All programmes will have an effective planning process. Draft plans and budgets will be set before 1 March, final plans and budgets will be set by 30 June.	<div></div> Self- assessment in June each year.

PERFORMANCE STATEMENT:

We will deliver high-quality services to Te Uru Kahika.

In this context, Te Uru Kahika refers to the organisation led by the Te Uru Kahika Executive Director and overseen by the RCEOs Group. Te Uru Kahika is also sometimes used to refer to the collective of the 16 regional government organisations.

Target 2024-25	Result 2024-25
We will review and agree performance targets with Te Uru Kahika annually as part of the planning and budgeting process.	<div>⊘</div> <div>Self-assessment in June each year.</div>
We will meet or exceed agreed performance targets. Results will be agreed with Te Uru Kahika Executive Advisor and shared with RCEOs Group and Board.	<div>⊘</div> <div>Assessed at year-end.</div>

RSHL support for Te Uru Kahika is underpinned by a Memorandum of Agreement which outlines the services to be provided.

Te Uru Kahika appointed a new Executive Director in February 2025. RSHL has been working with the new Executive Director to develop a new model for RSHL support of Te Uru Kahika. Service improvements are being rolled out over the course of this financial year.

Financial

PERFORMANCE STATEMENT:

We will set high standard for the governance and management of the company.

Target 2024-25	Result 2024-25
We will operate within approved budget, with any material variations approved by the board.	<div>⊖</div> <div>Assessed at year-end.</div>

RSHL operated within approved budgets for all programmes but with some variations approved by the board. The board receives monthly financial reports with revenue and expenditure for each activity. The board received and accepted the financial reports at each meeting, with variances discussed and agreed.


The Public Transport Ticketing Programme is new to RSHL and so did not have a budget included in the SOI. The programme completed the year with a surplus of \$184K against the budget agreed when the programme started at RSHL.

Target 2024-25	Result 2024-25
We will meet all statutory governance and reporting deadlines.	<div>✓</div> <div>Assessed in July for the previous year.</div>

Statement of Service Provision

The following statutory deadlines applied to RSHL during FY25.

- FY24 Annual Report: Requirement: Annual Report (audited) must be published and provided to shareholders by 30 September. Result: FY24 was adopted on 26 September 2024 .
- FY25 Interim Report: Requirement: The Interim Report must be published and provided to shareholders by 28 February. Result: FY25 Interim Report was adopted on 28 February 2024.
- FY26 Draft Statement of Intent: Requirement: The draft statement of intent must be delivered to councils on or before 1 March 2025. Result: The draft statement of intent was provided to councils on 28 February 2025.
- FY26 Final Statement of Intent: Requirement: The final statement of intent must be delivered to councils before 1 July 2025. Result: The final statement of intent was provided to shareholders on 30 June 2025.

Target 2024-25	Result 2024-25
The board will operate according to the Institute of Directors’ Code of Practice.	<div></div> Self- assessment to be completed in June for the previous financial year.







Rather than complete a self-assessment, the board elected to complete an independent review of governance arrangements for RSHL.

The independent review was completed in November 2024. The report made several recommendations to improve the governance of RSHL, and programmes of work delivered by the company.

Performance Measures 2023-24

Changes were made to the performance measures of RSHL for the 2024-25 period. Due to the extend of these changes, displaying comparatives with 2024-25 performance measures and results with 2024-25 performances measures was not possible. 2023-24 performance measures are detailed below.

Target 2023-24	Result 2023-24
Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL Programme Management. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.	 <p>The baseline survey for IRIS NextGen was completed in June 2024, with results presented to the Steering Group in July.</p>
Budgets for IRIS support and development are approved by the IRIS Advisory Group and Board by 30 June each year. Delivery within these budgets is effectively managed by the Advisory Group and the Chief Executive.	 <p>The DRAFT IRIS budget was approved as planned in February 2024 and the final budget was approved as part of the SOI Process in June 2024.</p>
Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System. Revenue and Expenditure for SFMS Programmes are within budget, with any variations approved by the RCEOs. Annual Survey of Programme Leads in relation to SFMS Management presented to RCEOs in June. Survey results to be the same or better than the previous year.	 <p>SFMS Funds collected were as agreed with the RCEOs and reporting on financial position was provided to RCEOs on a quarterly basis.</p> <p>Ten Te Uru Kahika Programme Leads were surveyed on the performance of RSHL with respect to delivery of the SFMS. 5 responses were provided. All responses rated RSHL Good or Outstanding.</p>
Effectively support the activities of the Te Uru Kahika through the Regional Sector Office. Annual survey of RCEOs in relation to performance of the sector office presented to RCEOs in June. Survey results to be the same or better than the previous year.	 <p>Over the course of FY2024, RSHL went through a process to better define the role of RSHL in support of Te Uru Kahika.</p> <p>As a result of that work, a new Memorandum of Agreement (MoA) has been created which clearly defines the roles of RSHL and Te Uru Kahika. That MoA includes service definitions and measures. This is the most effective way of measuring the performance of RSHL in support of Te Uru Kahika.</p>
Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager.	 <p>The EMAR budget and workplan for FY24 was approved by the EMAR Steering Group on the 25th August 2024. Approval was delayed pending confirmation of central government funding.</p> <p>The work programme for LAWA, including additional topics and upgrades was completed on time and to budget.</p>

Target 2023-24	Result 2023-24
Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	 <p>RSHL has effectively managed the SFMS. Revenue and expenditure are consistent with the amounts documented in the SFMS Briefing Paper. RSHL has more than 50 contracts in place with service providers for support of Te Uru Kahika work programmes.</p> <p>Environmental Data Management Platform (EDMS) is a long-running and complex programme. RSHL has been working with the Te Uru Kahika Environmental Data and Digital Solutions Groups to complete the procurement process for this programme. This has taken longer than planned.</p> <p>In FY2024 we started development with a consortium of councils on a Data Emissions Platform Programme, we expect to progress to a formal partnership agreement before the end of the year.</p> <p>RSHL is also working with the Regional Integrated Ticketing Systems Programme to transition that team from Otago Regional Council to RSHL.</p>
<p>RSHL will operate within approved budget, with any material variations approved by the relevant governance group.</p> <ul style="list-style-type: none"> • RSHL Overheads – RSHL Board. • IRIS NextGen Programme – IRIS NextGen Steering Group • IRIS Programme – IRIS Advisory Group • Sector Financial Management System – RCEOs Group 	 <p>RSHL operated within approved budgets for all programmes with some variations approved by the board.</p> <p>The board received and accepted the financial reports at each meeting, with variances discussed and agreed.</p>
Annual charges for shareholders and customers to be at the level approved by the relevant governance group. Based upon the approved operating budget and budgets.	
Monitor the regional sector and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.	 <p>All 16 regional government organisations are customers of RSHL, while 10 councils are shareholders.</p>
Work with the Te Uru Kahika Network to develop shared service opportunities.	 <p>In the FY2024 year RSHL worked with consortiums of councils on the following new significant initiatives.</p>
Engage with councils in the regional sector to increase the scope of the usage of shared solutions.	

Financial Statements

Funding Impact Statements for Otago Regional Council

Council Funding Impact Statement for the year ended 30 June 2025

\$000s	Annual Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	28,263	29,379	29,046	29,175
Targeted rates	27,515	27,571	35,846	35,931
Subsidies and grants for operating purposes	20,497	30,401	21,991	26,331
Fees and charges	5,951	4,365	4,364	8,063
Interest and dividends from investments	25,250	25,638	27,765	27,313
Local authorities fuel tax, fines, infringement fees and other receipts	13,568	10,735	10,136	8,470
Total Sources of Operating Funding (A)	121,043	128,088	129,148	135,283
Applications of Operating Funding				
Payments to staff and suppliers	107,334	113,570	118,109	120,677
Finance costs	9,700	9,274	9,574	7,987
Other operating funding applications	77	27	75	-
Total Applications of Operating Funding (B)	117,111	122,871	127,758	128,664
Surplus (deficit) of operating funding (A - B)	3,932	5,217	1,390	6,619
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	5,000	-
Gross proceeds from sale of assets	4,000	874	500	5,838
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	4,000	874	5,500	5,838
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	875	2,956	2,625	1,750
To replace existing assets	9,191	3,330	16,368	10,249
Increase / (Decrease) in reserves	(2,134)	(195)	(12,103)	458
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	7,932	6,091	6,890	12,457
Surplus / (Deficit) of Capital Funding (C - D)	(3,932)	(5,217)	(1,390)	(6,619)
Funding Balance ((A - B) + (C - D))	-	-	-	-

The council is required to include Funding Impact Statements in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions or some of the terms used in this statement.

Reconciliation of Council Funding Impact Statement to Statement of Comprehensive Revenue and Expense for the year ended 30 June 2025

\$000s	Annual Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
Surplus/(deficit) of operating funding in Funding Impact Statement	3,931	5,217	1,391	6,619
Add/(deduct)				
Increase/(Decrease) in the fair value of investment property	-	1,150	-	150
Increase/(Decrease) in the fair value of investment portfolio	-	1,147	-	1,782
Gain/(Loss) on disposal of assets	-	198	-	4,703
Depreciation and amortisation	(4,211)	(4,024)	(3,302)	(3,853)
Impairment (loss)/reversal on property plant and equipment	-	-	-	-
Write-off of property plant and equipment work in progress	-	-	-	-
Other	1,265	(251)	1,493	(155)
Surplus/(deficit) before taxation in Statement of Comprehensive Revenue and Expense	985	3,436	(418)	9,246

Schedule of Capital Expenditure

\$000s	Annual Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
REGIONAL LEADERSHIP				
Regulatory	-	-	158	5
Regional Planning	21	8	21	1
Governance and Community Engagement	-	89	35	12
ENVIRONMENTAL				
Land and Water	580	944	530	724
Biodiversity and Biosecurity	95	376	100	8
Air	74	66	150	174
CLIMATE CHANGE AND RESILIENCE				
Emergency management	-	24	-	-
Natural Hazards and Climate change	52	-	-	-
Flood Protection / Drainage - All Schemes	1,723	2,564	3,230	2,592
River Management - All Schemes	100	2	1,395	-
TRANSPORT				
Transport	-	436	-	-
COUNCIL ORGANISATION				
Property, Plant and Sundry	6,170	384	9,950	7,266
Motor Vehicles	750	865	800	807
Information Systems	500	529	2,625	392
TOTAL	10,065	6,286	18,993	11,982

Flood protection/drainage capital expenditure is below budget due to difference from budget in the timing of the Lower Taieri scheme Contour Channel capital project.

Funding Impact Statement:

Regional Leadership

Funding Impact Statement for the year ended 30 June 2025

	Long Term Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
\$000s				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	17,730	20,647	23,346	23,424
Targeted rates (other than a targeted rate for water supply)	210	210	1,049	1,050
Subsidies and grants for operating purposes	75	170	225	298
Fees, charges and targeted rates for water supply	6,495	4,255	3,909	4,842
Internal charges and overheads recovered	-	85	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	272	377	260	115
Total Sources of Operating Funding (A)	24,782	25,745	28,789	29,729
Applications of Operating Funding				
Payments to staff and suppliers	16,402	16,692	22,272	21,722
Finance costs	-	-	-	-
Internal charges and overheads applied	8,206	7,977	6,428	6,567
Other operating funding applications	8	27	5	-
Total Applications of Operating Funding (B)	24,616	24,695	28,705	28,289
Surplus (deficit) of operating funding (A - B)	166	1,050	84	1,440
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	-	97	175	8
To replace existing assets	21	-	38	10
Increase / (Decrease) in reserves	145	953	(130)	1,422
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	166	1,050	83	1,440
Surplus / (Deficit) of Capital Funding (C - D)	(166)	(1,050)	(83)	(1,440)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement:

Environment

Funding Impact Statement for the year ended 30 June 2025

	Long Term Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
\$000s				
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	18,196	20,020	17,003	17,076
Targeted rates (other than a targeted rate for water supply)	6,575	6,329	10,498	10,542
Subsidies and grants for operating purposes	2,179	4,250	2,886	4,058
Fees, charges and targeted rates for water supply	210	-	-	1,332
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	71	-	-
Total Sources of Operating Funding (A)	27,160	30,672	30,387	33,008
Applications of Operating Funding				
Payments to staff and suppliers	21,087	23,145	24,957	25,721
Finance costs	-	-	-	-
Internal charges and overheads applied	6,811	7,022	5,123	5,221
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	27,898	30,167	30,080	30,942
Surplus (deficit) of operating funding (A - B)	(738)	505	307	2,066
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	537	1,031	355	601
To replace existing assets	220	356	425	306
Increase / (Decrease) in reserves	(1,131)	(882)	(474)	1,159
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	(374)	505	306	2,066
Surplus / (Deficit) of Capital Funding (C - D)	374	(505)	(306)	(2,066)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement:

Climate Change and Resilience

Funding Impact Statement for the year ended 30 June 2025

\$000s

Long
Term
Plan
2023/24

Actual
2023/24

Long
Term
Plan
2024/25

Actual
2024/25

\$000s

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	4,167	4,480	4,420	4,439
Targeted rates (other than a targeted rate for water supply)	10,680	10,610	10,984	11,017
Subsidies and grants for operating purposes	613	2,404	35	2,049
Fees, charges and targeted rates for water supply	484	105	326	815
Internal charges and overheads recovered	-	1,782	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	257	1,016	256	1
Total Sources of Operating Funding (A)	16,201	20,397	16,021	18,321

Applications of Operating Funding

Payments to staff and suppliers	11,252	12,443	14,637	14,397
Finance costs	-	-	-	-
Internal charges and overheads applied	3,207	5,483	2,892	2,727
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	14,459	17,926	17,529	17,124
Surplus (deficit) of operating funding (A - B)	1,742	2,471	(1,508)	1,197

Sources of Capital Funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-

Applications of Capital Funding

To meet additional demand	-	-	-	-
To improve level of service	105	216	1,265	837
To replace existing assets	2,104	2,373	3,360	1,755
Increase / (Decrease) in reserves	(467)	(118)	(6,133)	(1,395)
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	1,742	2,471	(1,508)	1,197
Surplus / (Deficit) of Capital Funding (C - D)	(1,742)	(2,471)	1,508	(1,197)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement:

Transport

Funding Impact Statement for the year ended 30 June 2025

\$000s

	Long Term Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
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\$000s

Sources of Operating Funding

General rates, uniform annual general charge, rates penalties	851	789	3,808	3,873
Targeted rates (other than a targeted rate for water supply)	10,416	10,422	13,315	13,322
Subsidies and grants for operating purposes	14,893	23,576	18,845	19,846
Fees, charges and targeted rates for water supply	262	-	7,098	1,074
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	10,229	8,049	502	7,331
Total Sources of Operating Funding (A)	36,651	42,836	43,568	45,446

Applications of Operating Funding

Payments to staff and suppliers	36,174	40,906	40,347	42,308
Finance costs	-	-	-	-
Internal charges and overheads applied	1,121	1,095	930	943
Other operating funding applications	-	-	-	-
Total Applications of Operating Funding (B)	37,295	42,001	41,277	43,251
Surplus (deficit) of operating funding (A - B)	(644)	835	2,291	2,195

Sources of Capital Funding

Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	-	-	-	-

Applications of Capital Funding

To meet additional demand	-	-	-	-
To improve level of service	-	436	-	-
To replace existing assets	-	-	-	-
Increase / (Decrease) in reserves	(644)	400	2,291	2,195
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	(644)	836	2,291	2,195
Surplus / (Deficit) of Capital Funding (C - D)	644	(836)	(2,291)	(2,195)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Funding Impact Statement:

Council Organisation

Funding Impact Statement for the year ended 30 June 2025

\$000s	Annual Plan 2023/24	Actual 2023/24	Long Term Plan 2024/25	Actual 2024/25
Sources of Operating Funding				
General rates, uniform annual general charge, rates penalties	28,263	29,379	29,046	29,175
Targeted rates	27,515	27,571	35,846	35,931
Subsidies and grants for operating purposes	20,497	30,401	21,991	26,331
Fees and charges	5,951	4,365	4,364	8,063
Interest and dividends from investments	25,250	25,638	27,765	27,313
Local authorities fuel tax, fines, infringement fees and other receipts	13,568	10,735	10,136	8,470
Total Sources of Operating Funding (A)	121,043	128,088	129,148	135,283
Applications of Operating Funding				
Payments to staff and suppliers	107,334	113,570	118,109	120,677
Finance costs	9,700	9,274	9,574	7,987
Other operating funding applications	77	27	75	-
Total Applications of Operating Funding (B)	117,111	122,871	127,758	128,664
Surplus (deficit) of operating funding (A - B)	3,932	5,217	1,390	6,619
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	5,000	-
Gross proceeds from sale of assets	4,000	874	500	5,838
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	4,000	874	5,500	5,838
Applications of Capital Funding				
To meet additional demand	-	-	-	-
To improve level of service	875	2,956	2,625	1,750
To replace existing assets	9,191	3,330	16,368	10,249
Increase / (Decrease) in reserves	(2,134)	(195)	(12,103)	458
Increase / (Decrease) in investments	-	-	-	-
Total Applications of Capital Funding (D)	7,932	6,091	6,890	12,457
Surplus / (Deficit) of Capital Funding (C - D)	(3,932)	(5,217)	(1,390)	(6,619)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Financial Statements

Dunedin

This section reports the results of the Otago Regional Council as a separate entity and the consolidated results of the Group comprising the Council and Port Otago Limited.

Port Otago Limited

The Council is the 100% shareholder of Port Otago Limited. The Council views its shareholding role as one of trustee for the people of Otago, a position widely supported throughout the region.

Each year Port Otago Limited produces a Statement of Corporate Intent, which is then formally approved by Council. As its owner, the Council does not participate in the management and operation of the Company; that is left in the case of the Directors of Port Otago Limited and its management. Port Otago Limited reports to Council on a six-monthly basis its performance results for the period.

The results of Port Otago Limited for the year ended 30 June 2025 have been incorporated into the Group results included within these financial statements.

Overview of Financial Performance

Statement of Comprehensive Revenue and Expenses

The total comprehensive revenue and expense surplus of \$64.646 million comprises an operating surplus for the year of \$9.246 million and a revaluation gain of \$55.400 million. The surplus of \$9.246 million is \$9.663 million greater than the budgeted loss of \$0.417 million.

The following major items contributed to this variance:

- Grants revenue and subsidies is \$4.340 million greater than budgeted revenue of \$21.991 million. The main factors causing this variance:
 - \$2.020 million unbudgeted grant revenue for capital works on the Contour Channel in the Lower Taieri flood and West Taieri drainage schemes which was approved after the 2024- 2034 Long Term Plan was adopted.
 - \$1.765 million unbudgeted Waka Kotahi NZTA grant funding for the Dunedin passenger transport network which partially offsets higher operating costs caused due to unbudgeted variations of services.
 - A reduction in budgeted grant revenue of \$1.521 million due to grants from Waka Kotahi NZTA not being received for capital work projects in Whakatipu passenger transport as they did not proceed.
 - \$0.890 million increase in grant funding received for wilding pine eradication which was offset by increased operating expenditure on eradication work.
 - \$0.901 million increase from budgeted revenue for Waka Kotahi NZTA for Total Mobility passenger transport services. This was partially offset by increased operational costs.
- Other revenue from exchange transactions is \$2.033 million greater than budgeted revenue due increased consent processing and monitoring costs as well as non budgeted revenue received for ORC staff on secondment to RSHL for the IRIS NextGen project.
- Finance costs were \$1.437 million below budgeted expense due to lower total borrowings for Council and Port Otago Limited than budgeted. All interest costs incurred on Port Otago Limited borrowing are charged to Port Otago Limited at cost.
- Other expenses is \$1.640 million above budgeted expenditure due to the following:
 - \$0.200 million increase in regulatory operating expenditure due to additional incident and enforcement action, this corresponds with increased other revenue commented above.
 - \$0.350 million unbudgeted donation expenditure to Otago Rescue Helicopter.
 - \$0.900 million unbudgeted operating expenditure on Lower Clutha flood protection scheme to repair flood damage.
 - \$0.250 million increased operating expenses caused by higher software and licenses fees from budget, these costs have been affected by higher inflationary factors than budgeted.
 - \$0.150 million increase operating expenses caused by higher insurance and rent costs compared to budget.
- Other gains/loss is \$4.987 million greater than the budgeted gain of \$1.493 million. The main factor was the gain of \$4.550 million for the sale of Birch / Kitchener land, which was classified as a held of sale asset in 2024.

Revaluation gain

The revaluation gain of \$55.400 million reflects the gain on the revaluation of the Council's shareholding in the Port Otago Limited Group at 30 June 2025 and is more than the gain of \$28.156 million provided for in the budget by \$19.363 million. The budgeted increase is a nominal estimate only, as the major factors contributing to the valuation are not able to be forecast with any significant degree of accuracy. The quantum of the gain does not impact directly on the operations of the Council during the year.

Statement of Financial Position

Total Assets

Total assets at \$1.126 million is above budgeted assets of \$1.111 million by \$0.015 million.

