# Council Agenda 28 October 2026

Meeting will be held at the Otago Regional Council Chamber, Aonui, 180 High Street, Dunedin, Otago. This meeting will be live streamed on the ORC YouTube channel.

Members:
Cr Hilary Calvert (Chair)
Cr Kevin Malcolm (Deputy Chair)
Cr Robbie Byars
Cr Chanel Gardner
Cr Neil Gillespie
Cr Matt Hollyer
Cr Gary Kelliher
Cr Michael Laws
Cr Andrew Noone
Cr Gretchen Robertson
Cr Alan Somerville
Cr Kate Wilson

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

28 October 2026 10:30 AM

## Agenda Topic

Agenda 1

## 1. WELCOME

Cr Byars will open with a reflection.

## 2. APOLOGIES

Recommendation that Council:
Delegates to Chair Calvert to retrospectively consider and grant a leave of absence from 13 October to 14 November 2026, for Cr Michael Laws, under Standing Order 13.3.

## 3. PUBLIC FORUM

1. Nick Stoneman will speak on Otago public transport.
2. Cat Dillon will speak on behalf of Wai Wānaka regarding alpine lakes research funding.

## 4. CONFIRMATION OF AGENDA

The agenda to be confirmed as published.

## 5. DECLARATIONS OF INTEREST

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. The Register of Member's Pecuniary Interests can be found on the ORC Website.

## 6. PRESENTATIONS

### 6.1 Otago Helicopter Rescue Trust Annual Report

The Otago Helicopter Rescue Trust will present their Annual Report.

### 6.2 Otago Catchments Community Inc. Annual Report

The Annual Report for the OCC is LINKED HERE within Diligent and available publicly on the ORC WEBSITE

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Confirming the public minutes of the Council meeting of 26 August 2026.


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11.2 Large-scale Environment Fund 302

This report seeks Council decisions on funding applications from Southern Lakes Sanctuary and Predator Free Dunedin through the Large-scale Environmental Fund. Both applications exceed the Governance Group's delegated funding threshold and have therefore been referred to Council for consideration against the approved eligibility and assessment criteria and within the fund's available budget.

11.2.1 Southern Lakes Sanctuary Project Plan 313

11.2.2 Predator Free Dunedin Project Plan 357

11.2.3 One Regional Opportunity 404

11.3 Balclutha to Dunedin Public Transport Investigations 413

To report on the ORC Annual Plan 2025/26 direction to investigate public transport options for connecting Balclutha to Dunedin including consideration of Dunedin Airport.

11.3.1 Final Balclutha Public Transport Investigation Technical Note (October 2026) 423

11.4 Annual Compliance Report 2025-2026 457

This report provides the Council with the ORC Annual Compliance Monitoring Report for the 2025/26 financial year.

11.4.1 ORC Annual Compliance Monitoring Report 2025-26FY 461

11.5 Issues and Opportunities for Managing the Otago Coast 533

The purpose of this report is to provide Council with the Otago Coast Engagement Report which synthesises engagement feedback on Coastal Issues and Opportunities in Otago, and
the Otago Coast Issues and Opportunities Report, which summarises ORC's knowledge about issues affecting Otago's Coast, and identifies the opportunities for future management frameworks.

11.5.1 Otago Coast Engagement Summary with appendices 540

11.5.2 Otago Coastal Issues and Opportunities Draft Report 632

11.6 Drinking Water Sources in Otago 713

This report has been prepared to introduce an outline of the Water Services Act 2021 as it applies to the Otago Regional Council, present the Drinking Water Sources in Otago Report dated September 2026 for the period 1st January 2025 to 31st December 2025, and demonstrate how ORC is meeting it's obligations under the Water Services Act 2021 to share, publish and report on the quality and quantity of source water for drinking.

11.6.1 Report Drinking Water Sources Otago Sept 2026 Trotter et al 721

11.7 Treasury Management Policy Review 776

To adopt an updated Treasury Management Policy and Statement of Investment Policy and Objectives following review of those documents by the Audit and Risk Committee.

11.7.1 Treasury Management Policy - September 2026 DRAFT marked up 780

11.7.2 Statement of Investment Policy and Objectives - September 2026 DRAFT marked up 803

## 12. NOTICES OF MOTION

No notices of motion had been submitted at the time of publishing.

## 13. CLOSURE

Otago Regional Council

# Council
# MINUTES

**Minutes of an ordinary meeting of the Otago Regional Council held in the Korokia Board Room, Alta House, Terrace Junction 1092 Frankton Road, Frankton, Queenstown, Otago, on Wednesday 23 September 2026, commencing at 10:30 am**

**PRESENT**

| | |
|---|---|
| Cr Hilary Calvert | *(Chair)* |
| Cr Kevin Malcolm | *(Deputy Chair)* |
| Cr Chanel Gardner | |
| Cr Neil Gillespie | |
| Cr Matt Hollyer | |
| Cr Gary Kelliher | |
| Cr Andrew Noone | |
| Cr Gretchen Robertson | *(online)* |
| Cr Alan Somerville | |
| Cr Kate Wilson | |

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## 1. WELCOME

The meeting opened at 10:30 am, Mayor John Glover welcomed the Otago Regional Councillors to Queenstown and spoke on the challenges for differing sectors working to fix the roading and water network issues of Queenstown. The current rapid population growth of the region was highlighted as both a challenge and a positive. There was an opportunity for councillors to ask questions of Mayor Glover.

Cr Hollyer said a reflection. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport) online, Nick Donnelly (GM Finance) online, Tom Dyer (GM Science and Resilience), Amanda Vercoe (GM Strategy and Customer, Deputy CE) online, Andrea Howard (Chief Advisor to the CE and Chair) and Kylie Darragh (Governance Support Officer).

*At 10:46 am Mayor Glover left the meeting.*

## 2. APOLOGIES

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

*That the apologies for Cr Byars be accepted.*

**MOTION CARRIED**

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

*That an apology be noted for Cr Laws.*

**MOTION CARRIED**

## 3. PUBLIC FORUM

**3.1.** Alasdair Morrison spoke on behalf of the Waikouaiti Coast Community Board, online, there was an opportunity for questions from councillors, Chair Calvert thanked Mr Morrison for attending.

## 4. CONFIRMATION OF AGENDA

**Resolution: Cr Hollyer Moved, Cr Noone Seconded**

*That the Council:*

***1)*** ***Accepts*** *to the agenda the amended Recommendation to Exclude the Public now including the LGOIMA reasons for the supplementary paper.*

***2)*** ***Accepts*** *the additional supplementary confidential paper '1.1 Trial of Expanded Ferry Timetable' and the late confidential paper: 'Otago Central Lakes Regional Deal Proposed Amendment and Reapproval', and*

***3)*** ***Accepts*** *that these papers are to be heard as matter 2.2 and 2.3 respectively of the Confidential Council Agenda**.***

**MOTION CARRIED**

## 5. DECLARATIONS OF INTERESTS

Councillors were reminded of their need to stand aside or sit back from the table if a conflict of interest arises.

## 6. CONFIRMATION OF MINUTES

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

*That the minutes of the Council meeting held on 26 August 2026 be received and confirmed as a true and accurate record.*

**MOTION CARRIED**

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## 7. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Actions of Council were reviewed.

## 8. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

### 8.1. Chairperson's Report

Cr Calvert was available to respond to questions on the report.

**Resolution: Cr Gardner Moved, Cr Noone Seconded**
***That*** *the report be noted.*
**MOTION CARRIED**

### 8.2. Chief Executive's Report

Richard Saunders (Chief Executive) was available to respond to questions on the report.

**Resolution: Cr Kelliher Moved, Cr Gillespie Seconded**
***That*** *the report be noted.*
**MOTION CARRIED**

## 9. MATTERS FOR CONSIDERATION

### 9.1. Review of Fares 2026

[YouTube 39:55] The purpose of this report was to provide Council with an analysis of the public transport fare changes consultation submissions and to seek decisions on any changes to Otago's public transport fare structure, including the introduction of zonal fares, fare capping, and the removal of cash payment. Portfolio Lead Cr Hollyer introduced the paper. Jack Cowie (Transport Planner), Grace Longson (Transport Planner), Anita Dawe (GM Regional Planning and Transport), Deb Stuut (Manger Customer and Governance) were available online to respond to questions on the report.

*Cr Hollyer left the meeting at 11:38 am.*
*Cr Hollyer returned to the meeting at 11:40 am.*

*Cr Wilson left the meeting at 11:41 am.*
*Cr Wilson returned to the meeting at 11:43 am.*

**At 11:50 am Cr Malcolm Moved, Cr Wilson Seconded**
***That*** *Council adjourn for ten minutes.*
**MOTION CARRIED**

**Resolution CM26-235: Cr Hollyer Moved, Cr Somerville Seconded**
*That the Council:*

***1)*** ***Notes*** *this report and the accompanying technical note "Fare Changes Submissions Analysis 2026" [Attachment 1 of the report].*

**MOTION CARRIED**

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**Resolution CM26-236: Cr Hollyer Moved, Cr Somerville Seconded**

*That the Council:*

***2)*** *With respect to the Dunedin bus network:*

***b.*** ***Approves*** *the implementation of* ***four Dunedin zones*** *(Dunedin, Waikouaiti/ Palmerston, Hampden and Ōamaru) from 1 November 2026, corresponding to the following fare structure:*

| | |
|---|---|
| *One zone* | *$2.50* |
| *Two zones* | *$4.00* |
| *Three zones* | *$7.50* |
| *Four zones* | *$10.00* |

**MOTION CARRIED**

**Resolution CM26-237: Cr Hollyer Moved, Cr Somerville Seconded**

*That the Council:*

***3)*** ***Notes*** *that from 1 October 2026 until 31 October 2026, passengers travelling on the Ōamaru – Dunedin bus service will pay a flat fare of $2.50.*

**MOTION CARRIED**

**Resolution CM26-238: Cr Hollyer Moved, Cr Somerville Seconded**

*That the Council:*

***4)*** ***Approves*** *for the implementation of the Queenstown network zonal fares:*

***a.*** *One zone (Queenstown) corresponding to the $2.50 flat fare structure currently in place (status quo).*

**MOTION CARRIED**

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

*That the Council:*

***5)*** ***Approves*** *the implementation of fare capping following the launch of Motu Move in Otago:*

***d.*** *Implement <u>two</u> trips daily and <u>eight</u> trips weekly fare caps with <u>no increase</u> in the base fare.*

**By Division**

| | |
|---|---|
| **For:** | Cr Somerville, Cr Robertson, Cr Hollyer |
| **Against:** | Cr Wilson, Cr Noone, Cr Malcolm, Cr Kelliher, Cr Gillespie, Cr Gardner, Cr Calvert |
| **Abstained:** | None |

**MOTION FAILED**

3 in favour, 7 against.

**Resolution CM26-240: Cr Hollyer Moved, Cr Somerville Seconded**

*That the Council:*

***6)*** ***Approves*** *to amend the Queenstown ferry fare structure to include the following elements for implementation upon the launch of Motu Move in Otago:*

***a.*** *Fare caps of $20 per day and $60 per week for adult fares, equivalent to two trips daily and six trips weekly as a 12-month trial.*

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**By Division**

| | |
|---|---|
| **For:** | Cr Gardner, Cr Hollyer, Cr Noone, Cr Robertson, Cr Somerville, Cr Wilson |
| **Against:** | Cr Gillespie, Cr Malcolm, Cr Kelliher, Cr Calvert |
| **Abstained:** | None |

**MOTION CARRIED**

6 in favour, 4 against.

**Resolution CM26-241 Moved: Cr Hollyer Seconded: Cr Somerville**

*That the Council:*

***7)*** ***Approves*** *to amend the Queenstown ferry fare structure to include the following elements for implementation upon the launch of Motu Move in Otago:*

***a.*** *Fare concessions the same as those in place for bus services; and*

***b.*** *Free transfers within 45 minutes of tagging off the first trip for any trip including the ferry, with no extra fare on top of the higher ferry fare.*

**MOTION CARRIED**

**Resolution CM26-242 Moved Cr Hollyer Seconded Cr Somerville**

*That the Council:*

***8)*** ***Approves*** *on cash fare payments:*

***b.*** *Maintain cash fares, whose definition is a fare that is 20% higher than card fares, rounded up to the nearest whole dollar, except where special fares continue to apply such as at Queenstown Airport.*

**MOTION CARRIED**

**9.2. Establishment of Transport Liaison Groups**

[YouTube 2:17] The purpose of this paper was to progress the development of Transport Liaison Groups, one to support the Dunedin network and one to support the Queenstown network. The establishment of Transport Liaison Groups (TLG) is a Council priority action. Cr Somerville, Portfolio Lead, introduced the paper, and Anita Dawe (GM Regional Planning and Transport) was available to respond to questions on the report.

**Resolution CM26-243: Cr Somerville Moved, Cr Wilson Seconded**

*That the Council:*

***1)*** ***Notes*** *this report.*

***2)*** ***Approves*** *the establishment of two Transport Liaison Groups, one for the Dunedin public transport network and one for the Queenstown public transport network.*

***3)*** ***Adopts*** *the draft Terms of Reference, subject to any amendments directed by Council.*

***4)*** ***Notes*** *that the Terms of Reference will be discussed and confirmed at the first meeting of the respective Liaison Groups.*

***5)*** ***Requests*** *the Transport Portfolio Leads, Cr Hollyer and Cr Somerville, to work with staff to finalise the proposed membership lists and directs staff to engage with identified groups to seek appointments to the liaison group.*

***6)*** ***Agrees*** *the meeting frequency for each liaison group will be at least 4 monthly.*

***7)*** ***Notes*** *that staff will provide an update on membership by 30 November 2026.*

***8)*** ***Appoints*** *Cr Somerville and Cr Calvert to the Dunedin Transport Liaison Group; Appoints Cr Hollyer and Cr Gillespie to the Queenstown Liaison Group.*

**MOTION CARRIED**

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**At 1:15 pm Cr Hollyer Moved, Cr Somerville Seconded**
***That*** *the Council adjourn until 1:30 pm*
**MOTION CARRIED**

### 9.3. Flood Recovery Programme Update 4

[YouTube 3:07] This report provided an update on the progress of repairs to flood damaged sites from the three flood recovery programmes being 2022, 2023 and 2024 events. Cr Kelliher, Portfolio Lead, introduced the paper. Tom Dyer (GM Science and Resilience), and online Nathan Anderson (Team Leader - Assets and Delivery), Brett Paterson (Manager Engineering), online Jean-Luc Payan (Manager Natural Hazards), were available to respond to questions on the report.

**Resolution CM26-244: Cr Kelliher Moved, Cr Somerville Seconded**
*That the Council:*

1) ***Notes*** *this report.*
2) ***Notes*** *that the flood recovery program is complete.*
3) ***Notes*** *that the three projects receiving Regional Infrastructure Fund (RIF) programme funding will now be reported within the RIF programme.*

**MOTION CARRIED**

### 9.4. Regional Infrastructure Fund Funding Update

[YouTube 3:14] This report update Council on the nine Regional Infrastructure Fund funding agreement projects with the Ministry of Business, Innovation and Employment (Ministry). Cr Kelliher, Portfolio Lead, introduced the paper. Nathan Anderson (Team Leader - Assets and Delivery) online, Brett Paterson (Manager Engineering), online Jean-Luc Payan (Manager Natural Hazards), Tom Dyer (GM Science and Resilience) were available to respond to questions on the report.

**Resolution CM26-245: Cr Kelliher Moved, Cr Noone Seconded**
*That the Council:*

1) ***Notes*** *this report.*
2) ***Notes*** *that all the projects are underway and progressing in alignment with the funding agreements.*

**MOTION CARRIED**

### 9.5. North East Valley Flood Risk Mitigation

[YouTube 3:24] This report updated Council on the programme for investigations into reducing the flood risk in North East Valley (Lindsay Creek). Cr Roberston, Portfolio Lead introduced the paper. Tom Dyer (GM Science and Resilience), and online Nathan Anderson (Team Leader - Assets and Delivery), Brett Paterson (Manager Engineering), Jean-Luc Payan (Manager Natural Hazards), were available to respond to questions on the report.

**Resolution CM26-246: Cr Malcolm Moved, Cr Noone Seconded**
*That the Council:*

1) ***Notes*** *this report.*
2) ***Notes*** *the Lindsay Creek Flood Risk Reduction programme progress.*
3) ***Endorses*** *the proposed approach to community engagement.*

**MOTION CARRIED**

## 10. NOTICES OF MOTION

None received.

**11. RESOLUTION TO EXCLUDE THE PUBLIC**

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

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

That the public be excluded from the following items under LGOIMA 48(1)(a):
1.1 Public Excluded Minutes of Council 29 July 2026
1.2 Public Excluded Minutes of Council 26 August 2026
2.1 Approval of end of life of Bee Card Scheme Activities
and
Supplementary Agenda 1.1 Trial of Expanded Ferry Timetable
Late Paper: Otago Central Lakes Regional Deal Proposed Amendment and Reapproval

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

| **General subject of each matter to be considered** | **Reason for passing this resolution in relation to each matter** | **Ground(s) under section 48(1) for the passing of this resolution** |
|---|---|---|
| 1.1 Minutes of Council 29 July 2026 | To enable Council to carry out, without prejudice or disadvantage, negotiations with the Crown. 7(2)(i)<br>To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a) | Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. |
| 1.2 Minutes of Council 26 August 2026 | To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)<br>To enable Council to carry out, without prejudice or disadvantage, negotiations with the Crown. 7(2)(i) | Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. |

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| | | |
|---|---|---|
| 2.1 Approval of end of life of Bee Card Scheme Activities | To maintain legal professional privilege – Section 7(2)(g) | Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. |
| Supplementary Agenda 1.1 Trial of Expanded Ferry Timetable | To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii) | Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. |
| Otago Central Lakes Regional Deal Proposed Amendment and Reapproval | To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)<br>To enable Council to carry out, without prejudice or disadvantage, negotiations with the Crown.<br>7(2)(i) | Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a)that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist. |

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

**It was also moved that:**
*Mr Paul Everett the RITS Contract Manager for Regional Software Holdings Limited (RSHL) be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the Regional Integrated Ticketing System. This knowledge, which will be of assistance in relation to the matter to be discussed, and relevant to that matter having knowledge of the coordination of the roll out for the National Ticketing Solution.*
**MOTION CARRIED**

## 12. CLOSURE

There was no further business, and Chair Calvert declared the meeting closed at 2:18 pm.

_____ _____
Chairperson Date

DRAFT

Otago Regional Council

# Council Meeting - Extraordinary
# MINUTES

**Minutes of an extraordinary meeting of the Otago Regional Council held in the Council Chamber, Aonui, 180 High Street, Dunedin on Wednesday 7 October 2026, commencing at 3:30 pm.**

https://www.youtube.com/live/q8Aze9lv6q0?si=sPKBd1J7uYBxnOUD

**PRESENT**

| | |
|---|---|
| Cr Hilary Calvert | *(Chair)* |
| Cr Kevin Malcolm | *(Deputy Chair)* |
| Cr Robbie Byars | |
| Cr Chanel Gardner | |
| Cr Neil Gillespie | *(online)* |
| Cr Matt Hollyer | |
| Cr Gary Kelliher | |
| Cr Andrew Noone | |
| Cr Gretchen Robertson | *(online)* |
| Cr Alan Somerville | |
| Cr Kate Wilson | |

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## 1. WELCOME

Chair Calvert welcomed Councillors, members of the public and staff to the meeting at 3:30 pm. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Joanna Gilroy (GM Environmental Delivery), Tami Sargeant (GM People and Corporate), Deb Stuut (Manager Customer and Governance), Kylie Darragh (Governance Support).

## 2. APOLOGIES

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

***That*** *the apologies for Cr Gillespie and Cr Robertson for lateness be accepted.*

**MOTION CARRIED**

## 3. CONFIRMATION OF AGENDA

**Resolution: Cr Kelliher Moved, Cr Noone Seconded**

***That*** *the agenda be confirmed as published.*

**MOTION CARRIED**

## 4. DECLARATIONS OF INTERESTS

Councillors were reminded of then need to stand aside if a conflict of interest arises.

*At 3:35 pm Cr Robertson joined the meeting.*
*At 3:35 pm Cr Gillespie joined the meeting.*

## 5. MATTERS FOR CONSIDERATION

### 5.1. Decision on Zone Two Child Fares

The purpose of this report was to seek a Council decision on the child and youth concession fares for public transport trips that fall into the newly created Zone 2, or that cross two zones, in relation to the Dunedin bus network. Anita Dawe (GM Regional Planning and Transport) was available to respond to questions on the report.

**Resolution CM26-250: Cr Noone Moved, Cr Somerville Seconded**

*That the Council:*

1) ***Notes*** *this report.*
2) ***Approves*** *the retention of child and youth fares for two zone travel at $1.50 (current one zone travel value) until 30 June 2027.*
3) ***Approves*** *the application of Fare Policy F P3 in relation to community services card concessions, which results in a fare of $2 for two zone travel.*
4) ***Notes*** *that Resolution 2 results in a concession that is inconsistent with Fare Policy F P3 in the Regional Public Transport Plan 2025-35.*

**MOTION CARRIED**

## 7. CLOSURE

There was no further business, and Chair Calvert declared the meeting closed at 3:42 pm.

_____ _____

Chairperson Date

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| Meeting Date | Document | Item | Status | Action Required | Assignee/s | Action Taken |
|---|---|---|---|---|---|---|
| 24-06-2026 | Council Meeting Supplementary Agenda - 24 June 2026 | S&R2614 South Dunedin Future - 3 Proposed Adaptation Futures | In Progress | **Resolution CM26-191** That a South Dunedin engineered flood protection system be designed and costed for inclusion in a future report for public consultation, this work is to be undertaken in partnership with the Dunedin City Council. | General Manager Regional Planning and Transport, General Manager Science and Resilience | 17/07/2026 Governance Support Officer<br>GM Regional Planning and Transport:<br>*Staff are working through the scope , timelines and cost of developing the additional option. An update will be provided to Council in due course.*<br><br>10/09/2026 Governance Support Officer<br>*Update to be provided to September Council.*<br><br>13/10/2026 Executive Assistant, Operations<br>Jonathan Rowe - *Council decisions and direction in June resulted in material changes to the SDF programme. Further to the memo provided in July, DCC Council will consider options for infrastructure investment in South Dunedin over the next 0–30 years in November as part of long term plan processes. Subject to these decisions, additional advice on longer term adaptation planning options for South Dunedin will be provided to both Councils*. |

## 9.1. Chairperson's Report

**Prepared for:** Council

**Author:** Cr Hilary Calvert (Chairperson)

**Date:** 28 October 2026

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## RECOMMENDATION

*That the Council:*

*1) **Notes** this report.*

## INTRODUCTION

[1] This report provides an update on Council business and the Chair's activities during the reporting period, including the September Council meeting and Queenstown programme, regional and national engagement on the Otago Central Lakes Regional Deal and local government reform, the Otago Mayoral Forum, stakeholder and community meetings, and recent media engagement.

## COUNCIL BUSINESS

[2] Council met in Queenstown on 23 September 2026. Mayor John Glover welcomed councillors and spoke about the challenges of different sectors working together to address Queenstown's roading and water network issues. He noted that the district's rapid population growth is both a challenge and a positive.

[3] Council discussed the 2026 public transport fares review, including feedback on zonal fares, fare capping, Queenstown ferry fares and cash payments. The consultation received 1,934 submissions. Feedback showed that service frequency, timetables and reliability matter alongside fare levels. Council also discussed proposed Transport Liaison Groups for the Dunedin and Queenstown public transport networks as part of the Council priority actions programme.

[4] Council received a final update on the flood recovery programme for the 2022, 2023 and 2024 events. The programme is complete, with three remaining projects now reported through the Regional Infrastructure Fund programme. Council also received an update on the nine Regional Infrastructure Fund projects, which are progressing in line with the funding agreements.