The following major items contributed to this variance:

- Cash and cash equivalents and other financial assets (our managed investment fund) have a combined amount of \$48.28 million and are \$16.64 million above the budget amount of \$31.63 million.
- Shares in subsidiary: The valuation of the Council shareholding in Port Otago Limited at 30 June 2025 of \$788.120 million was above the budgeted amount of \$780.239 million.
- In 2022 financial year Council borrowed funds from the New Zealand Local Government Funding Agency (NZLGFA). In the current financial year Council has lent \$25 million to fund deficit reserves and \$149.934 million to provide loan facilities for Port Otago Limited. Borrowings are held as current borrowing of \$67.288 million and non current borrowing of \$107.832 million in the Statement of Financial Position. Borrowing with the NZLGFA was budgeted to be \$180.316 million for Council and Port Otago Limited.
- All other assets and liabilities are in line with budget.

Equity

Public Equity and reserves at \$925.438 million above the budgeted amount of \$905.444 million by \$20 million

The major factor in the variance is the following:

- Port Share Revaluation Reserve, which records the accumulated revaluation gains on the annual revaluation of the Council's shareholding in Port Otago Limited. The budgeted balance of the reserve at 30 June 2025 was \$760.239 million, whereas the actual balance is \$788.120 million.
- The surplus for the year of \$0.925 million which is \$0.966 million above budget which has increased public equity.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2025

\$000s	Notes	Council 2025	Council Budget	Council 2024	Group 2025	Group 2024
REVENUE FROM NON-EXCHANGE TRANSACTIONS						
Rates revenue	1	65,106	64,893	55,815	64,945	55,665
Grant revenue and subsidies		26,331	21,991	30,401	26,331	30,401
Other revenue	1	9,940	10,856	12,318	9,940	12,318
REVENUE FROM EXCHANGE TRANSACTIONS						
Dividends	16	18,497	18,000	16,451	497	451
Interest and investment revenue		8,816	9,765	9,186	2,678	2,786
Other revenue	1	6,593	3,644	3,895	138,792	135,581
TOTAL REVENUE		135,283	129,149	128,066	243,183	237,202
EXPENDITURE						
Employee benefits expense	2	(40,158)	(39,454)	(33,549)	(87,846)	(77,419)
Depreciation and amortisation expense	3	(3,853)	(3,302)	(4,023)	(17,121)	(16,382)
Finance costs	23	(7,987)	(9,424)	(9,274)	(6,728)	(8,724)
Other expenses	4	(80,519)	(78,879)	(80,279)	(113,773)	(109,050)
TOTAL OPERATING EXPENDITURE		(132,517)	(131,059)	(127,125)	(225,468)	(211,575)
Other gains / (losses)	5	6,480	1,493	2,495	44,447	9,056
Joint venture share of profit/(loss)	18	-	-	-	(369)	-
SURPLUS / (DEFICIT) BEFORE TAX		9,246	(417)	3,436	61,794	34,683
Income tax benefit / (expense)	6	-	-	-	(10,559)	(16,790)
SURPLUS / (DEFICIT) FOR THE YEAR		9,246	(417)	3,436	51,235	17,893

OTHER COMPREHENSIVE REVENUE AND EXPENSES

Items that may be reclassified to surplus / (deficit):

Fair value through Other Comprehensive Revenue and Expense financial assets:

Fair value gain/(loss) on shares in subsidiary	16	55,400	28,156	8,830	-	-
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Cashflow hedges:

Unrealised movement in hedging interest rate swaps		-	-	-	(1,755)	(1,073)
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TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE		55,400	84,468	8,830	(1,755)	(1,073)
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TOTAL COMPREHENSIVE REVENUE AND EXPENSE		64,646	84,051	12,266	49,480	16,820
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The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2025

Statement of financial position		Council	Council	Council	Group	Group
\$000s	Notes	Council 2025	Council Budget	Council 2024	Group 2025	Group 2024
CURRENT ASSETS						
Cash and cash equivalents	7	18,387	2,455	13,604	18,497	13,659
Trade and other receivables	8	16,054	18,180	17,139	33,052	34,397
Investment property inventories	13	-	-	-	14,908	13,966
Other financial assets	15	29,892	29,181	27,284	29,892	27,284
Current related party receivable	16	57,102	-	38,480	-	-
Property held for sale	17	-	-	3,350	-	19,145
Other financial instruments	24	-	-	-	870	1,626
Other current assets		1,281	1,433	1,559	4,154	5,366
Borrower notes	22	125	-	-	608	-
TOTAL CURRENT ASSETS		122,841	51,249	101,416	102,464	115,443
NON-CURRENT ASSETS						
Shares in subsidiary	16	788,120	780,239	732,720	-	-
Property, plant and equipment	11	104,523	109,835	96,011	374,128	342,426
Intangible assets	14	157	2,025	558	3,792	4,659
Investment in joint venture		-	-	-	6,986	-
Non current related party receivable	16	92,832	150,088	75,198	-	-
Investment property	12	17,000	17,134	16,850	678,820	624,064
Other financial instruments	24	-	-	-	574	1,310
Borrower notes	22	500	500	500	3,742	2,588
TOTAL NON-CURRENT ASSETS		1,003,132	1,059,821	921,837	1,068,042	975,047
TOTAL ASSETS		1,125,973	1,111,070	1,023,253	1,170,506	1,090,490

Statement of Financial Position as at 30 June 2025

Statement of financial position		Council	Council	Council	Group	Group
\$000s	Notes	Council 2025	Council Budget	Council 2024	Group 2025	Group 2024
CURRENT LIABILITIES						
Trade and other payables	9	20,638	22,594	20,280	40,186	35,140
Borrowings	22	67,288	69,878	48,359	71,362	65,084
Employee entitlements	10	4,623	2,716	3,293	12,041	10,855
Other financial instruments	24	154	-	-	1,212	-
Tax payable		-	-	-	2,936	6,229
TOTAL CURRENT LIABILITIES		92,703	95,188	71,932	127,737	117,308
NON-CURRENT LIABILITIES						
Employee entitlements	10	-	-	-	1,116	1,014
Borrowings	22	107,832	110,438	90,528	117,832	100,528
Deferred tax liabilities	34	-	-	-	27,261	25,634
Other financial instruments	24	-	-	-	1,676	600
TOTAL NON-CURRENT LIABILITIES		107,832	110,438	90,528	147,885	127,776
TOTAL LIABILITIES		200,535	205,626	162,460	275,622	245,084
NET ASSETS		925,438	905,444	860,793	894,884	845,406
EQUITY						
Reserves	19	811,316	120,576	758,326	446,390	441,971
Public equity	20	114,122	784,868	102,467	448,494	403,435
TOTAL EQUITY		925,438	905,444	860,793	894,884	845,406

Statement of Changes in Net Assets/Equity for the year ended 30 June 2025

	TOTAL COUNCIL 2025					
	Opening Balance 1 July 2024	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2025	Council Budget
\$000s						
EQUITY						
General Rate Equity	59,586	9,246	96,365	(95,972)	69,225	80,514
Targeted Rate Equity	42,881	-	88,443	(86,426)	44,898	40,062
TOTAL PUBLIC EQUITY	102,467	9,246	184,807	(182,398)	114,123	120,576
RESERVES						
Asset Replacement Reserve	3,329	-	7,101	(2,318)	8,112	(1,705)
Asset Revaluation Reserve	15,880	-	150	-	16,029	15,069
Port Share Revaluation Reserve	712,720	55,400	-	-	768,120	760,239
Building Reserve	14,305	-	301	(7,090)	7,516	-
Emergency Response Reserve	4,801	-	124	-	4,925	4,869
Water Management Reserve	-	-	-	-	-	-
Kuriwao Endowment Reserve	7,291	-	205	(882)	6,614	6,396
Environmental Enhancement Reserve	-	-	-	-	-	-
TOTAL RESERVES	758,326	55,400	7,879	(10,290)	811,316	784,868
TOTAL EQUITY AND RESERVES	860,793	64,646	192,687	(192,688)	925,438	905,444

	TOTAL GROUP 2025				
	Opening Balance 1 July 2024	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2025
\$000s					
EQUITY					
General Rate Equity	360,553	51,235	96,365	(104,555)	403,598
Targeted Rate Equity	42,881	-	88,443	(86,426)	44,898
TOTAL PUBLIC EQUITY	403,434	51,235	184,807	(190,981)	448,494
RESERVES					
Asset Replacement Reserve	3,329	-	7,101	(2,318)	8,112
Asset Revaluation Reserve	411,203	-	33,124	(24,390)	419,937
Building Reserve	14,305	-	301	(7,090)	7,515
Emergency Response Reserve	4,801	-	124	-	4,925
Hedging Reserve	1,042	(1,755)	-	-	(713)
Water Management Reserve	-	-	-	-	-
Kuriwao Endowment Reserve	7,291	-	205	(882)	6,614
Environmental Enhancement Reserve	-	-	-	-	-
TOTAL RESERVES	441,971	(1,755)	40,854	(34,680)	446,390
TOTAL EQUITY AND RESERVES	845,405	49,480	225,661	(225,661)	894,884

The accompanying notes form part of these financial statements.

Statement of Changes in Net Assets/Equity for the year ended 30 June 2024

TOTAL COUNCIL 2024						
	Opening Balance 1 July 2023	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2024	Council Budget
\$000s						
EQUITY						
General Rate Equity	59,271	3,436	74,353	(77,473)	59,586	78,607
Targeted Rate Equity	41,263	-	71,656	(70,038)	42,881	42,913
TOTAL PUBLIC EQUITY	100,534	3,436	146,009	(147,511)	102,467	121,520
RESERVES						
Asset Replacement Reserve	2,899	-	3,576	(3,146)	3,329	754
Asset Revaluation Reserve	14,730	-	1,150	-	15,880	14,749
Port Share Revaluation Reserve	703,890	8,830	-	-	712,720	637,796
Building Reserve	14,082	-	362	(139)	14,305	1,938
Emergency Response Reserve	4,680	-	121	-	4,801	4,611
Kuriwao Endowment Reserve	7,228	-	546	(483)	7,291	6,258
Environmental Enhancement Reserve	13	-	304	(317)	-	9
TOTAL RESERVES	747,994	8,830	6,070	(4,568)	758,326	666,120
TOTAL EQUITY AND RESERVES	848,528	12,266	152,079	(152,079)	860,793	787,640

TOTAL GROUP 2024					
	Opening Balance 1 July 2023	Other Comp. Revenue and Expense	Transfers In	Transfers Out	Closing Balance 30 June 2024
\$000s					
EQUITY					
General Rate Equity	336,955	17,893	74,353	(68,648)	360,553
Targeted Rate Equity	41,264	-	71,656	(70,038)	42,882
TOTAL PUBLIC EQUITY	378,219	17,893	146,009	(138,686)	403,435
RESERVES					
Asset Replacement Reserve	2,899	-	3,576	(3,146)	3,329
Asset Revaluation Reserve	418,878	-	5,541	(13,216)	411,203
Building Reserve	14,082	-	362	(139)	14,305
Emergency Response Reserve	4,680	-	121	-	4,801
Hedging Reserve	2,115	(1,073)	-	-	1,042
Water Management Reserve	472	-	11	(483)	-
Kuriwao Endowment Reserve	7,228	-	546	(483)	7,291
Environmental Enhancement Reserve	13	-	304	(317)	-
TOTAL RESERVES	450,367	(1,073)	10,461	(17,784)	441,971
TOTAL EQUITY AND RESERVES	828,586	16,820	156,470	(156,470)	845,406

The accompanying notes form part of these financial statements.

Cash Flow Statement for the year ended 30 June 2025

\$000s	Council 2025	Council Budget	Council 2024	Group 2025	Group 2024
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from exchange transactions					
Receipts from customers	70,789	64,893	55,810	157,032	147,010
Grant income and subsidies	26,331	21,991	30,401	26,331	30,401
Other receipts	9,940	10,856	12,318	9,940	12,318
Receipts from non-exchange transactions					
Interest and investment income	8,271	9,765	9,743	8,271	9,743
Rental income	997	-	893	41,785	39,563
Dividends	18,000	18,000	16,000	-	-
Other receipts	1,042	3,649	3,980	1,042	3,980
Payments to suppliers and employees	(119,382)	(118,334)	(116,224)	(194,920)	(187,663)
Interest and other costs of finance paid	(7,987)	(9,424)	(9,274)	(13,256)	(14,860)
Income tax received / (paid)	-	-	-	(11,543)	(8,697)
Donations	(350)	-	(350)	(350)	(350)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	7,651	1,396	3,297	24,332	31,445
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest capitalised	-	-	-	(1,870)	(1,122)
Proceeds from the sale of Property, Plant and Equipment	5,838	500	1,737	16,078	1,748
Proceeds from the sale of Intangibles	150	-	-	150	-
Proceeds from sale of held for sale asset	3,350	-	-	3,350	-
Insurance proceeds	-	-	-	602	841
Sale of investment property	-	-	1,095	32,604	19,736
Advance to joint venture	-	-	-	(7,355)	-
Proceeds from other financial assets	90	(750)	(1,114)	90	(1,114)
Purchase of improvements to investment property	-	-	-	(30,436)	(24,956)
Purchase of Property, Plant and Equipment	(11,982)	(17,643)	(6,073)	(53,878)	(27,411)
Purchase of intangible assets	(166)	(1,350)	(149)	(166)	(149)
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	(2,720)	(19,243)	(4,504)	(40,831)	(32,427)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	36,233	5,000	(11,429)	57,147	7,981
Lending to Port Otago Ltd	(36,381)	-	11,410	-	-
Repayment of borrowings	-	-	-	(35,810)	(8,225)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(148)	5,000	(19)	21,337	(244)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	4,783	(12,847)	(1,226)	4,838	(1,226)
CASH AND CASH EQUIVALENTS AS AT 1 JULY 2024	13,604	15,303	14,830	13,659	14,885
CASH AND CASH EQUIVALENTS AS AT 30 JUNE 2025	18,387	2,456	13,604	18,497	13,659

Reconciliation of Surplus to Net Cash Flows from Operating Activities

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
SURPLUS / (DEFICIT) FOR THE YEAR	9,246	3,436	51,235	17,893
ADD / (LESS) NON-CASH ITEMS				
Depreciation and amortisation	3,853	4,024	17,121	17,208
(Gain) / loss on sale of property, plant and equipment	(4,703)	(198)	(10,884)	(3,008)
Provision for doubtful debts and bad debts written off	44	101	44	101
(Gain) / loss on revaluation of investment property	(150)	(1,150)	(33,124)	(5,541)
Net change in fair value of derivative financial instruments	155	-	1,343	639
Net change in fair value of financial instruments	(1,782)	(1,147)	(1,782)	(1,147)
Proceeds from sale of investment property	-	(1,095)	-	-
Share of surpluses retained by joint ventures	-	-	369	-
Unrealised foreign currency (gains) losses	-	-	-	(23)
Movement in non-current employee entitlements	-	-	102	153
Deferred tax	-	-	2,309	6,578
	6,663	3,971	26,733	32,853
Add/(less) items classified as investing or financing activities	(2,060)	135	(7,893)	(4,813)
Add/(less) movements in working capital items	3,048	(809)	5,493	3,405
	988	(674)	(2,400)	(1,408)
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	7,651	3,297	24,333	31,445

Reconciliation of Surplus to Net Cash Flows from Financing Activities

Reconciliation of Surplus for the year to Net Cash Flows from Financing Activities				
\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BORROWING				
Opening Balance	138,887	138,906	165,612	165,856
Proceeds from borrowings	36,233	-	57,147	7,981
Lending to Port Otago Ltd	(36,381)	11,410	-	-
Repayment of borrowings	-	(11,429)	(35,810)	(8,225)
Interest bearing liabilities balance as at 30 June	175,120	138,887	186,949	165,612

Notes to the Financial Statements

Blue Lake St Bathans

Basis of Reporting

This section contains the significant accounting policies of the Otago Regional Council that relate to the financial statements as a whole. Significant accounting policies relating to specific account balances are also included in the related note disclosures.

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. The principal activities of the Group entities are described in Note 16. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes.

The Financial Statements of Council are for the year ended 30 June 2025 and were authorised for issue by Council on 24 September 2025.

Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 (Financial reporting and Prudence) Regulations 2014 (LG(FRP)R), which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements comply with Public Benefit Entity Public Sector (PBE (PS)) standards. The financial statements have been prepared in accordance with Tier 1 PBE standards.

Basis of Preparation

The financial statements have been prepared on a going concern basis.

The financial statements are presented in thousands of New Zealand dollars. New Zealand dollars are the Council's and Group's functional currency.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the surplus/(deficit) in the period in which they arise.

The financial statements are stated exclusive of GST, except for receivables and payables in the Statement of Financial Position which are recognised inclusive of GST. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows in the Cash Flow Statement.

The budget amounts in these financial statements are for Council only and are those approved by the Council in the Long-Term Plan / Annual Plan and have been prepared using accounting policies that are consistent with those adopted by the Council for the preparation of the financial statements.

Adoption of New and Revised Standard and Interpretations

All mandatory new or amended accounting standards and interpretations were adopted in the current year. None had a significant impact on these financial statements.

Standards and interpretations issued and not yet adopted

PBE Standard interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period 30 June 2025 are outlined below:

- PBE IFRS 17 Insurance Contracts; effective for periods beginning on or after 1 January 2026.

Council expects to adopt the above standard in the period in which it becomes mandatory. Council anticipates that the above standard is not expected to have a material impact on the financial statements in the period of initial application; however, a detailed assessment has yet to be performed.

Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council entity and its controlled entities as defined in PBE IPSAS 35 Consolidated Financial Statements. A list of controlled entities appears in Note 16 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements incorporate the financial statements of the Council and entities controlled by the Council and its subsidiaries. Control is achieved when the Council:

- Has power over the other entity
- Has exposure, or rights, to variable benefits from its involvement with the other entity
- Has the ability to use its power over the other entity to affect the nature or amount of the benefits from its involvement with the other entity

The Group financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Council and its subsidiaries as defined by PBE IPSAS 35: Consolidated Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a controlled entity are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Council obtains control and until such time as the Council ceases to control the entity.

In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the Group, are eliminated in full.

Accounting Policies

Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements, are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

Critical Estimates, Assumptions and Judgements

In preparing these financial statements the Council has made estimates, assumptions and judgements concerning the future. These estimates, assumptions and judgements may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

- Estimate of Fair Value of Investment Property – refer to Note 12
- Estimate of Fair Value of Shares in Subsidiary – refer to Note 16
- Property, Plant and Equipment – refer to Note 11
- Classification of Property – refer to Note 11

The Group makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results and are continually being evaluated based on historical experience and other factors, including expectations of future events that are expected to be reasonable under the circumstances. There are no estimates or assumptions in the view of Council that have a risk of causing a significant adjustment to the carrying amounts of assets or liabilities within the next financial year.

Further information about significant areas of estimation uncertainty that have the most significant effect on the amount recognised in the financial statements is disclosed in the relevant notes:

- Fair value measurements of property portfolio assets refer to Note 12
- Property, plant and equipment refer to Note 11



Notes to the Financial Statements:

Results for the Year

This section focuses on the financial performance of the Otago Regional Council and Group during the year. It outlines significant accounting policies adopted in the recognition of revenue and expenditure and provides detail about rates and other revenue, as well as significant expenditure such as employee benefits, goods and services purchased, depreciation, amortisation, and other costs.

The notes in this section are as follows:

- 1. Revenue**
- 2. Employee Benefits Expense**
- 3. Schedule of Depreciation and Amortisation**
- 4. Other Expenses**
- 5. Other Gains / (Losses)**
- 6. Income Taxes**

1. Revenue

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.

Revenue from non-exchange Transactions

TYPE	RECOGNITION AND MEASUREMENT
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.

Revenue from exchange Transactions

TYPE	RECOGNITION AND MEASUREMENT
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 application 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 licenses and enforcement work.

Other Revenue

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Revenue from exchange transactions				
Port Revenue	-	-	99,586	102,847
Consents and regulatory fees	4,269	2,767	4,233	1,453
Investment property rental income	997	934	33,647	31,087
Other property rental income	1,327	194	1,326	194
	6,593	3,895	138,792	135,581
Revenue from non-exchange transactions				
Consents and regulatory fees	164	1,866	164	1,866
Other activity fees and charges	9,776	10,452	9,776	10,452
	9,940	12,318	9,940	12,318

Rates Revenue

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Rate revenue:				
General rates	29,181	28,244	29,147	28,203
Targeted rates	35,925	27,571	35,798	27,462
	65,106	55,815	64,945	55,665

2. Employee Benefits Expense

Employee entitlements for salaries and wages, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Employee benefits expense:				
Salaries and wages	38,221	32,162	85,909	76,032
Defined Contribution Plans	1,638	1,372	1,638	1,372
Termination payments	299	15	299	15
	40,158	33,549	87,846	77,419

3. Schedule of Depreciation and Amortisation

Depreciation is provided on all property, plant and equipment except for land, endowment land, capital work in progress, floodbanks, protection works, drains and culverts. Depreciation is calculated to write down the cost or revalued amount of the assets on a straight-line basis over their useful economic lives.