[5] Council received an update on the North East Valley flood risk mitigation programme and the Lindsay Creek flood hazard assessment. The report identified significant remaining flood risk in parts of North East Valley and set out the proposed approach to community engagement. A flood risk reduction plan is due to be developed by June 2027 to help inform future Long-Term Plan decisions.

[6] While in Queenstown, councillors took the opportunity to meet with Queenstown Lakes-based organisations. Discussions covered the local business environment, transport, wilding conifer control and conservation work. Councillors also visited Windy Point on the Remarkables Ski Area access road to view areas identified for future development and discuss transport opportunities, predator control and wilding pine control.

## REGIONAL AND NATIONAL ENGAGEMENT

[7] On 6 October, Otago Central Lakes councils and the New Zealand Government signed the Otago Central Lakes Regional Deal. The Deal establishes a 10-year partnership and a 30-year shared direction for coordinating planning and investment to support growth across Queenstown Lakes and Central Otago. Its eight priority areas cover housing, transport, health, energy, economic development, infrastructure funding and wider partnerships. Six-monthly meetings between participating Ministers, the Mayors and the ORC Chair will support oversight and delivery.

[8] The Government's decision to halt the council merger process was announced in late September. The decision provided some certainty for councils ahead of the October elections, while questions about the future role and structure of regional councils remain unresolved. ORC's position is that any future reform process should involve all councils in shaping the next phase.

## OTAGO MAYORAL FORUM

[9] The Otago Mayoral Forum met on 18 September 2026. Discussion covered local government reform developments and the region's shared advocacy priorities. The Forum considered progress on the Otago economic opportunities narrative, including a proposed ambition to lift regional economic output and opportunities focused on technology and innovation, liveability and essential services, energy resilience, and long-term water security. A refined narrative and specific requests to government are expected to return to the Forum in November.

[10] Members also considered the Otago Climate Story, South Island transport advocacy, and a coordinated approach to engaging the incoming Government through tailored letters to relevant Ministers and Members of Parliament. Updates were provided on regional spatial planning and waste minimisation, including construction and demolition waste diversion and emergency waste preparedness. Draft arrangements for the future Spatial Plan Committee are expected to be provided to councils for approval in December 2026.

## STAKEHOLDER AND COMMUNITY ENGAGEMENT AND EVENTS

[11] The Chair, Deputy Chair or alternate attended the following events and meetings:

- Online meeting with Cameron Luxton and Todd Stephenson from the ACT Party on the burden of services on local residents, with Crs Robertson and Hollyer, 15 September
- Otago Mayoral Forum, 18 September
- Council – Stakeholder meetings / Councillor site visit, 24 September
- First Trial Oamaru – Dunedin Bus Service (Deputy Chair), 1 October
- DCC CE Sandy Graham's farewell, 1 October
- DCC CE Richard Briggs introductory meeting with Richard Saunders, 8 October
- LGNZ Super Local 2026 Conference, Rotorua (Deputy Chair), 14/15 October

## RECENT MEDIA ENGAGEMENT

[12] The following media items were monitored during the reporting period and included reference to, or comment from, the Chair:

**September 2026**

- Frequency, timetable matter more than fare: passengers - ODT, 12 September
- Fare capping not supported except for ferry - ODT, 25 September
- Merger halt ‘big, fat waste’ of time, money - ODT, 26 September

**October 2026**

- Long-awaited regional deal finally signed - ODT, 7 October

## KEY CORRESPONDENCE TO AND FROM THE CHAIR

**Correspondence received**

- Hon Chris Bishop: RMA – Government’s new planning system, 30 September

## ATTACHMENTS

1. 2026 09 30 Min C Bishop Update on Planning Act and Natural Environment Act - Regional Councils [**9.1.1** - 5 pages]

**Hon Chris Bishop**

Attorney-General
Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister of Transport
Associate Minister of Finance

30 September 2026

CB-COR3352

Dear Chairs and Chief Executives,

**A better planning system for New Zealand**

I am writing to update you on the Government's new planning system and set out the key next steps, following the Planning Act and Natural Environment Act passing into law today.

This represents a significant shift in how planning will work in New Zealand. I recognise the frustration councils have experienced as the Resource Management Act 1991 (the RMA) has become more complex and harder to navigate. The new system provides an exciting opportunity to reset the way we plan for our regions and communities. There is considerable work ahead to make this opportunity a reality, and regional councils will be central to both maintaining continuity during the transition and implementing the new system.

**Regional planning under the new system**

Each region will have a regional combined plan comprising a regional spatial plan, a natural environment plan, and land-use plans for each district. Regional councils will have a key role in preparing regional spatial plans and natural environment plans.

Regional spatial plans will be an early and important step. They will set the long-term direction for how regions grow and change over the next 30 years and beyond, including where housing, business growth and infrastructure may be needed, and how natural hazards, environmental constraints and long-term investment choices are considered together.

**Transition and continuity**

I know councils need certainty about what changes now and what comes later. The new system will be introduced in stages through to 2030. The RMA will not disappear overnight. Existing plans, consents, designations and council processes will continue during the transition, while national instruments, regional planning arrangements, and supporting digital services are developed.

The first practical change for councils will be transitional consenting, which will apply from **30 October 2026**, one month after the new legislation passed into law. Councils will continue to receive and process consent applications under the RMA, but with targeted changes to how some applications are considered and decided. These include additional procedural principles, new out-of-scope matters for land use consents and designations, and requirements to consider future development strategies and regional spatial plans where relevant. Training and guidance is available to support your staff to implement these changes.

These arrangements are intended to minimise disruption while allowing some benefits of the new system to begin operating before the full system is in place.

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand | +64 4 817 6802 | c.bishop@ministers.govt.nz

The new Planning Tribunal will also be established in 2027 to provide a more independent and accessible way to resolve lower-level disputes, primarily about resource consents and designations. The Tribunal will replace current council-led objection processes and operate as a division of the Environment Court. Decisions made before the Tribunal's establishment will continue to be subject to objection and appeal processes under the current system.

**Leadership through the transition**

Making the new system work will require more than technical delivery. Elected member leadership will be important in turning the ambition of the new system into practical progress for communities, businesses and investors.

In the coming weeks, I encourage your council to:

- brief elected members on what the legislation means for your council, including what will change immediately and over time;
- continue delivering consenting, monitoring, compliance, enforcement and environmental management functions;
- identify any implementation risks or capability requirements; and
- consider the data, systems and investment needed to support the new planning system.

It may also be useful to stay connected with Te Uru Kahika, LGNZ and other sector partners as implementation planning develops.

Over the next one to two years, regional councils will need to maintain core services and statutory functions while preparing for regional spatial planning, natural environment planning and the first package of National Policy Direction (NPD). That includes continuing to process consents, meet monitoring and compliance responsibilities, support environmental and hazard management, and invest in the capability and systems needed to deliver through transition.

The capability and functions of regional councils will continue to be critical to implementing the new planning system.

**Data and digital investment**

The Government is investing in the data and digital foundations needed to make the new system work in practice. This includes shared digital tools, regional e-plans, trusted environmental and hazard data, and more consistent national planning information.

Digital and data transformation will be a major part of the new way of working. Regional councils hold critical environmental, hazard, spatial, monitoring and planning data. Central and local government will need to work closely together to build shared foundations, avoid duplication, and support better decisions across the system.

In the meantime, your council should continue essential work to maintain services, manage risks and meet statutory responsibilities, including improving the quality and accessibility of this information. If your council is considering new digital or data investments, I encourage you to consider their timing, scope and alignment with the national arrangements now being developed, to avoid duplication and unnecessary rework.

**Implementation support**

There is significant work ahead, and close collaboration between central and local government will be essential to shift practices and implement the new system with confidence. The Ministry for Cities, Environment, Regions and Transport (MCERT) will work alongside councils and sector partners, providing clear information, coordinated engagement and practical support as implementation progresses. The immediate focus will be helping councils understand and apply the transitional consenting arrangements and building readiness for spatial planning.

To assist councils through these changes, MCERT has launched a new website, *planning.govt.nz,* which provides clear and consistent information about the new planning system. The website includes guidance for planning practitioners and will be updated as implementation progresses.

Dedicated transition support is also available via *planning@mcert.govt.nz*. I encourage your council to raise questions and support needs early. Your feedback will help MCERT shape its guidance and support.

**National Policy Direction**

One of the first opportunities for councils to help shape implementation is through National Policy Direction (NPD), which will be one of the main building blocks of the new system. As you will be aware, the Government has released illustrative NPD for non-statutory consultation. This gives councils and other participants an early opportunity to test the intended approach before formal statutory consultation begins as required under the new legislation.

Your council's practical experience will be important in ensuring the first package of NPD can be implemented effectively. I encourage you to provide feedback by **16 October**. You can read the illustrative NPD and make a submission through the consultation website: *https://consult.environment.govt.nz/new-planning-system/testing-the-approach-illustrative-npd/.*

**Key milestones**

The headline milestones for implementing the new system are:

- **2026:** transitional consenting begins one month after enactment;
- **2027:** the first package of National Policy Direction and standards for regional spatial plans are finalised and Planning Tribunal is established;
- **2028:** councils notify draft regional spatial plans; and
- **2029–30:** regional spatial plans are decided, new land-use and natural environment plans are notified, and the new system takes full effect from the specified transition date.

More details on the key milestones are provided below.

**Looking ahead**

I acknowledge the scale of the change ahead and the important responsibilities regional councils will continue to carry throughout the transition.

Thank you for your leadership and for the work your council is doing to prepare for the new planning system. I look forward to central and local government working closely together to make the new system work well in practice.

Yours sincerely,



Hon Chris Bishop
**Minister Responsible for RMA Reform**

## Appendix 1: Key transition milestones

### 2026

- The Planning Bill and Natural Environment Bill pass into law, establishing the legislative framework for the new planning system.
- The transition period begins one month after the new legislation passes into law.
- The transitional consenting framework begins to apply from 30 October 2026 with councils continuing to receive and process consent applications under the RMA.
- Existing RMA plans, consents, designations and council processes continue during the transition while new planning tools, national instruments, regional planning arrangements, digital services and implementation support are developed.
- Councils continue preparing for implementation, including through engagement with MCERT on readiness, capability, risks and support needs.
- Consultation on illustrative National Policy Direction (NPD) helps inform development of the first package of NPD under the new legislation.

### 2027

- NPD must be issued no later than 12 months after the new legislation passed into law. This will provide clearer national direction on matters such as housing, infrastructure, environmental management and natural hazards.
- National standards setting the structure and form of regional spatial plans must also be finalised within 12 months of the new legislation passing into law, but not before NPD is issued.

### 2028

- National standards relating to environmental limits must be finalised within 18 months of the new legislation passing into law.
- National standards on standardised plan provisions must be finalised within 21 months of the new legislation passing into law.
- Councils must notify draft regional spatial plans within 21 months of the new legislation passing into law. These plans will be the first major planning documents prepared under the new system and will set the long-term direction for how regions grow and change over the next 30 years and beyond.

### 2029

- Regional spatial plans must be decided within nine months after they are publicly notified.
- Councils must then notify proposed natural environment plans and proposed land-use plans within nine months of regional spatial plan decisions. Together with regional spatial plans, these will form the combined regional plan for each region.
- Once all proposed plans are notified, the Minister will recommend an Order in Council specifying the date the new legislation will apply (the specified transition date).

### 2030

- From the specified transition date, all notified plans will have legal effect, and the new planning system will be fully switched on.
- Councils must decide land-use plans and natural environment plans within 12 months of notifying them.

## 9.2. Chief Executive's Report

**Prepared for:** Council

**Activity:** Governance - Council

**Endorsed by:** Richard Saunders (Chief Executive)

**Date:** 28 October 2026

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### PURPOSE

[1] This report provides Council with an overview of Otago Regional Council's (ORC) key projects and current operational focus.

### EXECUTIVE SUMMARY

[2] Key areas of focus during the reporting period were the 2027–37 Long-Term Plan, delivery of Council's Priority Actions and continued organisational improvement. Long-Term Plan development remains on track, with September work progressing levels of service, performance measures, activity budgets, engagement and the Infrastructure Strategy.

[3] The Priority Actions implementation programme is also progressing well, with 32 of 34 actions rated green, 22 in progress, seven in planning and two complete. A strategic communications approach has been developed to support clear reporting of Priority Action progress and outcomes. Business improvement work has established a consistent organisation-wide project management approach and completed the review of data management standards.

[4] Customer interaction volumes were above the rolling 12-month average, while satisfaction remained strong at 93%. Communications and engagement activity generated strong public participation, including the highest formal consultation response in five years for public transport fares and zones. Other significant updates include H5N1 preparedness, community air quality monitoring in Wānaka and Hāwea, new public transport initiatives and increased funding for wilding conifer control.

### RECOMMENDATION

*That the Council:*

*1) **Notes** this report.*

### PRIORITY ACTION QUARTERLY UPDATE

[5] Overall, the Priority Actions programme is progressing well. Of the 34 actions, 32 are rated green and two are not yet rated, with no actions rated amber or red. By progress stage, 22 actions are in progress, seven are in planning, three have not yet started and two are complete. The completed actions are the Large-scale Environmental Fund framework and implementation of the daily Ōamaru bus service. Progress during the period also included completion of the initial Science Programme Review work, progress

towards establishing the Dunedin and Queenstown Transport Liaison Groups, continued delivery of integrated catchment management plans, and development of business cases and funding options for priority environmental work.

[6] Several actions are moving into their next delivery phase, including the consenting and compliance deep dive, the contract procurement and management audit, air quality investment advice, and work to strengthen central government and territorial authority engagement. The two actions not yet rated relate to enabling irrigation, water storage and hydro opportunities, and supporting landowner collaboration and resilience initiatives. These require further scoping or clarification before delivery can be assessed.

[7] Actions that are sufficiently developed and require additional funding will be considered through the 2027–37 Long-term Plan process. Further detail on progress, timing, funding status and expected outputs by portfolio and individual action is provided in Attachment 1.

[8] A strategic communications approach has been developed to make Priority Action progress, decisions and outcomes visible and easy to understand. Communications will focus on what is changing, why it matters for Otago, who benefits and how communities can participate. Updates will be timed around meaningful decisions, participation opportunities, service changes and visible results, using plain language and locally relevant examples. Communications will clearly distinguish between planned, approved, funded and completed work, and will be considered alongside the wider communications programme to ensure the volume, channels and ORC's role are appropriate. The full Priority Actions Strategic Communications Approach 2026–2028 is provided in Attachment 2.

**ANNUAL PLAN & LONG-TERM PLAN**

[9] Development of the 2027–37 Long-Term Plan remains on track at the end of September. Work continues across the four project workstreams and related activities, with the timeline, scope, quality and budget all assessed as on track.

[10] During September, managers progressed the review of levels of service, performance measures and activity budgets. Work also advanced on the Long-term Plan's overall story, design and approach to community engagement, alongside development of the Infrastructure Strategy. The October focus is to confirm activities and groupings, refine budgets following Executive Leadership Team review, develop document templates and engagement options, and progress fees and charges and the draft Infrastructure Strategy.

[11] Council workshops scheduled for October will progress key components of the Long-term Plan. The 7 October workshop covered fees and charges, finance and funding, and outcomes monitoring. The workshops on 29 and 30 October will consider the consolidated financial position and rates modelling, activity budgets and work programmes, levels of service and performance measures, potential consultation topics, engagement undertaken to date, and the Infrastructure Strategy.

## CUSTOMER EXPERIENCE

[12] Customer interaction volumes were higher than the rolling 12-month average during September, with 6,975 interactions recorded against an average of 5,777 per month. Volumes increased by 120 interactions compared with the same month last year. Phone enquiries remained the largest channel, followed by email and reception, with a further 893 interactions through social media. Full data is available in Attachment 3.

[13] Key enquiry themes during the month reflected rates billing and public transport activity. Rates contact included customers who had not received an emailed invoice, customers who received an invoice more than once, and routine queries about balances, direct debits and contact details.

[14] Transport enquiries included cancellations, fares and zones, lost property, driver behaviour and service timeliness. Social media activity was highest on posts about public transport timetable and law changes, Te Wiki o te Reo Māori, Country Calendar episode featuring ORC staff member and Galaxiid protection, the Ōamaru bus and the Central Connection bus.

[15] Customer satisfaction remained strong at 93%, while the overall service level for calls decreased to 83%. Reception activity totalled 989 visits, including 949 at Aonui in Dunedin and 40 in Queenstown.

[16] Enquiries managed through the Customer Relationship Management system totalled 6,505 in September. Finance accounted for 74% of enquiries, followed by Strategy and Customer at 14%, Planning and Transport at 7%, Environmental Delivery at 4%, Science and Resilience at 1%, and People and Corporate, the Executive Leadership Team and unassigned enquiries at less than 1% each.

## BUSINESS IMPROVEMENT AND EFFICIENCY REVIEW QUARTERLY UPDATE

[17] Implementation of the 2023 Efficiency Review recommendations continues through business-as-usual improvement activity and the Business Improvement Framework. The remaining recommendations were reviewed and prioritised by the Business Improvement Framework Governance Group based on their anticipated effort and impact. Actions already completed or adequately covered by existing work programmes have been removed from the active programme.

[18] As shown in Attachment 4, during July to September, the main focus was implementing ORC's organisation-wide project management approach. This directly addresses the Efficiency Review recommendation to develop a consistent approach to project and programme management and consider the need for a project management office.

[19] ORC now has a scalable framework that distinguishes improvement initiatives, cross-functional projects and major projects, with governance and oversight proportionate to each project's complexity, risk and impact. A common five-stage delivery lifecycle has been established, supported by organisation-wide guidance, templates, training and practical resources covering business cases, project planning, stakeholder analysis, risk and benefits management, progress reporting, change control and project close-out. New Level 3 and Level 4 projects are expected to use standard Tiaki workspaces, including risk, issue, decision, benefits and lessons registers, with Asana used to plan and monitor delivery.

[20] An Organisational Learning Register has also been established to capture and apply lessons from completed projects. Together, these measures provide a consistent basis for project initiation, governance, delivery oversight and organisational learning. The framework and central support currently deliver many of the core functions of a project management office. The next phase will focus on embedding the approach, improving the Project Workspace, monitoring its consistent use across the organisation and determining whether any further centralised oversight or coordination is needed.

[21] Integrated work planning is also being implemented through the refreshed approach to developing the 2027–37 Long-term Plan, with the aim of more clearly linking strategic priorities, work programmes, resources and budgets.

[22] A review has also been completed of progress against the recommendation to develop a data management framework and common data standards. It found that since the recommendation in 2023, ORC has undertaken considerable data standardisation through major system and process improvements, including Datascape (IRIS NextGen, the Customer Relationship Management system and Finance initiatives), people-data improvements, strengthened geographic information system standards and data controls, and more consistent programme and project management practices.

[23] The review confirmed that framework-type material is already underway, including a Master Data Framework and standards governing specialist data. Remaining opportunities are practical and targeted, including improving awareness and consistent use of existing standards, access to information and systems, reuse of data across teams, and clear ownership of specific system or process improvements. These are matters best dealt with as business-as-usual actions rather than as a stand-alone project. The action is therefore considered complete and can be closed, with residual matters managed through existing governance, improvement programmes and relevant business owners.

[24] Other activity includes communicating ORC's value through the Engagement Framework, Communications Strategy, Customer Policy and Strategic Directions Implementation Plan.

[25] Upcoming work includes relaunching the staff suggestion process and register, reviewing the timesheet function once current Finance priorities are completed, and scoping a combined project to address the Planning, Science and Consultation recommendations from the Te Korowai Review. Governance-related Te Korowai recommendations remain on hold in light of the local government reform proposal.

## COMMUNICATIONS AND ENGAGEMENT QUARTERLY UPDATE

[26] Communications and engagement activity during July to September covered strategic communications, public information, media activity, digital channels, customer-facing updates and targeted consultation and feedback processes. This included three significant campaigns supporting Council priority actions. Public transport zones and fare pricing consultation received 1,934 submissions, the strongest formal consultation response in five years. The Lower Clutha and Lower Taieri flood protection and drainage scheme rates review attracted strong participation from affected communities, and Otago's Coast - Issues and opportunities reached a broad audience and generated

above-average feedback and digital engagement against current ORC campaign averages.

[27] The October to December forward programme includes nine significant campaigns across flood risk, biosecurity, public transport, water safety and integrated catchment management. Resource management reform communications are not included in the programme and remain dependent on Government decisions. Campaign results and the forward programme overview are provided in Attachment 5.

**GENERAL COUNCIL BUSINESS**

[28] Otago remains in the preparedness phase, with no detections of H5N1 avian influenza recorded in the region as at the end of September. During the month, ORC continued to work with territorial authorities, the Department of Conservation, the Ministry for Primary Industries, Emergency Management and other regional partners to strengthen preparedness. A multi-agency workshop was held on 16 September to test response arrangements for a potential outbreak. ORC also progressed carcass disposal planning and consent pathways with councils and industry representatives to support a coordinated regional response.

[29] Current priorities include managing dead or dying birds and marine mammals within the Coastal Marine Area, aligning approaches with neighbouring regions and partner agencies, and progressing ORC's internal response arrangements. These arrangements include using a Coordinated Incident Management System structure if a large-scale mortality event occurs. Engagement with councils, industry and community stakeholders will continue as migratory bird numbers increase through spring and summer, when the risk of H5N1 being introduced into New Zealand is highest.

[30] Community air quality monitoring across 47 households in the Wānaka and Hāwea area identified significant local variation in outdoor air quality, influenced by factors including home heating, rural burning and limited air movement in some parts of the basin. The eight-week project also found that outdoor smoke can enter homes and remain indoors after outside conditions improve. The findings provide a stronger evidence base for future air quality monitoring, planning and community information as the area grows.

[31] Council has endorsed the reintroduction of Transport Liaison Groups for the Dunedin and Queenstown public transport networks. The groups will provide an advisory forum for public transport users, operators and community representatives, supporting stronger operational feedback and communication with Governance and staff. Transport Portfolio co-leads will work with staff to finalise membership, with an update to Council planned for November.

[32] A new daily bus service between Ōamaru and Dunedin began on 1 October, extending Route 1 and providing a return trip seven days a week. The service connects Ōamaru and communities along the Waikouaiti Coast with Dunedin, including stops at Maheno, Hampden, Palmerston, Waikouaiti and Waitati. It forms part of wider Dunedin network changes intended to improve reliability, connections and travel times.

[33] Otago's allocation through the National Wilding Conifer Control Programme has increased from $1.07 million to $4.52 million for the coming year. ORC coordinates the programme regionally with wilding conifer control groups, landowners, contractors and

other partners. The increased funding will support expanded control across priority management units, including activation of the Wānaka Management Unit for national programme funding for the first time, while protecting gains already made in Whakatipu and Central Otago.