Amortisation is provided on intangible assets, except rights to acquire, and is calculated to write down the cost of the assets on a straight-line basis over their useful economic lives.

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Depreciation and Amortisation				
Depreciation of property plant and equipment	3,436	3,612	16,167	15,460
Amortisation of intangible assets	417	411	954	922
	3,853	4,023	17,121	16,382

Depreciation and Amortisation by Activity (Council Only)

As required by the Local Government (Financial Reporting and Prudence) Regulations 2014, the Council's depreciation and amortisation by group of activities is as follows:

\$000s	Actual 2024/25	Budget 2024/25	Actual 2023/24	Budget 2023/24
Depreciation and Amortisation				
Environment	434	391	429	440
Regional Leadership	268	131	172	182
Climate Change and Resilience *	902	916	967	1,001
Transport	714	673	749	724
Corporate	1,535	1,191	1,706	1,863
	3,853	3,302	4,023	4,210

* Climate Change and Resilience activity group was renamed in 2024- 2025. In the 2023 - 2024 financial year this was call Safety and Resilience.

4. Other Expenses

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Other expenses				
Net bad and doubtful debts	-	80	-	80
Donations	350	350	932	801
Company Directors' remuneration	-	-	622	536
Minimum lease payments	769	707	1,183	1,220
Fuel and Electricity	684	591	5,082	5,508
Purchased materials and services	75,904	78,380	103,141	100,734
Other	2,813	171	2,813	171
	80,519	80,279	113,773	109,050

Remuneration of Auditors

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Audit fees for financial statements audit	247	193	247	193
Audit fees for 2024 - 2034 Long Term Plan	-	87	-	87
Other Services- Internal review	98	-	98	-
Other services - Debenture Trust Reporting	6	6	6	6
	351	286	351	286
Audit fees to other auditors for audit of financial statements of group entities	-	-	249	190
Audit fees to other auditors for other services to group activities	-	-	-	14
	-	-	249	204
	351	286	600	490

The auditor for an on behalf of the Controller and Auditor-General, of the Otago Regional Council, is Deloitte Limited, and of the Port Otago Limited Group is Ernst and Young.

5. Other Gains / (Losses)

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

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Other Gains / (Losses)				
Gain / (loss) on revaluation of investment property	150	1,150	33,124	5,541
Gain / (loss) on disposal of property, plant and equipment	4,703	198	10,884	3,007
Net change in fair value of financial assets carried at fair value through the profit and loss	1,782	1,147	1,782	1,147
Fair value change in forward start interest rate swaps	(155)	-	(1,343)	(639)
	6,480	2,495	44,447	9,056
GAINS	6,634	2,495	45,790	9,695
LOSSES	(154)	-	(1,343)	(639)

6. Income Taxes

Income Tax Recognised in Statement of Comprehensive Revenue and Expense

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
INCOME TAX (EXPENSE) / BENEFIT COMPRISES:				
Current year - current tax	-	-	(8,249)	(10,212)
Current year - deferred tax	-	-	(2,310)	(6,578)
INCOME TAX (EXPENSE) / BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	-	-	(10,559)	(16,790)
The prima facie income tax expense on pre-tax accounting surplus reconciles to the income tax expense in the financial statements as follows:				
Surplus / (Deficit) before income tax	9,246	3,436	61,793	34,683
	9,246	3,436	34,683	34,683
Income tax expense (credit) calculated at 28%	2,589	962	17,302	9,711
Non-deductible expenses	37,105	33,934	38,365	33,969
Non-assessable income	(34,654)	(30,416)	(37,570)	(31,440)
Unrealised change in investment property	-	-	(7,414)	(1,078)
Deferred tax expense relating to the origination and reversal of temporary differences	-	-	5	(386)
Tax loss not previously recognised	-	-	-	6,339
Prior period adjustment	-	-	(129)	(325)
Imputation credits utilised	(5,040)	(4,480)	-	-
	-	-	10,559	16,790

The tax expense represents the sum of the tax currently payable and deferred tax, except to the extent that it relates to items recognised directly in equity, in which case the tax expense is also recognised in equity.

Current tax payable is based on taxable profit for the period. Taxable profit differs from net surplus/(deficit) before tax, as reported in the Statement of Comprehensive Revenue and Expense, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Council's and Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Imputation Credit Account Balances

\$000s	Group 2025	Group 2024
BALANCE AT END OF YEAR	73,986	62,292

Notes to the Financial Statements:

Working Capital

Shotover River, Central Otago

This section provides information about the operating assets and liabilities available for the Otago Regional Council and Group's day-to-day activities.

The notes in this section are as follows:

- 7. Cash and Cash Equivalents**
- 8. Trade and Other Receivables**
- 9. Trade and Other Payables**
- 10. Employee Entitlements**

7. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank and deposits in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statements are reconciled to the related items in the Statement of Financial Position as follows:

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
CASH AND CASH EQUIVALENTS:				
Cash at bank and on hand	18,387	13,604	18,497	13,659
Term deposits with maturities less than 3 months		-	-	-
	18,387	13,604	18,497	13,659

8. Trade and Other Receivables

Trade and other receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and Group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivable have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment.

Rates are "written off"

- When remitted in accordance with the Council's rates remission policy and
- In accordance with the write-off criteria of sections 90A (where rates cannot be reasonable recovered) and 90B (in relation to Maori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than two years overdue.

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS				
Trade receivables	5,679	656	22,677	17,914
Expected credit loss allowance	-	-	-	-
	5,679	656	22,677	17,914
Sundry accruals	-	-	-	-
Goods and Services Tax receivable	1,052	1,521	1,052	1,521
	6,731	2,177	23,729	19,435
TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS				
Trade receivables	8,373	14,338	8,373	14,338
Expected credit loss allowance	(189)	(234)	(189)	(234)
	8,184	14,104	8,184	14,104
Accrued income	1,139	858	1,139	858
	9,323	14,962	9,323	14,962
TOTAL	16,054	17,139	33,052	34,397

(i) Trade receivables are non-interest bearing and generally on monthly terms.

The Chief Executive approved the write off rates receivables during the year under Local Government (Rating) Act 2022 as follows:

Section 90 A Nil (2024: Nil)

Section 90 B Nil (2024: Nil)

9. Trade and Other Payables

Trade payables and other accounts payable are recognised when the Council and Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest method.

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Trade payables for Exchange transactions	11,369	11,436	30,913	26,292
Other accrued charges	9,269	8,844	9,273	8,848
	20,638	20,280	40,186	35,140

(i) The average credit period on purchases is 30 days.

10. Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Council and Group in respect of services provided by employees up to reporting date.

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Accrued salary and wages	1,527	665	3,335	3,066
Annual leave	3,096	2,617	8,527	7,645
Long service leave	-	-	1,085	983
Retiring allowances	-	11	31	41
Sick leave	-	-	179	134
	4,623	3,293	13,157	11,869
Disclosed in the financial statements as:				
Current	4,623	3,293	12,041	10,855
Non-current	-	-	1,116	1,014
	4,623	3,293	13,157	11,869

Notes to the Financial Statements:

Investments and Long-Term Assets

Poolburn, Central Otago

This section provides information about the investments the Otago Regional Council and Group have made in investments and long-term assets.

The notes in this section are as follows:

- 11. Property, Plant and Equipment**
- 12. Investment Property**
- 13. Investment Property Inventories**
- 14. Intangible Assets**
- 15. Other Financial Assets**
- 16. Shares in Subsidiary and Dividend Income**
- 17. Property Held for Sale**
- 18. Joint Operations**

11. Property, Plant and Equipment

COUNCIL 2025

\$000s	Cost 01 July 2024	Additions	Disposals	Transfers	Reclass	Cost 30 June 2025
COUNCIL OPERATIONAL ASSETS						
Land	9,200	-	-	-	-	9,200
Endowment Land	250	-	-	-	-	250
Buildings	7,868	3	-	-	-	7,871
Plant and Vehicles	13,775	2,201	(503)	-	-	15,473
Capital Work-in-Progress	806	7,747	-	-	-	8,553
TOTAL OPERATIONAL ASSETS	31,899	9,951	(503)	-	-	41,347
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	31,731	-	-	-	-	31,731
Protection Works	9,741	-	-	-	-	9,741
Structures	41,392	853	-	-	-	42,245
Drains	3,769	-	-	-	-	3,769
Bridges	2,920	5	(1)	-	-	2,924
Culverts	2,165	-	-	-	-	2,165
Transport Infrastructure & Hardware	5,638	-	-	-	-	5,638
Capital Work-in-Progress	2,986	1,174	-	-	-	4,160
TOTAL INFRASTRUCTURAL ASSETS	100,343	2,032	(1)	-	-	102,373
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	132,242	11,982	(504)	-	-	143,720

COUNCIL 2025

\$000s	Accumulated Depreciation and Impairment Charges 01 July 2024	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Reclass	Accumulated Depreciation and Impairment Charges 30 June 2025	Book Value 30 June 2025
COUNCIL OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	250
Buildings	(3,193)	-	(182)	-	-	(3,375)	4,496
Plant and Vehicles	(6,619)	-	(1,720)	468	-	(7,871)	7,602
Capital Work-in-Progress	-	-	-	-	-	-	8,553
TOTAL OPERATIONAL ASSETS	(9,812)	-	(1,902)	468	-	(11,246)	30,101
COUNCIL INFRASTRUCTURAL ASSETS							
Floodbanks	(1,000)	-	-	-	-	(1,000)	30,731
Protection Works	-	-	-	-	-	-	9,741
Structures	(20,986)	-	(764)	-	-	(21,750)	20,495
Drains	-	-	-	-	-	-	3,769
Bridges	(1,113)	-	(72)	-	-	(1,184)	1,740
Culverts	-	-	-	-	-	-	2,165
Transport Infrastructure & Hardware	(3,320)	-	(697)	-	-	(4,017)	1,621
Capital Work-in-Progress	-	-	-	-	-	-	4,160
TOTAL INFRASTRUCTURAL ASSETS	(26,419)	-	(1,533)	-	-	(27,951)	74,422
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	(36,230)	-	(3,435)	468	-	(39,197)	104,523

COUNCIL 2024

\$000s	Cost 01 July 2023	Additions	Disposals	Transfers	Reclass	Cost 30 June 2024
COUNCIL OPERATIONAL ASSETS						
Land	9,200	-	-	-	-	9,200
Endowment Land	485	-	(235)	-	-	250
Buildings	7,702	150	(3)	19	-	7,868
Plant and Vehicles	13,211	2,413	(2,012)	163	-	13,775
Capital Work-in-Progress	467	520	-	(181)	-	806
TOTAL OPERATIONAL ASSETS	31,065	3,083	(2,249)	-	-	31,899
COUNCIL INFRASTRUCTURAL ASSETS						
Floodbanks	28,494	4	(107)	1,134	2,205	31,731
Protection Works	9,741	-	-	-	-	9,741
Structures	43,479	23	-	95	(2,205)	41,392
Drains	3,760	-	-	9	-	3,769
Bridges	1,455	1,085	(145)	525	-	2,920
Culverts	2,112	54	-	-	-	2,165
Transport Infrastructure & Hardware	5,235	426	(23)	-	-	5,638
Capital Work-in-Progress	3,350	1,399	-	(1,763)	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	97,627	2,990	(274)	-	-	100,343
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	128,692	6,073	(2,523)	-	-	132,242

COUNCIL 2024

\$000s	Accumulated Depreciation and Impairment Charges 01 July 2023	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Reclass	Accumulated Depreciation and Impairment Charges 30 June 2024	Book Value 30 June 2024
COUNCIL OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	250
Buildings	(2,919)	-	(275)	1	-	(3,193)	4,675
Plant and Vehicles	(6,940)	-	(1,630)	1,951	-	(6,619)	7,156
Capital Work-in-Progress	-	-	-	-	-	-	806
TOTAL OPERATIONAL ASSETS	(9,859)	-	(1,905)	1,952	-	(9,812)	22,087
COUNCIL INFRASTRUCTURAL ASSETS							
Floodbanks	(44)	-	-	-	(956)	(1,000)	30,731
Protection Works	-	-	-	-	-	-	9,741
Structures	(21,011)	-	(931)	-	956	(20,986)	20,406
Drains	-	-	-	-	-	-	3,769
Bridges	(1,172)	-	(46)	105	-	(1,113)	1,808
Culverts	-	-	-	-	-	-	2,165
Transport Infrastructure & Hardware	(2,612)	-	(731)	23	-	(3,320)	2,318
Capital Work-in-Progress	-	-	-	-	-	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	(24,839)	-	(1,707)	127	-	(26,419)	73,924
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	(34,698)	-	(3,612)	2,079	-	(36,230)	96,011

Council infrastructural assets represent Flood Protection and Control Works as defined in the Local Government (Financial Reporting and Prudence) Regulations 2014. All infrastructure assets acquired during the year were constructed by Council.

GROUP 2025

\$000s	Cost 01 July 2024	Additions	Disposals	Transfers	Reclass to intangible	Cost 30 June 2025
OPERATIONAL ASSETS						
Land	9,200	-	-	-	-	9,200
Endowment Land	250	-	-	-	-	250
Buildings	7,867	3	-	-	-	7,870
Plant and Vehicles	13,775	2,201	(503)	-	-	15,473
Capital Work-in-Progress	806	7,747	-	-	-	8,553
Land- Port	39,582	-	(5,108)	3,614	-	38,088
Buildings and improvements- Port	112,971	-	(59)	7,262	-	120,174
Wharves and berths dredging- Port	101,742	-	-	294	-	102,036
Plant, Equipment and vehicles- Port	130,012	-	(10,733)	6,055	-	125,334
Capital work in progress- Port	9,105	44,415	-	(17,225)	(70)	36,225
TOTAL OPERATIONAL ASSETS	425,310	54,366	(16,403)	-	(70)	463,203
INFRASTRUCTURAL ASSETS						
Floodbanks	31,731	-	-	-	-	31,731
Protection Works	9,741	-	-	-	-	9,741
Structures	41,392	853	-	-	-	42,245
Drains	3,769	-	-	-	-	3,769
Bridges	2,920	5	(1)	-	-	2,924
Culverts	2,165	-	-	-	-	2,165
Transport Infrastructure & Hardware	5,638	-	-	-	-	5,638
Capital Work-in-Progress	2,986	1,174	-	-	-	4,160
TOTAL INFRASTRUCTURAL ASSETS	100,343	2,032	(1)	-	-	102,373
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	525,653	56,397	(16,404)	-	(70)	565,576

GROUP 2025

	Accumulated Depreciation and Impairment Charges 01 July 2024	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Reclass	Accumulated Depreciation and Impairment Charges 30 June 2025	Book Value 30 June 2025
\$000s							
OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	250
Buildings	(3,193)	-	(182)	-	-	(3,375)	4,495
Plant and Vehicles	(6,619)	-	(1,720)	468	-	(7,871)	7,602
Capital Work-in-Progress	-	-	-	-	-	-	8,553
Land- Port	-	-	-	-	-	-	38,088
Buildings and improvements- Port	(36,570)	-	(4,441)	57	-	(40,954)	79,220
Wharves and berths dredging- Port	(32,827)	-	(1,715)	-	-	(34,542)	67,494
Plant, Equipment and vehicles- Port	(77,598)	-	(6,576)	7,419	-	(76,755)	48,579
Capital work in progress- Port	-	-	-	-	-	-	36,225
TOTAL OPERATIONAL ASSETS	(156,807)	-	(14,634)	7,944	-	(163,497)	299,706
INFRASTRUCTURAL ASSETS							
Floodbanks	(1,000)	-	-	-	-	(1,000)	30,731
Protection Works	-	-	-	-	-	-	9,741
Structures	(20,986)	-	(764)	-	-	(21,750)	20,495
Drains	-	-	-	-	-	-	3,769
Bridges	(1,113)	-	(72)	-	-	(1,184)	1,740
Culverts	-	-	-	-	-	-	2,165
Transport Infrastructure & Hardware	(3,320)	-	(697)	-	-	(4,017)	1,621
Capital Work-in-Progress	-	-	-	-	-	-	4,160
TOTAL INFRASTRUCTURAL ASSETS	(26,419)	-	(1,533)	-	-	(27,951)	74,422
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	(183,226)	-	(16,167)	7,944	-	(191,448)	374,128

GROUP 2024

\$000s	Cost 01 July 2023	Additions	Disposals	Transfers	Reclass	Cost 30 June 2024
OPERATIONAL ASSETS						
Land	9,200	-	-	-	-	9,200
Endowment Land	485	-	(235)	-	-	250
Buildings	7,701	150	(3)	19	-	7,867
Plant and Vehicles	13,211	2,413	(2,012)	163	-	13,775
Capital Work-in-Progress	467	520	-	(181)	-	806
Land- Port	39,590		(8)			39,582
Buildings and improvements- Port	94,349	-	(1,835)	20,457		112,971
Wharves and berths dredging- Port	91,473	-		10,269		101,742
Plant, Equipment and vehicles- Port	124,144	-	(1,889)	7,757		130,012
Capital work in progress- Port	27,240	20,755		(38,483)	(407)	9,105
TOTAL OPERATIONAL ASSETS	407,860	23,838	(5,981)	-	(407)	425,310
INFRASTRUCTURAL ASSETS						
Floodbanks	28,494	4	(107)	1,134	2,205	31,730
Protection Works	9,741	-	-	-	-	9,741
Structures	43,479	23	-	95	(2,205)	41,392
Drains	3,760	-	-	9	-	3,769
Bridges	1,455	1,085	(145)	525	-	2,920
Culverts	2,112	54	-	-	-	2,166
Transport Infrastructure & Hardware	5,235	426	(23)	-	-	5,638
Capital Work-in-Progress	3,350	1,399	-	(1,763)	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	97,626	2,990	(274)	-	-	100,342
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	505,486	26,828	(6,255)	-	(407)	525,652

GROUP 2024

\$000s	Accumulated Depreciation and Impairment Charges 01 July 2023	Impairment Charges	Depreciation Expense	Accumulated Depreciation Reversed on Disposal	Reclass	Accumulated Depreciation and Impairment Charges 30 June 2024	Book Value 30 June 2024
OPERATIONAL ASSETS							
Land	-	-	-	-	-	-	9,200
Endowment Land	-	-	-	-	-	-	250
Buildings	(2,919)	-	(275)	1	-	(3,193)	4,675
Plant and Vehicles	(6,940)	-	(1,630)	1,951	-	(6,619)	7,155
Capital Work-in-Progress	-	-	-	-	-	-	806
Land- Port	-	-	-	-	-	-	39,582
Buildings and improvements- Port	(34,710)	-	(3,683)	1,823	-	(36,570)	76,401
Wharves and berths dredging- Port	(30,849)	-	(1,978)	-	-	(32,827)	68,915
Plant, Equipment and vehicles- Port	(72,749)	876	(6,187)	462	-	(77,598)	52,414
Capital work in progress- Port	-	-	-	-	-	-	9,105
TOTAL OPERATIONAL ASSETS	(148,167)	876	(13,753)	4,237	-	(156,807)	268,503
INFRASTRUCTURAL ASSETS							
Floodbanks	(44)	-	-	-	(956)	(1,000)	30,731
Protection Works	-	-	-	-	-	-	9,741
Structures	(21,011)	-	(931)	-	956	(20,986)	20,406
Drains	-	-	-	-	-	-	3,769
Bridges	(1,172)	-	(46)	105	-	(1,113)	1,807
Culverts	-	-	-	-	-	-	2,166
Transport Infrastructure & Hardware	(2,612)	-	(731)	23	-	(3,320)	2,318
Capital Work-in-Progress	-	-	-	-	-	-	2,986
TOTAL INFRASTRUCTURAL ASSETS	(24,839)	-	(1,707)	127	-	(26,419)	73,923
TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT	(173,006)	876	(15,460)	4,364	-	(183,226)	342,426

Property, plant and equipment consists of:
Operational Assets

Operational assets include:

- Council-owned land, endowment land, buildings, and plant and vehicles
- Port owned land, buildings and improvements, wharves and berths dredging, and plant, equipment and vehicles.

Infrastructure Assets

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

Transport infrastructure assets and hardware deliver benefits to the transport bus network in Whakatipu and Dunedin.

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.

1 COST

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

Other property, plant and equipment is 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.

2 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 floodbanks, 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:

Operational Assets	Life
Buildings- Council	10- 50 years
Plant and vehicles- Council	3 -20 years
Buildings and improvements- Port	10- 50 years
Wharves- Port	15- 70 years
Vessels and floating plant- Port	5 -30 years
Plant, equipment and vehicles- Port	3 - 30 years

Infrastructural Assets	Life
Floodbanks	Unlimited
Protection works	Unlimited
Drains	Unlimited
Culverts	Unlimited
Structures	8- 100 years
Bridges	33- 100 years
Transport infrastrucutre and hardware	5 -15 years

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

3 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.

Critical Judgements and Assumptions

1 COUNCIL AND GROUP

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.

2 GROUP ONLY

Port Otago Limited owns a number of properties that are classified and accounted for as property, plant and equipment rather than investment property if the property is held to meet the strategic purposes of the port, or to form part of buffer zones to port activity, or to assist the provision of port services, or to promote or encourage the import or export of goods through the port.

IMPAIRMENT

At each reporting date, the Council and Group reviews the carrying amounts of its tangible and 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 and Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss is recognised in the surplus or deficit whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount.

Useful Lives and Residual Values

At each balance date, the Group reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful lives and residual value estimates of property, plant and equipment requires the Group to consider a number of factors, such as the physical condition of the asset, expected period of use of the asset by the Group, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus/(deficit), and carrying amount of the asset in the Statement of Financial Position. The Group minimises the risk of this estimation uncertainty by physical inspection of assets, asset replacement programmes and analysis of prior asset sales. The Group has not made significant changes to past assumptions concerning useful lives and residual values.

12. Investment Property

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BALANCE AT BEGINNING OF YEAR	16,850	16,795	624,064	621,709
Subsequent capital expenditure	-	-	29,602	22,000
Sale of investment property/ disposals	-	(1,095)	(9,315)	(14,770)
Interest capitalised	-	-	1,722	1,122
Net movement in incentives	-	-	(377)	(189)
Net movement in prepaid leasing costs	-	-	-	-
Transfer to investment property inventories	-	-	-	4,446
Transfer to non-current assets held for sale	-	-	-	(15,795)
Transfer from investment property inventories	-	-	-	-
Net gain / (loss) from fair value adjustments	150	1,150	33,124	5,541
BALANCE AT END OF YEAR	17,000	16,850	678,820	624,064

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Valuation Analysis				
VALUED AT 30 JUNE BALANCE DATE AS DETERMINED BY:				
Jones Lang LaSalle	-	-	187,435	176,225
Bayleys Valuations Limited	17,000	16,850	238,825	256,565
CVAS (NZ) Limited (Colliers)	-	-	95,500	60,000
Savills (NZ) Limited	-	-	100,200	97,000

Investment property is property held to earn rentals and/or for capital appreciation. Investment property is measured initially at cost and subsequently at fair value. Gains or losses arising from changes in the fair value of investment property are reported in the surplus/(deficit) in the period in which they arise.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The fair value of investment property reflects the Director's assessment of the highest and best use of each property and, amongst other things, rental income, from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects the cash outflows that could be expected in respect of the property.

No depreciation or amortisation is provided for on investment properties. However, for tax purposes, depreciation is claimed on building fit-out and a deferred tax liability is recognised where the building component of the registered building exceeds the tax book value of the building. The deferred tax liability is capped at the amount of depreciation that has been claimed on each building. Gains or losses on the disposal of investment properties are recognised in the surplus/(deficit) in the period in which the risks and rewards of the investment property have been fully transferred to the purchaser.

Borrowing costs are capitalised if they are directly attributable to the acquisition or construction of a qualifying property. Capitalisation of borrowing costs will continue until the asset is substantially ready for its intended use. The rate at which borrowing costs are capitalised is determined by reference to the weighted average borrowing costs and the average level of borrowings.

Critical Judgements

Fair value of Property Portfolio Assets (includes investment property, property held for sale and property in development)

The fair value was determined using valuation techniques via a combination of the following approaches:

- **Direct Capitalisation:** The subject property rental is divided by a market derived capitalisation rate to assess the market value of the asset. Further adjustments are then made to the market value to reflect under or over renting, additional revenue and required capital expenditure.
- **Discounted Cash Flow:** Discounted cash flow projections for the subject property are based on estimates of future cash flows, supported by the terms of any existing lease and by external evidence such as market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.
- **Sales Comparison:** The subject property is related at a rate per square metre as a means of comparing evidence. In applying this approach a number of factors are taken into account, such as but not limited to, size, location, zoning, contour, access, development potential / end use, availability of services, profile and exposure, current use of surrounding properties, geotechnical and topographical constraints.

Significant inputs used together with the impact on fair value of a change in inputs:

	Council 2025		Group 2025	
	Range of Significant Unobservable Inputs		Range of Significant Unobservable Inputs	
Market capitalisation rate (%)	5.0%	5.0%	4.5%	7.8%
Market rental (\$ per Sqm)	\$54	\$70	13	450
Discount rate (%)	6.8%	6.8%	6.8%	9.0%
Rental growth rate (%)	1.8%	1.8%	1.5%	3.0%
Terminal capitalisation rate (%)	4.9%	5.0%	4.8%	8.0%

	Council 2024		Group 2024	
	Range of Significant Unobservable Inputs		Range of Significant Unobservable Inputs	
Market capitalisation rate (%)	5.0%	5.0%	4.5%	15.0%
Market rental (\$ per Sqm)	\$54	\$69	13	425
Discount rate (%)	7.0%	7.0%	6.8%	12.0%
Rental growth rate (%)	2.0%	2.0%	1.5%	3.0%
Terminal capitalisation rate (%)	5.0%	5.0%	4.8%	15.3%

- 1 The capitalisation rate applied to the market rental to assess a property's value, determined through similar transactions taking into account location, weighted average lease term, size and quality of the property.
- 2 The valuer assessment of the net market income that a property is expected to achieve under a new arm's length leasing transaction.
- 3 The rate applied to future cash flows relating transactional evidence from similar properties.
- 4 The rate applied to the market rental over the future cash flow projection.
- 5 The rate used to assess the terminal value of the property
- 6 The rate providing an allowance for the risks and uncertainties associated with similar activities in conjunction with current market conditions.
- 7 The length of time in years anticipated to complete the sell down of developed land.

13. Investment Property Inventories

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BALANCE AT BEGINNING OF YEAR	-	-	13,966	15,507
Transfer from investment property	-	-	-	-
Transfer to investment property	-	-	-	(4,446)
Land acquired from joint venture partner	-	-	-	-
Disposals	-	-	-	-
Subsequent capital expenditure	-	-	942	2,905
Interest capitalised	-	-	-	-
BALANCE AT END OF YEAR	-	-	14,908	13,966

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
COMPRISING:				
Development land for sale	-	-	14,908	13,966
Units and warehouse developments	-	-	-	-
	-	-	14,908	13,966

Transfers to investment property from investment property inventories occur when there is a change in use evidenced by the commencement of a development with a view to sale. Future development stages that have not yet commenced and are being held for capital appreciation are accounted for in investment property.

Investment property inventories are accounted for as inventory and initially recognised at deemed cost represented by the fair value at the time of commencement of the development. Further costs directly incurred through development activities are capitalised to the cost of the investment property inventories.

Investment property inventories are valued annually and are measured at the lower of cost and fair value. Where costs exceed the fair value of the investment property inventories the resulting impairments are included in the Income Statement in the period in which they arise.

Disposals are recorded in revenue as sales of property inventories with the cost of sales recorded in operating expense as cost of sales of property inventories.

Developed Land for Sale

The \$14.9 million carrying value at balance date reflects the cost of 6.1 hectares of developed land for sale. In their June 2025 valuation, Jones Lang LaSalle stated a net realisable value of \$31.1 million for this land on hand. At June 2024, the \$14.0 million carrying value of developed land reflected the cost of 6.1 hectares of developed land. Jones Lang LaSalle stated a net realised value for the developed land on hand at June 2024 of \$30.7 million.

14. Intangible Assets

\$000s	Council Computer Software	Council Total	Group Computer Software	Group Resource Consents	Group Total
GROSS CARRYING AMOUNT					
Balance as at 30 June 2023	5,751	5,751	14,407	6,338	20,745
Additions	-	-	-	-	-
Capital WIP additions	149	149	556	-	556
Capital WIP write offs	-	-	-	-	-
Transfer to complete asset	-	-	-	-	-
Transfer to Property plant and equipment	-	-	-	-	-
Disposals	(138)	(138)	(162)	-	(162)
BALANCE AT 30 JUNE 2024	5,763	5,763	14,801	6,338	21,139
Additions	-	-	-	-	-
Capital WIP additions	166	166	236	-	236
Capital WIP write offs	-	-	-	-	-
Transfer to complete asset	-	-	-	-	-
Disposals	(150)	(150)	(227)	-	(227)
BALANCE AT 30 JUNE 2025	5,779	5,779	14,810	6,338	21,148
ACCUMULATED AMORTISATION AND IMPAIRMENT					
Balance as at 30 June 2023	(4,931)	(4,931)	(13,183)	(2,537)	(15,720)
Amortisation expense	(411)	(411)	(634)	(288)	(922)
Disposals	138	138	162	-	162
BALANCE AT 30 JUNE 2024	(5,205)	(5,205)	(13,655)	(2,825)	(16,480)
Amortisation expense	(417)	(417)	(666)	(288)	(954)
Disposals	-	-	78	-	78
BALANCE AT 30 JUNE 2025	(5,622)	(5,622)	(14,243)	(3,113)	(17,356)
NET BOOK VALUE					
AS AT 30 JUNE 2024	558	558	1,146	3,513	4,659
AS AT 30 JUNE 2025	157	157	567	3,225	3,792

15. Other Financial Assets

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
CARRIED AT FAIR VALUE				
Current:				
Managed funds - cash	1,785	2,290	1,785	2,290
Managed funds - bonds	13,009	13,145	13,009	13,145
Managed funds - equities	15,098	11,849	15,098	11,849
	29,892	27,284	29,892	27,284

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through Other Comprehensive Revenue and Expenses (FVTOCRE); and
- fair value through Surplus and Deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless it has been designated at FVTSD, in which case it is recognised in surplus and deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and Group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cashflows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

For those instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:

- Level 1 - Quoted market price - Financial instruments with quoted prices for identical instruments in active markets.
- Level 2 - Valuation technique using observable inputs - Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 - Valuation techniques with significant non-observable inputs - Financial instruments valued using models where one or more significant inputs are non observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position.

\$000s	Council				Group			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
2025								
Financial assets at FVTSD:								
Other financial assets	29,892	-	-	29,892	29,892	-	-	29,892
Other financial instruments	-	-	-	-	-	1,444	-	1,444
Financial liabilities at FVTSD:								
Other financial instruments	-	154	-	154	-	2,888	-	2,888
2024								
Financial assets at FVTSD:								
Other financial assets	27,284	-	-	27,284	27,284	-	-	27,284
Other financial instruments	-	-	-	-	-	2,936	-	2,936
Financial liabilities at FVTSD:								
Other financial instruments	-	-	-	-	-	600	-	600

16. Shares in Subsidiary and Dividend Income

Port Otago Limited is a 100% subsidiary of the Council.

Recognition and Measurement

The Council’s investment in Port Otago Limited is designated at Fair Value Through Other Comprehensive Revenue and Expenses (FVTOCRE). At each balance date the Council obtains an annual valuation of the Council’s shareholding in its subsidiary Port Otago Limited. The Port Otago group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The annual valuation is determined by an independent firm of chartered accountants and business advisors. In assessing the valuation, the valuers adopt methodologies appropriate for the components of the Port Otago Limited group, employing the discounted cashflow methodology for Port Otago port operations and net tangible assets approach for Chalmers Properties Limited. Changes in forecast cashflows and property values and other factors that the fair value assessment is based on may result in the fair value of the shares in the subsidiary being different from previous estimates. The fair value is a level 3 fair value measurement, as the valuation technique includes inputs that are not based on observable market data (unobservable inputs).

Significant Assumptions Used in Determining Fair Value of Financial Assets and Financial Liabilities

The valuation for the shares in Port Otago Limited is a combination of a discounted cashflow and net tangible assets approach based on information provided by the entity and investment property valuations. The fair value of the shares in subsidiaries at 30 June 2025 was based on cashflows discounted using a weighted average cost of capital (WACC) of 7.9% (2024: 8%), terminal growth rate 2.5% (2024: 2.5%) and discount for lack of marketability 3.0% (2024: 3.0%). Refer to Note 12 for revaluation inputs associated with the investment properties.

Sensitivity to WACC

- A decrease of 0.5% in WACC to 7.4% would result in a \$39.658 million increase in fair value
- An increase of 0.5% in WACC to 8.4% would result in a \$32.855 million decrease in fair value

Sensitivity to terminal growth rate

- A decrease of 0.5% in the terminal growth rate to 2.0% would result in a \$21.310 million decrease in fair value
- An increase of 0.5% in the terminal growth rate to 3.0% would result in a \$25.662 million increase in fair value

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Balance at beginning of year	732,720	723,890	-	-
Gain / (loss) recognised in Other Comprehensive Revenue and Expense	55,400	8,830	-	-
BALANCE AT END OF YEAR	788,120	732,720	-	-

Related Party Transactions

During the year the following receipts/(payments) were made from/(to) Port Otago Limited:

Related Party Transactions	Council Council 2025	Council Council 2024
\$000s		
REVENUE TRANSACTIONS		
Dividend payment made to Council	18,000	16,000
Rates	161	150
Other	1,536	1,424
Interest on borrowings	6,426	7,807
EXPENDITURE TRANSACTIONS		
Harbour Control Centre and other costs	60	60
Finance costs	31	31
Fix out costs for Whare Runaka office build	6,870	-

During the 2022 year Council and Port Otago Limited, entered into an agreement whereby Council provides an unsecured related party loans facility of up to a maximum of \$100 million. This was increase to \$150 million during 2023. The related party loan amounts, interest rates and repayment dates ranging from September 2025 - March 2034 (2024: August 2024 - December 2030) match loans provided by the New Zealand Local Government Funding Agency (LGFA) to Council. Port Otago Limited pays all reasonable costs and expenses incurred by Council in connection with the establishment of its LGFA facility and ongoing fees associated with related party borrowing. Council or Port Otago Limited may terminate the related party loan agreement by giving 24 months notice to the other party. All related party loans under the agreement are unsecured.

As at 30 June 2025 Otago Regional Council had advanced loans of \$149,934,000 to Port Otago Limited (2024: \$113,678,000). Related party loan repayment will match the LGFA loan outlined at Note 21.

Group Subsidiaries

Otago Regional Council is the head entity within the consolidated group. Port Otago Limited (100% owned) holds the Group's interest in the other subsidiaries, associates and joint ventures detailed below.

The principal activities of the entities are:

SUBSIDIARIES	Principal activities	OWNERSHIP INTEREST	
		2025 %	2024 %
Chalmers Properties Limited	Property investment	100	100
Te Rapa Gateway Limited	Property investment	100	100
Port Chalmers Container Terminal Limited	Port Services	100	100
Fiordland Pilot Services Limited	Shipping Services	100	100

Subsidiaries are entities that are controlled, either directly or indirectly, by the Council. The results of subsidiaries acquired or disposed of during the period are included in the consolidated surplus/(deficit) from the effective date of acquisition or up to the effective date of disposal, as appropriate.

17. Property Held for Sale

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BALANCE AT BEGINNING OF YEAR	3,350	3,350	19,145	3,350
Transfer from / (to) investment property	-	-	-	15,795
Transfer from / (to) land	-	-	-	-
Disposals	(3,350)	-	(19,145)	-
BALANCE AT END OF YEAR	-	3,350	-	19,145

Property classified as held for sale is measured at the lower of carrying amount and fair value less costs to sell.

Property is classified as held for sale if the carrying amount will be recovered through a sales transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the property is available for immediate sale in its present state. There must also be an expectation of completing the sale within one year from the date of classification. Property is not depreciated nor amortised while it is classified as held for sale.

18. Joint Operations

Joint operations are accounted for by line aggregation of assets, liabilities, revenues, expenses and cash flows that are recognised in the financial statements. Joint operations are accounted for on a proportionate basis. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits and losses and movements in other comprehensive income.

Under IP SAS 37 joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. A joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Subsidiaries are entities that are controlled, either directly or indirectly, by the Company. The results of subsidiaries acquired or disposed of during the period are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intercompany transactions are eliminated on consolidation.

Joint operations accounted for on a proportionate basis

Port Otago Limited and Port of Napier Limited are shareholders in Regional Ports NZ Dredging GP Limited, the general partner of Regional Ports NZ Dredging LP, which was established during the 2025 financial year to procure, own and operate a trailing suction hopper dredge.

As at 30 June 2025, Port Otago Limited has advanced Regional Ports NZ Dredging LP \$12.4 million. Regional Ports NZ Dredging GP Limited has a 30 September balance date and there are no contingent liabilities relating to the Group's interest in the joint operation. Capital commitments of Regional Ports NZ Dredging LP as at 30 June 2025 are \$18.2 million (2024: nil).

Summarised financial information of joint operations accounted for on a proportionate basis	Regional Ports NZ Dredging LP	Group's 70% share
	2025	2025
Cash and cash equivalents	-	-
Other current assets	-	-
TOTAL CURRENT ASSETS	-	-
Property, plant and equipment - work in progress	17,689	12,382
TOTAL ASSETS	17,689	12,382
Current liabilities	-	-
Non-current liabilities	-	-
TOTAL LIABILITIES	-	-
NET ASSETS	17,689	12,382

Joint ventures accounted for using equity method

Below is the summarised financial information for Southern Link Property Limited in which Chalmers Properties Limited and Dynes Transport Tapanui Limited each hold a 50% ownership interest and has been accounted for using the equity method. Chalmers Properties Limited is a wholly owned subsidiary of Port Otago Limited. Southern Link Property Limited owns properties on the Taieri Plain and intends to rezone the properties from rural to industrial, or otherwise obtain approval to develop these properties into an inland port and logistics park.

Southern Link Property Limited has a 30 June balance date and there are no contingent liabilities relating to the Group's interest in the joint venture.

The contractual terms of the arrangement specify that all parties are only liable to the extent of their respective investment or to contribute any unpaid or additional capital to the arrangement. Unanimous consent of all the parties to the arrangement is required for all capital and material decisions to the extent its impact is in excess of \$250,000. Shareholders are restricted from selling, transferring or disposing of any shares without first offering for sale to the other shareholders.

Summarised Balance Sheet	2025	2024
Cash and cash equivalents	42	14
Other current assets	81	8
TOTAL CURRENT ASSETS	123	22
Investment property	15,814	7,654
TOTAL ASSETS	15,937	7,676
Current liabilities	(127)	(70)
Non-current liabilities	(324)	(514)
TOTAL LIABILITIES	(451)	(584)
NET ASSETS (100%)	15,486	7,092

Summarised Statement of Comprehensive Income	2025	2024
Operating revenue	219	85
Interest revenue	-	-
Interest expense	(462)	(493)
Profit (loss) before tax	(404)	(10)
Income tax credit (expense)	189	(514)
Total comprehensive income (loss) (100%)	(215)	(524)

Group's share of total comprehensive income (loss) (50%)	(108)	(261)
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Carrying value of equity accounted joint ventures	2025	2024
Balance as at 1 July	-	-
Group's share of accumulated retained losses	(369)	-
Advances to joint venture	8,112	-
Elimination of 50% of gain on disposal of property to joint venture	(790)	-
Establishment costs	33	-
BALANCE AS AT 30 JUNE	6,986	-



Financial Statements

Notes to the Financial Statements:

Council Funding

Purakaunui Falls, Catlins

This section contains analysis of the net assets of the Group and the Council, accumulated funds and restricted reserves.

The notes in this section are as follows:

19. Reserves

20. Public Equity

21. Public Equity Targeted Rates – Reserve Movements

22. Borrowings

23. Finance Costs

19. Reserves

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.

PORT SHARE REVALUATION RESERVE

The Port share revaluation reserve arises on the revaluation of the shares in subsidiary (Council only) and shares in listed companies (Group).

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.