**STAKEHOLDER - COMMUNITY ENGAGEMENT AND EVENTS**

[34] Key events and meetings attended with representatives from:

- Polyfest Opening (7 September)
- DOC/ORC Collaboration Governance Group (8 September)
- Predator Free (8 September)
- Aukaha (10 September)
- ORC Central Otago Office visits (11 September)
- Lauder meeting (15 September)
- Council – Stakeholder meetings / Councillor site visit (24 September)
- DCC CE Sandy Graham's farewell (1 October)
- DCC CE Richard Briggs introductory meeting with Chair Calvert (8 October)
- LGNZ Super Local 2026 Conference, Rotorua (14/15 October)

**KEY CORRESPONDENCE TO AND FROM THE CHIEF EXECUTIVE**

**Correspondence Received**

- Email from Lynne Newell, Convenor South Dunedin Stormwater Justice Group (26 September)

**Correspondence Sent**

- Letter to Lynne Newell, Convenor South Dunedin Stormwater Justice Group (13 October)

**OPTIONS**

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

**ATTACHMENTS**

1. Priority Actions Sept CE Update [**9.2.1** - 35 pages]
2. ORC Priority Actions Communications Strategic Approach CE Report Oct 2026 [**9.2.2** - 4 pages]
3. 2026 September Customer Report [**9.2.3** - 2 pages]
4. Efficiency Review Council Update Oct 26 [**9.2.4** - 7 pages]
5. Communications and Engagement reporting July - September 2026 CE Report [**9.2.5** - 5 pages]
6. South Dunedin - Stop Flooding Request - Letter to DCC, ORC, HNZ, WSNZ - 25-9-26 [**9.2.6** - 23 pages]
7. 2026 10 13 Letter of response - South Dunedin Stop Flooding Request [**9.2.7** - 1 page]

# Otago Regional Council Priority Actions 2026–2028

October 2026 Update

## SRA1 | Science and Resilience

**PRIORITY ACTION 2026–2028**

**Review and align science programmes with community and catchment needs, ensuring outputs are accessible, relevant, and support decision-making. Clearly articulate how statutory and discretionary activities contribute to core environmental outcomes and identify any gaps in capability or coverage and how these will be addressed.**

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop a framework for the Science Programme Review. | New Work | Completed | Budgeted | Presentation, memo and briefing note outlining the Science Programme Review framework. | 15 June 2026 |
| 2 | Council workshop on Science Programme Framework and Priorities. | New Work | Completed | Budgeted | Council workshop. | 15 June 2026 |
| 3 | Complete detailed programme alignment, integration and scoping. | New Work | Completed | Budgeted | Presentation and Report outlining draft science programme. | 15 August 2026 |
| 4 | Hold a Council workshop on the draft Programme Review. | New Work | Completed | Budgeted | Council workshop. | 30 August 2026 |
| 5 | Revise the draft programmes based on workshop feedback. | New Work | Completed | Budgeted | Presentation and Report outlining proposed science programme. | 30 September 2026 |
| 6 | Submit final programme proposals for LTP consideration, confirming alignment with the main action and documenting any capability or coverage gaps. | BaU | Not Yet Started | Budgeted | LTP input document. | 1 December 2026 |

## SRA2 | Science and Resilience

**PRIORITY ACTION 2026–2028**

**Provide councillors with a clear assessment of flood and drainage infrastructure risk, including any implications of deferred maintenance, and ensure existing community liaison mechanisms are used to test and inform this analysis.**

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Green | Planning |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop Infrastructure Strategy. | BaU | Not Yet Started | Budgeted | Strategy Approved by Council. | 31 March 2027 |
| 2 | Develop River Management Strategy. | BaU | Not Yet Started | Budgeted | Strategy Approved by Council. | 31 July 2027 |
| 3 | Refresh the Asset Management Plan, ensuring infrastructure risks are identified and communicated to councillors and liaison groups as appropriate. | BaU | Not Yet Started | Budgeted | Risks identified and communicated. | 31 July 2027 |

## SRA3 | Science and Resilience

**PRIORITY ACTION 2026–2028**

### Review flood and drainage rating structures to ensure equity across catchments, including consideration of who contributes to and benefits from schemes, with community input prior to any recommendations to Council.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Green | In Progress |

**SUB-ACTIONS AND PROGRESS**

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Hold Council and liaison group workshops to inform the approach to the rates review. | BaU | Completed | Budgeted | Workshops. | 11 June 2026 |
| 2 | Prepare a Council paper seeking approval to consult. | BaU | In Progress | Budgeted | Council Decision. | 30 July 2026 |
| 3 | Conduct community consultation. | BaU | Planning | Budgeted | Consultation Summary for Hearings. | 7 September 2026 |
| 4 | Conduct public submission hearings. | BaU | Planning | Budgeted | Public Submission Hearings. | 13 October 2026 |
| 5 | Prepare the hearings report. | BaU | Not Yet Started | Budgeted | Hearings Panel Report. | 6 November 2026 |
| 6 | Present the final recommendation to Council. | BaU | Not Yet Started | Budgeted | Council Decision. | 2 December 2026 |

## SRA4 | Science and Resilience

**PRIORITY ACTION 2026–2028**

### Improve accessibility of environmental and natural hazard information, including consideration of property-level visibility and integration of relevant external data sources where practicable.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Green | Planning |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Deliver the Otago Climate Strategy, which translates the 2021 Climate Risk Assessment into district-level, non-technical summaries for the community to build understanding from. | BaU | Completed | Budgeted | Public website or story map, supported by ORC communications directing the community to the information. | 31 August 2026 |
| 2 | Assess the availability of property-level information and options for communicating it electronically, confirming alignment with the main action and documenting any data or coverage gaps. | BaU | Not Yet Started | Budgeted | Options assessment, including an alignment check and identified data or coverage gaps. | |

| SRA5 \| Science and Resilience | PRIORITY ACTION 2026–2028 |
|---|---|

## Ensure irrigation, water storage and hydro opportunities are appropriately enabled, including addressing any unintended regulatory or organisational barriers.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Not Yet Started | Not Yet Started |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Assess the implications of the new resource management system, confirming alignment with the main action and documenting any regulatory or organisational barriers. | BaU | Not Yet Started | Budgeted | Implications assessment, including an alignment check and identified barriers. | 30 January 2027 |

## SPA1 | Strategy and Planning

**PRIORITY ACTION 2026–2028**

**Progress work to understand coastal environmental issues, opportunities and risks, in partnership with communities, to ensure a strong evidence base is available regardless of future regulatory settings.**

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Anita Dawe | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Prepare an issues and opportunities paper for consultation. | BaU | Completed | Budgeted | Discussion document. | 10 July 2026 |
| 2 | Organise stakeholder sessions. | BaU | Completed | Budgeted | Sessions booked and invitations sent. | 25 June 2026 |
| 3 | Organise public engagement sessions. | BaU | Completed | Budgeted | Public engagement sessions booked and communicated. | 25 June 2026 |
| 4 | Feedback analysed and reported back to Council. | BaU | In Progress | Budgeted | Council report and supporting raw data. | 1 December 2026 |

## SPA2 | Strategy and Planning

**PRIORITY ACTION 2026–2028**

### Provide councillors with advice on opportunities to support integrated catchment management and partnership approaches, including consideration of models such as UNESCO Biosphere designation where appropriate.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Deliver a Council briefing on UNESCO Biosphere designation, including a high-level guide to the requirements for achieving designation. | New Work | Planning | Budgeted | Council briefing. | 30 November 2026 |
| 2 | Set up a forum to enable people working in the biosecurity space to share their learnings, get advice on best practice and technology and hear from experts. Supported by a centre of expertise approach for biosecurity actions at scale. Work in parallel with the ICM Forums and the Biodiversity Forum. | New Work | Planning | Budgeted through Reprioritision | Forum and centre of expertise established. | 30 June 2027 |
| 3 | Support the strengthening of ICM delivery groups. | BaU | In Progress | Budgeted | ICM delivery groups are supported. | |
| 5 | Complete any follow-up actions arising from the UNESCO Biosphere briefing with councillors. | New Work | Not Yet Started | Budgeted through Reprioritision | | |
| 6 | Support collaborative catchment projects through the Otago Biodiversity Forum and CAPs. | BaU | In Progress | Budgeted | Collaborative projects identified and delivered. | |
| 7 | Meet with portfolio leads to clarify the outcomes and ideas underpinning the action. | BaU | Completed | Budgeted | Sub-actions added. | 6 October 2026 |

## SPA3 | Strategy and Planning

**PRIORITY ACTION 2026–2028**

### Identify and address barriers to good practice water use in the non-regulatory space, including working with water users, communities and sector expertise to support improved outcomes.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Identify the water-user groups to engage on water use, including the irrigation sector, domestic permit holders and stock-water users. | New Work | Not Yet Started | Budgeted through Reprioritision | Stakeholder list completed to inform sub-actions 2 and 3. | 4 February 2027 |
| 2 | Engage water-user groups and industry to identify barriers to good-practice water use. | New Work | Not Yet Started | Budgeted through Reprioritision | Barriers to good-practice water use identified with water-user groups and industry. | 30 June 2027 |
| 3 | Develop educational materials or workshops where barriers to good-practice irrigation are identified. | New Work | Not Yet Started | Budgeted through Reprioritision | Educational materials developed and disseminated. | 30 June 2027 |
| 4 | Develop a project plan for resources that provide advice to landowners and communities. | New Work | Not Yet Started | Budgeted through Reprioritision | Project plan covering potential resources such as information sheets, risk templates, videos and materials for public events. | |
| 5 | Assess whether the revised science programme should include work on water-storage options. | BaU | In Progress | Budgeted through Reprioritision | The revised science programme may include a workstream or question about water storage. | 30 June 2027 |

## EDA1 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

### Strengthen pest management outcomes for control of rabbits, with the establishment of a working group and a focus on practical delivery, partnerships, and community and landowner collaboration.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Pilot a rabbit-control ‘Ask an Expert’ session. | BaU | Completed | Budgeted | Greater community awareness of rabbit-control methods and understanding of the scope of a rabbit inspection. | 1 September 2026 |
| 2 | As capacity allows, identify and progress areas for potential additional community rabbit programmes. | New Work | Not Yet Started | Budgeted | New areas for community-led work identified. To be completed once rabbit advisory group is in place and further developed once RPMP is notified. | 31 December 2027 |
| 3 | Present a paper to Council proposing terms of reference and a structure for the working group, including its purpose and scope. | New Work | In Progress | Budgeted | Council report proposing the working group’s terms of reference and structure. | 15 December 2026 |
| 4 | Undertake a stakeholder analysis to identify groups to work with and include in the working group. | New Work | In Progress | Budgeted | Potential working-group stakeholders identified. | 15 November 2026 |
| 5 | Undertake a species audit and cost-benefit analysis to support regulatory work on RPMP development. | BaU | Completed | Budgeted | Assessment of whether the current regulatory approach to rabbit management remains appropriate. | 30 July 2026 |

## EDA2 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

# Assess opportunities for eradication or a step-change intervention for lagarosiphon, including appropriate funding options and delivery models.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Complete a cost-benefit analysis of how lagarosiphon fits within the RPMP review and options to move from site-led control to eradication. | BaU | In Progress | Budgeted | Recommended RPMP management programme identified. | 30 September 2026 |
| 2 | Species Audit completed. | BaU | Completed | Budgeted | Potential RPMP management approach identified. | 29 July 2026 |
| 3 | Meet with LINZ to discuss current management, agree a way forward and test support for increasing the current level of work. | New Work | Completed | Budgeted | Clear understanding of LINZ's position and the availability of additional funding or capacity. | 30 September 2026 |
| 4 | Undertake ongoing surveillance across the region to further understand the current distribution of lagarosiphon and the extent of the problem. | BaU | Planning | Budgeted | Understanding of the extent of lagarosiphon in the region. | Ongoing |
| 6 | Develop a business case for additional LTP funding or increased funding from existing budgets. | New Work | Completed | Budgeted | Business case with funding options presented to Council. | 30 September 2026 |

## EDA3 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

### Support community and voluntary efforts to control wilding pines. Advocate for fair contributions from government and those responsible for the source of the wildings.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Support the delivery and coordination of wilding pine control and community groups through the national programme's increased budget. | New Work | In Progress | Budgeted | Additional areas receive government funding and coordinated expert support, improving biodiversity outcomes through reduced wilding pine coverage. | 1 July 2027 |
| 2 | Develop a pipeline of scoped and prioritised work for wilding pine control that can be used to support funding requests from the government or other groups. | New Work | Not Yet Started | Additional Budget Required | Projects are scoped and ready to be funded. | 1 July 2027 |
| 3 | Identify source areas of wilding pines through AI. | BaU | In Progress | Budgeted | Wilding pine source areas identified, enabling work to be prioritised by location and risk. | |
| 4 | Explore options to secure additional funding from those responsible for the sources of wilding pines through the LTP 2026–2036 process. | New Work | In Progress | Additional Budget Required | Additional funding approaches available for councillors to advocate to government for, or consider through the LTP process. | 1 December 2026 |
| 5 | Assess alternative funding mechanisms for wilding pine control, including the RPMP, levies, cost recovery, rates and donations. | New Work | In Progress | Budgeted | Additional funding approaches available for councillors to advocate to government for, or consider through the LTP process. | 2 December 2026 |

## EDA4 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

### Accelerate delivery of integrated catchment management plans, with a focus on non-regulatory actions, learning from completed plans, and identifying funding pathways (link with EDA6).

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

**SUB-ACTIONS AND PROGRESS**

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop an ICM 101 one-page guide to support knowledge of the process. | BaU | Completed | Budgeted | One-page guide. | |
| 2 | Develop and implement an internal and external communications plan for ICM. | BaU | Completed | Budgeted | | |
| 3 | Through the LTP process, support ORC teams to identify how their work contributes, or could contribute, to ICM actions. | BaU | Completed | Budgeted | Current CAP projects and work areas identified for inclusion in team plans and LTP activity and budget development. | |
| 4 | Develop an action plan for each CAP, including a pipeline of potential actions. | BaU | In Progress | Budgeted | Action plans developed for the Catlins and Upper Lakes CAPs. | |
| 5 | Identify ORC actions in existing plans. | BaU | Completed | Budgeted | | |
| 6 | Ensure that CAPs are created by end of 2027 for regional coverage. | BaU | In Progress | Budgeted | CAPs completed to provide regional coverage. | |
| 7 | Identify potential funding sources for CAP actions. | New Work | Completed | Budgeted | An understanding of what funds are available to support groups and a business case for LTP. | |

## EDA5 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

**Audit and Risk to complete a deep dive into consenting, and compliance condition activities to ensure they are operating fairly, transparently, at an appropriate cost, efficiently and in a timely fashion. This would include setting conditions, monitoring and enforcement of above.**

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop a scope for the deep dive following the established format through Audit and Risk. | New Work | Completed | Budgeted | Scope written. | 30 August 2026 |
| 2 | Confirm the scope and timeline with Delivery Leads and also with Audit and Risk Co-Chairs. | New Work | In Progress | Budgeted | Scope confirmed. | 30 October 2026 |
| 3 | Add the deep dive to the Audit and Risk Committee forward work programme. | New Work | Completed | Budgeted | Deep dive included in the Audit and Risk Committee work programme for its second meeting in 2027. | 1 September 2026 |
| 4 | Meet with the OPP team to understand the deep-dive process and inform development of the scope. | New Work | Completed | Budgeted | Deep-dive process understood sufficiently to set the scope. | 30 September 2026 |
| 5 | Establish a timeline and project plan for the deep dive. | New Work | In Progress | Budgeted | Timeline for work in place. | 30 December 2026 |
| 6 | Prepare a report and presentation for the Audit and Risk Committee. | New Work | Planning | Budgeted | Paper and presentation to Audit and Risk Committee. | 30 June 2027 |
| 7 | Engage any professional parties needed to support the deep dive process | New Work | Not Yet Started | Budgeted through Reprioritision | consultants to support the process to help identify any legal or process risks engaged | 10 December 2026 |
| 8 | undertake deep dive | New Work | Not Yet Started | Budgeted through Reprioritision | audit and deep dive undertaken and audit report provided | 1 March 2027 |
| 10 | action plan and monitoring framework  presented to A&R or Council | New Work | Not Yet Started | Budgeted | action plan presented to Council if needed | 1 July 2027 |

## EDA6 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

### Finalise and implement the Large-scale Environmental Fund framework to ensure funding is directed toward agreed priority actions and outcomes, with appropriate governance oversight.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | Completed |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Report back to Council in August 2026 on the terms of reference, final criteria and documents, and early thinking about potential priority projects for investment. | BaU | Completed | Budgeted | | 26 August 2026 |
| 2 | Develop a communications and engagement plan to support rollout of LSF for financial year. | BaU | Completed | Budgeted | communications plan. | 27 August 2026 |
| 3 | Set up structures to support the administration of the fund as approved through August 2026 Council paper. | BaU | Completed | Budgeted | | |
| 4 | Meet with Finance and Environmental Delivery portfolio leads to develop terms of reference, finalise criteria, processes and templates, and begin identifying potential projects. | BaU | Completed | Budgeted | | 31 July 2026 |
| 5 | Write Council report for August 2026 meeting. | BaU | Completed | Budgeted | Report, terms of reference and forms presented to Council for approval. | 26 August 2026 |

## EDA7 | Environmental Delivery

**PRIORITY ACTION 2026–2028**

### Support landowner collaboration and environmental and flood resilience initiatives where these contribute to improved catchment outcomes.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| | Not Yet Started | Not Yet Started |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | No sub-actions added until the intent of the main action has been clarified. | | | | | |

## PTA1 | Public Transport

**PRIORITY ACTION 2026–2028**

### Advocate with Central Government for a more integrated and flexible approach to school and public transport provision that better reflects community needs and supports efficient service delivery.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Anita Dawe | Green | In Progress |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Seek Council direction on the key messages for advocacy | BaU | In Progress | Budgeted | Council-approved advocacy messages and letters | |

## PTA2 | Public Transport

PRIORITY ACTION 2026–2028

**Re-establish transport liaison groups in Dunedin and Queenstown to strengthen feedback from users and operators, with structure and membership to be developed through a subsequent process.**

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Anita Dawe | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop terms of reference for the liaison groups and seek Council approval. | New Work | Completed | Budgeted | ToR approved. | 30 September 2026 |
| 2 | Recommend membership on each liaison group. | New Work | Completed | Budgeted | Membership confirmed. | 30 September 2026 |
| 3 | Establish the liaison groups. | New Work | In Progress | Budgeted | Groups established. | 31 October 2026 |
| 4 | Schedule meetings on an ongoing basis. | New Work | In Progress | Budgeted | Ongoing meeting schedule established. | 31 October 2026 |

## PTA3 | Public Transport

**PRIORITY ACTION 2026–2028**

### Ensure public transport performance reporting supports effective governance oversight, including reliability, accessibility and service effectiveness.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Anita Dawe | Green | Planning |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Add an Annual Plan measure for end-of-trip and hub reliability. | BaU | Completed | Budgeted | Annual Plan measure included. | 31 May 2026 |
| 2 | Add end-of-trip and hub reliability to existing reporting and begin quarterly reporting to Council on reliability, start- and end-of-trip reliability, patronage and revenue. | BaU | Not Yet Started | Budgeted | First quarterly report for the 2026/27 financial year presented to Council in November. | 30 November 2026 |

## PTA4 | Public Transport

PRIORITY ACTION 2026–2028

### Progress the Oamaru trial and provide options for future service delivery, including transition arrangements into future planning cycles.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Anita Dawe | Green | Completed |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Seek approval to extend the trial. | New Work | Completed | Budgeted | Council approval at the March meeting. | 31 March 2026 |
| 2 | Develop options for future services. | New Work | Completed | Budgeted | Decision on future Oamaru services. | 1 July 2026 |
| 3 | Implement the daily Oamaru service. | New Work | Completed | Budgeted | Daily Oamaru service. | 1 October 2026 |
| 4 | Include the daily Oamaru service in the LTP and RLTP for Council consideration. | BaU | In Progress | Additional Budget Required | Council approval on future service delivery. | 30 June 2027 |

## PTA5 | Public Transport

**PRIORITY ACTION 2026–2028**

### Improve understanding of the wider transport system, including community and private provision, and identify opportunities to support improved access where gaps exist.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Anita Dawe | Green | Planning |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Map the transport system and complete a gap analysis covering community and commercial providers. | New Work | Not Yet Started | Budgeted through Reprioritision | | |
| 2 | Progress sub-regional trials. | BaU | Planning | Budgeted | | |
| 3 | Discuss issues and opportunities with the liaison groups. | BaU | Not Yet Started | Budgeted | | |
| 4 | Finalise community transport framework. | BaU | Not Yet Started | Budgeted | | |
| 5 | Develop a public and active transport connectivity strategy. | BaU | Not Yet Started | Budgeted | | |

## GCEA1 | Governance and Community Engagement

**PRIORITY ACTION 2026–2028**

### Maintain and strengthen relationships with central government, including ministers, officials and relevant stakeholders, to support Council priorities and advocacy.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | Planning |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Agree with the Chair and Deputy Chair who will lead the action and what outcomes are sought. | BaU | Planning | Budgeted | Agreed leadership and clearly defined outcomes. | 30 November 2026 |
| 2 | Create strategic engagement plan, incorporating advocacy elements across all priority actions | BaU | Not Yet Started | Budgeted | Approved plan | 30 November 2028 |
| 3 | Support plan implementation | BaU | Not Yet Started | Budgeted | Delivery of agreed outputs | 30 November 2028 |

## GCEA2 | Governance and Community Engagement

**PRIORITY ACTION 2026–2028**

### Continue to consult with Mana Whenua on a mutually agreeable way to provide opportunities for Māori to contribute to decision making processes.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

**SUB-ACTIONS AND PROGRESS**

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Hold mana-to-mana meetings. | BaU | In Progress | Budgeted | Mutual agreement on the engagement approach. | Ongoing |

## GCEA3 | Governance and Community Engagement

**PRIORITY ACTION 2026–2028**

### Review communication functions, channels and website functionality to identify gaps and barriers to the provision of these functions.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop a strategic communications plan focused on the Priority Actions | New Work | In Progress | Budgeted | Communications plan for Council review. | 28 October 2026 |

## GCEA4 | Governance and Community Engagement

**PRIORITY ACTION 2026–2028**

### Strengthen engagement with territorial authorities, particularly in areas of reform, regulatory overlap and unitary service provision.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Coordinate LTP engagement with territorial authorities in line with the Council paper dated 25 June 2026. | BaU | Planning | Budgeted | Territorial authorities understand key ORC LTP activities and have opportunities to engage and coordinate. | 15 December 2026 |
| 2 | Participate in the Mayoral Forum's region-wide reform planning, including options for a unitary authority and delivery of regional services. | BaU | In Progress | Budgeted | ORC engagement in Otago reform discussions. | 30 November 2026 |

## GCEA5 | Governance and Community Engagement

**PRIORITY ACTION 2026–2028**

### Ensure community feedback from the 2026 Community Survey is reflected in work programmes and clearly communicated back to stakeholders.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop the Community Survey Action Plan and seek Council endorsement. | BaU | Completed | Budgeted | Agreed action plan. | 30 July 2026 |
| 2 | Report to Council on implementation of the action plan. | BaU | Planning | Budgeted | Council report. | 31 March 2027 |
| 3 | Report monthly to Council on communications and marketing activity. | BaU | In Progress | Budgeted | Attachment to CE's report. | 28 October 2026 |
| 4 | Conduct the 2028 Community Survey. | BaU | Not Yet Started | Budgeted through Reprioritision | Survey report delivered to Council. | 1 December 2028 |

## GCEA6 | Governance and Community Engagement

**PRIORITY ACTION 2026–2028**

### Establish clear internal processes to track and follow up on commitments made by councillors and staff to communities.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

**SUB-ACTIONS AND PROGRESS**

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Meet with Engagement, Governance and the Chief Advisor to the Chair to discuss options. | BaU | Completed | Budgeted | Options for discussion with Chair/Deputy Chair. | 15 July 2026 |
| 2 | Discuss with the Chair and Deputy Chair whether to establish a focus group to define the challenges and the commitments that need to be recorded. | BaU | Not Yet Started | Budgeted | Outline of what kind of commitments need to be captured. | 30 November 2026 |
| 3 | Develop guidance and a commitments register. | BaU | Completed | Budgeted | Guidance and register communicated to councillors and senior staff for implementation. | 30 November 2026 |
| 4 | Report service level data as part of Customer reporting to Council, to build picture of responsiveness | BaU | In Progress | Budgeted | Regularly reporting via CE report. | Ongoing |

## CPA1 | Cross Portfolio

**PRIORITY ACTION 2026–2028**

### Identify where Council effort and resources can achieve the greatest improvement in freshwater outcomes, informed by existing science, catchment planning and community priorities. (CPA1 and CPA2 will be combined)

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Richard Saunders | Green | Planning |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Identify possible environmental enhancement projects that can be delivered in 24 months | BaU | Not Yet Started | Budgeted | Implementation focused. | |
| 2 | Undertake feasibility of projects at those locations including cost estimates | BaU | Not Yet Started | Additional Budget Required | | |

| CPA2 \| Cross Portfolio | PRIORITY ACTION 2026–2028 |
|---|---|

## Identify priority locations for targeted resource investment across river and lake systems, and report to Council on where effort will achieve the greatest environmental benefit, including consideration of areas such as Waihola, Tomahawk Lagoon, Dunstan, Lake Hayes and the Manuherekia. (CPA1 and CPA2 will be combined)

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Richard Saunders | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|

See actions in CPA1

## CPA3 | Cross Portfolio

**PRIORITY ACTION 2026–2028**

### Review current approaches to gravel extraction and willow management, ensuring processes are clear, efficient and supported by appropriate community engagement.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Green | Planning |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Hold a workshop with councillors on river management, including gravel and willow management. | BaU | Planning | Budgeted | Workshop. | 15 November 2026 |
| 2 | Review website content to ensure it clearly explains the current approach. | New Work | Not Yet Started | Budgeted through Reprioritision | Website review completed, with required updates identified. | 23 December 2026 |
| 3 | Draft a River Management Strategy. | BaU | Not Yet Started | Budgeted | Strategy approved. | 1 October 2027 |
| 4 | Website updated as needed. | BaU | Not Yet Started | Budgeted | Website updated as required. | 20 January 2027 |
| 5 | Consider any national environmental standards for gravel extraction if they progress. | BaU | Not Yet Started | Budgeted | | |
| 6 | Identify and recommend changes to gravel extraction and willow management approaches where the review identifies opportunities to improve clarity, efficiency or community engagement. | BaU | Not Yet Started | Budgeted | Recommendations for change, including implementation options and implications for policy, processes or guidance. | |

| CPA4 \| Cross Portfolio | PRIORITY ACTION 2026–2028 |
|---|---|

## Audit and Risk to review contract creation and management practices, including arrangements that are not formal contracts but involve payment for goods and services, as well as KPIs, to ensure these reflect intended outcomes and support effective and accountable performance monitoring.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tami Sargeant | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Run an RFP for the Contract Procurement and Management Audit. | BaU | In Progress | Budgeted | Supplier appointed to undertake the audit. | 30 September 2026 |
| 2 | Undertake the audit. | BaU | Planning | Budgeted | Audit report. | 15 December 2026 |
| 3 | Report the audit findings to the Audit and Risk Committee. | BaU | Not Yet Started | Budgeted | Audit findings reported to and discussed by the Audit and Risk Committee. | 15 December 2026 |
| 4 | Develop an action plan to address the audit recommendations. | BaU | Not Yet Started | Budgeted | Action plan approved and implementation commenced. | 30 March 2027 |
| 5 | Consider whether a report to Council is required. | BaU | Not Yet Started | Budgeted | | |

| CPA5 \| Cross Portfolio | PRIORITY ACTION 2026–2028 |
|---|---|

## Identify opportunities to progress elements of the draft Land and Water Plan through non-regulatory approaches and existing mechanisms, where appropriate, to support timely environmental outcomes.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Jo Gilroy | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Seek input from portfolio councillors on which elements of the plan they want to progress. | BaU | In Progress | Budgeted | Councillor feedback received. | 29 September 2026 |

**CPA6 | Cross Portfolio** | **PRIORITY ACTION 2026–2028**

## Support structured engagement with Manuherekia water users to identify and address barriers to progressing water infrastructure and catchment outcomes.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Tom Dyer | Green | Not Yet Started |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Develop an engagement approach. | BaU | Not Yet Started | Budgeted | Engagement opportunities identified and progressed. | 30 March 2027 |
| 2 | Undertake a gap analysis after the inland CAP is completed. | BaU | Not Yet Started | Budgeted | | 1 June 2027 |
| 3 | Monitor and provide input into the CODC Local Members Bill on water. | BaU | Not Yet Started | Budgeted | | 1 July 2027 |
| 4 | Assess the implications of the new resource management legislation. | BaU | Not Yet Started | Budgeted | | 1 February 2027 |
| 5 | Implement engagement plan. | BaU | Not Yet Started | Budgeted | | 1 August 2027 |

## CPA7 | Cross Portfolio

**PRIORITY ACTION 2026–2028**

### When decisions papers come to Council, identify whether the activities or actions proposed are mandatory, discretionary, or mixed.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

#### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Use LTP current-state briefings to assess all activities. | BaU | Completed | Budgeted | Clear classification of all activities to inform LTP decision-making. | 30 July 2026 |
| 2 | Consider adding this classification to the decision-making criteria for Council papers for the 2027–37 LTP. | BaU | Planning | Budgeted | Classification included in Council papers from July 2027, aligned with development of the LTP. | 30 July 2027 |

## CPA8 | Cross Portfolio

**PRIORITY ACTION 2026–2028**

### Identify priority locations for targeted resource investment into air quality improvement initiatives across the Otago region, with a focus on the greatest environmental improvements in the lowest quality air sheds.

| GM SPONSOR | RAG STATUS | PROGRESS STATUS |
|---|---|---|
| Amanda Vercoe | Green | In Progress |

### SUB-ACTIONS AND PROGRESS

| # | SUB-ACTION | WORK TYPE | PROGRESS | BUDGET STATUS | EXPECTED OUTPUT | COMPLETION DATE |
|---|---|---|---|---|---|---|
| 1 | Meet with the Air Strategy team to identify alignment with existing work. | New Work | Completed | Budgeted | Clear view of existing work and the additional work and resourcing required. | 3 July 2026 |
| 2 | Review existing Air Strategy work against the priority action and report to ELT. | BaU | In Progress | Budgeted | Advice. | 5 October 2026 |
| 3 | Brief the portfolio leads (Kate and Neil). | BaU | In Progress | Budgeted | Options for councillors to consider air quality action. | 30 October 2026 |
| 4 | Prepare a business case on priority locations for targeted resource investment. | New Work | In Progress | Additional Budget Required | Decision-ready options presented to Council. | 25 November 2026 |

**DRAFT**

Otago Regional Council

# Priority Actions

## Strategic Communications Approach

## 2026–2028

## 1. Overview

The Priority Actions identify where councillors want to see greater progress over the remainder of the term. This approach sets out how ORC will communicate key decisions, opportunities and outcomes.

Some actions require funding confirmation or a future Council decision. They will not be communicated as committed delivery until the necessary approval is in place.

The approach is intended to highlight significant Priority Action communications within ORC's wider communications programme. In applying it, ORC will remain mindful of the overall volume of information being communicated, the channels used and whether the subject matter is clearly connected to ORC's role and responsibilities.

## 2. Relationship to 2026 Community Survey

The 2026 Community Survey reinforces the need for clear, locally relevant information about ORC's role, progress and impact.

## 3. Strategic objectives

- Make Priority Action progress and outcomes visible and easy to understand.
- Help people understand when and how they can participate in significant decisions.
- Be clear about what is approved, proposed or still subject to funding or Council decision.

## 4. Communications approach

### Lead with outcomes and the story for Otago

Communications will focus on what changes, why it matters, who benefits and what result is achieved.

### Be accurate and transparent

Communications will distinguish between work in planning, agreed decisions, consultation proposals, funded delivery and completed outcomes. Dates and outputs will be verified with action owners before publication. Dependencies, uncertainty and matters still requiring Council direction will be stated clearly.

### Use plain language

Technical evidence and governance processes will be explained simply, using maps, diagrams and examples where useful.

### Recognise partners and place

Communications will acknowledge mana whenua, communities and partners and will be grounded in the places where work is happening.

### Be deliberate about volume, channels and scope

Priority Action communications will be considered alongside other planned communications so that timing, channel choice and the overall volume of information remain appropriate. Existing channels will be reviewed as part of implementation, with communications targeted to the audiences who need them. ORC will also consider whether it is the appropriate organisation to lead a communication, particularly where responsibility sits primarily with another agency or partner.

## 5. High-level key messages

- The Priority Actions show where councillors want greater progress and impact.

- They build on existing responsibilities and work programmes.
- Delivery will be informed by evidence, community priorities, mana whenua and partnerships.
- ORC will communicate clearly about progress, decisions, participation opportunities and outcomes.

## 6. Audiences

| Audience | Communication and engagement purpose |
|---|---|
| Councillors | Oversight, decisions and visibility of delivery. |
| Staff | Understand priorities and their role in delivery. |
| Mana whenua | Partnership and participation in relevant work and decisions. |
| Communities, ratepayers and residents | Understand what is being delivered, why it matters and how to participate. |
| Landowners, water users and rural communities | Practical information and opportunities to participate. |
| Public transport users and operators | Service information, feedback and future planning. |
| Territorial authorities and central government | Coordination, advocacy and alignment. |
| Community and environmental partners | Participation, funding and delivery partnerships. |
| Media | Accurate information on decisions, impacts and outcomes. |

## 7. Channels

Channel options are included in the table below. The table shows available options, not a required set for every action.

| Channel group | Typical products |
|---|---|
| Council reporting | Priority Actions update via CE report, annual material and Long-Term Plan material. |
| News and media | Significant decisions, milestones and public impacts. |
| Digital | Website, consultations, social media and newsletters. |
| Direct communication | Stakeholder emails, letters, rates information and targeted updates. |
| Engagement | Workshops, liaison groups, hui, webinars, surveys and feedback. |
| Storytelling | Case studies, partner stories, project milestones, imagery and video. |
| Internal communication | CE and staff updates, SharePoint, talking points, manager briefings, direct communication to staff and GM action-owner coordination. |

## 8. Internal coordination

- Communications and Marketing leads messaging, channel and publication with the relevant action owner.
- Portfolio leads help shape the key public message and why the action matters.
- Action owners confirm accuracy, timing, risks, funding and approvals.
- Senior or specialist review is used where issues are sensitive, technical or legally significant.

## 9. Review and indicative forward programme

This approach is a work in progress.

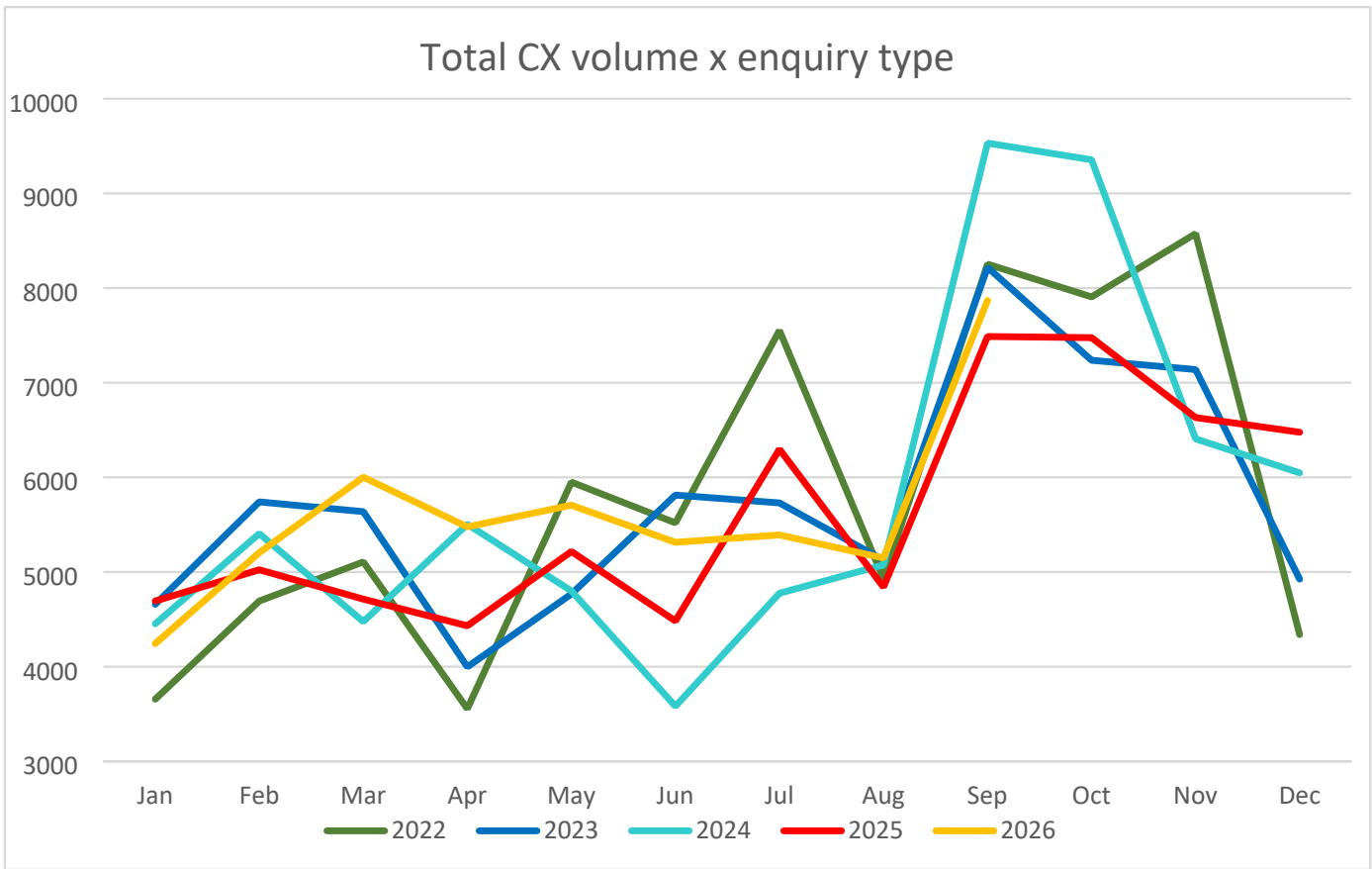
Below is a proposed forward programme that identifies key priority actions to focus communications on. It is indicative and may be adjusted.

| Priority Action | Communications focus | Timing | Dependency |
|---|---|---|---|
| **SRA1** | Explain the proposed science programme and how it will improve the evidence available for decisions. | When the programme has been developed and considered by Council. | Council workshops and final programme proposals. |
| **SPA2** | Build understanding of the UNESCO Biosphere opportunity, what it could mean for Otago, partner roles and next steps. | When the Council briefing is complete and as significant opportunities are confirmed. | Completed advice, confirmed opportunities and partner coordination. |
| **SPA3** | Provide progress updates on engagement with water users, followed by practical guidance and climate-resilience information when available. | During implementation, with more substantial communications once resources or agreed approaches are ready. | Engagement findings and funding confirmation for guidance and education activity. |
| **EDA1** | Communicate the establishment and purpose of the rabbit-management working group, then any agreed community programme opportunities. | When membership and meeting arrangements are confirmed. | Working-group decisions and confirmation of any additional community programme opportunities. |
| **EDA2** | Explain the future options for lagarosiphon management and the implications of any investment decision. | When options are ready for Council consideration. | Confirmed control options, partner position and investment pathway. |
| **EDA3** | Promote confirmed wilding pine projects, funding outcomes and practical support for landowners and community groups. | As projects and funding are confirmed. | Project pipeline, partner agreement and funding confirmation. |
| **EDA4** | Share confirmed external funding opportunities that can help communities and partners deliver catchment-plan actions. | As relevant funding opportunities are identified and confirmed. | Confirmed funding criteria, eligible activity and partner coordination. |
| **EDA5** | Provide governance updates during the review and public communications once findings and agreed improvements can be reported. | Following formal consideration of findings. | Review scope, assurance checks and Council or committee decisions. |
| **PTA2** | Publish liaison-group membership, meeting arrangements and concise updates on significant issues and outcomes. | On establishment and after significant meetings. | Confirmed membership, terms of reference and meeting schedule. |
| **PTA4** | Continue service information and report meaningful use, customer feedback and service outcomes. | Ongoing, with milestone updates when useful information is available. | Reliable service, patronage and customer information. |
| **GCEA3** | Use this strategic communications approach to coordinate Priority Action messaging. No separate external communications are currently planned for the development of the approach itself. | Ongoing through implementation and six-monthly review. | Agreement between Communications and Marketing, action owners and portfolio leads. |
| **CPA2** | Explain how ORC uses monitoring, surveillance and existing knowledge to identify emerging biodiversity threats and guide its response. | When the approach and meaningful findings are ready to share. | Clear evidence, agreed response and suitable local examples. |
| **CPA3** | Update public information on ORC's current approach to gravel extraction and willow management. | Once the review is complete. | Completion of the review and agreed website content. |
| **CPA8** | Communicate Council decisions on future air-quality action and any confirmed investment or implementation. | At decision and funding milestones. | Defined next stage, Council direction and funding confirmation. |

# September 2026 Customer Report

Rolling 12-month customer interaction volume average is 5777 per month

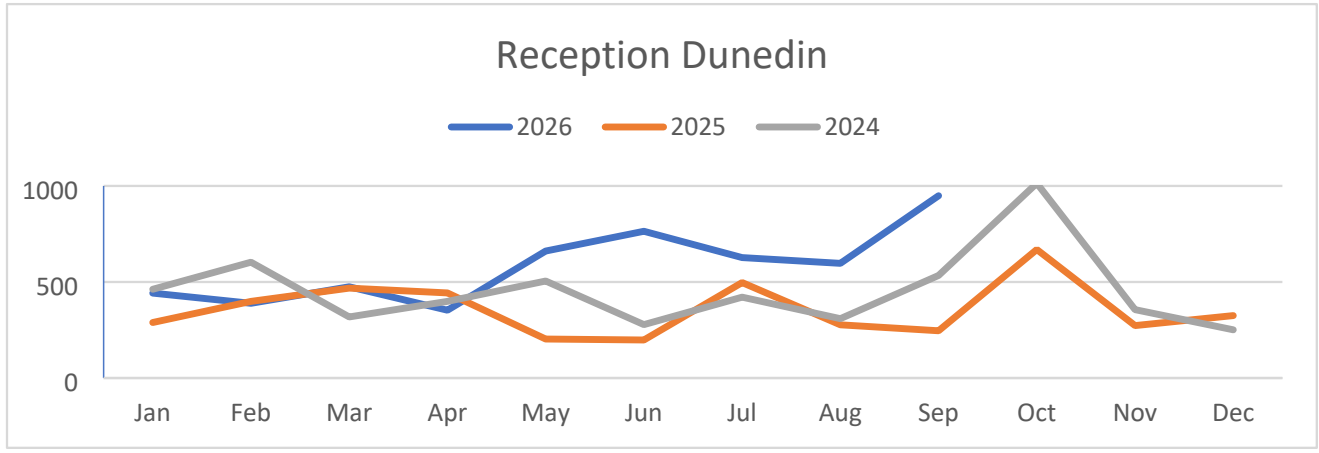
This month's customer volume total: **6975**
(reception = 989, phone = 3660, email = 2326, social 893)

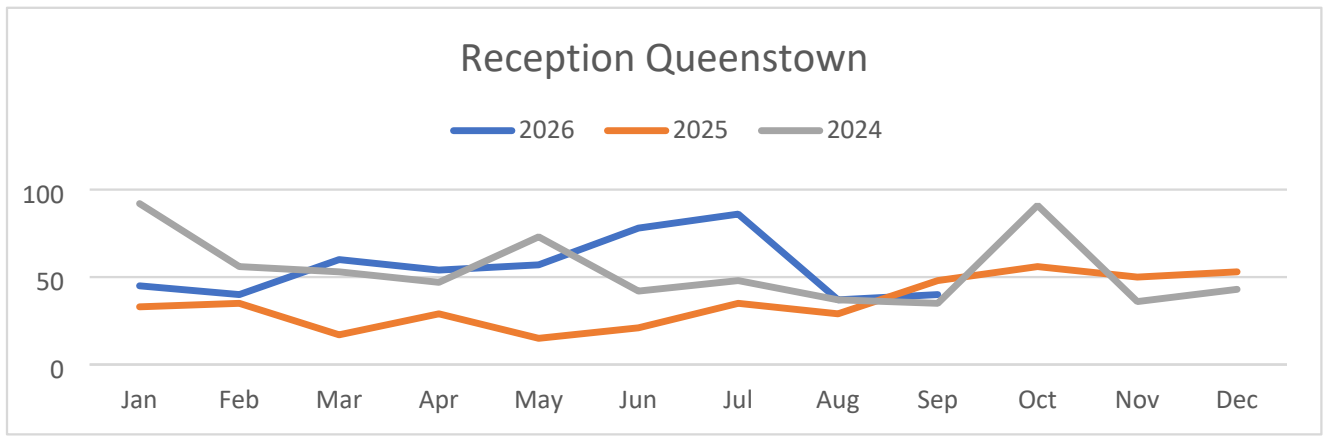


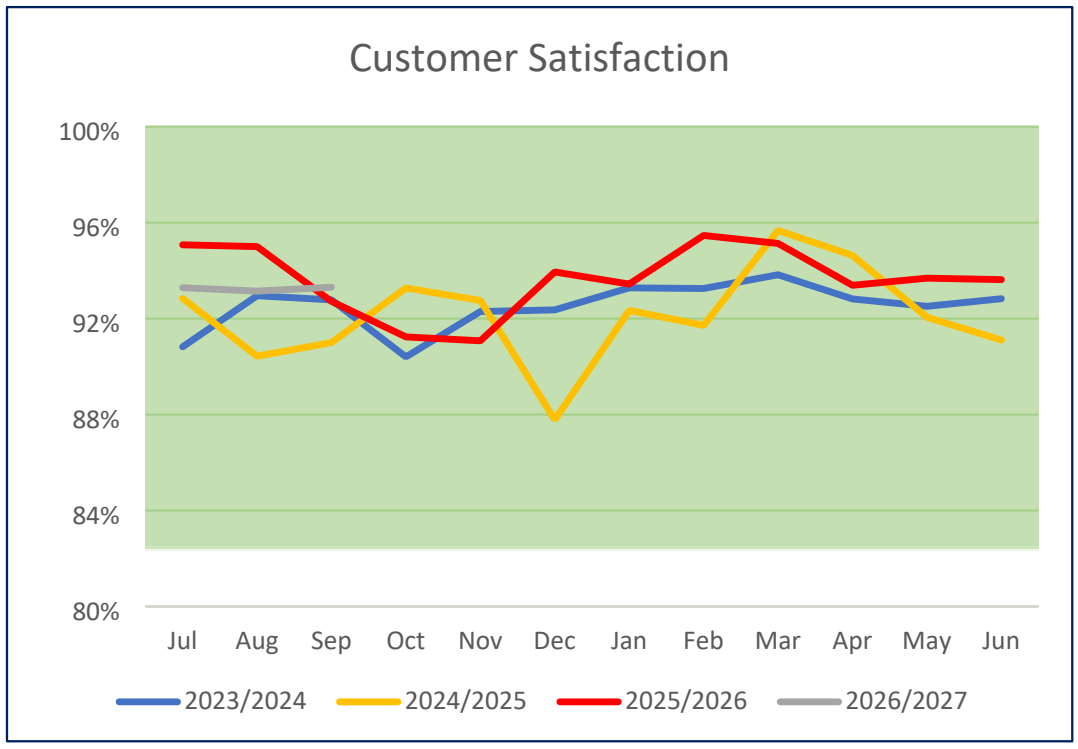

- Total customer interaction volume increased by 120 compared to this month last year
- Customer sentiment tracking was low.
- Total service level for all calls decreased to 83%
- Total customer satisfaction rating this month: 93%.

Enquiry themes:

- Rates: Haven't received email invoice yet, have received email invoice multiple times. Routine enquiries: balance, direct debit, wrong mailing address, update email/postal info.
- Transport – Cancellation issues, fares & zones enquiries along with routine enquiries: Lost Property, driver behaviour, timeliness.
- Social media – highest contact posts: PT timetable changes, PT law changes, Te Wiki o te Reo Māori, Phil Smith/Galaxid, Oamaru bus, Central connection bus.
- Reception visitors: Dunedin = 949, Queenstown = 40


Reception Dunedin
2026
2025
2024
1000
500
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec


Reception Queenstown
2026
2025
2024
100
50
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec


Customer Satisfaction
100%
96%
92%
88%
84%
80%
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
2023/2024
2024/2025
2025/2026
2026/2027

# Efficiency Review – Implementation Update October 2026

The recommendations from the 2023 Efficiency Review have been informing business as usual improvements, since the report was adopted by Council. Remaining recommendations were reviewed and prioritised by the Business Improvement Framework Governance Group in February 2025. For each initiative the governance group determined the anticipated effort and the resulting impact. Some items were determined not to require prioritisation through this process as they were either addressed by business-as-usual work, were adequately covered by other initiatives, or had already been completed. Items which have been completed, and were reported to Council in previous updates, are listed in Appendix A.