COUNCIL

\$'000s	Port share Revaluation Reserve	Asset Replacement Reserve	Emergency Response Reserve	Kuriwao Endowment Reserve	Asset Revaluation Reserve	Water Management Reserve	Building Enhancement Reserve	Hedging Reserve	Total Reserves
BALANCES 30 JUNE 2023	703,890	2,899	4,680	7,228	14,730	472	14,082	13	747,994
TRANSFERS IN:									
General rate equity	-	3,507	-	363	-	-	-	-	4,170
Interest received	-	69	121	180	-	11	362	-	747
Revaluation gain	8,830	-	-	-	1,150	-	-	-	9,980
	8,830	3,576	121	543	1,150	11	362	304	14,897
TRANSFERS OUT:									
General rate equity	-	(3,146)	-	(230)	-	(483)	(139)	(317)	(4,315)
Targeted rate equity	-	-	-	(250)	-	-	-	-	(250)
	-	(3,146)	-	(480)	-	(483)	(139)	(317)	(4,565)
BALANCES 30 JUNE 2024	712,720	3,329	4,801	7,291	15,880	-	14,305	-	758,326
TRANSFERS IN:									
General rate equity	-	6,965	-	26	-	-	-	-	6,991
Interest received	-	136	124	178	-	-	300	-	738
Revaluation gain	55,400	-	-	-	150	-	-	-	55,550
	55,400	7,101	124	204	150	-	300	-	63,279
TRANSFERS OUT:									
General rate equity	-	(2,318)	-	(532)	-	-	(7,090)	-	(9,939)
Targeted rate equity	-	-	-	(350)	-	-	-	-	(350)
	-	(2,318)	-	(881)	-	-	(7,090)	-	(10,289)
BALANCES 30 JUNE 2025	768,120	8,112	4,925	6,614	16,029	-	7,516	-	811,316

Group

\$000s	Port share Revaluation Reserve	Asset Replacement Reserve	Emergency Response Reserve	Kuriwao Endowment Reserve	Asset Revaluation Reserve	Water Management Reserve	Building Reserve	Environmental Enhancement Reserve	Hedging Reserve	Total Reserves
BALANCES 30 JUNE 2023	-	2,899	4,680	7,228	418,878	472	14,082	13	2,115	450,367
TRANSFERS IN:										
General rate equity	-	3,576	-	363	-	-	-	300	(1,073)	3,166
Interest received	-	-	121	180	-	11	362	4	-	678
Revaluation gain	-	-	-	-	5,541	-	-	-	-	5,541
TRANSFERS OUT:	-	3,576	121	543	5,541	11	362	304	(1,073)	9,385
General rate equity	-	(3,146)	-	(230)	(13,216)	(483)	(139)	(317)	-	(17,531)
Targeted rate equity	-	-	-	(250)	-	-	-	-	-	(250)
	-	(3,146)	-	(480)	(13,216)	(483)	(139)	(317)	-	(17,781)
BALANCES 30 JUNE 2024	-	3,329	4,801	7,291	411,203	-	14,305	-	1,042	441,971
TRANSFERS IN:										
General rate equity	-	6,965	-	26	-	-	-	-	(1,755)	5,236
Interest received	-	136	124	178	-	-	300	-	-	738
Revaluation gain	-	-	-	-	33,124	-	-	-	-	33,124
TRANSFERS OUT:	-	7,101	124	204	33,124	-	300	-	(1,755)	39,098
General rate equity	-	(2,318)	-	(532)	(24,390)	-	(7,090)	-	-	(34,330)
Targeted rate equity	-	-	-	(350)	-	-	-	-	-	(350)
	-	(2,318)	-	(881)	(24,390)	-	(7,090)	-	-	(34,679)
BALANCES 30 JUNE 2025	-	8,112	4,925	6,614	419,937	-	7,515	-	(713)	446,390

20. Public Equity

Public Equity – General Rates

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BALANCE AT BEGINNING OF YEAR	59,586	59,270	360,553	336,955
NET SURPLUS / (DEFICIT)	9,246	3,436	51,234	17,893
TRANSFERS IN:				
Asset replacement reserve	2,318	3,146	2,318	3,146
Asset revaluation reserve	-	-	-	-
Building reserve	7,090	139	7,090	139
Environmental enhancement reserve	-	317	-	317
Kuriwao endowment reserve	532	230	532	230
Transfers from public equity - targeted rates	86,426	70,038	86,426	70,038
Water management reserve	-	483	-	483
	96,365	74,353	96,365	74,353
TRANSFERS OUT:				
Asset replacement reserve	(7,101)	(3,576)	(7,101)	(3,576)
Asset revaluation reserve	(150)	(1,150)	(8,734)	7,675
Building reserve	(300)	(362)	(300)	(362)
Emergency response reserve	(124)	(121)	(124)	(121)
Environmental enhancement reserve	-	(304)	-	(304)
Kuriwao endowment reserve	(204)	(546)	(204)	(546)
Transfers to public equity - targeted rates	(88,092)	(71,403)	(88,092)	(71,403)
Water management reserve	-	(11)	-	(11)
	(95,972)	(77,473)	(104,555)	(68,848)
BALANCE AT END OF YEAR	69,225	59,586	403,597	360,553

Public Equity - Targeted Equity

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BALANCE AT BEGINNING OF YEAR	42,882	41,264	42,882	41,264
TRANSFERS IN:				
Kuriwao endowment reserve	350	250	350	250
Transfers from public equity - general rates	88,092	71,406	88,092	71,406
	88,442	71,656	88,442	71,656
TRANSFERS OUT:				
Transfers to public equity - general rates	(86,426)	(70,038)	(86,426)	(70,038)
	(86,426)	(70,038)	(86,426)	(70,038)
BALANCE AT END OF YEAR	44,898	42,882	44,898	42,882

Total Public Equity

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
BALANCE AT BEGINNING OF YEAR	102,467	100,534	403,435	378,219
NET SURPLUS / (DEFICIT)	9,246	3,436	51,234	17,893
Transfers	2,409	(1,503)	(6,175)	7,323
BALANCE AT END OF YEAR	114,122	102,467	448,494	403,435

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

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 Council.

21. Public Equity Targeted Rates – Reserve Movements

\$000s

	Council and Group - 2025				Council and Group - 2024			
	Opening balance 01 July 2024	Transfers In	Transfers Out	Closing balance 30 June 2025	Opening balance 01 July 2023	Transfers In	Transfers Out	Closing balance 30 June 2024
RIVER MANAGEMENT RESERVES								
Central Otago river	268	383	(532)	119	406	369	(507)	268
Clutha river	(630)	443	(580)	(767)	(394)	421	(657)	(630)
Dunedin river	650	240	(650)	240	1,045	231	(626)	650
Queenstown river	896	121	(556)	461	796	261	(161)	896
Shotover delta flood mitigation	270	-	(270)	-	262	8	-	270
Stoney creek	166	-	(166)	-	163	3	-	166
Waitaki river	1,129	589	(581)	1,137	987	427	(285)	1,129
Wanaka river	(105)	105	-	-	(140)	242	(207)	(105)
FLOOD AND DRAINAGE SCHEME RESERVES								
Alexandra flood	7	353	(228)	132	60	207	(260)	7
East Taieri drainage	(270)	1,255	(1,445)	(460)	68	755	(1,093)	(270)
Leith flood	(12,998)	4,728	(2,100)	(10,370)	(13,680)	1,640	(958)	(12,998)
Lower Clutha flood	(838)	2,141	(5,764)	(4,461)	(425)	2,392	(2,805)	(838)
Lower Taieri flood	4,975	2,463	(7,487)	(49)	3,115	5,942	(4,082)	4,975
Lower Waitaki flood	(67)	67	-	-	(47)	200	(220)	(67)
Tokomairiro drainage	51	175	(294)	(68)	92	172	(213)	51
West Taieri drainage	(2,417)	3,121	(2,651)	(1,947)	(2,193)	991	(1,215)	(2,417)

	Council and Group - 2025				Council and Group - 2024			
	Opening balance 01 July 2024	Transfers In	Transfers Out	Closing balance 30 June 2025	Opening balance 01 July 2023	Transfers In	Transfers Out	Closing balance 30 June 2024
\$000s								
OTHER RESERVES								
Biosecurity	(1,474)	5,070	(4,551)	(955)	(1,176)	4,714	(5,012)	(1,474)
Catchment Management		8,025	(7,065)	960				
Clean Heat Clean Air	-	-	-	-	-	-	-	-
Dairy monitoring	(37)	210	(185)	(12)	(21)	210	(226)	(37)
Dunedin transport services Historical Balance	(11,978)	1,810	(277)	(10,445)	(11,753)	28,586	(28,811)	(11,978)
Dunedin transport services		27,428	(27,788)	(360)				
Emergency management	(93)	3,813	(3,727)	(7)	95	3,437	(3,625)	(93)
Infrastructural assets	68,389	10,214	(4,711)	73,892	66,760	2,566	(937)	68,389
Lake Hayes restoration	(735)	735		-	(583)	580	(732)	(735)
Navigational Safety		860	(948)	(88)				
Oamaru transport services		51		51				
Queenstown transport services Historical Balance	(2,234)	463	(50)	(1,821)	(2,107)	11,281	(11,408)	(2,234)
Queenstown transport services		11,468	(10,936)	532				
Rural water quality	607		(607)	-	439	3,893	(3,725)	607
Wilding pines	(650)	2,110	(2,277)	(817)	(506)	2,129	(2,273)	(650)
	42,881	88,442	(86,426)	44,897	41,264	71,656	(70,038)	42,882

RIVER MANAGEMENT RESERVES

Targeted rating is used to fund river management works across the city and districts within Otago.

FLOOD AND DRAINAGE SCHEME RESERVES

Targeted rating is used to fund the costs associated with maintaining the level of flood and drainage protection provided by these schemes.

TRANSPORT RESERVES

Targeted rating is used in Dunedin and Queenstown to fund the Council's costs associated with the provision of bus services.

CLEAN HEAT CLEAR AIR RESERVE

The purpose of this reserve is to fund costs associated with the provision of funding associated with the improvement of insulation and heating in homes located within the targeted rating district.

Schedule of Internal Borrowing for Public Equity Targeted Rates – Reserve

\$000s

	Amount borrowed as at 30 June 2024	Funds borrowed during the year	Funds repaid during the year	Interest Charged	Amount borrowed as at 30 June 2025
COUNCIL 2025					
Flood protection and control works	17,327	14,865	(14,500)	430	18,121
Environment	2,894	7,910	(8,985)	51	1,870
Safety and hazards	92	3,727	(3,813)	1	7
Transport	14,212	27,780	(29,701)	336	12,626
	34,525	54,282	(56,999)	817	32,624

	Amount borrowed as at 30 June 2023	Funds borrowed during the year	Funds repaid during the year	Interest Charged	Amount borrowed as at 30 June 2024
COUNCIL 2024					
Flood protection and control works	16,818	6,720	(6,633)	422	17,327
Environment	2,285	8,199	(7,654)	64	2,894
Safety and hazards	-	3,529	(3,437)	-	92
Transport	13,862	39,870	(39,867)	347	14,212
	32,965	58,318	(57,591)	833	34,525

22. Borrowings

New Zealand Local Government Funding Agency

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
CURRENT				
Secured borrowings	67,288	48,359	67,288	48,359
Unsecured borrowings	-	-	-	-
	67,288	48,359	67,288	48,359
NON-CURRENT				
Secured borrowings	107,832	90,528	107,832	90,528
Unsecured borrowings	-	-	-	-
	107,832	90,528	107,832	90,528
TOTAL BORROWINGS	175,120	138,887	175,120	138,887
FIXED RATE BORROWINGS	53,063	45,379	53,063	45,379
FLOATING RATE BORROWINGS	122,057	93,509	122,057	93,509

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 Statement of Comprehensive Revenue and Expense 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.

Council is a guarantor of the New Zealand Local Government Funding Agency (NZLGFA) as a guarantor. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AAA and a foreign currency rating of AA+. NZLGFA has a local currency rating from Fitch of AA+ and a foreign currency rating of AA.

As at 30 June 2025, Otago Regional Council is one of 31 local authority shareholders and 71 local authority guarantors of the NZLGFA. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Otago Regional Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$25,529 million (2024: \$23,303 million).

Financial reporting standards require Otago Regional Council to recognise the guarantee liability by applying the 12 month expected credit loss model (as fair value could not be reliably measured) and subsequently at the higher of the provision for impairment at balance date determined by the expected credit loss model and the amount initially recognised. At the end of the financial year, the Council has assessed the 12 month expected credit losses for the guarantee liability, based on market information of the underlying assets held by the NZLGFA. The estimated 12 month expected credit losses are immaterial due to the extremely low probability of default by the NZLGFA in the next 12 months, and therefore the Council has not recognised a liability.

When borrowing long-term from LGFA, borrower notes must be subscribed for in an amount of 5% (2024: 2.5%) of long-term borrowings. Borrower notes are used by LGFA as a source of capital to ensure there is sufficient capital to match the growth in the LGFA's balance sheet. LGFA redeems the borrower notes plus interest when the related borrowings are repaid or no longer owed to LGFA. At 30 June 2025 Council had subscribed to borrower notes totalling \$625,000 (2024: \$500,000), the Group had subscribed to borrower notes totalling \$4,350,182 (2024: \$2,588,204). The borrower notes on issue are as follows:

Borrower notes in issue 2025

Maturity Date	Amount	Interest Rate
12-12-2025	\$147,436	3.94%
01-28-2026	\$205,128	3.97%
03-18-2026	\$130,769	3.86%
04-15-2026	\$125,000	5.30%
12-14-2026	\$105,000	4.01%
03-11-2027	\$230,769	3.94%
03-13-2027	\$372,564	4.05%
04-15-2027	\$125,000	4.19%
03-20-2028	\$125,000	4.09%
05-15-2028	\$125,000	5.70%
04-16-2029	\$51,282	4.45%
04-20-2029	\$250,000	4.52%
06-10-2029	\$128,205	4.07%
12-12-2029	\$150,000	4.27%
03-24-2030	\$421,053	4.36%
03-25-2030	\$368,421	4.35%
04-15-2030	\$76,923	4.50%
12-12-2030	\$160,000	4.37%
03-05-2032	\$526,316	4.54%
02-27-2034	\$526,316	4.58%
	4,350,182	

Borrower notes on issue 2024

Maturity Date	Amount	Interest Rate
03-13-2027	\$372,564	6.00%
03-11-2027	\$230,769	5.94%
03-23-2025	\$205,128	5.79%
01-28-2026	\$205,128	5.75%
12-12-2030	\$160,000	6.26%
12-12-2029	\$150,000	6.16%
12-12-2025	\$147,436	5.90%
03-18-2026	\$130,769	5.89%
06-10-2029	\$128,205	6.08%
04-15-2025	\$125,000	5.71%
04-15-2026	\$125,000	5.30%
04-15-2027	\$125,000	5.85%
03-20-2028	\$125,000	6.04%
05-15-2028	\$125,000	5.30%
12-14-2026	\$105,000	5.96%
04-15-2030	\$76,923	6.15%
04-16-2029	\$51,282	6.10%
	2,588,204	

Borrowing- Bank

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
CURRENT				
Secured borrowings	-	-	4,074	16,725
Unsecured borrowings	-	-	-	-
	-	-	4,074	16,725
NON-CURRENT				
Secured borrowings	-	-	10,000	10,000
Unsecured borrowings	-	-	-	-
	-	-	10,000	10,000
TOTAL BORROWINGS	-	-	14,074	26,725
FIXED RATE BORROWINGS	-	-	14,074	26,725
FLOATING RATE BORROWINGS	-	-	-	-

The Group has a \$31 million (2024: \$31 million) Flexible Credit Facility with ANZ Bank New Zealand Limited (ANZ) which the Group may draw from for terms ranging from call to the termination of the agreement, which is 1 July 2027. In addition, the Group has a revolving \$29 million (2024: \$29 million) Commercial Flexi Facility with ANZ which is subject to an annual review. The next review is due on 30 November 2025.

The covenants reported to ANZ are an adjusted equity % (shareholder investment / total tangible assets) of greater or equal to 50% and interest cover ratio (EBIT : interest costs) greater or equal to 2.5 : 1. Both covenants are tested half-yearly at 31 December and 30 June. The adjusted equity % was 77% at 30 June 2025 (2024: 77%) and interest cover ratio 5.4 : 1 (2024: 6.4:1). The Group has no indication that it will have difficulty complying with these covenants.

The security for advances is a cross guarantee and indemnity between Port Otago Limited, Chalmers Properties Limited and Te Rapa Gateway Limited in favour of the lender, general security agreement over the assets of Port Otago Limited and Chalmers Properties Limited and registered first-ranking mortgages over land.

23. Finance Costs

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Interest on loans	7,987	9,274	8,598	9,846
Capitalised borrowing costs	-	-	(1,870)	(1,122)
	7,987	9,274	6,728	8,724

Borrowing costs directly attributable to the acquisition and/or construction of property, plant and equipment and long-term investment property development projects are capitalised as part of the cost of those assets. Other borrowing costs are expensed in the period in which they are incurred.

Notes to the Financial Statements:

Financial Risk Management

Tokatā / Nugget Point, Catlins

This section provides details Council and Group's borrowings - a major source of financing used to deliver services to the people of Otago. It also includes information about the Group's financial instruments that are used to manage the risks associated with borrowings and details Council and Group's exposure to a variety of financial risks and how these risks are managed.

The notes in this section are as follows:

- 24. Financial Instruments**
- 25. Market Risk**
- 26. Equity Price Risk**
- 27. Credit Risk**
- 28. Liquidity Risk**

24. Financial Instruments

Financial Risk Management Objectives

The Council has established a Treasury Management Policy, which combines the Local Government Act 2002 requirement for local authorities to adopt a Liability Management Policy and an Investment Policy. These provide a framework for prudent debt management and the management of financial resources in an efficient and effective way. The Council and Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Significant Accounting Policies for Financial Instruments

Financial assets and financial liabilities are recognised in the Council's or Group's Statement of Financial Position when the Council and/or Group becomes a party to contractual provisions of the instrument.

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through surplus or deficit which are initially valued at fair value.

Financial Assets are classified into the following specified categories: financial assets 'at fair value through other comprehensive revenue and expenses', and 'amortised cost'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Impairment of Financial Assets

Financial assets, other than those at fair value through surplus or deficit, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Derivative Financial Instruments

The Council and Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates hedges of highly probable forecast transactions as cash flow hedges. Changes in the fair value of derivatives qualifying as cash flow hedges are recognised in other comprehensive revenue and expense and transferred to the cash flow hedge reserve in equity. The ineffective component of the fair value changes on the hedging instrument is recorded directly in the surplus/(deficit).

When a hedging instrument expires or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the surplus/(deficit). When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the surplus or deficit. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the surplus/(deficit).

For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The net differential paid or received on interest rate swaps is recognised as a component of interest expense over the period of the swap agreement.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Fair Value of Financial Instruments

The group carries interest rate derivatives (derivative financial instruments) at fair value. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the reporting date, taking into account current interest rates. These instruments are included in Level 2 of the fair value measurement hierarchy. Interest rate derivative fair values are valued and are calculated using a discounted cash flow model using FRA rates provided by the relevant financial institution based on the reporting date of 30 June 2024.

\$000s	Council				Group			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
2025								
Financial assets at FVTSD:								
Other financial assets	29,892	-	-	29,892	29,892	-	-	29,892
Other financial instruments	-	-	-	-	-	1,444	-	1,444
Financial liabilities at FVTSD:								
Other financial instruments	-	154	-	154	-	2,888	-	2,888
2024								
Financial assets at FVTSD:								
Other financial assets	27,284	-	-	27,284	27,284	-	-	27,284
Other financial instruments	-	-	-	-	-	2,936	-	2,936
Financial liabilities at FVTSD:								
Other financial instruments	-	-	-	-	-	600	-	600

COUNCIL 2025

\$000s	Amortised Cost	Fair Value Through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
FINANCIAL ASSETS				
Cash and cash equivalents	18,387	-	-	18,387
Trade and other receivables	16,054	-	-	16,054
Related party receivable	149,934	-	-	149,934
Borrower notes	625	-	-	625
Other financial assets	-	29,892	-	29,892
Other current assets	1,281	-	-	1,281
Shares in subsidiary	-	-	788,120	788,120
TOTAL FINANCIAL ASSETS	186,281	29,892	788,120	1,004,293
FINANCIAL LIABILITIES				
Trade and other payables	20,636	-	-	20,636
Borrowing	175,120	-	-	175,120
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	195,756	-	-	195,756

COUNCIL 2024

\$000s	Amortised Cost	Fair Value Through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
FINANCIAL ASSETS				
Cash and cash equivalents	13,604	-	-	13,604
Trade and other receivables	17,139	-	-	17,139
Related party receivable	113,678	-	-	113,678
Borrower notes	500	-	-	500
Other financial assets	-	27,284	-	27,284
Other current assets	1,559	-	-	1,559
Shares in subsidiary	-	-	732,720	732,720
TOTAL FINANCIAL ASSETS	146,480	27,284	732,720	906,484
FINANCIAL LIABILITIES				
Trade and other payables	20,281	-	-	20,281
Borrowing	138,887	-	-	138,887
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	159,168	-	-	159,168

GROUP 2025

	Amortised Cost	Designated at Fair Value through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
\$000s				
FINANCIAL ASSETS				
Cash and cash equivalents	18,497	-	-	18,497
Trade and other receivables	33,052	-	-	33,052
Borrower notes	4,350	-	-	4,350
Other financial instruments *	-	1,444	-	1,444
Other financial assets	-	29,892	-	29,892
Other current assets	4,154	-	-	4,154
TOTAL FINANCIAL ASSETS	60,053	31,336	-	91,389
FINANCIAL LIABILITIES				
Trade and other payables	40,186	-	-	40,186
Other financial instruments	-	(2,888)	-	600
Borrowing	189,194	-	-	189,194
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	229,380	(2,888)	-	229,980

GROUP 2024

	Amortised Cost	Designated at Fair Value through Surplus or Deficit	Fair value through Other Comprehensive Revenue and Expense	Total
\$000s				
FINANCIAL ASSETS				
Cash and cash equivalents	13,659	-	-	13,659
Trade and other receivables	34,397	-	-	34,397
Borrower notes	2,588	-	-	2,588
Other financial instruments *	-	2,936	-	2,936
Other financial assets	-	27,284	-	27,284
Other current assets	5,366	-	-	5,366
TOTAL FINANCIAL ASSETS	56,010	30,220	-	86,230
FINANCIAL LIABILITIES				
Trade and other payables	35,140	-	-	35,140
Other financial instruments	-	600	-	600
Borrowing	165,612	-	-	165,612
Provisions	-	-	-	-
TOTAL FINANCIAL LIABILITIES	200,752	600	-	201,352

* Mandatorily at fair value.

25. Market Risk

The Group's activities expose it primarily to the financial risks of changes in market prices of other financial assets (principally Managed Funds – Equities and Shares in Listed Companies), foreign currency exchange rates and interest rates.

There has been no change during the year to the group exposure to market risks or the manner in which it manages and measures the risk.

(A) Currency Risk

Currency risk is the risk that the value of the Group's assets, liabilities and operating cashflow will fluctuate. The Group is exposed to currency risk in relation to the purchase of certain capital items denominated in foreign currencies. Foreign currency forward purchase contracts are used to manage the Group's exposure to movements in exchange rates on foreign currency denominated liabilities and purchase commitments. The Council is exposed to currency risk in relation to the investments denominated in foreign currencies forming part of the managed fund portfolio. The policy governing Managed Funds places restrictions on the currencies in which the fund manager may invest, and the amount of exposure to any one currency.

Amount of Exposure to Currency Risk

The Group's exposure to foreign currency risk for each class of financial instruments is as follows:

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Managed funds	9,085	7,354	9,085	7,354
TOTAL MANAGED FUNDS	9,085	7,354	9,085	7,354

The only significant sensitivity the group has in relation to changes in foreign currency relates to the Council's managed funds. The carrying value of investments in equity securities held in AUD, USD, GBP and EUR denominated currency may fluctuate with changes in the exchange rate between the New Zealand dollar and the foreign currency.

A favourable movement of 10% in the exchange rates at 30 June 2025 would have the impact of increasing the carrying value of the managed funds, and the Council surplus, by \$1,009,464 (2024: \$816,871), and an unfavourable movement of 10% would impact unfavourably to the extent of \$826,946 (2024: \$668,337).

(B) Interest Rate Risk

The Council and Group is exposed to interest rate risk as it borrows funds at floating interest rates. The risk is managed by the use of floating-to-fixed interest rate swaps contracts and forward start swaps. These swaps have the economic effect of converting borrowings from floating rate to fixed rates.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on borrowings. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date.

The Council is also exposed to interest rate risk to the extent that it holds funds on demand, at call or in floating interest rate instruments as part of cash and cash equivalent balances and the managed funds portfolio.

The policy governing management of the managed funds places restrictions on how the funds may be invested, and the amount of exposure to interest rates from funds held at call and on a floating rate basis. Council invests surplus funds with Council-approved financial institutions, and holds sufficient funds on call as part of its cash management procedures.

The following table discloses the impact of a movement of plus and minus 100 basis points in interest rates applicable to those instruments.

Sensitivity to Interest Rate Risk

COUNCIL	2025				2024			
	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps
\$000s								
FINANCIAL ASSETS								
Cash and cash equivalents and term deposits	175	-	(175)	-	114	-	(114)	-
Managed fund	101	-	(101)	-	102	-	(102)	-
Borrower notes	6	-	(7)	-	26	-	(26)	-
Related party receivable	1,498	-	(1,498)	-	1,116	-	(1,116)	-
FINANCIAL LIABILITIES								
Borrowings	1,748	-	(1,748)	-	1,366	-	(1,366)	-
Derivatives - non-hedge accounted	125	-	(125)	-	256	-	(156)	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	3,653	-	(3,654)	-	2,980	-	(2,880)	-

GROUP	2025				2024			
	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps	Profit +100bps	Other Equity +100bps	Profit -100bps	Other Equity -100bps
\$000s								
FINANCIAL ASSETS								
Cash and cash equivalents and term deposits	175	-	(175)	-	114	-	(114)	-
Managed fund	101	-	(101)	-	102	-	(102)	-
Borrower notes	6	-	(172)	-	26	-	(26)	-
FINANCIAL LIABILITIES								
Borrowings	1,748	-	(1,748)	-	1,404	-	(1,404)	-
Derivatives - hedge accounted	-	2,135	-	(2,252)	-	2,112	-	(2,226)
Derivatives - non-hedge accounted	125	-	(125)	-	1,650	-	(1,680)	-
TOTAL SENSITIVITY TO INTEREST RATE RISK	1,873	2,135	(1,873)	(2,252)	3,296	2,112	(3,326)	(2,226)

26. Equity Price Risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to equity securities price risk on its investments held in publicly traded securities.

The following information discloses the Group's exposure and sensitivity to equity price risk.

Exposure to Equity Price Risk

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
FINANCIAL ASSETS				
Other financial assets	18,032	14,760	18,032	14,760
EXPOSURE TO EQUITY PRICE RISK	18,032	14,393	18,032	14,760

Sensitivity to Equity Price Risk

Council and Group	2025				2024			
	-10% Profit	-10% Other Equity	+10% Profit	+10% Other Equity	-10% Profit	-10% Other Equity	+10% Profit	+10% Other Equity
\$000s								
FINANCIAL ASSETS								
Other financial assets	(1,803)	-	1,803	-	(1,476)	-	1,476	-
TOTAL SENSITIVITY TO EQUITY PRICE RISK	(1,803)	-	1,803	-	(1,476)	-	1,476	-

The sensitivity analysis shows the impact a movement of plus or minus 10% in the price of equities would have on the fair value of the equities.

27. Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Council

The Council has no significant concentrations of credit risk arising from trade receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Council has credit risk exposure to a related party for advance of \$149.934 million (2024:\$113.678 million).

Council trade and other receivables mainly arise from the Council’s statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Council Treasury Management Policy details the objectives, policies and restrictions for management of the fund. The policy includes the key objective of capital preservation, placing restrictions on the exposure to credit risk.

The Council is exposed to credit risk as a guarantor of all of the NZLGFA’s borrowings. Information about this exposure is explained in note 21.

Group

Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, trade and other receivables, derivative financial instruments and other financial assets.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for impairment, represents the Group’s maximum exposure to credit risk without taking account of the value of any collateral obtained.

The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are high quality financial institutions with credit-ratings assigned by international credit rating agencies.

Maximum Exposure to Credit Risk

The Group’s maximum exposure for each class of financial instrument is as follows:

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Cash at bank and term deposits	18,387	13,604	18,497	13,659
Trade and other receivables	16,054	17,139	33,052	34,397
Related party receivable	149,934	113,678	-	-
Other financial assets	29,892	27,284	29,892	27,284
Other financial instrument - asset	-	-	1,444	2,936
Other financial instrument - liability	154	-	2,888	600
Shares in Subsidiary	788,120	732,720	-	-
	1,002,541	904,425	85,773	78,876

28. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through adequate committed credit facilities, and the ability to close out market positions.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Contractual Maturity Analysis of Financial Instruments

The following contractual maturity information analyses the Group's financial instruments into the relevant grouping based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate of the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows.

COUNCIL 2025

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		18,387	18,387	18,387	-	-
Trade and other receivables		16,054	16,054	16,054	-	-
Related party receivable	4.83	149,934	150,861	48,179	73,064	29,618
Shares in subsidiary		788,120	788,120	-	-	788,120
Managed fund:						
Cash and call deposits		1,785	1,785	1,785	-	-
Fixed interest securities	4.31	13,008	13,443	2,933	8,670	1,840
Equity securities		15,098	15,098	15,098	-	-
TOTAL FINANCIAL ASSETS		1,002,386	1,003,748	102,436	81,734	819,578
FINANCIAL LIABILITIES						
Trade and other payables		(20,638)	(20,638)	(20,638)	-	-
Borrowing	4.06	(175,120)	(179,272)	(54,271)	(95,383)	(29,618)
Provision		-	-	-	-	-
Interest rate derivatives (net):						
Current portion		(154)	(167)	-	(96)	(71)
Non current portion		-	-			
TOTAL FINANCIAL LIABILITIES		(195,912)	(200,077)	(74,909)	(95,479)	(29,689)

The Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposures is explained in note 21.

COUNCIL 2024

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		13,604	13,604	13,604	-	-
Trade and other receivables		17,139	17,139	17,139	-	-
Related party receivable	6.21	113,678	131,545	44,077	71,024	16,444
Shares in subsidiary		732,720	732,720	-	-	732,720
Managed fund:						
Cash and call deposits		2,290	2,290	2,290	-	-
Fixed interest securities	4.47	13,146	13,603	2,911	7,734	4,812
Equity securities		11,848	11,848	11,848	-	-
TOTAL FINANCIAL ASSETS		865,945	922,749	91,869	78,758	753,976
FINANCIAL LIABILITIES						
Trade and other payables		(20,281)	(20,281)	(20,281)	-	-
Borrowing	5.89	(138,887)	(159,994)	(55,497)	(88,053)	(16,444)
Provision		-	-	-	-	-
TOTAL FINANCIAL LIABILITIES		(159,168)	(180,275)	(75,778)	(88,053)	(16,444)

The Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposures is explained in note 21.

GROUP 2025

				AGEING OF CASH FLOWS		
\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		18,497	18,497	18,497	-	-
Trade and other receivables		33,052	33,052	33,052	-	-
Managed fund:						
Cash and call deposits		1,785	1,785	1,785	-	-
Fixed interest securities	4.31	13,008	13,443	2,933	8,670	1,840
Equity securities		15,098	15,098	15,098	-	-
TOTAL FINANCIAL ASSETS		81,440	81,875	71,365	8,670	1,840
FINANCIAL LIABILITIES						
Trade and other payables		(40,186)	(40,186)	(40,186)	-	-
Borrowing (secured)	4.83	(189,194)	(194,275)	(58,556)	(106,101)	(29,618)
Provision		-	-	-	-	-
Interest rate derivatives (net):						
Current portion		(626)	(15,455)	(15,288)	(96)	(71)
Non current portion		85	(2,578)	-	(2,578)	-
TOTAL FINANCIAL LIABILITIES		(229,921)	(252,494)	(114,030)	(108,775)	(29,689)

GROUP 2024

\$000s	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Cash Flows	AGEING OF CASH FLOWS		
				Less than 1 Year	1-5 Years	Greater than 5 Years
FINANCIAL ASSETS						
Cash and cash equivalents		13,659	13,659	13,659	-	-
Trade and other receivables		34,397	34,397	34,397	-	-
Managed fund:						
Cash and call deposits		2,290	2,290	2,290	-	-
Fixed interest securities	4.47	13,146	13,603	2,911	7,734	4,812
Equity securities		11,848	11,848	11,848	-	-
TOTAL FINANCIAL ASSETS		75,340	75,797	65,105	6,986	3,706
FINANCIAL LIABILITIES						
Trade and other payables		(35,140)	(35,140)	-	-	-
Borrowing (secured)	5.89	(165,612)	(188,590)	(72,800)	(99,346)	(16,444)
Provision		-	-	-	-	-
Other financial instruments		(2,336)	(2,629)	(1,846)	(756)	(27)
TOTAL FINANCIAL LIABILITIES		(203,088)	(226,359)	(74,646)	(100,102)	(16,471)

Notes to the Financial Statements:

Other Disclosures

Blackhead Beach, Ōtepoti Dunedin

The notes in this section are as follows:

- 29. Key Management Personnel Compensation**
- 30. Remuneration (Council Only)**
- 31. Subsequent Events**
- 32. Commitments for Expenditure**
- 33. Contingent Liabilities and Contingent Assets**
- 34. Deferred Tax Balances**
- 35. Leases**
- 36. Related Party Disclosures**

29. Key Management Personnel Compensation

The compensation of the Councillors, Chief Executive and General Managers of the Council, and of the Directors and other senior management of the Port Otago Limited Group was as follows:

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
MANAGEMENT PERSONNEL				
Short-term employee benefits	1,953	1,707	7,166	6,524
Post-employment benefits	-	-	-	-
	1,953	1,707	7,166	6,524
Full-time equivalent number of key management personnel	7	6	20	17
GOVERNING PERSONNEL				
Councillors remuneration	952	908	952	908
Directors' fees	-	-	622	536
	952	908	1,574	1,444

30. Remuneration (Council Only)

Employee Staffing Levels

The number of all employees, employed by the Council on the last day of the financial year was as follows:

	Number of Employees 30 June 2025	Number of Employees 30 June 2024
Full-time employees	328	309
Full-time equivalent number of employees	27.0	26.8

Council regards one full-time equivalent as an employee who works 37.5 hours weekly.

Employee Remuneration

The following table classifies the number of all employees employed on the last day of the financial year into remuneration bands, calculated as the total annual remuneration (including the value of non-financial benefits) being received as at the last day of the financial year.

TOTAL ANNUAL REMUNERATION	Number of Employees 30 June 2025	Number of Employees 30 June 2024
Less than \$60,000	18	21
\$60,000 to \$79,999	69	81
\$80,000 to \$99,999	86	96
\$100,000 to \$119,999	97	80
\$120,000 to \$139,999	54	33
\$140,000 to \$159,999	15	15
\$160,000 to \$179,999	10	8
\$180,000 to \$300,000	17	11
\$340,000 to \$379,999	1	1
	367	346

Chief Executive Remuneration

The Chief Executive of the Council is appointed under Section 42 of the Local Government Act 2002.

Richard Saunders was employed as Chief Executive from 1 June 2023. During the period 1 July 2024 to 30 June 2025, total remunerations (including any non-financial benefits) paid or payable to the Chief Executive was \$394,633 (2024: 357,328).

Elected Representatives' Remuneration

Council Remuneration 2025

COUNCILLOR	Meetings attended / eligible meetings	Remuneration \$	Meeting fees \$	Allowance and mileage \$	Other \$	Total
Gretchen Robertson - Chairperson	41 / 43	154,531	-	-	14,009	168,540
Lloyd McCall - Deputy Chairperson	40 / 42	92,446	-	5,574	365	98,386
Alexa Forbes	40 / 43	71,760	-	2,951	-	74,711
Gary Kelliher	41 / 43	71,760	-	14,265	226	86,251
Michael Laws	33 / 39	71,760	-	7,043	182	78,985
Kevin Malcolm	42 / 43	71,760	-	7,905	-	79,665
Timothy Mephram	41 / 43	71,760	-	7,261	247	79,269
Andrew Noone	39 / 40	71,760	-	3,291	(0)	75,051
Bryan Scott - resigned November 2024	14 / 14	22,036	-	275	-	22,311
Alan Somerville	40 / 41	71,760	-	550	-	72,310
Elliot Weir	41 / 42	71,760	2,372	1,856	2,587	78,574
Kate Wilson	43 / 43	71,760	1,395	550	1,395	75,100
		914,854	3,767	51,523	19,012	989,156

Councillor Bryan Scott resigned from Council in October 2024.

Council Remuneration 2024

COUNCILLOR	Meetings attended / eligible meetings	Remuneration \$	Meeting fees \$	Allowance and mileage \$	Other \$	Total
Gretchen Robertson - Chairperson (appointed 15 October 2022)	35 / 37	148,282	-	-	5,808	154,090
Lloyd McCall - Deputy Chairperson (appointed 10 November 2022)	34 / 37	84,869	-	12,883	-	97,752
Alexa Forbes	32 / 37	65,000	-	11,921	426	77,347
Gary Kelliher	34 / 37	65,000	-	11,498	-	76,498
Michael Laws	28 / 37	65,000	-	5,772	152	70,924
Kevin Malcolm	35 / 37	65,000	-	8,203	-	73,203
Timothy Mephram	34 / 37	65,000	-	2,043	-	67,043
Andrew Noone	33 / 37	65,000	6,138	3,994	-	75,132
Bryan Scott	29 / 37	65,000	-	1,466	113	66,579
Alan Somerville	34 / 34	65,000	-	1,086	-	66,086
Elliot Weir	31 / 37	65,000	744	1,177	88	67,009
Kate Wilson	34 / 37	65,000	4,881	10,300	3,829	84,010
		883,151	11,763	70,343	10,416	975,673

Severance Payments

For the year ended 30 June 2025, the Council had three (2024: one) severance payments of \$25,888, \$24,995 and \$22,936 (2024: \$15,245).

31. Subsequent Events

There have been no events subsequent to year end that would have a material impact on the Annual Report.

32. Commitments for Expenditure

Capital Expenditure Commitment

At 30 June 2025 the Group had commitments for capital expenditure of \$35.0 million (2024: \$17.3 million). Included in the above amounts are Council commitments of \$1.4 million (2024 \$1.7 million) relating to property, plant and equipment acquisitions and contracts for capital expenditure. Port Otago Limited had commitments for capital expenditure of \$33.6 million (2024: \$44.0 million) which relates to purchases and refurbishments of port assets and investment property.

Lease Commitments

Finance lease liabilities and non-cancellable operating lease commitments are disclosed in Note 34 to the financial statements.

33. Contingent Liabilities and Contingent Assets

Council Only Contingent Liabilities

Otago Regional Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ("Riskpool"). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by re insurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire.

However, as a result of the Supreme Court decision on 1 August 2023 in *Napier City Council v Local Government Mutual Funds Trustee Limited*, which addressed the treatment of claims against Riskpool that involved a mixture of non-weathertightness and weathertightness defects (mixed claims), a number of proceedings against Riskpool, which were stayed pending the Supreme Court's decision in 2023, have since recommenced.

Several member Councils have brought proceedings against Riskpool related to mixed claims. Two of these claims are currently listed for trial in September 2025. These cases are important in clarifying the scope of Riskpool's historical obligations and the interpretation of past Scheme terms. At this point the total potential liability of the outstanding claims against Riskpool is unable to be quantified

The Council has also been advised of potential claims in relation to the issue of resource consents. The Council does not expect any material uninsured liability to arise from these potential claims, (2024: \$Nil).

Consistent with the nature of the Council's activities, the Council is involved in Environment, High and District Court proceedings resulting from decisions made by the Council as a planning and consenting authority under the Resource Management Act.

Council Only Contingent Assets

The Council does not have any contingent assets as at 30 June 2025 (30 June 2024: \$Nil).

Group

There are no other contingent liabilities or assets at 30 June 2025 (30 June 2024: \$Nil) other than those arising in the normal course of business.

34. Deferred Tax Balances

Deferred tax comprise taxable and deductible temporary differences arising from the following:

COUNCIL 2025

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX ASSET:				
Tax Losses	-	-	-	-
	-	-	-	-

COUNCIL 2024

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX ASSET:				
Tax Losses	-	-	-	-
	-	-	-	-

GROUP 2025

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX LIABILITIES:				
Other financial assets	751	(430)	(683)	(362)
Property, plant and equipment	15,658	(408)	-	15,250
Investment property	11,900	2,889	-	14,789
Other	(2,675)	259	-	(2,416)
	25,634	2,310	(683)	27,261

GROUP 2024

\$000s	Opening Balance	Charged to Surplus / (Deficit)	Charged to Other Comprehensive Revenue and Expenses	Closing Balance
GROSS DEFERRED TAX LIABILITIES:				
Other financial assets	1,412	(244)	(417)	751
Property, plant and equipment	9,752	5,906	-	15,658
Investment property	10,819	1,081	-	11,900
Other	(2,510)	(165)	-	(2,675)
	19,473	6,578	(417)	25,634

Definition

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Council and Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised as an expense or income in the surplus/(deficit), except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

35. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Council and/or Group as Lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Council and/or Group as Lessee

Assets held under finance leases are recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

Lease Incentives

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Disclosures for Lessees

Leasing Arrangements

Operating leases relate to property, vehicles and equipment leases. All operating lease contracts contain market review clauses in the event that the Council/Group exercises its option to renew. The Council/Group does not have an option to purchase the leased asset at the expiry of the lease period.

Non-cancellable Operating Lease Payments

\$000s	Council 2025	Council 2024	Group 2025	Group 2024
Less than 1 year	415	711	829	1,224
1 - 5 years	471	848	2,126	1,340
Longer than 5 years	399	118	605	738
	1,285	1,677	3,560	3,302

Disclosures for Lessor

Operating Lease Commitments as Lessor

The Group has entered into commercial property leases. These non-cancellable leases have remaining non-cancellable lease terms of up to 21 years.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June 2025 are as follows:

\$000s	Group 2025	Group 2024
RENTALS RECEIVABLE		
Within one year	37,640	34,452
1 - 2 years	34,590	33,434
2 - 3 years	32,217	27,021
3 - 4 years	27,859	24,887
4 - 5 years	22,894	20,628
More than five years	140,648	98,765
MINIMUM FUTURE LEASE RECEIVABLE	295,848	239,187

36. Related Party Disclosures

Otago Regional Council is the ultimate parent of the Group and controls one entity, being Port Otago Limited, including its subsidiaries, associates and joint ventures.