Additional recommendations that have been identified through the Te Korowai Review (Appendix B) were presented to Council in October 2025 and it was decided to wait until the new Council had been established before re-considering. The Chair and Deputy Chair have now reviewed the governance items (highlighted in blue) and have agreed to put these items on hold in light of the local government reform proposal. The remaining recommendations that were not addressed through planned or existing work, indicate that a combined new project should be initiated to address the Planning, Science and Consultation points together (highlighted in yellow). This will be included in the new project management approach currently being implemented, for prioritisation and capacity planning.

**Snapshot of improvement activity for Jul-Sep 2026**

Current focus:

- Implementation of the ORC project management approach, including supporting resources, tools and improvements to the Project Workspace (Actions 3.1 and 3.2)
- Implementation of the integrated work planning process through the refreshed LTP 2027-37 development approach (Actions 2.2 and 2.3)
- Relaunch the Staff Suggestion process and register
- Close out of the Develop a data management framework (Action 4.1)

In the pipeline:

- Review timesheet function (Action 1.4)
- Project to address Planning, Science and Consultation recommendations from the Te Korowai Review

**2023 Efficiency Review Recommendations**

1. **Financial Processes**
   **Sponsor:** Nick Donnelly - GM Finance

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 4) Review timesheet function to reduce the reliance on timesheets for budgeting and cost allocation | Planning | *"could do" - low impact/ low effort* | *This review will be led by the Finance directorate and progressed within current budget. Review will progress further once Annual Report, rates strike and Datascape Rates are completed.* | 0% |

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

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 2) Develop a strategic and operational planning framework, including an approach to coordinating resources and consolidating | N/A | *N/A – incorporated into 2.4* | *This recommendation will be incorporated with the one below and addressed within one project.* | N/A |

| | | | | |
|---|---|---|---|---|
| work programmes through the organisation | | | | |
| 3) Develop integrated work planning process that is clearly aligned to resource planning, budget setting, strategic plan, delivery plans, external/internal resourcing | Commenced | *"weighty project" - high impact/ high effort* | *This initiative is led by the Organisational Planning and Performance Team, and it is now in the implementation phase using the current Long-term Planning project as the change vehicle/process update mechanism.* |   |

### 3. Project and Programme Management

**Sponsor:** Richard Saunders – Chief Executive

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 1) Review existing projects and consider where a programme management approach may be appropriate | N/A | *N/A incorporated into 3.2* | *This recommendation will be incorporated with the one below. IT projects, Datascape programme and the Business Improvement Framework all address this recommendation. Further review of projects will occur after a PM approach has been determined and via regular LTP review of projects.* | N/A |
| 2) Develop an ORC approach to project and programme management and consider introducing a PMO | In progress | *"weighty project" - high impact/ high effort* | *The organisation-wide project management approach has now been developed and implementation is underway. Following ELT endorsement, manager feedback has been used to refine the approach, guidance and supporting resources, which are now available to staff through the new Project Management page on Tiaki. The next phase will focus on improving the Project Workspace, embedding the approach for new Level 3 and Level 4 projects, and continuing to build organisational capability and consistency in project delivery.* |   |

### 4. Data Management

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

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 1) Develop a data management framework and adopt common data standards | Closed | *"weighty project" - high impact/ high effort* | *A review of progress since the 2023 Efficiency Review found that ORC has undertaken considerable work to standardise data through its systems, processes and business improvement programmes. Any* | Completed |

| | | | | |
|---|---|---|---|---|
| | | | *remaining matters will be managed through existing work programmes and business owners, and the action is now closed.* | |

## 5. Additional Opportunities

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

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 1) Aligning strategic goals and outcomes. | N/A | *N/A - incorporated into 2.4* | *This recommendation will be incorporated with the integrated work planning initiative. It is also being addressed through the development of Strategic Directions implementation plan. Outcome indicators have been drafted and will be presented to Council in February 2026.* | N/A |
| 2) Communicating our value:<br>- Communicate what, why, when and how work is being delivered<br>- Develop processes and language for communicating "value for money" with the community. | Commenced | *N/A - Action addressed by BAU work and through 2026 Community Survey action plan (to be developed)* | *Work in progress. Further actions will be considered as part of the Community Survey 2026 action plan currently being developed. To date this has been addressed through work under the Engagement framework, the Communications Strategy, the Customer Policy and the Strategic Directions Implementation Plan. Value snapshot prepared for Councillors to support Annual Plan Year 2 deliberations; next steps are to consider how to use this to communicate Year 2 value from activities alongside annual report. Strategic events attendance communicates ORC's value through engaging stalls. Te Mātāpuna: The Source quarterly newsletter, the annual brochure that accompanies rates invoices, ORC's website and social media are channels used to communicate to what ORC does and what role we play.* |  |

# Appendix A: Actions completed and previously reported to Council

## 1. Financial Processes

**Sponsor:** Nick Donnelly - GM Finance

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 1) Review revenue targets and charge-out rates for cost recovered activities | Completed | *N/A - Action completed* | *Charge out rates and revenue targets were reviewed in LTP 2024-34, with revisions made for AP 2025-26. Further review is considered part of BAU work programme.* |   |
| 2) Review overhead allocation and reporting process to ensure visibility of "below the line" activities | Completed | *N/A - Action completed* | *Overhead allocation revised for LTP 2024-34. No further action needed.* |   |
| 3) Review use of consultants, and processes for procurement and budget setting to ensure internal capabilities are considered | Completed | *"could do" - low impact/ low effort* | *Procurement Policy with additional requirement to consider internal resourcing approved by ELT in May. Refresher training on this and revised financial delegations to be completed by Finance over the coming months.* |   |
| 4) Review of budgeting process and financial management/ financial reporting | Completed | *"weighty project" - high impact/ high effort* | *IBIS Breeze implemented as reporting, forecasting and planning system for 2025-26 reporting / forecasting and 2026-27 annual plan.* |   |

## 2. Integrated Planning and Reporting

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

| Actions | Status | Assessment | Notes | Progress |
|---|---|---|---|---|
| 1) Review non-financial performance measures | Completed | *BAU* | *Service measures were reviewed in LTP 2024-34, with revisions made for AP 2025-26. Further review is considered part of BAU work programme. LTP 2027-37 will trigger another substantive review.* |   |
| 2) Develop a definition of "efficiency" and an organisational approach to efficiency | Completed | *"could do" - low impact/ low effort* | *This project was being led by the Organisational Planning and Performance team and progressed within current budget. The team developed a draft definition and approach to efficiency and then held a workshop with Council in March to further refine these. Feedback has been incorporated into the final definition and approach and will be used going forward to focus efforts internally.* |   |

## Appendix B: Recommendations from Te Korowai

| Theme | Ref/Name | Area of Improvement | Status | Recommendation |
|---|---|---|---|---|
| **Catchments and climate change** | CC1: Catchment climate options | Move beyond themes in Strategic Direction and activities in the Climate Change Strategy to detailed catchment-based discussions. * | Work in this area is partially addressed through current and planned work in ICM and through the Climate Strategy. | No additional actions.<br>This was assessed through the BIF process and rated as having low impact compared to effort.<br>*If Council decides there is value in additional work then scoping of further actions could be directed to the Climate Strategy working group and the ICM team.* |
| | | Start to develop mitigation options and costs to share with stakeholders in those catchments. * | | |
| | | Develop catchment strategy and tactics, better integrating adaptation with council activities including asset management and planning. | | |
| | CC2: Spatial Accounting | Continue to develop management accounting systems so costs can be allocated to geographic areas such as catchments rather than just to activities. * | This is partially addressed through existing systems. *There may be value in considering how the information could be applied, displayed, and accessed more widely.* | No additional actions.<br>This was assessed through the BIF process and rated as having low impact compared to effort. |
| **Communication, consultation, and engagement** | CE1: Coordinated engagement | Ongoing commitment to coordinating engagement and consultation efforts across Council, ensuring 'one car up the driveway'. | This is being addressed by the Engagement Framework and will be covered by BAU work of the P&E team. It is also supported by the new CRM system and IRIS Next Gen. Additionally there is a project on the Support Services workplan to optimise vehicle use. | No additional actions; this is covered by planned or existing work. |
| | CE2: Consultation findings and feedback | Documenting consultation and engagement findings impartially and in a balanced way. | This is partially addressed by the Engagement Framework and the Partnership & Engagement team. | New project to be initiated to address to Planning, Science and Consultation points.<br>This was assessed through the BIF process and rated as high impact compared to effort. |
| | | 'Closing the loop' to communicate engagement and consultation outcomes and how stakeholder input was considered. | | |
| | CE3: Internal awareness | Increasing awareness across the organisation of the purpose and activities of teams and business groups. | This is being addressed by the development of an Internal Communications plan. An audit of internal communication channels is underway. | No additional actions; it is covered by planned or existing work. |
| | CE4: Comms Plan/Strategy | Have an agreed communication plan and include councillors in development of that plan to get better alignment of messaging. | This is being addressed by development of a Communications Strategy and current practices which include communication plans being developed and presented to Councillors for input on large projects, such as LWRP and LTP. The Communications | No additional actions; it is covered by planned or existing work. |

| | | | | |
|---|---|---|---|---|
| | | | Strategy will include criteria for when Communication Plans are expected to have Councillor involvement. | |
| **Governance and regional advocacy** | GA1: Councillor training | Develop a systematic training programme for councillors beyond induction phase and including training in the RMA. * | These items are for Councillor consideration and decision. | No staff recommendation. |
| | | A dedicated professional development and self-review programme for elected members could be beneficial. | | |
| | GA2: Governance culture | A more considerate and collaborative governance culture, providing opportunities for respectful dissent, would increase ORC's ability to achieve its vision and goals for the region. | | |
| | GA3: Regional advocacy | Advocating for the needs of the region more actively with central government. | | |
| **Investments and financial transparency** | IF1: Investment vehicle | Consider grouping and managing all investments together in an arm's length council owned investment vehicle.* | These items are for Councillor consideration and decision. | No staff recommendation. |
| | IF2: Investment Risk & Transparency | Integrate the overall risk profile of different investment income streams. | | |
| | | Make investment management and risk more transparent. | | |
| | | Adjust preference for risk and therefore earn better long-term investment returns. | | |
| | IF3: Illustrating financial info | Better integration and graphic summarisation of financial information in the Long-term Plan would assist ratepayer understanding of prioritisation and trade-offs. | This will be addressed as part of BAU continuous improvement in development of the Long-term Plan. | No additional actions; it is covered by planned or existing work. |
| **Planning and science** | PS1: LWRP communication | Better co-ordination and explanation of the approach to land and water planning including detailing the implementation plan and desired end result.* | The LWRP is on hold however there is an opportunity develop a framework that provides further clarity and consistency to the processes and approach and also addresses the Science and Consultation points. | New project to be initiated to address to Planning, Science and Consultation points together.<br>This was assessed through the BIF process and rated as high impact compared to effort. |
| | | Better manage conversations around trade-offs in implementation of those regulations. | | |
| | | Be clearer with the direction, desired end point, transition path and implementation plan for land and water regulations. | | |

| | | | | |
|---|---|---|---|---|
| | PS2: Science in debates | Bring the science function to the fore in planning debates. | Science regularly contributes to Planning debates however there is an opportunity to provide further clarity and consistency to the processes and approach. | As indicated above – New project to be initiated. |
| | PS3: SOE document | Provide a Statement of the Environment that is a stocktake of the environment in Otago.* | This is being addressed through planned Science trend reporting and development of an overarching SOE summary for the website. It is further supported by the development of outcomes monitoring and reporting for ORC's Strategic Directions. | No additional actions; it is covered by planned or existing work. |
| | | Develop a State of the Environment document, so the challenges of environmental limits are better expressed, in one place. | | |
| **Strategic directions** | SD1: CE performance plan | The Chief Executive's performance plan could include more quantifiable KPIs and be structured to more strongly reflect Council's strategic directions. | This item is for Councillor consideration and decision. | No staff recommendation. |
| | SD2: Work & strategic goals | Understanding of any additional or different work ORC needs to undertake, or cease undertaking, to achieve its strategic goals could be improved; although it is understood that this work is underway. | This is being addressed by development of an implementation plan for Strategic Directions. It is further supported by actions to address Efficiency Review recommendations and will be covered by the planned work programme. | No additional actions; it is covered by planned or existing work. |
| **Systems and capability** | SC1: IRIS | Continue to develop the internal systems environment with full implementation of IRIS. | This is being addressed through the planned implementation of IRIS. | No additional actions; it is covered by planned or existing work. |
| | SC2: HRS & performance management | In HR management, introduce online systems and improve management of under-performance. | This is being addressed through the planned implementation of a new HR system. Management of under-performance will be addressed through planned HR work programme. | No additional actions; it is covered by planned or existing work. |

# Communications and Engagement Dashboard

Governance update for July–September 2026 and the forward programme for October–December 2026

## Quarter at a glance

Three significant campaigns supported consultation and feedback on Council priority actions. Overall, the quarter showed high public interest in transport decisions, targeted communication and high participation in the areas affected by the Taieri and Clutha rates review and effective digital reach and engagement on coastal planning.

| Campaign performance dashboard (July – Sept 26) | | | | |
|---|---|---|---|---|
| **Campaign** | **Status and next step** | **Awareness** | **Engagement and participation** | **Feedback and key takeaway** |
| **Lower Clutha and Lower Taieri flood protection and drainage scheme rates review**<br><br>**Priority Action: SRA3**<br>**Audience: Affected residents and ratepayers** | **Complete.** Consultation ran from 10 August to 25 September 2026. Analysis and hearings are underway. | Paid social reach 21,506<br><br>Potential media reach 92,000<br><br>Advertising and newsletter distribution 31,589<br><br>Direct letters or emails to | 179 submissions<br><br>290 attendees<br><br>29 social media comments<br><br>Meta click-through rate 1.47% | Strong participation from the affected communities. Digital engagement was above the current ORC campaign average. |

| | | | | |
|---|---|---|---|---|
| | | ratepayers approx. 8,900 | | |
| **Public transport zones and fare pricing**<br><br>**Priority Action: PTA4**<br><br>**Audience: Current and potential public transport users** | **Complete.** Consultation was completed during July–September 2026. Findings informed Council decisions and implementation is underway. | Paid social reach 118,404<br><br>Potential media reach 581,000<br><br>Website users 159,614<br><br>Advertising and newsletter distribution 197,250 | 1,934 submissions<br><br>137 social media comments<br><br>Click-through rate 0.54% on Meta and 2.56% on Google advertising | This was the strongest consultation response in five years, indicating high public interest. Google advertising was above the current ORC campaign average. |
| **Otago's Coast — Issues and opportunities**<br><br>**Priority Action: SPA1**<br><br>**Audience: Predominantly coastal Otago communities** | **Complete.** Feedback was gathered during July–September 2026. Analysis and reporting is underway. | Paid social reach 80,450<br><br>Potential media reach 581,000<br><br>Website users 188,584<br><br>Advertising and newsletter distribution 179,341 | 163 completed feedback surveys<br><br>59 event attendees<br><br>30 social media comments<br><br>Click-through rate 1.12% on Meta and 2.42% on Google advertising | The campaign reached a broad audience and generated above-average feedback and digital engagement against current ORC campaign average. |

*Note: Potential reach, distribution and unique-user measures are not directly comparable with submissions or event attendance.*

## Forward communications & engagement programme

The October–December programme has nine significant campaigns across flood risk, biosecurity, public transport, water safety, and integrated catchment management.  This does not include resource management reform communications, which are dependent on Government decisions. Communications may be shared across different platforms including, web, digital, media, print and ORC owned channels. The channels used for each campaign are customised to reach the desired audience and goal of the campaign.  In addition to these significant campaigns, there will also be business as usual strategic communications including:

- Te Mātāpuna | The Source quarterly ORC newsletter (print)
- OnStream monthly newsletter (subscriber, online)
- Public Transport communications
- El Nino communications, supporting other agencies including Federated Farmers (digital and newsletter content)
- Rates penalty notices (print/email)
- Christmas office close-down messaging (digital)
- Website updates
- General communications support
- Media releases and responses

| October–December forward programme | | | |
|---|---|---|---|
| **Campaign / event** | **Timing** | **Level of public involvement** | **What the communications are aiming to achieve** |
| **Roxburgh Debris Flood Hazard Management Programme**<br><br>**Annual Plan 2026/27**<br><br>**Audience: Teviot Valley residents and affected communities** | October–December 2026 | Communications – high public interest at local level<br><br>Engagement – medium significance | Community interest in debris-flood risk and the proposed hazard management approach. |

| | | | |
|---|---|---|---|
| **Lindsay Creek flood risk hazard**<br><br>**Annual Plan 2026/27**<br><br>**Audience: Affected communities and property owners** | October 2026 | Communications – high public interest at local level<br><br>Engagement – medium significance | Interest from affected communities about updated flood information and possible risk-reduction responses. |
| **Check, Clean, Dry - preventing the spread of pest species**<br><br>**Support for partially MPI funded work programme**<br><br>**Audience: Waterway users and visitors** | October–December 2026 | Communications – medium public interest | Seasonal interest in practical steps to prevent the spread of freshwater pest species. |
| **Swim spot water monitoring**<br><br>**Priority Action: CPA2**<br><br>**Audience: Swimmers, recreational water users, dog owners and communities** | November 2026 onwards | Communications – medium public interest | Public attention to monitored swim spots and any water-quality issues over summer. |
| **Harbourmaster safety campaign**<br><br>**Annual Plan 2026/27**<br><br>**Audience: Boaties and recreational water users** | October–December 2026 | Communications – medium public interest | Seasonal interest in boating and water-safety information. |
| **Bus route, fare and zone changes implementation**<br><br>**Annual Plan 2026/27** | October - November | Communications – high public interest | High customer interest in what is changing, when it takes effect and what people need to do. |

| | | | |
|---|---|---|---|
| **Audience: Current and potential public transport users** | | | |
| **New Oamaru bus service**<br><br>**Priority Action: PTA4**<br><br>**Audience: Oamaru and Dunedin residents and potential bus users** | 1 October 2026 | Communications – high public interest at local level | Community interest in how the daily service will operate and be promoted. |
| **Integrated catchment management programme**<br><br>**Priority Action: CPA5**<br><br>**Audience: Catchment communities, landowners and delivery partners** | October–December 2026 | Communications – medium public interest | Interest in delivery across catchments, practical outcomes and opportunities to participate. |
| **West Otago A&P Show**<br><br>**Annual Plan 2026/27**<br><br>**Audience: West Otago communities and event attendees** | 21 November 2026 | Engagement – Tier 1 strategic event | Direct community questions about current regional issues and ORC services. |

# South Dunedin - Stop Flooding Request

## Joint Request to DCC, ORC, HNZ & WSNZ

**To:**

| | | |
|---|---|---|
| 1 | Dunedin City Council (DCC) | CEO - Sandy Graham<br>ph 03 4774000 sandy.graham@dcc.govt.nz<br>>> Territorial Authority Duty Holder |
| 2 | Otago Regional Council (ORC) | CEO - Richard Saunders<br>ph 03 4740827 richard.saunders@orc.govt.nz<br>>> Environmental Regulator |
| 3 | Health NZ - Public Health South (HNZ) | Medical Officer of Health - Dr Michael Butchard<br>ph 027 3834202 x 55804 michael.butchard@southerndhb.govt.nz<br>>> Public Health Regulator |
| 4 | WorkSafe NZ - Health & Safety Concern (WSNZ) | Health & Safety Concern Manager<br>ph 0800 030040 info@worksafe.govt.nz<br>>> Health & Safety Regulator |

**From:**

| | | |
|---|---|---|
| - | South Dunedin Stormwater Justice Group (SDSWJP) | Convenor - Lynne Newell<br>ph 021 479804 lynnenewell115@gmail.com |

**Date**: 25 September 2026

**Subject: South Dunedin - Stop Flooding Request - Joint Request to DCC, ORC, HNZ & WSNZ - Overlapping Environmental, Public Health and Public Safety Hazards**

This letter is written on behalf of the South Dunedin Stormwater Justice Group to formally report the recurring contaminated stormwater flooding in South Dunedin, caused by systemic infrastructure failure over many decades. The undersized stormwater and wastewater network results in serious flooding of contaminated stormwater into residential properties, homes, rest homes, businesses, shops, schools and other facilities. Based on statistical rainfall and the undersized stormwater system, flooding may be expected every 5 years in general, and 2 years in some areas. The contaminated floodwaters create overlapping hazards of (1) environmental pollution, (2) public health risks, and (3) public safety risks. The purpose of this letter is to request the responsible authorities to act urgently to stop the contaminated floodwater discharges and deliver an engineered flood protection system that protects all of South Dunedin within 5 years.

Abbreviations

- DCC Dunedin City Council
- HNZ Health New Zealand
- LGOIMA Local Government Official Information and Meetings Act
- ORC Otago Regional Council
- SDF South Dunedin Future - DCC programme
- SDSWJG South Dunedin Stormwater Justice Group - public advocacy group
- WSNZ WorkSafe New Zealand

### 1. Request - Summary

This letter is a formal notice issued simultaneously to the (1) Dunedin City Council (DCC) <Responsible Territorial Authority Duty Holder>, (2) Otago Regional Council (ORC) <Environmental Regulator>, (3) Health New Zealand (HNZ) <Public Health Regulator> and (4) WorkSafe New Zealand (WSNZ) <Health & Safety Regulator>.

We request that South Dunedin be flood-free within 5 years through an Engineered Flood Protection System that provides timely, effective and equitable protection for all neighbourhoods ('Flood-free' to be defined).

We request:

1. DCC (Responsible Territorial Authority Duty Holder) to upgrade the undersized stormwater and wastewater network to stop unconsented contaminated floodwater discharges into South Dunedin (within 5 years).

2. ORC (Environmental Regulator) to investigate and legally enforce DCC to stop contaminated floodwater discharges into South Dunedin resulting in environmental pollution (within 5 years).
3. HNZ (Public Health Regulator) to investigate and legally enforce DCC to stop contaminated floodwater discharges into South Dunedin resulting in public health risks (within 5 years).
4. WSNZ (Health & Safety Regulator) to investigate and legally enforce DCC to stop contaminated floodwater discharges into South Dunedin resulting in public safety risks (within 5 years).

This letter is a direct and urgent call for South Dunedin ‘stormwater justice’.

- Refer to Section 6: South Dunedin Vision for a Safe, Dry, Flood-Free Future
- Refer to Section 7: Stop Flooding Request - Joint Request to DCC, ORC, HNZ & WSNZ

## 2. South Dunedin Flooding - History & Causes

South Dunedin is the generic name given to the large flat area (South of the central city) comprising of several suburbs (or parts of) including: South Dunedin, St Kilda, St Clair, Forbury, Caversham and Tainui. It contains approx 13,000 people in 6,000 households and a number of rest homes. There are hundreds businesses and shops, several schools and other essential services which host thousands of Dunedin citizens each week. South Dunedin property owners pay rates like other Dunedin-ites, yet are denied the functional basic infrastructure provided to other citizens. Instead, the recurring flooding creates an unacceptable nexus of environmental, public health and public safety hazards.

Refer to Attachment:
#1: South Dunedin Flooding - History of Council Neglect - Report - NJ - 3-6-26 - Summary

South Dunedin residents have endured repeated flooding, sewer overflows, property damage and ongoing anxiety for more than sixty (60) years. DCC has possessed explicit engineering knowledge of network capacity bottlenecks since before the installation of the Portobello Road pumping station in 1964. This has been verified by a continuous baseline of both ‘major / catastrophic flooding’ and ‘minor / nuisance flooding’.

Refer to Attachment:
#2: South Dunedin Flood History Summary Table - 1964-2024 - JD - 23-9-26

The table contains South Dunedin flood events recorded in publicly accessible records. These are classified as ‘major’ (inside flooding, evacuations and/ or DCC State of Emergency), ‘significant’ (outside flooding) and ‘minor’ (nuisance flooding). Many ‘minor’ floods have occurred over many years. Only a selection are included here.

**Major Flooding**
Major flooding generally refers to flooding of such depth and duration that many homes, shops, businesses and other facilities are flooded inside, triggering evacuations and/ or a DCC State of Emergency. The flood waters contain both stormwater, and contaminated wastewater overflows and other pollutants. Six major floods have been recorded from 1968 to 2024.

| # | Date | South Dunedin flooding / impact | Rainfall information |
|---|---|---|---|
| 1 | **1968**<br>8-10 Mar | **South Dunedin catastrophic flooding**. South Dunedin “awash for several hours” 9 Mar afternoon. Portobello pumping station blocked with debris. Dozens of flooding reports. See note below. | ~160 mm/ 24 hr to ~8pm, 9 Mar (Musselburgh); Manual totals: 91 mm to 9am, 9 March; 71 mm to 9am, 10 March. |
| 2 | **1980**<br>4-5 Jun | **South Dunedin major flooding**. Portobello Road severely flooded and blocked; South Dunedin/ St Clair 700 telephones out of action by water entering cables. Evacuations and Civil Defence emergency. | 119 mm/ 24 hr to 9am, 5 Jun (Musselburgh); Water of Leith 4.5 m above normal. |
| 3 | **1994**<br>17-20 Mar | **South Dunedin major flooding**. Fulton Rest Home in South Dunedin flooded. Elderly residents (70) evacuated. | 114 mm/ 72 hr to 9am, 20 Mar (Dunedin). |
| 4 | **2015**<br>3-4 Jun | **South Dunedin catastrophic flooding**. Flood water reached approx 490 mm avg depth. Approx 1,200 homes/ businesses damaged. Portobello pumping-station problems increased flood depth and duration. | 142 mm/ 24 hr to 9am, 4 Jun (Musselburgh). |

| | | | |
|---|---|---|---|
| 5 | **2018**<br>31 Jan-1 Feb | **South Dunedin major flooding**. Known 13 properties had floodwater enter living areas. Radius Fulton rest home major damage. Surrey Street flood water containing wastewater. | >108 mm/ 24 hr during 31 Jan-1 Feb (Dunedin); ~56 mm/ 4 hr to 4pm, 31 Jan. |
| 6 | **2024**<br>3-4 Oct | **South Dunedin <u>catastrophic</u> flooding**. State of Emergency declared. Extensive flooding around Surrey Street, Forbury Road and Hillside Road. Water entered houses and residents evacuated. Wastewater overflows occurred, including in Surrey Street. | 130.8 mm/ 24 hr to 9am, 4 Oct (Musselburgh); rainfall continued. |

Three of the six floods have been further categorised as ‘catastrophic’. Additional comments regarding the 3 catastrophic floods are below:

- **1968 (8~9 March): Post-Installation System Failure**
  Approx 160 mm of rain fell in 24 hrs. Shortly after the 1964 installation of the Portobello Road pumping station, a major storm impacted South Dunedin. Engineering records show the pump outflow was limited, most likely due to an inadequate (undersized, bottlenecked) stormwater piping network incapable of feeding stormwater to the pump station fast enough.
- **2015 (3~4 June): Catastrophic System Failure**
  Approx 142 mm of rain fell in 24 hours, triggering a State of Emergency. The area was inundated with water up to 0.5 m depth. The situation was worsened by mechanical breakdowns and screen blockages at the Portobello pumping station. Damages exceeded $138 million. The rainfall intensity at which the flooding started is stated below.
- **2024 (3-4 October): Contaminated Deluge**
  Approx 131 mm of rain fell in 24 hours, triggered a State of Emergency. The undersized stormwater network completely filled, resulting in extensive surface flooding on roads and forcing the evacuation of over 100 residents in areas like Caversham and Forbury. Severe cross-contamination occurred as stormwater backed up into the wastewater grid, forcing toxic wastewater, sewage, and chemical runoff into streets and residential areas, notably around Surrey Street. The rainfall intensity at which flooding started is stated below.

<u>Note</u>: The 1968 actual flood extent and property damage was less than in the 2015 and 2024 floods. This is due to the increasing impact of ‘catchment change’ in recent decades - more infill housing and hard surfaces resulting in more impermeable areas with increased stormwater runoff.

**Significant and Minor Flooding**
Moderate rainfalls trigger ‘significant’ (outside) flooding and ‘minor’ (nuisance) flooding. This is typically flooding of shallow depth on roads, footpaths, properties and playing fields, which does <u>not</u> enter buildings, and which does not trigger evacuations and/ or DCC State of Emergency. The flood waters contain both stormwater, and contaminated wastewater overflows and other pollutants. Two ‘significant’ floods and a selection of ‘minor’ floods are described below.

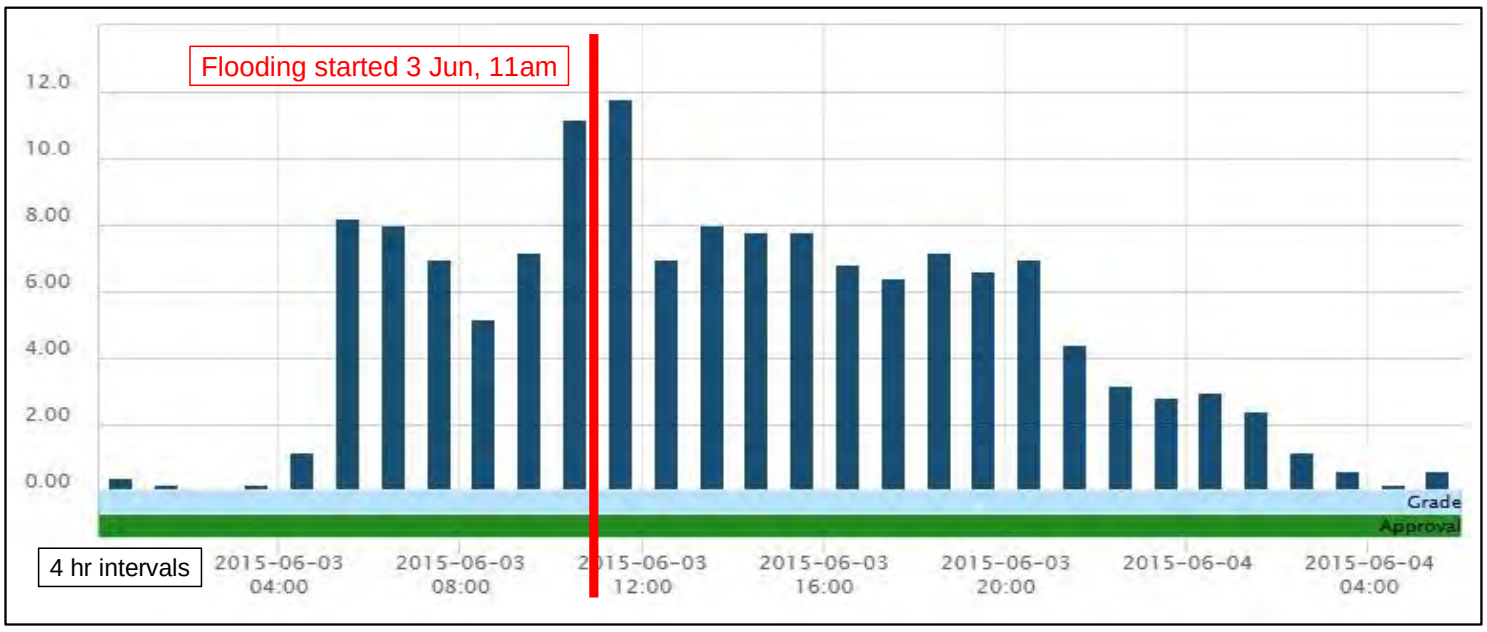
| # | Date | South Dunedin flooding / impact | Rainfall information |
|---|---|---|---|
| 1 | **2006**<br>25-26 Apr | Localised flooding affecting storm drains and pump stations. Most serious flooding not in South Dunedin. | 83 mm/ 24 hr to 9am, 26 Apr (Musselburgh). |
| 2 | **2007**<br>29-30 Jul | Substantial flooding around Dunedin. Considerable disruption to stormwater services. Musselburgh wastewater pumping station overflowed. | ~86 mm/ 24 hr to 9am, 30 Jul (Musselburgh); DCC ICMP report ~70 mm/ 12 hr (Musselburgh). |
| 3 | **2013**<br>25 Jun | South Dunedin tidal inundation, but not a rainfall flood. Teviot Street inundated during very high king tide. Seawater entering/ rising through the drainage system. | No significant rainfall; tidal inundation during high/ king tide. |
| 4 | **2016**<br>6 May | South Dunedin tidal inundation, but not a rainfall flood. Seawater forced up through stormwater system on Teviot Street at high tide. | No significant rainfall; seawater entered via stormwater system at high tide. |
| 5 | **2017**<br>20-23 Jul | South Dunedin surface flooding. Sewage/ debris left on streets and lawns. | 92.6 mm/ 24 hr to 12pm (noon), 22 Jul (Musselburgh). |
| 6 | **2018**<br>30 Apr | Localised South Dunedin flooding. Forbury Road and surrounding streets flooded after damaged stormwater pipe. Water entered some properties between Coughtrey and Albert Streets. | Localised heavy rainfall; flooding associated with damaged stormwater pipe. No reliable data. |

Medium intensity rainfalls trigger surface flooding across roads and properties, confirming that the stormwater system in undersized and incapable of handling common meteorological thresholds.

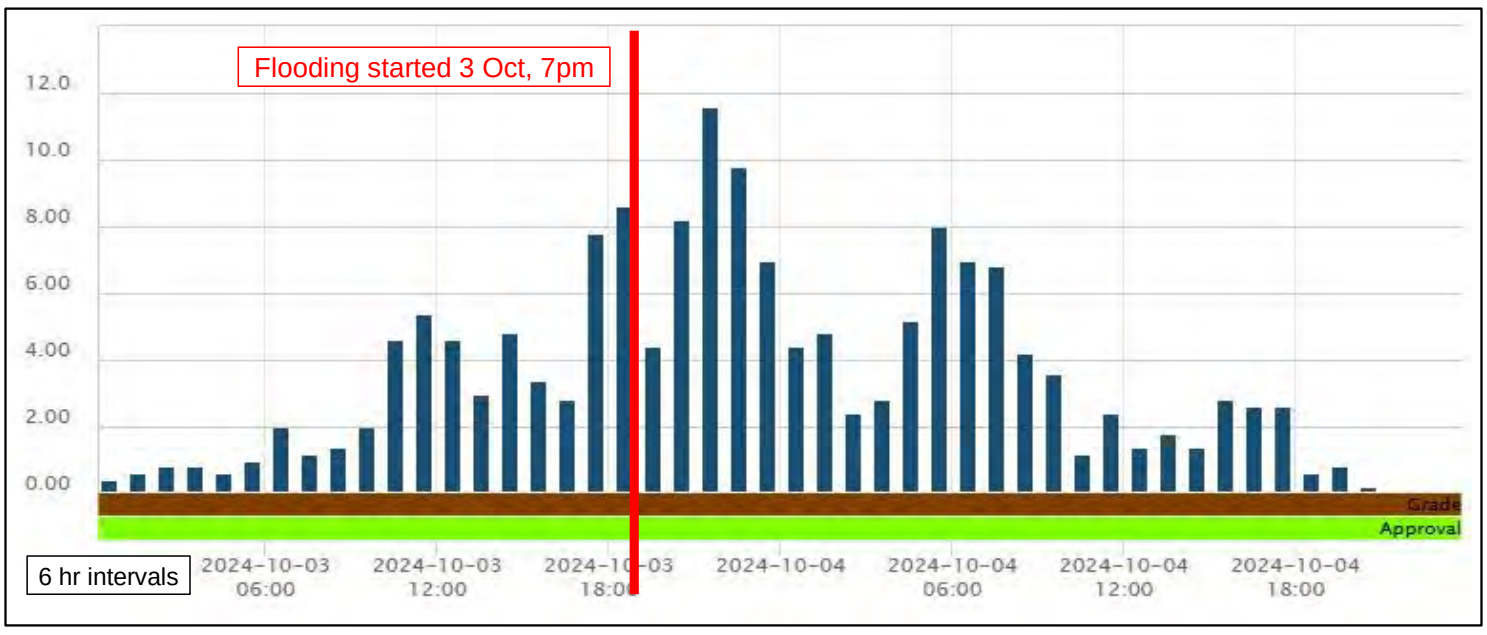
**Flooding Cause - Climate Change Narrative vs Hydraulic Reality**
DCC has historically framed South Dunedin flooding within a Climate Change narrative, implying this is a creeping disaster driven by climate change on-set, with the default solution being managed retreat. The evidence, based on empirical infrastructure analysis and local rainfall data, refutes this:

- **Flood Event Rain Intensities**
  The major catastrophic floods of June 2015 and October 2024 were publicly messaged as unprecedented climate events. However, rainfall data revealed peak rainfall intensities of only 12 mm/hr. Hydraulic engineering analysis and observation confirmed that flooding across South Dunedin begins at a rainfall intensity of only 8 mm/hr. This sits drastically below the standard New Zealand design threshold for Dunedin, being 18 mm/hr (a 10-year return period with zero overflows). (Ref [1])

  The Rainfall Charts for the June 2015 and October 2024 floods are shown below. The rainfall data was sourced from the Musselburgh Rain Gauge, NIWA's Climate Database (CliDB), located close to South Dunedin. (Ref [2])




**Rainfall Chart - Flood 2015 - 3-4 June** (Rainfall mm/hr over 36 hours)




**Rainfall Chart - Flood 2024 - 3-4 October** (Rainfall mm/hr over 48 hours)

- **Statistical Certainty of Inundation**

[1] South D floods 2015 & 2024 - Rainfall intensity @ Flooding start - JD - 23-4-25 - Draft
[2] ORC Environmental Data Portal https://envdata.orc.govt.nz/AQWebPortal

BECA (engineering consultants) hydraulic reports clearly state the current undersized stormwater system operates with a flood risk of between 1-in-2 to 1-in-5 years, equating to an annual flood risk of between 20% to 50%. (Ref [3]) Surcharging and overflowing manholes occur during 1-in-2 year rain events. Other analysis (Julian Doorey), indicates flood risk could be as high as every 1.5 years. (Ref [1])

- **Decades of Inaction**
  Despite years of resident complaints and official warnings, not one metre of new stormwater pipe or one new pump has been installed to increase stormwater capacity since the devastating 2015 floods.

## 3. South Dunedin Future - Programme History & Approach

Following the devastating 2015 flood, the DCC commissioned professional engineering reports that provided workable, conventional and affordable engineered solutions. Two (2) very useful and relevant reports were:

- **OPUS 2017 Report**
  Outlined a clear, conventional 'pipes and pumps' flood protection system, able to prevent current stormwater flooding issues. (Ref [4])
- **BECA 2014 Report**
  Provided detailed methods for dewatering at the sea boundary to manage the long-term impact of slowly rising sea levels on groundwater. (Ref [5])

Instead of implementing these physical fixes, the DCC and ORC pivoted around 2020 to a long-term, multi-year investigation programme called South Dunedin Future (SDF). SDF was established as a long-term climate change adaptation programme, with a time horizon of 100 years. However, it appears there were no urgent flood protection intentions. The vision and purpose statements showed this:

- **Vision**
  Improved community wellbeing and resilience through sustainable urban regeneration of South Dunedin.
- **Purpose**
  To enable South Dunedin to prepare for and adapt to the impacts of climate change.

While climate adaptation planning for some 50+ years in the future is to be applauded, we believe the SDF programme with no urgent flood protection intentions, fundamentally lost its way at inception. Many residents expected a targeted flood protection project. Instead, as confirmed by the South Dunedin Future Programme Plan and subsequent critical reviews, the programme broadened its scope to pursue a vision of 'improved community wellbeing and resilience through sustainable urban regeneration'. This resulted in a community development focus with 5 strategic objectives: (i) Sustainable Urban Development, (ii) Environmental and Cultural Restoration, (iii) Just Transition, (iv) Social and Economic Resilience, and (v) Community Safety. (Ref [6])

While these are legitimate public policy and planning objectives, their inclusion fundamentally replaced the decades old urgent flood protection needs. Engineering-focused flood protection solutions no longer competed solely on their ability to manage floodwaters; instead, they competed on how well they delivered community urban renewal, ecological systems restoration (restoring lost natural environments and reenergising cultural connections), and urban redesign (imagining and creating a better South Dunedin, reshaping the urban form). The critical planning assessment shifted from *'Which option provides the best flood protection?'* to a 'Multi-Criteria Assessment' system asking, '*Which option best achieves the overall South Dunedin Future urban renewal vision?'* This overriding diversion of attention and resources into non-urgent competing priorities resulted in paralysis, the waste of millions of planning dollars and loss of public support. All the while, no flood prevention infrastructure work occurred.

Furthermore, the public consultation became a somewhat dubious process, focusing on long term climate change threats, and the underlying assumption of eventual managed retreat (often referred to as 'land use change'). Long term adaptation options became almost the sole focus, rather than any engineered flood protection system. South Dunedin 'local voice' became just one voice, as SDF consulted with individuals and entities living outside South Dunedin, including university departments and external environmental groups. These people predictably voted for a managed retreat type solution due to a dogmatic dislike of engineered adaptation. A LGOIMA request to SDF to access the (i) South Dunedin home and business owners responses, separate to (ii) Non-resident people and special interest group responses - was refused

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[3] South Dunedin Catchment Stormwater System Perform Rep - BECA - 4-6-25
[4] South Dunedin Stormwater Modelling - draft for consult - OPUS - June 2017
[5] Assess of Options for Protect Harbourside and South City from Direct Impacts of Sea Level Rise - BECA - 8-7-14
[6] South D Future Program Plan & Objectives - DCC-ORC - 29-6-22

by SDF staff (9-2-26). Consequently the media statements that 'South Dunedin will choose its own future' are untrue. South Dunedin wants its voice restored, its data transparently segregated, and its community protected from flooding. (Ref [7],[8])

The SDF programme has misled the public by never once stating in its promo that South Dunedin flooding (so far) has been caused by an undersized stormwater system. The stormwater system has been undersized for 60 years, and is becoming increasingly more so due to infill housing and hard surfaces. This 'catchment change' results in more impermeable areas with increased stormwater runoff. Sadly, this obfuscation after the major 2015 flood, and lack of any stormwater improvements while long-term climate change investigations proceeded, contributed to the major 2024 flood.

## 4. South Dunedin Future - 3 Proposed Adaptation Futures Report (June 2026)

The release of the '3 Proposed Adaptation Futures' report in June 2026 intensified community concern. It was encouraging to see long-term climate change issues sorted with designs based on: (i) Several smaller catchments, (ii) Combined stormwater and ground water drainage pipes and pumping, and (iii) Future 2100 sea-level rise of 1.1m managed. However, the 3 Futures report suffered from critical gaps: (Ref [9],[10],[11],[12],[13])

- **Absence of Flood Protection Metrics**
  No clear table outlining 'rain intensity flood protection over time'.
- **No Flood Protection System**
  The SDF report did not include a clearly designed and costed flood protection system, separate to or included with other SDF competing priorities such as green space, wetlands and canals. This critical lacking, leaving South D extremely flood prone for an undefined number of years is unacceptable. After the report release, LGOIMA enquiries confirmed (24-8-26) that the primary focus of the SDF programme was restricted to long-term climate change adaptation. The LGOIMA responses stated that so-called 'short-term' pipes and pumps infrastructure interventions intended to only 'reduce flood risk' - in each of the 3 Futures were sequenced over 'the next few decades' or a 25 to 35 year window (2050/2060). This would continue to leave South Dunedin dangerously exposed to flooding with a 1 in 2 year or 1 in 5 year rain event return period, for up to 35 years - completely unacceptable.
- **Property acquisition / demolition**
  The 3 futures showed the eventual forced acquisition / demolition of 1200 to 1700 homes, the removal of neighbourhoods. This was a shocking betrayal. The sheer scale of loss (removing neighbourhoods) in all 3 Futures was never intimated in previous consultations. Surely SDF should have saved South D from flooding, not destroy 25 to 30% of homes. It was very wrong (and possibly illegal) to publicise the proposed house removal areas without consulting first with the impacted home owners and residents. Heartbreaking and angry emails resulted. All homes immediately lost value and willing buyers. The council should publicly apologise.
- **Rationale for removing homes**
  The proposed removal of homes appeared to be arbitrary with no logical reasons for removing homes in 1 Future, but not in another. The report said 'houses are removed to allow for engineering works'. While a few houses may be removed for pump stations (for example)… there was no technical reason to remove 1200 to 1700 houses for drainage purposes. The house removal areas were mostly further from the coast, and sometimes on slightly higher land, easily able to accommodate the proposed drainage system proposed elsewhere. The most inexplicable area to be cleared of homes was the elevated suburb of Caversham near Forbury corner which is impossible to flood. When senior engineering staff at both the DCC and ORC were questioned regarding the underlying rationale for the large house-removal zones, they could not provide a credible technical reason for the demolition areas. A follow-up LGOIMA enquiry revealed no clear and consistent home removal technical rationale (27-8-26).

## 5. DCC / ORC Decision - Request Engineered Flood Protection System (June 2026)

The Dunedin City Council (DCC) and Otago Regional Council (ORC) at their June 2026 meetings, went against the SDF 3 Proposed Adaptation Futures report recommendations. They required SDF to design and

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[7] South D Future - Engagement Report - 7 potential adaptation futures - 9-7-25
[8] South D Future - Community Engagement Results & Program Update - DCC 30-7-25; ORC 23-7-25
[9] SDF - 1 Prop adapt futures x3 - Overview - Jun 2026
[10] SDF - 2 Prop adapt futures x3 - Summary & next steps - Jun 2026
[11] SDF - 3 Prop adapt future #3 'Protect' - Overview - Jun 2026
[12] SDF - 4 Prop adapt future #4 'Restore' - Overview - Jun 2026
[13] SDF - 5 Prop adapt future #5 'Reshape' - Overview - Jun 2026

cost a stand-alone ‘Engineered Flood Protection System’ (EFPS). This will be presented for public consultation along with the 3 Futures. ORC initiated this critical change, and DCC reluctantly went along with it. This 4 month ‘pause’ represented a vital, mandatory mechanism, forcing SDF to include urgent short-term flood protection before long-term climate change adaptation is considered. This was met with considerable public support by rank and file home and business owners, and with dismay by climate change response advocates. (Ref [14],[15])

However, in a subsequent DCC media release (30-7-26), the council's language was somewhat vague about what they intend to do, regarding an Engineered Flood Protection System (EFPS). This included: (Ref [16])

- **Infrastructure vs Flood Protection**
  The immediate 30-year workstream referred 11 times to ‘infrastructure investment’, while mentioning ‘flood risk’ only twice and ‘flood protection’ only twice. Words matter. Infrastructure must have an explicit purpose: keeping South Dunedin dry.
- **Loose Timelines**
  The media release stated that the package covers 30 years while merely prioritizing projects for the next 5 to 10 years. There is no commitment to making South Dunedin flood-free within a specific, binding 5-year timeline. This wording is loose enough to allow severe flood risk to continue for decades.
- **Property Protection**
  The media release was silent on property protection. Existing homes and businesses must be preserved wherever technically and economically possible. Existing property must be prioritized over arbitrary nice-to-have green space, wetlands and canals.