COUNCIL 2025

RELATED PARTY ENTITIES	Relationship to related party entity	Total paid by the entity to Council	Total paid to the Entity by Council	Outstanding balance owed by Entity	Outstanding balance owed
Councillor Alan Somerville					
Forest & Bird	Member	-	137,780	-	-
University of Otago - Otago Medical School	Spouse employed	746,610	75,290	-	119,343
Councillor Alexa Forbes					
Otago Polytechnic	Employee	160,360	-	-	-
Councillor Andrew Noone					
East Otago Events Centre	Committee Member	-	211	-	-
Councillor Bryan Scott					
Otago Catchment Community Incorporated	Council Delegate	-	322,500	-	-
Councillor Elliot Weir					
University of Otago	Research Scholarship	746,610	75,290	-	119,343
Councillor Gary Kelliher					
Springvale Water Supply Company Limited	Director	243	-	-	-
Councillor Kate Wilson					
Strathburn Limited	Director & Shareholder	243	-	-	-
PGG Wrightson Limited	Supplier	-	205,192	-	343
Silver Fern Farms Co-operative Limited	Supplier	29,810	-	571	-
Ravensdown	Cooperative	-	2,161	-	-
Otago Catchment Community Incorporated	Council Delegate	-	322,500	-	-
Otago South River Care Incorporated	Council Delegate	-	110,000	-	55,000
Strath Taieri Agriculture & Rural Tourism Trust (START)	Chair	126	-	-	-

COUNCIL 2025

	Relationship to related party entity	Total paid by the entity to Council	Total paid to the Entity by Council	Outstanding balance owed by Entity	Outstanding balance owed
RELATED PARTY ENTITIES					
Councillor Lloyd McCall					
N/A					
Councillor Michael Laws					
Central Otago District Council	Spouse is a Councillor	68,040	164,880	3,955	7,048
Councillor Tim Mephram					
N/A					
Councillor Gretchen Robertson					
Ernslaw One Limited	Employee	4,407	-	-	-

COUNCIL 2024

During the 30 June 2024 year, Councillors as part of a normal customer relationship, were involved in minor arm's length transactions with the Council, such as the payment of rates.

	Relationship to related party entity	Total paid by the entity to Council	Total paid to the Entity by Council	Outstanding balance owed by Entity	Outstanding balance owed
RELATED PARTY ENTITIES					
Councillor Alan Somerville					
Forest & Bird	Member	-	3,000	-	-
Councillor Alexa Forbes					
Otago Polytech	Employee	181,485	4,303	-	-
Councillor Andrew Noone					
East Otago Events Centre	Committee Member	-	264	-	-
Farmlands Co-operative Limited	Shareholder	-	6,140	-	-
Silver Fern Farms Co-operative Limited	Shareholder	31,407	-	3,804	-
Ravensdown Co-operative Limited	Shareholder	13,314	345	1,348	-
Councillor Bryan Scott					
Otago Catchment Community Incorporated	Member	-	224,716	-	269,100
Councillor Elliot Weir					
University of Otago	Employee	1,036,294	41,089	326	-
Councillor Gary Kelliher					
Manuherikia Irrigation Co-operative Society	Ultimate Shareholder	15,628	-	-	-
Springvale Water Supply Company Limited	Director	225	-	-	-

	Relationship to related party entity	Total paid by the entity to Council	Total paid to the Entity by Council	Outstanding balance owed by Entity	Outstanding balance owed
RELATED PARTY ENTITIES					
Councillor Kate Wilson					
Alliance Group Co-operative Limited	Shareholder	32,703	-	-	-
Farmlands Co-operative Limited	Shareholder	-	6,140	-	-
PGG Wrightson Limited	Shareholder	-	40,744	-	14,498
Silver Fern Farms Co-operative Limited	Shareholder	31,407	-	3,804	-
Strathburn Limited	Director & Shareholder	525	-	-	-
Councillor Kevin Malcolm					
J & E Soper Family Trust	Trustee	225	-	-	-
Lower Waitaki Irrigation Company Limited	Shareholder	6,294	-	529	-
Poltalloch South Trust	Trustee	225	-	-	-
Councillor Lloyd McCall					
Kelso Dairy Limited (ceased 14 December 2023)	Director & Shareholder	275	-	-	-
Otago Catchment Community Incorporated	Member	-	224,716	-	269,100
Otago South River Care Incorporated	Member		17,250		
Councillor Michael Laws					
Central Otago District Council	Spouse is a Councillor	141,333	124,676	90,718	2,636

Otago Regional Council acquired 1 unlisted share in Regional Software Holdings Limited (RSHL) in the financial year ended 30 June 2024. There was \$1 compensation paid for the 0.01% shareholding. RSHL's scope is to provide a framework for collaboration and delivery of shared services across the regional council sector, supporting the procurement or development of shared solutions. Council and Group has not equity accounted for the fair value of RSHL, due to the small shareholding and immaterial nature of the fair value owned by ORC's 0.01% shareholding. Council paid RSHL for supplies and services of \$1,063,465 during the year end 30 June 2025 (2024: \$869,750).

Group

Refer to Note 16 for transactions between Council and Port Otago Limited.

Chalmers Properties Limited has provided an advance to Te Rapa Gateway Limited to fund its share of land acquisition and development expenditure. The current intention of Chalmers Properties Limited is to provide ongoing financial support to Te Rapa Gateway Limited.

Port Otago Limited and Chalmers Properties Limited have a \$300,000 overdraft (2024: \$300,000) offset facility arrangement which is included in the Group debt facility detailed in note 20. The purpose of this arrangement is to minimise any interest costs to the two entities.

Transactions Eliminated on Consolidation

Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the group.

Disclosure Statement

Purpose of this Statement

The purpose of this statement is to disclose the Council’s 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 Report 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.

Rates Affordability Benchmark

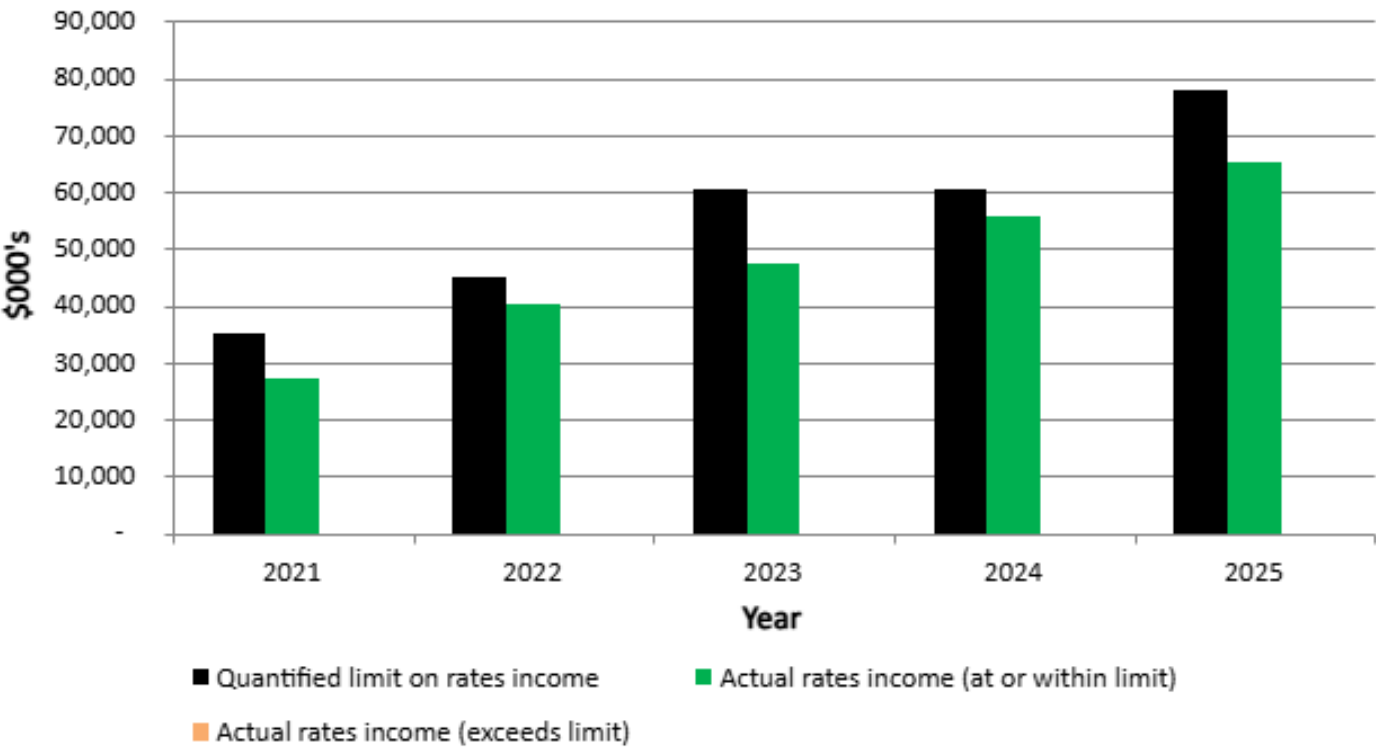
The Council meets the rates affordability benchmark if:

- Its actual rates income equals or is less than each quantified limit on rates; and
- Its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (Income) Affordability

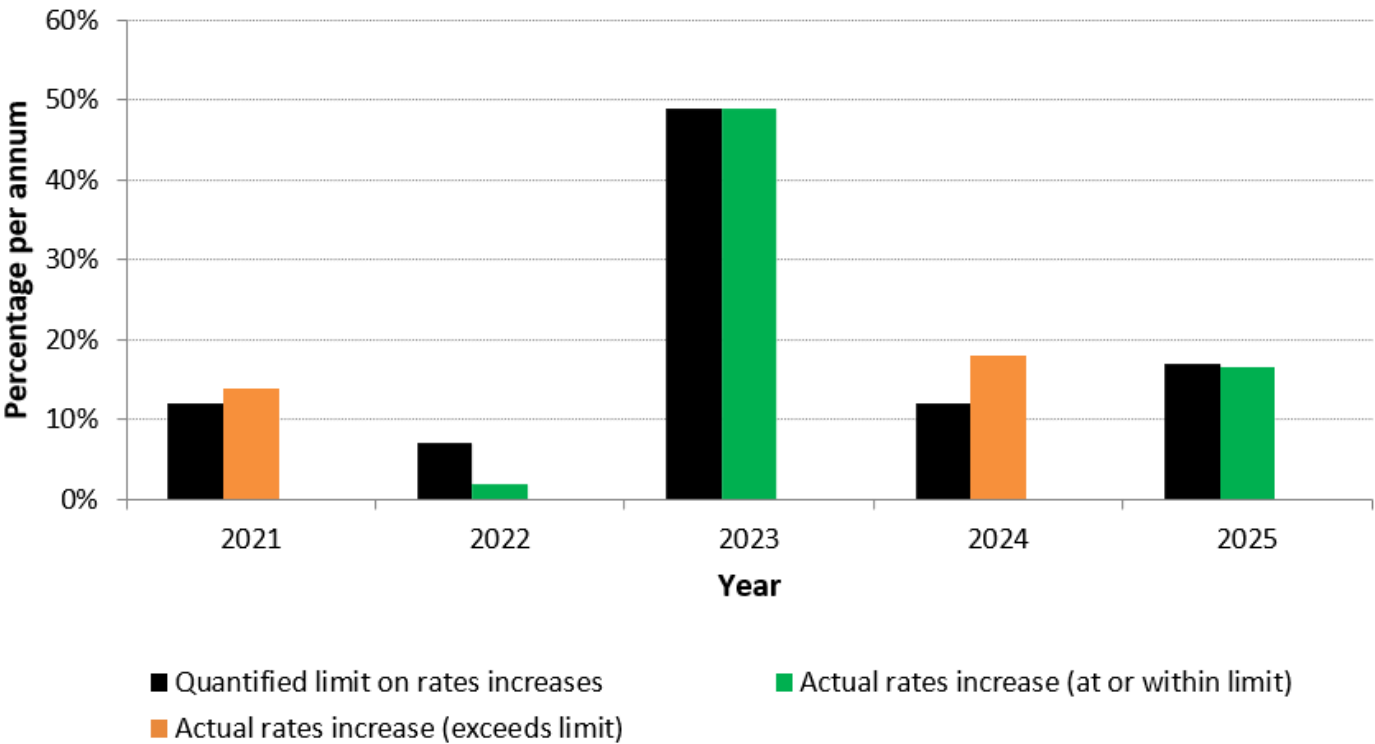
The following graph compares the Council’s actual rate income with a quantified limit on rates contained in the financial strategy included in the Council’s Long-Term Plan.

The quantified limit for 30 June 2025 is \$78 million or 50% of total revenue.



Rates (Increases) Affordability

The following graph compares the Council’s actual rate increases with a quantified limit on rate increases included in the financial strategy included in the Council’s Long-Term Plan. The quantified limit is an increase of 18% per annum, (2024: 12%, 2023: 49%, 2022: 7%, 2021: 12%).



RATES AFFORDABILITY COMMENTARY

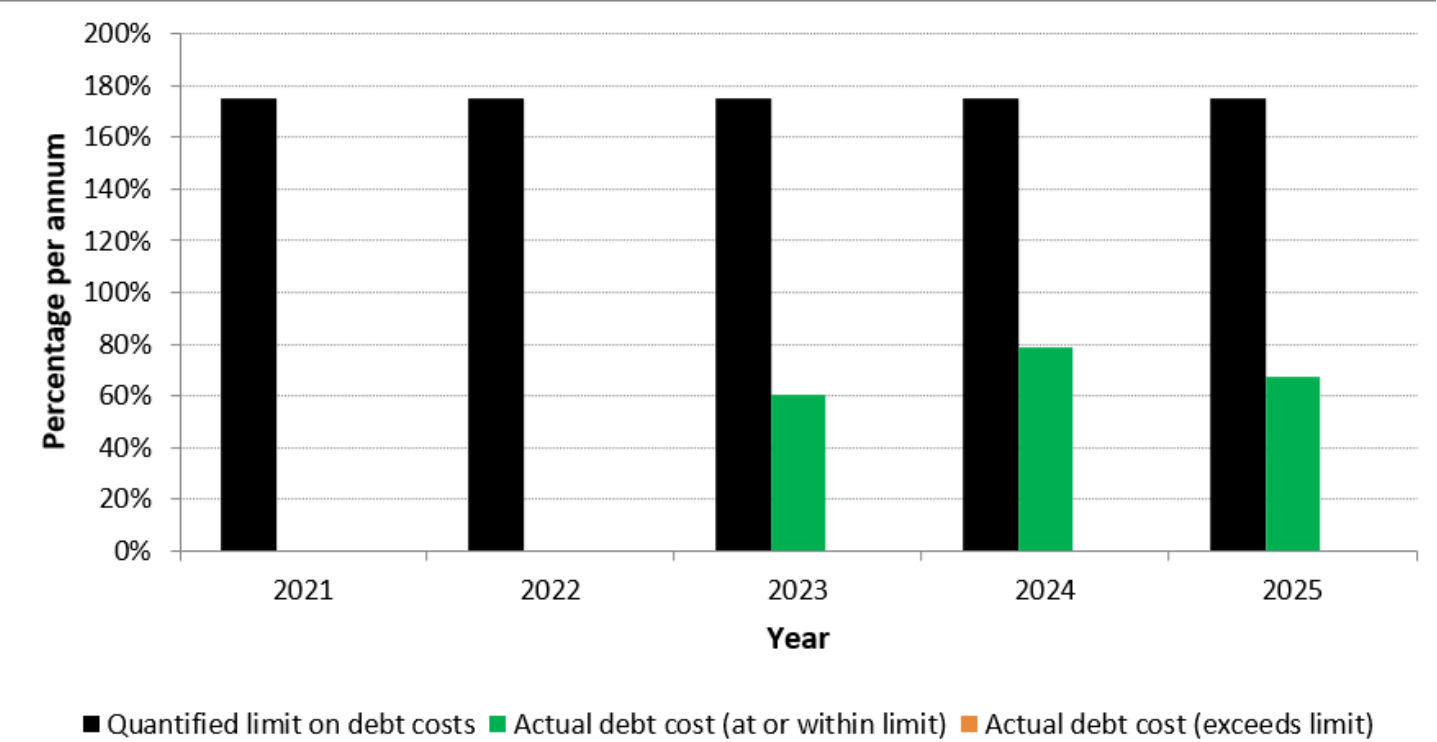
The Rates (increases) affordability graph shows the quantified limit was exceeded in 2024. The quantified limit included in the Long-Term Plan was 12% in 2024 and the actual increase was 18%.

The Annual Plan 2023/2024 provided for additional general rate funded expenditure for land and water, biodiversity and biosecurity and safety and resilience.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council specifies the quantified limit on borrowing as being the interest cost on borrowing as a percentage of revenue.

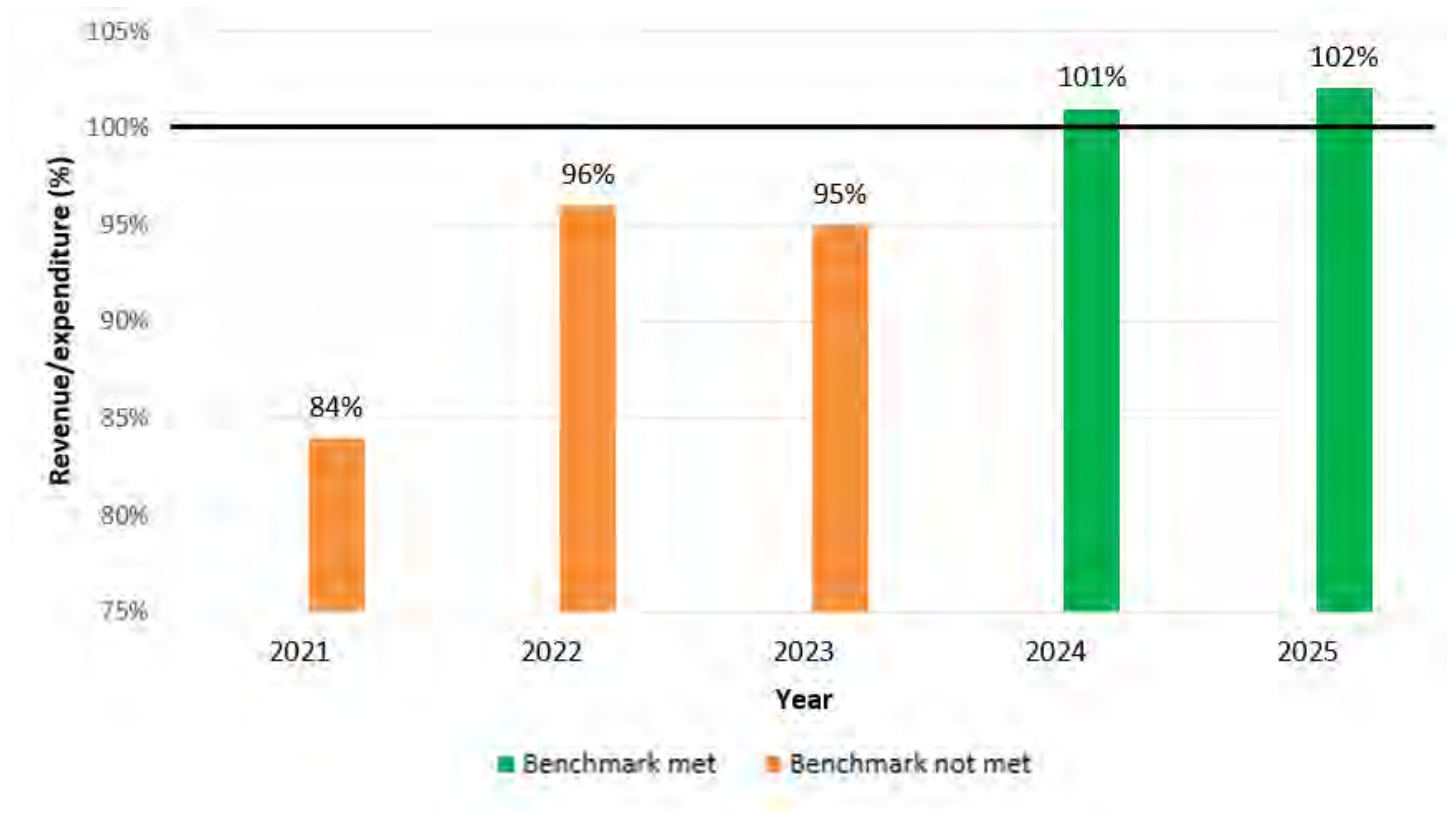
The following graph compares the Council’s actual borrowing with a quantified limit specified in the financial strategy included in the Council’s Long-Term Plan. The quantified limit 175% of revenue.



Balanced Budget Benchmark

The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



BALANCED BUDGET BENCHMARK COMMENTARY

The balance budget graph for 2025, shows that Council's revenue was greater than operating expenses at 102%. The Council is required to ensure that estimated revenue is sufficient to cover estimated operating costs unless Council resolves that in any particular year, it is financially prudent to fund a portion of operating costs from other sources, including reserve funds.

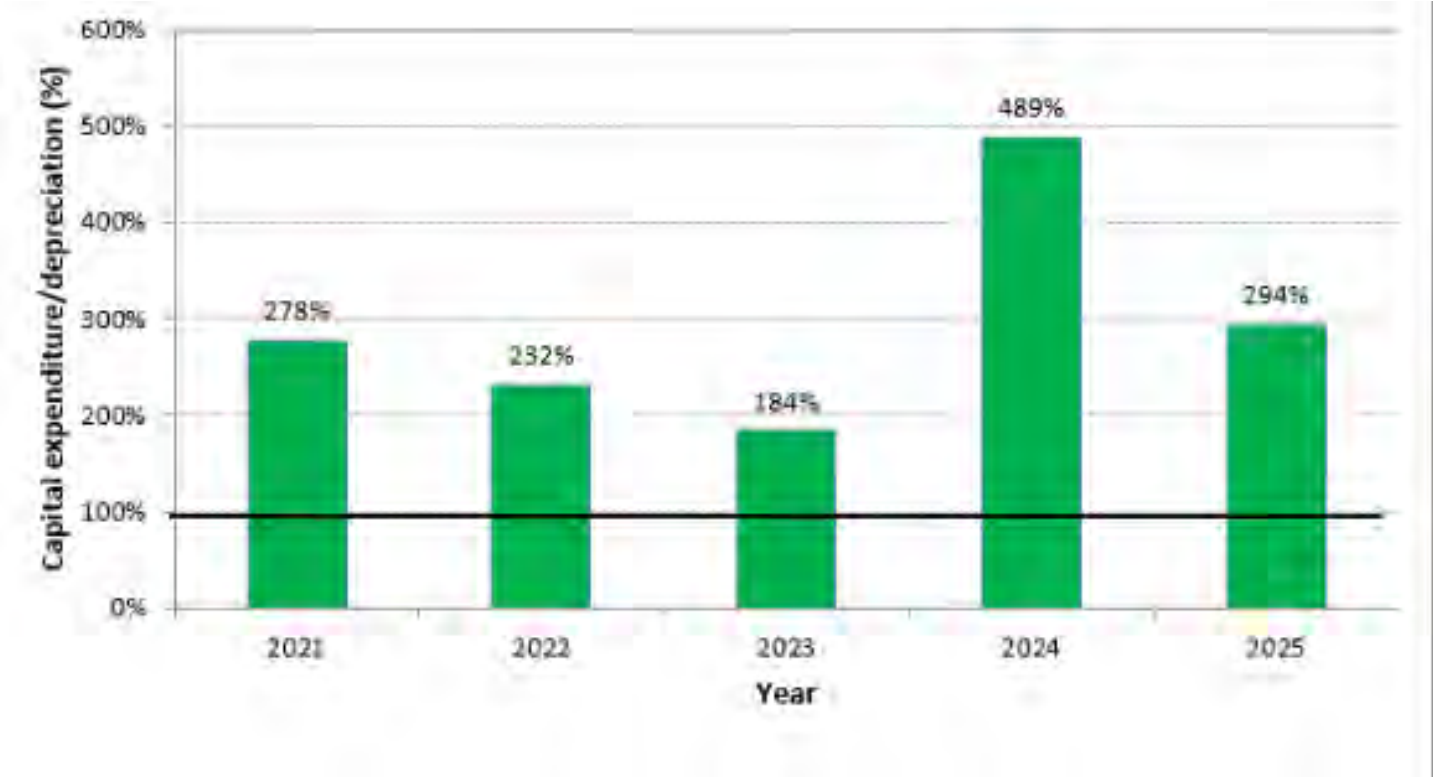
In the 2021-2023 years, Council resolved to fund costs associated with particular activities from reserves, with the activities most affected being the Environmental, Community and Transport activities.

Essential Services Benchmark

The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

The Council’s network services comprise flood protection and river management.

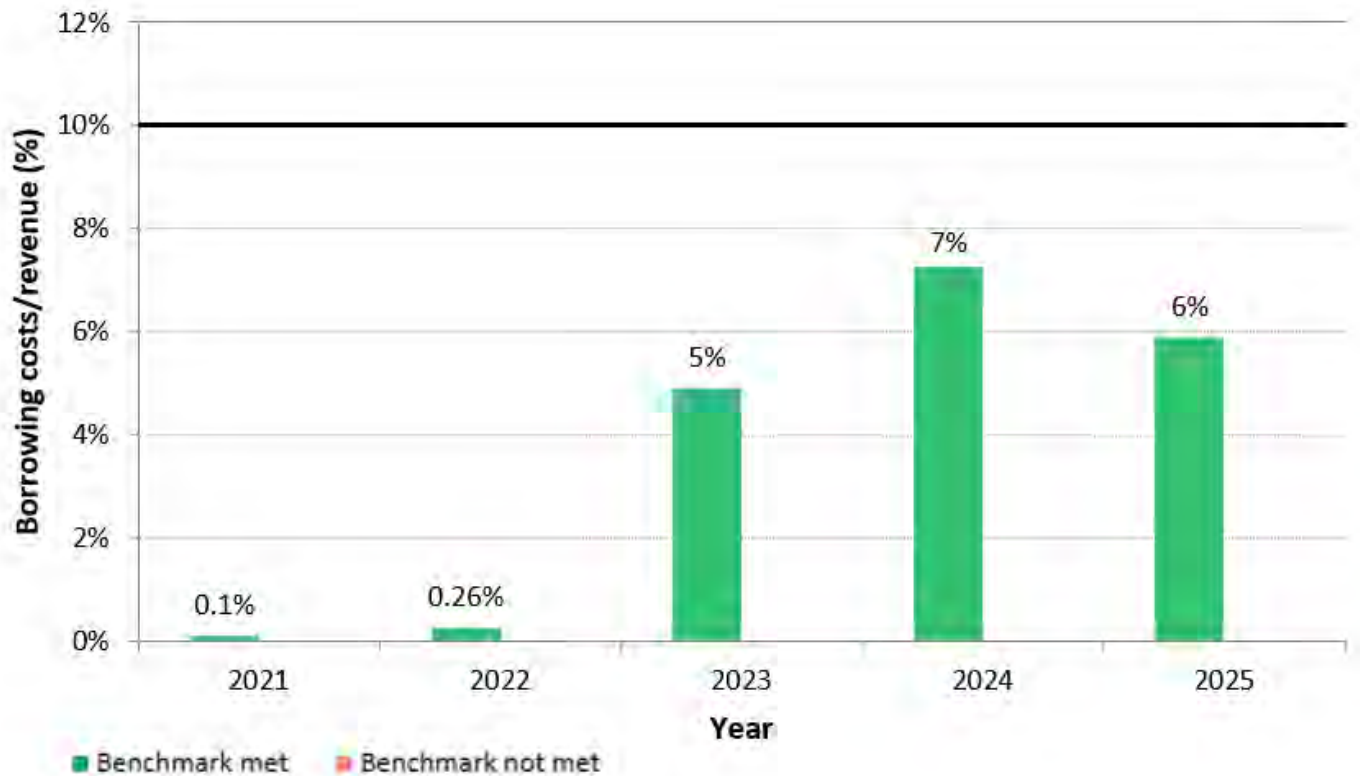
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, Council meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.

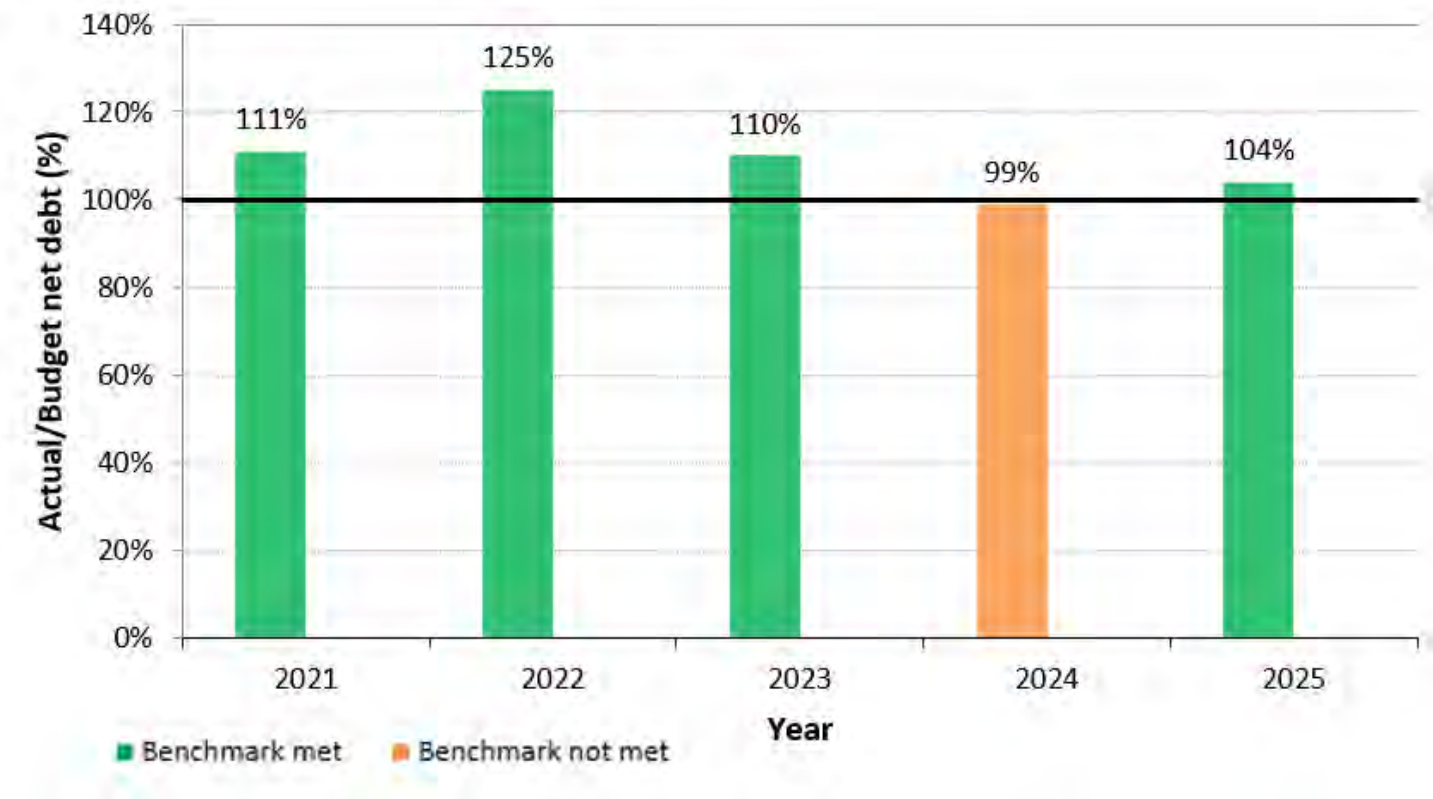


Debt Control Benchmark

The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt. For the purposes of this graph Port Otago Limited receivable has been netted against total debt to remove borrowing that was on lent to Port Otago Limited and is received as a intercompany receivable.

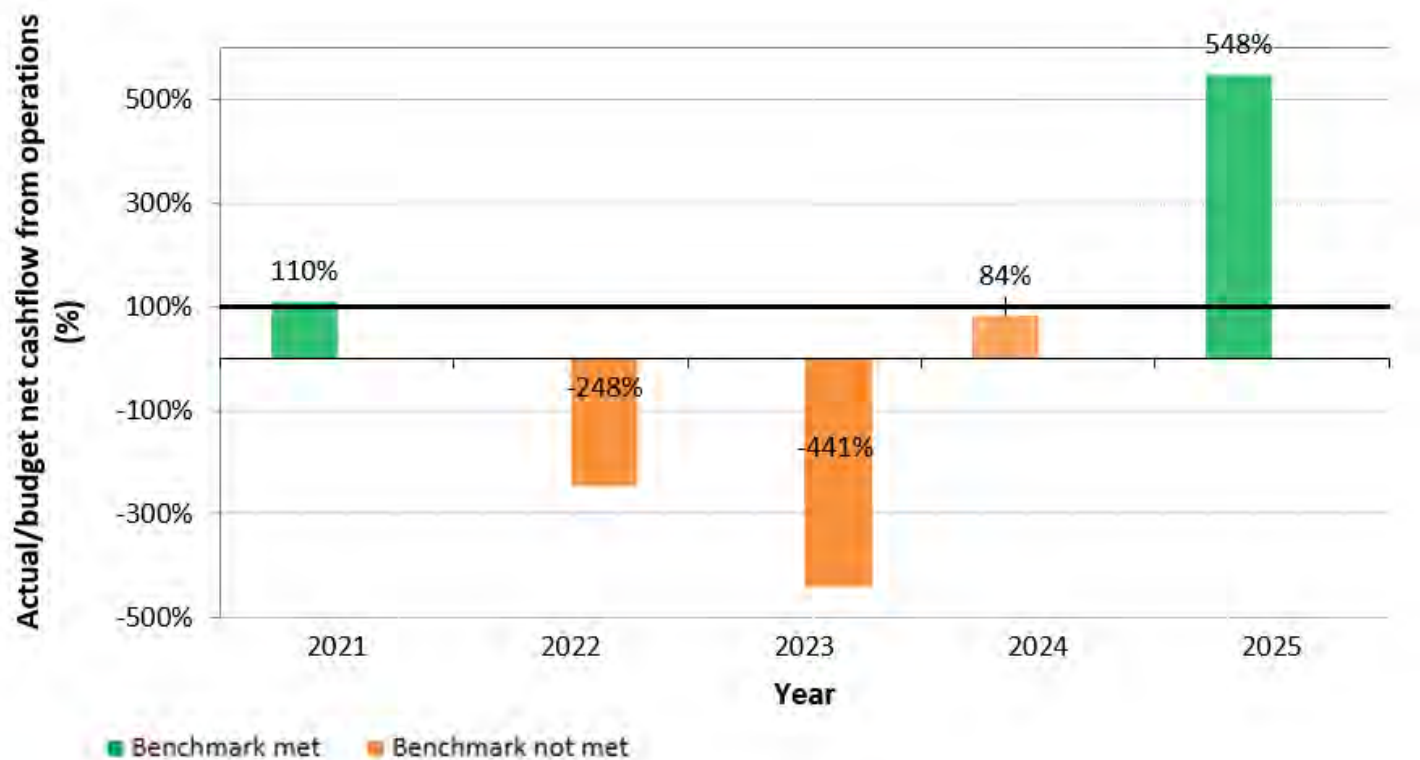
During the period 2020/21, Council had budgeted net assets rather than net debt. During the 2021/2022 Council borrowed \$15 million which was increased to \$25 million in 2022/23, 2023/2024 and 2024/25 period.



Operations Control Benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



OPERATIONS CONTROL BENCHMARK COMMENTARY

The Operations Control benchmark graph shows the actual net cash flow from operations as a percentage of the planned net cash flow from operations.

In the 2025 year, actual cash flow from operations was a new in \$7,651,000 compared to a planned new inflow of \$1,396,000. The major cause of this variance was a \$5,896,000 increase in receipts from customers and \$4,340,000 increase in grant income, offset by a \$1,048,000 increase in payments to suppliers and employees.

In the 2024 year, actual cash flow from operations was a net inflow of \$3,295,000 compared to the planned net inflow of \$3,939,000. The major cause of this variance was caused by additional payments to suppliers than originally budgeted due to inflationary costs.

In the 2023 year, the actual cash flow from operations was a net outflow of \$3,792,000 compared to the planned new inflow of \$1,113,000. The major cause of this variance was caused by additional unbudgeted expenditure on the Regional Policy Statement (RPS) and fees and charges revenue being received than budgeted.

In the 2022 year, the actual cash flow from operations was a net outflow of \$2,198,000 compared to the planned net inflow of \$1,409,000. The major cause of this variance was caused by less fees and charges revenue being received than budgeted.

In the 2021 year, the actual cash flow from operations was a net inflow of \$271,000 compared to the planned net outflow of \$2,661,000. The major cause of this variance was an increase in grant revenue.

Additional Information

Rates Revenue

The rating base information in the table below is as at the preceding 30 June to the financial year shown in the table and comprises the rating base for the region as a whole.

	Rating Base Information for the Year Ended 30 June 2025	Rating Base Information for the Year Ended 30 June 2024
Otago Region		
Total number of rating units	136,645	134,412
Total capital value of rating units	\$156,242,558,309	\$154,646,216,059
Total land value of rating units	\$88,988,471,350	\$87,500,472,800

Insurance of Assets

The total carrying value of all assets of the Council as at 30 June 2025 that are covered by insurance contracts amounts to \$7.549 million (2024: \$17.637 million) and the maximum amount to which they are insured is \$43.776 million (2024: \$82.838 million).

The total value of all assets of the Council as at 30 June 2025 that are self-insured amounts to \$46.616 million (2024:\$99.132 million).

Included in the value of self-insured assets are flood protection and drainage infrastructural assets of \$24.136 million (2024: \$65.620 million), land of \$0.00 million (2024: \$29.650 million), transport infrastructural assets and hardware of \$2.970 million (2024: \$0.876 million), stock effluent disposal facilities of \$1.830 million (2024: nil) and offices and regional depot of \$17.680 million (2024:nil). Flood protection and drainage infrastructural assets include floodbanks, protection works, drains, and culverts. Assets of this nature are constructions or excavations of natural materials on the land, and have substantially the same characteristics of land, in that they are considered to have unlimited useful lives.

Flood protection and drainage infrastructural assets include floodbanks, protection works and drains and culverts. Assets of this nature are constructions or excavations of natural materials on the land, and have substantially the same characteristics of land, in that they are considered to have unlimited useful lives.

The Council does not maintain separate self-insurance funds and considers that the level of reserve funds held is sufficient for the purpose of self-insuring assets that are not covered by insurance contracts.

As at 30 June 2025 the Council had not entered into any financial risk sharing arrangement for any assets held (2024:\$Nil).



Otago Regional Council Councillors

Chairperson	Gretchen Robertson	Dunedin Constituency
Deputy Chairperson	Lloyd McCall	Molyneux Constituency
Regional Councillors	Tim Mephram	Dunedin Constituency
	Andrew Noone	Dunedin Constituency
	Bryan Scott *	Dunedin Constituency
	Alan Somerville	Dunedin Constituency
	Elliott Weir	Dunedin Constituency
	Kate Wilson	Molyneux Constituency
	Alexa Forbes	Dunstan Constituency
	Gary Kelliher	Dunstan Constituency
	Michael Laws	Dunstan Constituency
	Kevin Malcolm	Moeraki Constituency

* Councillor Bryan Scott resigned in October 2024.

Otago Regional Council Executive Staff

Chief Executive	Richard Saunders
General Manager Finance and Chief Financial Officer	Nick Donnelly
General Manager Regional Planning and Transport	Anita Dawe
General Manager Science and Resilience	Tom Dyer
General Manager Environmental Delivery	Joanna Gilroy
General Manager People and Corporate	Tami Sargeant
General Manager Strategy and Customer	Amanda Vercoe

Otago Regional Council Details

Bankers	Bank of New Zealand
Auditors	Deloitte Limited on behalf of the Auditor-General, Wellington
Solicitors	Ross Dowling Marquet and Griffin, PO Box 1144, Dunedin
Principal Office	Philip Laing House, Level 2, 144 Rattray Street, Dunedin 9016
Website	www.orc.govt.nz
Phone	0800 474 082 0800 800 033 (Pollution Hotline)
Email	customerservices@orc.govt.nz

Port Otago Limited

Chairperson	Tim Gibson	January 2023 to Current
Deputy Chairperson	Pat Heslin	
Directors	Tom Cambell	Retried 31 December 2023
	Bob Fulton	
	Richard Herd	Appointed 1 January 2024
	Chris Hopkins	
	Becky Lloyd	
	Anne McLeod	July 2023 to Current
Chief Executive	Kevin Winders	

Office and Depot Locations

Offices

Dunedin Office - Philip Laing House

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm Closed on public holidays.

Level 2
144 Rattray Street
Dunedin 9016

Queenstown Office

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm Closed on public holidays.

Terrace Junction 1092 Frankton Road
Queenstown 9300

Depots

We have staff located at depots throughout the region.

Please note that depots do not service general enquiries or accept payments. Please contact us by email or phone for guidance or general enquiries.

Alexandra

13 Ngapara Street
Alexandra 9340

Cromwell

14 Rogers Street
Cromwell 9310

Oamaru

32 Ribble Street
Oamaru 9400

Taieri

173 Dukes Road North
North Taieri 9092

Balclutha

Hasborough Place
Balclutha 9230

Dunedin

70 Stafford Street
Dunedin 9054

Palmerston

54 Tiverton Street
Palmerston 9430

Wānaka

185 Riverbank Road
Wānaka 9382

Statement of Compliance

In accordance with Part 3 of Schedule 10, Clause 34 of the Local Government Act 2002, the Council and management of Otago Regional Council confirm that all the statutory requirements in relation to the Annual Report have been complied with.



Richard Saunders
CHIEF EXECUTIVE



Gretchen Roberston
CHAIRPERSON



Independent Auditors' Report

Deloitte.





Deloitte.





Independent Auditors' Report

Deloitte.





Deloitte.





Lake Hayes, Central Otago