A significant amount of public angst and frustration arose before, during and after the DCC and ORC meetings in June 2026. A Dunedin Area Citizens Association ‘Meet the Councillors’ meeting (7-7-26) witnessed a lot of frustration, robust discussion and disdain towards the DCC and its ‘3 Proposed Adaptation Futures’. The public anger focused on (i) Lack of proposed flood protection works after so many years of the SDF programme, (ii) The overriding focus on long-term climate change adaptation, while neglecting urgent flood risks, (iii) The proposed forced acquisition or demolition of 1200 to 1700 homes, and (iv) The public release of the proposed house removal areas without consulting first with the impacted home owners and residents. The meeting issued a statement / request ‘Urgency for South Dunedin Pipes and Pumps Project’ to DCC, ORC and various MPs.

Nine councillors attended the meeting. All, 9 councillors agreed to support a DCC apology to the 1200 to 1800 homeowners, whose homes had been selected for possible forced acquisition and demolition… which the DCC had unfairly publicised via the media without first consulting with them. Sadly no DCC apology has been presented, despite 2 follow-up requests for this to occur.

The Dunedin Area Citizens Association has run an online and paper based petition, calling for ‘immediate action to progress a practical pipes and pumps engineering solution for South Dunedin’. This has received 2100+ signatures.

Refer to Attachment:
#3: ‘Immediate action’ called for as pipes and pumps petition lodged - ODT - 23-7-26 (To DCC, 22-7-26, 2006 sig)
#4: South Dunedin infrastructure petition heard by ORC - ODT - 27-8-26 (To ORC, 26-8-26, 2103 sig)

Julian Doorey subsequently prepared an ‘Engineered Flood Protection System’ ‘Terms of Reference Guide’, emailing this to the SDF team and all councillors, intended in good-faith to assist SDF in writing a TOR. The TOR purpose was to ensure the engineering design work to establish an engineered flood protection system is guided by transparent engineering, measurable outcomes and accountable governance. The guide recommended the TOR should help establish the ‘outcomes’ that an engineering solution will deliver, rather than prescribe actual engineering methods. SDF did not agree to incorporate the TOR guide. (Ref [17])

## 6. South Dunedin Vision for a Safe, Dry, Flood-Free Future

South Dunedin remains dangerously exposed to flooding with a 1 in 2 year to 1 in 5 year flood risk. The major floods of 2015 and 2024 were not climate change events. Flooding began at a rainfall intensity of only

[14] South D Future - 3 prop adapt futures - Submission for DCC & ORC - Julian Doorey - 23-6-26
[15] South D Future - 3 prop adapt futures - DCC incl Eng Flood Protect System at meeting - 25-6-26 p1~6
[16] DCC Media Release - SDF to focus on near-term infrast invest & longer-term adap - 30-7-26
[17] South Dunedin - Engineered Flood Protection System - Terms of Reference Guide - JD - v21-7-26

8 mm/hr. This is well below the New Zealand design threshold for Dunedin, being 18 mm/hr (10-year return period rain event with no overflows). The stormwater system has been undersized for 60 years, and is becoming increasingly more so due to infill housing and hard surfaces. This 'catchment change' has resulted in more impermeable areas with increased stormwater runoff. The long-term and increasing flood risk is morally unacceptable for the 13,000 people and their 6,000 homes, along with rest homes, shops, businesses, schools and such like.

South Dunedin people want a safe, dry, flood-free future to live, work and play in. After years of South Dunedin Future investigations, public consultation and reports costing millions of dollars, it's time for action. Community engagement is <u>not</u> flood protection. South Dunedin people are not ideologically opposed to long-term climate change adaptation, but they need flood protection now. Justice requires that today's residents are protected from today's flooding, while participating in decisions about future climate change adaptation if and when needed.

<u>Vision</u>
South Dunedin will be flood-free within 5 years through an Engineered Flood Protection System that provides timely, effective and equitable protection for all neighbourhoods, while adapting to future climate change through a staged, transparent and affordable programme up to 2125. ('Flood-free' to be defined)

<u>Objectives</u>
Three (3) objectives for South Dunedin are:
1. Flood protection within 5 years.* (*16 years after the major 2015 flood*)
2. Climate change adaptation if and when needed in the future.*
3. Property protection - prioritise existing private property eg: homes, rest homes, shops, businesses, schools etc over arbitrary nice-to-have green space, wetlands and canals.*

* Flood protection, climate change adaptation and property protection shall be implemented where a solution is technically and economically possible. In some situations it might not be possible to preserve all property.

<u>Engineered Flood Protection System</u>
As required by both the DCC and ORC meeting resolutions in June 2026, the immediate top priority is the design and implementation of an 'Engineered Flood Protection System' separate to any other South Dunedin Future competing priorities (green spaces, wetlands, and canals).

<u>Flood protection standards</u>
Flood protection standards should be expressed in detailed conventional rain event design standards, stating drainage performance standards over time across all areas. Standards will typically be something like:
1. Rain event of 1:10 year return period, with no surface flooding ie: the stormwater system must have the capacity to retain all water.
2. Rain event of 1:50 year return period, with no flooding of habitable floors of dwellings (and some other property categories - as prescribed in the Building Act, 2004). Surface flooding at what depth, in which areas, in which scenario, to be stated and justified.
3. Rain event of 1:100 year return period - if applicable, performance standards to be determined.
4. Rainfall event durations (1hr, 6hr, 12hr, 24hr) used for design to be stated and justified.

<u>Water logging protection requirements</u>
South Dunedin has some areas of high ground water. Flood protection must ensure that ground water levels are maintained a safe distance below the surface to avoid water logging and building-foundation issues. This can be achieved through conventional and affordable engineered solutions involving either (i) a combined stormwater and ground water drainage pumping system, (ii) a coastal boundary dewatering system, or (iii) a combination of both.

<u>Property protection policy</u>
South Dunedin flood protection and climate change adaptation shall adopt a council-approved 'Property Protection Policy'. In the event of any proposed Home / Building forced acquisition, a clear and consistent Home / Building Removal Rationale shall be presented.

<u>Reporting - Activities and Outcomes</u>
A summary 'dash board' reporting system shall be established showing the 'level of flood protection each neighbourhood or distinct area will receive, by what year, and at what cost'. This will show: works to be completed, target drainage performance, rainfall intensity designed for, Level of Service to be achieved, remaining defined flood risk, and cumulative expenditure.

## 7. Stop Flooding Request - Joint Request to DCC, ORC, HNZ & WSNZ

Our overriding and urgent objective is that South Dunedin be flood-free within 5 years through an Engineered Flood Protection System that provides timely, effective and equitable protection for all neighbourhoods ('Flood-free' to be defined). This is the critical objective of the South Dunedin vision for a safe, dry, flood-free future.

- Refer to Section 6: South Dunedin Vision for a Safe, Dry, Flood-Free Future

Our request to each responsible authority in response to the contaminated floodwaters creating overlapping hazards of (1) environmental pollution, (2) public health risks, and (3) public safety risks, is presented in the table below.

| # | South Dunedin Contaminated Floodwater Response Requested<br>Responsible Authority / Hazard / Law / Request |
|---|---|
| **1** | **Dunedin City Council (DCC): Territorial Authority Duty Holder** |
| | Hazard<br>South Dunedin is exposed to recurring flooding because the DCC-operated stormwater and wastewater network does not have sufficient capacity to drain predictable rainfall events. When the system is overwhelmed, contaminated floodwater enters roads, private properties, homes, rest homes, businesses, shops, schools and other facilities. This creates a foreseeable and recurring hazard involving property damage, contaminated water exposure, restricted access, and ongoing risk to residents and the wider public. |
| | Law<br>Under the Local Government Act 2002, particularly sections 10 and 11, DCC is responsible for providing and managing infrastructure and local public services in a manner that promotes the present and future wellbeing of the community. As the owner and operator of the stormwater and wastewater network, DCC has an ongoing responsibility to identify, manage and remedy known infrastructure deficiencies that create recurring flooding and associated risks to people, property and the environment. The long history of flooding events, known network capacity limitations and continuing contaminated floodwater discharges indicate that urgent remedial action is required to reduce or remove the hazard, to meet these statutory responsibilities. |
| | Request<br>DCC (Territorial Authority Duty Holder) to upgrade the undersized stormwater and wastewater network to stop unconsented contaminated floodwater discharges into South Dunedin (within 5 years). |
| **2** | **Otago Regional Council (ORC): Environmental Regulator** |
| | Hazard - Environmental Pollution<br>South Dunedin flooding creates an environmental contamination hazard when the undersized stormwater network is overwhelmed and cross-contaminates with the wastewater system. During these events, contaminated floodwater discharges contain sewage (eg: sewage discharge from wastewater manholes), animal waste, chemical runoff, hydrocarbons (eg: from polluted road and industrial surfaces) and heavy metals (eg: zinc from road sumps due to tyre wear; lead-based paint residue from older houses) can be discharged into streets, private properties, soils, stormwater paths, coastal waterways and other public spaces. This creates an uncontrolled and recurring environmental pollution risk that extends beyond individual properties into the wider urban and coastal environment. |
| | Law<br>Under the Resource Management Act 1991, including section 15, discharges of contaminants to land, water, or the coastal marine area require lawful authority, such as a resource consent, unless expressly permitted. As environmental regulator, ORC is responsible for investigating and enforcing unlawful or unconsented discharges. Where DCC-controlled stormwater and wastewater infrastructure allows contaminated floodwater to be released into the environment, ORC should investigate whether the discharges breach the Resource Management Act and require remedial action to stop or prevent them. |
| | Request<br>ORC (Environmental Regulator) to investigate and legally enforce the DCC to stop contaminated floodwater discharges into South Dunedin resulting in environmental pollution (within 5 years). |
| **3** | **Health New Zealand (HNZ): Public Health Regulator** |
| | Hazard - Public Health Risks |

| | |
|---|---|
| | Contaminated floodwater in South Dunedin creates a recurring public health hazard when it enters or pools around private properties, homes, rest homes, businesses, shops, school grounds and other public or community facilities. The floodwater can contain sewage, pathogens, chemical pollutants and other biological contaminants, creating risks of gastrointestinal illness, skin and eye infections, mould growth, odour, soil contamination and unsafe living conditions, including respiratory illness risks in a highly populated urban community.<br>These risks were demonstrated by the October 2024 flood. DCC public statements and flood updates confirmed the Council was aware of contaminated floodwaters, including instructions that used flood sandbags must be handled with gloves, treated as highly contaminated with sewage, not emptied onto residential gardens, and returned to DCC as 'special waste' for safe landfill disposal.<br><br>Refer to Attachment:<br>#5: Hill suburbs' run-off pollutes beach - ODT - 22-4-09 (Flood contaminated stormwater)<br>#6: Boil water notices, care urged with sandbags during flood clean-up - ODT - 7-10-24<br>#7: Dozens of Dunedin homes stickered after floods - ODT - 9-10-24 (Flood contaminated items)<br>#8: Dunedin Weather Event - Oct 2024 - DCC update #15 (Flood contaminated sandbags)<br>#9: Monitoring to keep bay swimmers safe - ODT - 21-1-26 (Flood contaminated stormwater Wanaka) (corroborates Dunedin findings)<br><br>Contamination can also lead to homes and businesses being yellow- or red-stickered, forcing residents to relocate for long periods while properties are repaired, replaced or sold. Residents' health concerns also include acute anxiety before and during rainfall events, and chronic anxiety caused by long-term disempowerment, lack of tangible flood protection work, social stigmatisation and house value concerns.<br>The residents' house value concerns and fears about the security of their homes increased significantly after the 3 Futures proposed (June 2026) the possible acquisition and demolition of 1,200 to 1,700 homes. The public release of proposed house-removal areas before consulting affected homeowners caused distress, uncertainty and anger, while reducing buyer confidence and property values. |
| | Law<br>Under the Health Act 1956, including section 29, HNZ has powers and responsibilities to investigate and address conditions that may be injurious to health or constitute a public health nuisance. Where contaminated floodwater enters or pools around homes, schools, rest homes, businesses or other occupied places, HNZ should investigate the public health risk and require appropriate action to prevent or suppress the nuisance and protect affected residents. |
| | Request<br>HNZ (Public Health Regulator) to investigate and legally enforce the DCC to stop contaminated floodwater discharges into South Dunedin resulting in public health risks (within 5 years). |
| **4** | **WorkSafe New Zealand (WSNZ): Health & Safety Regulator** |
| | Hazard - Public Safety Risks<br>Flooding in South Dunedin creates recurring physical safety hazards when contaminated surface water covers public roads, footpaths, accessways, properties and other public spaces. Floodwater can cause vehicle hydroplaning and loss of control, block or delay Police, Fire and Emergency New Zealand, St John Ambulance and other emergency services, and make it harder to reach or rescue vulnerable residents. Dirty water, especially in poor light or at night, can hide uneven ground, steps, kerbs, edging, debris, displaced manhole covers and submerged drainage channels, creating tripping, stability, drowning and sweep-away risks. These hazards are particularly serious for children, elderly people, people with disability, people who are sick, pedestrians, wheel chair users, cyclists, motor cyclists and small vehicles. Filling, carrying, placing, removing and returning heavy wet sandbags creates risk of physical injury, especially for elderly or sick people. |
| | Law<br>Under the Health and Safety at Work Act 2015, the DCC is a Person Conducting a Business or Undertaking (PCBU) and has a primary duty of care to ensure, so far as is reasonably practicable, that the health and safety of other persons is not put at risk by work carried out as part of its undertaking. This includes risks arising from the way DCC manages, operates and maintains its stormwater and wastewater infrastructure. Where known infrastructure failures repeatedly create physical safety hazards for the public, WorkSafe New Zealand should investigate whether DCC is meeting its statutory duties and, if necessary, require action to eliminate or minimise those risks. |
| | Request<br>WSNZ (Health & Safety Regulator) to investigate and legally enforce the DCC to stop contaminated floodwater discharges into South Dunedin resulting in public safety risks (within 5 years). |

## 8. Immediate Response Requested

In addition to the main ‘Stop Flooding’ requests above, we request that the DCC, ORC, HNZ and WSNZ provide immediate responses as follows:

- Provide confirmation of receiving this letter within 5 working days of having received it.
- Provide a written response within 20 working days (as required by the Official Information Act) outlining the planned steps to respond to the ‘Stop Flooding’ request.

If no satisfactory response is received within 20 working days, we will consider escalation to the Ombudsman.

## 9. Supporting Evidence

Supporting evidence for this ‘Stop Flooding Request’ letter is presented in the attachments.

Attachment #1
A Documented History of Council Neglect from 1960s to Present - By Neil Johnstone. Report commissioned by - South Dunedin Stormwater Justice Group. This report documents more than 60 years of Dunedin City Council (DCC) failure to provide South Dunedin with an adequate stormwater system, despite repeated flooding events and longstanding engineering warnings.

#1: South Dunedin Flooding - History of Council Neglect - Report - NJ - 3-6-26 - Summary

Attachment #2
South Dunedin Flood History Summary Table. The table contains South Dunedin flood events recorded in publicly accessible records. These are classified as ‘major’ (inside flooding, evacuations and/ or DCC State of Emergency), ‘significant’ (outside flooding) and ‘minor’ (nuisance flooding). Many ‘minor’ floods have occurred over many years. Only a selection are included here.

#2: South Dunedin Flood History Summary Table - 1964-2024 - JD - 23-9-26

Attachment #3, #4
Articles from ODT. The Dunedin Area Citizens Association has run an online and paper based petition, calling for ‘immediate action to progress a practical pipes and pumps engineering solution for South Dunedin’. This has received 2100+ signatures. This was presented to DCC (23-7-26) and ORC (27-8-26).

#3: ‘Immediate action’ called for as pipes and pumps petition lodged - ODT - 23-7-26 (To DCC, 22-7-26, 2006 sig)
#4: South Dunedin infrastructure petition heard by ORC - ODT - 27-8-26 (To ORC, 26-8-26, 2103 sig)

Attachments #5 to #9
Articles, mostly from ODT in historical order (oldest first). This presents evidence regarding South Dunedin’s floodwaters being contaminated, presenting both environmental and public health risks. Web links included.

#5: Hill suburbs' run-off pollutes beach - ODT - 22-4-09 (Flood contaminated stormwater)
#6: Boil water notices, care urged with sandbags during flood clean-up - ODT - 7-10-24
#7: Dozens of Dunedin homes stickered after floods - ODT - 9-10-24 (Flood contaminated items)
#8: Dunedin Weather Event - Oct 2024 - DCC update #15 (Flood contaminated sandbags)
#9: Monitoring to keep bay swimmers safe - ODT - 21-1-26 (Flood contaminated stormwater Wanaka) (corroborates Dunedin findings)

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I look forward to hearing from you.

Yours faithfully,



Convenor - Lynne Newell
South Dunedin Stormwater Justice Group
lynnenewell115@gmail.com
ph 021 479804

**Attachment #1**

**#1: South Dunedin Flooding - History of Council Neglect - Report - NJ - 3-6-26 - Summary**

**South Dunedin Flooding**

**A Documented History of Council Neglect from 1960s to Present**

**Neil P Johnstone**

**Report commissioned by**

**South Dunedin Stormwater Justice Group**

3 June 2026

(Summary Bullet Points)

**Purpose of the Report**

- Documents over 60 years of Dunedin City Council (DCC) decisions affecting South Dunedin's flood risk.
- Argues that repeated flooding is primarily the result of inadequate stormwater infrastructure and Council neglect, rather than climate change.
- Calls for accountability and urgent engineering solutions to protect residents.

**Historical Background**

- Harbour reclamation (1940s–1980s) cut off South Dunedin's natural drainage, turning the suburb into a basin dependent on one pumping station.
- DCC recognised as early as 1959 that the drainage pipes were undersized.
- Major flooding in 1968 confirmed the system was inadequate, but no significant upgrades followed.

**Why South Dunedin Floods**

- The drainage system was designed for a much smaller urban catchment.
- Urban intensification has dramatically increased hard surfaces (roads, roofs, paving), greatly increasing stormwater runoff.
- The report estimates impermeable surfaces have increased from about **210 hectares** to **about 380 hectares**.
- Flooding now begins during relatively modest rainfall (around **7–8 mm/hour**) instead of only during severe storms.
- The report argues that catchment change - not climate change - is now the dominant cause of flooding.

**The 2015 Flood**

- Nearly 1,000 homes and businesses were flooded.
- The report identifies several operational failures:
  - Poorly maintained mud tanks.
  - Delayed clearing of pump station screens.
  - Failure to use the Tahuna wastewater bypass.
  - No declaration of a state of emergency.
- DCC initially defended its performance instead of acknowledging infrastructure failures, then blamed high groundwater levels.

**Engineering Advice Ignored**

- Independent reviews recommended:
  - Reassessing the drainage system.
  - Accounting for increased urban development.
  - Increasing pipe capacity.
  - Constructing a second pumping station.
- A 2017 Opus report proposed a practical redesign involving a second pump station and interceptor pipeline.
- According to the report, these recommendations were never implemented.

**Broken Promises**

- DCC's 2018 Ten-Year Plan promised:

    - Approximately $35 million for stormwater improvements.
    - Around $80 million combined investment in stormwater and wastewater infrastructure.
- Residents were told major flood protection projects would proceed.
- The report states virtually none of these capital works were delivered.

**South Dunedin Future (SDF) Programme**

- Established in 2020 to plan for long-term climate adaptation.
- The report argues SDF shifted Council's focus away from immediate infrastructure upgrades.
- Claims SDF's "no regrets" approach delayed or prevented engineering solutions that could reduce today's flood risk.
- Suggests climate change became the dominant explanation while catchment change received insufficient attention.

**2024 Flood and Current Situation**

- South Dunedin flooded again in October 2024 despite nearly ten years since the 2015 disaster.
- Pump station performance remained virtually unchanged from 1968 and 2015.
- Council proposed three short-term flood alleviation projects in 2025.
- The report questions their effectiveness and argues they do not solve the underlying drainage capacity problem.

**Key Conclusions**

- South Dunedin's flooding is primarily an infrastructure problem.
- DCC has known about deficiencies for decades.
- Urban intensification has overwhelmed the original drainage system.
- Engineering solutions have repeatedly been recommended but largely not delivered.
- Since 2015, only about **$310,000** has been spent on drainage infrastructure (replacement pump screens).
- Residents continue to face avoidable flood risk while major infrastructure works remain delayed.
- The report concludes that South Dunedin has experienced a long history of infrastructure neglect and calls for immediate implementation of proven engineering flood protection solutions.

**Attachment #2**

**South Dunedin Flood History Summary Table - 1964-2024 - JD - 23-9-26**

The table contains South Dunedin flood events recorded in publicly accessible records. These are classified as ‘major’ (inside flooding, evacuations and/ or DCC State of Emergency), ‘significant’ (outside flooding) and ‘minor’ (nuisance flooding). Many ‘minor’ floods have occurred over many years. Only a selection are included here.

| # | Date | South Dunedin flooding / impact | Rainfall information | Classification | Main evidence |
|---|---|---|---|---|---|
| 1 | **1968**<br>8-10 Mar | **South Dunedin catastrophic flooding**. South Dunedin “awash for several hours” 9 Mar afternoon. Portobello pumping station blocked with debris. Dozens of flooding reports. See note below. | ~160 mm/ 24 hr to ~8pm, 9 Mar (Musselburgh); Manual totals: 91 mm to 9am, 9 March; 71 mm to 9am, 10 March. | 🔴 **Major** | NIWA; DCC/ Dunedin Drainage & Sewerage Board 1968 engineering record; ORC 2016. |
| 2 | **1980**<br>4-5 Jun | **South Dunedin major flooding**. Portobello Road severely flooded and blocked; South Dunedin/ St Clair 700 telephones out of action by water entering cables. Evacuations and Civil Defence emergency. | 119 mm/ 24 hr to 9am, 5 Jun (Musselburgh); Water of Leith 4.5 m above normal. | 🔴 **Major** | NIWA; ODT records. |
| 3 | **1994**<br>17-20 Mar | **South Dunedin major flooding**. Fulton Rest Home in South Dunedin flooded. Elderly residents (70) evacuated. | 114 mm/ 72 hr to 9am, 20 Mar (Dunedin). | 🔴 **Major** | NIWA historical flood record. |
| 4 | **2006**<br>25-26 Apr | Localised flooding affecting storm drains and pump stations. Most serious flooding not in South Dunedin. | 83 mm/ 24 hr to 9am, 26 Apr (Musselburgh). | 🟡 **Minor** | DCC South Dunedin ICMP; ORC rainfall data. (Dunedin City Council) |
| 5 | **2007**<br>29-30 Jul | Substantial flooding around Dunedin. Considerable disruption to stormwater services. Musselburgh wastewater pumping station overflowed. | ~86 mm/ 24 hr to 9am, 30 Jul (Musselburgh); DCC ICMP report ~70 mm/ 12 hr (Musselburgh). | 🟠 **Significant** | DCC South Dunedin ICMP; ORC/NIWA rainfall record. (Dunedin City Council) |
| 6 | **2013**<br>25 Jun | South Dunedin tidal inundation, but not a rainfall flood. Teviot Street inundated during very high king tide. Seawater entering/ rising through the drainage system. | No significant rainfall; tidal inundation during high/ king tide. | 🔵 **Tidal inundation** | ORC 2016, using ODT photograph/source. |
| 7 | **2015**<br>3-4 Jun | **South Dunedin catastrophic flooding**. Flood water reached approx 490 mm avg depth. Approx 1,200 homes/ businesses damaged. Portobello pumping-station problems increased flood depth and duration. | 142 mm/ 24 hr to 9am, 4 Jun (Musselburgh). | 🔴 **Major** | ORC, Coastal Otago Flood Event 3 June 2015 (2015); DCC 2015 flood investigation; ODT. |
| 8 | **2016**<br>6 May | South Dunedin tidal inundation, but not a rainfall flood. Seawater forced up through stormwater system on Teviot Street at high tide. | No significant rainfall; seawater entered via stormwater system at high tide. | 🔵 **Tidal inundation** | ORC 2016. |
| 9 | **2017**<br>20-23 Jul | South Dunedin surface flooding. Sewage/ debris left on streets and lawns. | 92.6 mm/ 24 hr to 12pm (noon), 22 Jul (Musselburgh). | 🟠 **Significant** | ORC, DCC, ODT. (Otago Regional Council) |
| 10 | **2018**<br>31 Jan-1 Feb | **South Dunedin major flooding**. Known 13 properties had floodwater enter living areas. Radius Fulton rest home major damage. Surrey Street flood water containing wastewater. | >108 mm/ 24 hr during 31 Jan-1 Feb (Dunedin); ~56 mm/ 4 hr to 4pm, 31 Jan. | 🔴 **Major** | DCC; Police; ODT. (Otago Daily Times) |
| 11 | **2018**<br>30 Apr | Localised South Dunedin flooding. Forbury Road and surrounding streets flooded after damaged stormwater pipe. Water entered some properties between Coughtrey and Albert Streets. | Localised heavy rainfall; flooding associated with damaged stormwater pipe. No reliable data. | 🟡 **Minor** | ODT. (Otago Daily Times) |

| | | | | | |
|---|---|---|---|---|---|
| 12 | **2024**<br>3-4 Oct | **South Dunedin <u>catastrophic</u> flooding**. State of Emergency declared. Extensive flooding around Surrey Street, Forbury Road and Hillside Road. Water entered houses and residents evacuated. Wastewater overflows occurred, including in Surrey Street. | 130.8 mm/ 24 hr to 9am, 4 Oct (Musselburgh); rainfall continued. | 🔴 **Major** | DCC; ORC; NEMA; ODT. (Scoop) |

<u>Note</u>: The 1968 actual flood extent and property damage was less than in the 2015 and 2024 floods. This is due to the increasing impact of ‘catchment change’ in recent decades - more infill housing and hard surfaces resulting in more impermeable areas with increased stormwater runoff.

**Attachment #3**

**#3: 'Immediate action' called for as pipes and pumps petition lodged - ODT - 23-7-26 (To DCC, 22-7-26, 2006 sig)**

'Immediate action' called for as pipes and pumps petition lodged

Presented to DCC 22-7-26, 2006 signatures - online & paper.



Tony Cummings of the Dunedin Area Citizens Association presents a petition to the Dunedin City Council yesterday. Photo: Gregor Richardson

Dunedin Area Citizens' Association deputy chairman Tony Cummings speaks to the group's petition calling for engineering action in South Dunedin, lodged at yesterday's Dunedin City Council meeting.

Mr Cummings said the suburb had suffered a "long-standing infrastructure deficit" which contributed to flooding during heavy rain.

"This [petition] is not a request for something new.

"This is a request from the people of Dunedin to do what you promised to do."

The petition asked for "immediate action to progress a practical pipes and pumps engineering solution for South Dunedin" from the Otago Regional and Dunedin City Councils.



The public gallery and submitters at a Dunedin City Council meeting on Wednesday morning. Photo: Gregor Richardson

Mr Cummings said the petition had "over 2000"signatures, including handwritten signatures. On change.org, the petition showed1227 verified signatures as of last night.

He was supported by about a dozen people in the public gallery.

Dunedin Mayor Sophie Barker thanked petition organisers for coming to the council -"we hear you loud and clear", she said.

**Attachment #4**

**#4: South Dunedin infrastructure petition heard by ORC - ODT - 27-8-26 (To ORC, 26-8-26, 2103 sig)**

South Dunedin infrastructure petition heard by ORC

Presented to ORC 26-8-26, 2103 signatures - online & paper.



Dunedin Area Citizens' Association deputy chairman Tony Cummings speaks at Wednesday's Otago Regional Council meeting on the group's petition calling for engineering action in low-lying South Dunedin. Photo: Peter McIntosh

Dunedin Area Citizens' Association deputy chairman Tony Cummings spoke at Wednesday's Otago Regional Council meeting on the group's petition calling for engineering action in low-lying South Dunedin.

The petition, which was submitted to the Dunedin City Council at a meeting last month, asks for ''immediate action to progress a practical pipes and pumps engineering solution for South Dunedin'' from the two councils.

Mr Cummings said undersized pipes and increased impermeable surfaces had contributed to flooding in the area for decades.

The petition had received 2103 signatures, he said.

It followed weeks of political contention in June over possible forced acquisition of properties as part of the councils 'South Dunedin Future programme, intended to manage long-term flood risk in the area.

Some decision-makers believed options developed through the programme were not focused enough on engineering solutions that could save homes.



Otago Regional Council chairwoman Hilary Calvert thanked Mr Cummings for the petition, which was presented at Wednesday's meeting. Photo: Peter McIntosh

Both councils ultimately voted to include a ''pipes and pumps'' adaptation option in public consultation.

In a joint statement last month, the councils said the programme's upcoming phase would be two-fold -an infrastructure investment package covering the next 30 years, building on existing stormwater work and identifying priority projects for the next 5-10 years and long-term adaptation planning focused beyond 30 years.

**Attachment #5**

**#5: Hill suburbs' run-off pollutes beach - ODT - 22-4-09 (Flood contaminated stormwater)**

Hill suburbs' run-off pollutes beach



John Mackie

The beaches of Dunedin are again under threat, this time from a flood of contaminants streaming off the hills.

Dunedin City Council staff have confirmed levels of faecal contamination have come close to closing St Clair beach in the months since the $37 million Tahuna outfall pipe was completed.

However, rather than coming from the city's treated pollution being pumped out to sea, the plume was from the city's stormwater system, council water and waste services manager John Mackie said.

The problem was at its worst during periods of heavy rain, when contaminants from septic tanks and run-off from properties could be flushed through the stormwater system, he said.

The heavy rain could cause sewer systems to overflow into stormwater systems, as rainfall could push the flows through wastewater pipes at rates as high as 13 times their normal volumes, he said.

"If the pipes aren't designed to take that load, you will get spill."

The wash was making its way through the city's stormwater system to outfall pipes emptying into the sea or Otago Harbour, and the problems worst at St Clair, Mr Mackie said.

Late last month, staff testing the beach had found enterococci levels at 270 per 100 millilitres of water, just 10 below the safe level of 280, although tests the next day found the contamination had dispersed.

Mr Mackie said the plumes of contaminated stormwater at St Clair were more localised than plumes that came from Lawyers Head before the commissioning of the new outfall pipe.

However, it would "certainly not" be advisable to swim at St Clair if the levels reached 280.

The problem was neither new or unique to Dunedin, but the completion of the Tahuna outfall pipe in January had revealed the extent of other contaminants finding their way to the city's beaches, he said.

Infrastructure services committee chairman Cr Andrew Noone said much of the contamination at St Clair was coming from the higher ground of Caversham and Corstorphine.

The council was continuing to monitor outfalls for contamination, and "pretty much all" of them were showing clear results, Cr Noone said.

"We would like to think we have got all that behind us, but obviously the discharge at this one particular point is pushing the boundaries a little bit."

There had been no beach closures since the pipe's commissioning on January 23, and the council was also in the design stage for stage two of the project, the $74.3 million secondary treatment programme at the Tahuna plant.

Cr Noone said city council and Otago Regional Council staff were discussing long-term solutions, including a new filtration system and the control of contamination at its source.

Mr Mackie said repairs to the worst parts of the city's sewer network, underneath Fryatt St, were planned for early next year, and other repairs would follow as part of the city's ongoing renewals programme.

## Attachment #6

**#6: Boil water notices, care urged with sandbags during flood clean-up - ODT - 7-10-24**

Boil water notices, care urged with sandbags during flood clean-up | Otago Daily Times Online News



People load up on sandbags at the Dunedin Ice Stadium last week. Photo: RNZ

Dunedin residents are being warned to take care when handling sandbags as the city begins the recovery process after destructive floods last week.

Eleven homes were red-stickered after the city was pounded with more than two months' worth of rain in less than two days.

Dunedin City Council said sandbags could either be returned to the collection points, or left on the kerb for teams to collect over the week.

People should wear gloves while handling them, not tip out the sand and treat as contaminated material, it said.

Council teams would also be working to catch up on kerbside rubbish collection during the week.

About 20 local roads remain closed across the city (check closures here).

In the Clutha District, the Coast Road was closed to Toko Mouth due to the serious risk of further slips as it was deemed extremely unstable.

Meanwhile, the Dunedin City Council has asked the West Harbour community and the Otago Peninsula, from Rotary Park to Portobello, to voluntarily conserve water.

Water restrictions are also in place for Outram and Waikouaiti including Karitane and Hawksbury.

A precautionary boil water notice now covers West Harbour from Ravensbourne to Deborah Bay, but excluding St Leonards.

Resident who need fresh water can collect them it tankers in Roseneath, Sawyers Bay Presbyterian Church car park and Port Chalmers Back Beach car park.

In Clutha, people covered by the Richardson South Rural Water Scheme and Kaka Point are being asked to urgently conserve water.

A conserve water notice has also been put in place for the Glenkenich Rural Water Scheme and the Waikaka township.

Residents in Stirling and Benhar Townships and the South Bruce Rural Water Scheme (including Cherry Lane) are also under a boil and conserve water notice.

Anyone using water from their tap for consumption (including teeth cleaning and washing fruit and vegetables) should boil it for one minute before it is used.

**Attachment #7**

**#7: Dozens of Dunedin homes stickered after floods - ODT - 9-10-24 (Flood contaminated items)**

Dozens of Dunedin homes stickered after floods




A red sticker at the boundary of a Dunedin property on 7 October after massive downpours caused floods, landslides and road closures. Photo: RNZ

More than 40 Dunedin properties have been red- or yellow-stickered in the wake of last week's damaging floods.

The flooding battered much of the city and the outlying areas, and in the cleanup, Dunedin City Council inspectors have been working around the clock assessing houses.

DCC building inspectors have completed inspections at 60 affected properties across the city, of which 11 were red-stickered - meaning access was prohibited - and 31 were yellow-stickered, which meant access was restricted.

There were 13 properties which were white-stickered, meaning the building might have suffered little or no damage, but people should still take precautions, and five properties where no sticker was required.

Meanwhile, the council is making eight skips available in key locations around the city to help with the cleanup.

The skips are available for flood-contaminated waste at the below locations in South Dunedin, Tomahawk and Waikouaiti. They will be removed on Friday afternoon.

Civil Defence controller Rob West said in a statement the skips were intended for flood-contaminated waste only, such as soaked carpets or furniture.

"If you live outside of these areas, and have flood-contaminated items to dump, please take your waste to the Green Island transfer station for disposal, and sandbags can be returned to the Dunedin Ice Stadium or Mosgiel Memorial Park gym carpark for disposal.

"Don't forget to wear gloves when handling flood-contaminated items and make sure to wash your hands afterwards."

Elsewhere, a precautionary boil water notice remains in place for West Harbour (Ravensbourne, Maia, Roseneath, Sawyers Bay, Port Chalmers, Carey's Bay and Deborah Bay, but not St Leonards). Residents in these areas (including St Leonards) should continue to conserve water.

Drinking water tankers are available at various points along West Harbour.

All beaches except Tomahawk have now also returned to "satisfactory" water quality levels.

People were advised not to enter the water at Tomahawk, and to avoid entering or collecting food from Otago Harbour until the end of this week.

**Attachment #8**

**#8: Dunedin Weather Event - Oct 2024 - DCC update #15 (Flood contaminated sandbags)**

(Web page moved)

Last updated: 29 Oct 2024 4:26pm

Residents in some parts of Dunedin are being asked to continue boiling and conserving water until further notice, as the city's flood response continues.

The Dunedin City Council is now asking the West Harbour community – from Ravensbourne to Deborah Bay – to voluntarily conserve water.

A precautionary boil water notice also now covers the West Harbour from Ravensbourne to Deborah Bay, but excluding St Leonards (which is supplied by a separate reservoir).

Civil Defence Controller Rob West says, "The water supply that generally services West Harbour was impacted by slips. There is a water treatment plant in Port Chalmers that is used at peak times, and we have turned the plant on to ensure residents can still access water.

"It takes time to get this plant up and running and for an independent auditor to confirm the water is safe to drink, so the boil water notice is in place as a precaution until then. This may take several days, so we're asking everyone between Ravensbourne and Deborah Bay to follow this guidance the meantime.

"It's important to note this guidance has changed to include Ravensbourne and Maia in the boil water notice, as they are now being supplied by the Port Chalmers water treatment plant as an interim measure.

"I encourage everyone to keep checking for updates. Information is being shared on the DCC website, our social media channels and via media."

Water trucks are at Roseneath, Sawyers Bay (Presbyterian Church car park) and Port Chalmers (Back Beach car park) for anyone wanting fresh drinking water.

Mr West says residents on Otago Peninsula, from Rotary Park to Portobello, are also being asked to conserve water as a precautionary measure.

Level 1 water restrictions are also in place for Outram and Waikouaiti (including Karitane and Hawksbury), which means residents there are required to conserve water for now.

"We'll issue updated guidance as soon as we can, but it's important everyone keeps up to date and follows these requests and requirements in the meantime.

"We also remind people to be vigilant around hand washing to avoid risk of gastro illnesses, and to stay out of any areas that may be contaminated, including our harbour and city beaches. This is to avoid bugs that can cause gastrointestinal (vomiting and diarrhoea), skin and eye infections that may have been in the floodwater," said Mr West.

Elsewhere, multiple roads remain closed around Dunedin but State Highway 88 to Port Chalmers is due to reopen at 6am tomorrow. Kerbside collection services in the West Harbour area – scheduled for tomorrow – will go ahead as normal.

Sandbags can be returned to the Ice Stadium as well as the collection points in Mosgiel (Memorial Park/gym carpark) and Middlemarch (Showgrounds). If people are unable to return them, sandbags can also be left on verges and they will be collected from early next week.

"Please don't empty the sand from your bags and treat all bags as contaminated and wear gloves if you're handling them."

**Attachment #9**

**#9: Monitoring to keep bay swimmers safe - ODT - 21-1-26 (Flood contaminated stormwater Wanaka)**

**(Corroborates Dunedin findings)**

Monitoring to keep bay swimmers safe



Bremner Bay catchment group member Murray Gifford holds a water sample taken near a stormwater pipe, one of two samples taken from the Bremner Bay area each week. PHOTO: EVIE SINCLAIR

Volunteer water testing has begun at Lake Wānaka to protect swimmers from potentially contaminated waters.

A statement from the Bremner Bay catchment group said volunteers would collect water samples from the bay to be sent to Hill Labs in Christchurch for *E.coli* analysis every Tuesday.

"All results will be published weekly and the group encourages all swimmers and lake users to check these updates regularly," the statement said.

The group, formed through Wai Wānaka's urban catchment programme, launched a summer water quality monitoring project earlier this month which would continue until the middle of February.

Bremner Bay catchment group member Murray Gifford said the message was to think about what was going into drains.

"It all ends up back in the lake - a large part of this is educating people on what is safe," he said.

"Generally the *E.coli* count in the lake is low. For it to be swimmable, it has to be below 260 [*E.coli* per 100ml].

"We know that a lot of people swim here this time of year, the advice is that you don't swim [for] 48 hours after rainfall."

The group also collected samples after large rainfall.

Guardians of Lake Wānaka chairman Dr Don Robertson said lake users could expect faecal contamination following rainfall anywhere in the entire Lake Wānaka catchment.

"Whenever we have heavy rain, runoff from the Bremner Bay catchment brings contaminated surface water into the bay.

"This could include dog and other animal faeces as well as toilet contents disposed by travellers with campervans and from leaking sewers.

"Normally much of the contamination will dissipate within a few days after rain stops," he said.

Temporary signage at the bay provides QR codes for the public to access the results, supported by the Queenstown Lakes District Council parks team.

The council had a long-standing relationship with Wai Wānaka and its associated volunteer project working groups, such as the Bremner Bay catchment group, a council spokesman said.

"This is a great example of local community action helping to protect freshwater and keep people informed.

"We’ll continue to support their valuable mahi in ways such as adding educational info to existing council signage within public reserves, promoting opportunities for the public to get involved and sharing/ reviewing research data to improve outcomes for the wider community."

For example, the council’s parks, property and infrastructure team completed a baseline data survey at Bremner Bay, he said.

The catchment group’s statement said they hoped by openly sharing data they could help everyone enjoy the bay safely and contribute to "long-term environmental stewardship".

"This vision was developed with facilitation from Wai Wānaka and reflects the community’s commitment to understanding, protecting and restoring this much-loved local swimming spot," it said.

End

Otago Regional Council

13 October 2026

Lynne Newell
South Dunedin Stormwater Justice Group
**via EMAIL:** lynnenewell115@gmail.com

Kia ora Lynne,

Thank you for your letter and for taking the time to set out the concerns of the South Dunedin Stormwater Justice Group. We recognise the impact that flooding events have had on residents and communities in South Dunedin over many years, and the strength of feeling reflected in your request.

As the environmental regulator, ORC's role is to assess matters within the framework of the Resource Management Act and the Regional Plan. Rule 12.B.1.8 of the Regional Plan: Water for Otago covers the discharge of stormwater to water, or onto land where it may enter water. This is a permitted activity subject to a number of conditions, including that the discharge must not contain human sewage and must not cause flooding of another person's property, erosion, land instability, sedimentation, or property damage. Rule 12.A.2.1 provides that the discharge of human sewage to water, or onto or into land where it may enter water, is a discretionary activity unless specifically permitted by Rules 12.A.1.1 to 12.A.1.4. Those rules do not permit the discharge of human sewage from the relevant networks to water, or onto or into land where it may enter water.

When flooding or discharge events occur, ORC officers assess each situation on a case-by-case basis. This includes attending sites where appropriate, gathering evidence, and assessing the specific circumstances of the event before determining whether a breach has occurred and what regulatory response may be warranted.

The Resource Management Act also provides a number of statutory defences that may be available depending on the circumstances. These include where an action was a reasonable and necessary response to an emergency to protect life, health, property, or the environment, and any adverse effects were adequately remedied or mitigated. Defences may also apply where an event resulted from circumstances beyond a person's control, such as a natural disaster, mechanical failure, or sabotage that could not reasonably have been prevented, provided the resulting effects were adequately remedied or mitigated.

In relation to compliance and enforcement, any abatement notice issued by ORC must allow a reasonable period for issues to be addressed. ORC has previously taken enforcement action in relation to discharges in the Surrey Street area and has seen a positive response from Dunedin City Council to mitigate those issues.

Whether further enforcement action is appropriate in any particular case can only be determined after considering the available evidence and the circumstances of the event, including any relevant statutory defences. For that reason, any future regulatory response would need to be considered on a case-by-case basis.

Thank you again for raising these matters. We will continue to assess reported incidents in accordance with our regulatory responsibilities and the requirements of the Resource Management Act and the Regional Plan.

Ngā mihi



Richard Saunders
**Chief Executive**

orc.govt.nz 0800 474 082 Private Bag 1954, Dunedin 9054

## 10.1. Recommendations of the Audit and Risk Committee

**Resolution**

*That the Council adopts the recommendations of the 25 September 2026 Audit and Risk Committee.*

| Report | Resolution | Res# | Mover/ Seconder |
|---|---|---|---|
| Treasury Management Policy Review | ***Recommends** the Draft Treasury Management Policy and Draft Statement of Investment Policies and Objectives are presented to Council for consideration and approval.* | **AR26-127** | Kelliher/Gardner |

## 11.1. Annual Report 2025/26 - Adoption

| | |
|---|---|
| **Prepared for:** | Council |
| **Report No.** | FIN2620 |
| **Activity:** | Finance |
| **Author:** | Sarah Munro (Group Financial Controller) |
| **Endorsed by:** | Nick Donnelly (General Manager Finance) |
| **Date:** | 28 October 2026 |
| **Portfolio Leads:** | Cr Malcolm and Cr Gardner, Finance |

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### PURPOSE

[1] To adopt Council's Annual Report 2025-2026 for the period 1 July 2025 to 30 June 2026.

### RECOMMENDATION

*That Council:*

1) ***Receives*** *this report.*
2) ***Approves*** *and adopts the Annual Report for the year ended 30 June 2026.*
3) ***Authorises*** *the Chairperson and Chief Executive to sign the Annual Report 2025-2026 and Representation Letter on behalf of Council.*

### BACKGROUND

[2] The Annual Report includes the Statement of Service Performance for each group of activities and Financial Statements for Council as a whole, and the Group. The Group comprises Council and its wholly owned subsidiary, Port Otago Limited, and its subsidiaries.

[3] The draft Annual Report was presented to the Audit and Risk Committee on 25 September 2026 for their review. Prior to that, the draft Statement of Service Performance and preliminary financial result for the year were presented to the Council meeting on 26 August 2026.

[4] Final adjustments to complete items outstanding at the time of reporting to the Council meeting and any adjustments as a result of the Audit and Risk Committee review are noted in the Discussion section of this paper.

[5] Mr Anthony Smith from Deloitte is the appointed auditor of the Council on behalf of the Audit Office. Mr Smith and Mr Dan Ash, a Manager for Deloitte, attended the Audit and Risk Committee meeting on 25 September 2026 and discussed the audit process and their findings with the Committee. Deloitte's audit opinion will be issued after Council approves the Annual Report and Financial Statements.

[6] The Audit and Risk Committee endorsed the draft Annual Report and Financial Statements for the year ended 30 June 2026 and recommended that they be presented to Council for adoption at the 28 October 2026 Council meeting.

[7] Following the 25 September 2026 Audit and Risk Committee meeting the Audit Office determined that all Local Government Annual Reports must include a note referencing Local Government reform and an emphasis of matter must be included in the audit opinion drawing attention to the uncertainty caused by the proposed Local Government reform. The change to reflect this direction has been made the Subsequent Events note in the final Annual Report now being presented to Council.

[8] Deloitte have also requested a further change to the Subsequent Event note to include an update on the signing of the Regional Deal that occurred after the Audit and Risk Committee meeting.

[9] The Representation Letter from Council to the auditors is attached to this report.

## DISCUSSION

### Changes to the Financial Statements post Council meeting

[10] The following change to the Statement of Comprehensive Revenue and Expenses from the Quarterly Report – 30 June 2026 presented to Council on 26 August 2026.

[11] The valuation of Port Otago Limited was not included at the time of reporting to the 26 August 2026 Council meeting. The value of Port Otago Limited increased by $59,754,000 to $847,874,000 at 30 June 2026 (from a value of $788,120,000 at 30 June 2025).

[12] The updated valuation amount was reflected in the financial statements included in the draft Annual Report that went to the Audit and Risk Committee for review.

### Changes to the Annual Report post Audit and Risk Committee review

[13] There was a change to the Partnering with Mana Whenua section of the Annual Report (page 4 column one). At the request of the Audit and Risk Committee the following wording was included to describe the effect of the portfolio governance structure change on iwi representation.

*"In November 2025, council adopted a portfolio governance structure to replace the committee system. A result of this change was that there is no iwi representation on council committees this triennium. At the same time, council resolved to continue to consult with mana whenua on a mutually agreeable way to incorporate representation into the new structure. Mana whenua positions on governance groups were also established for the Regional Pest Management Plan, Integrated Catchment Management, and the ECO Fund assessment panel."*

[14] The Acknowledgement page was removed from the Annual Report at the request of the Audit and Risk Committee. This page was added in prior year version and it was noted that it resulted in an unnecessary repetition of acknowledgments and signatures.

[15] There was a change to the Statement of Service Performance Transport section wording (Annual Report page 63). The Audit and Risk Committee review noted there was potential confusion surrounding the definition of reliability.

Wording included in draft to the Audit and Risk Committee:

*"**Service reliability and punctuality***
*Service reliability and punctuality Dunedin bus services achieved 99.5% reliability of scheduled trips over the year, above the 95% target. The July 2025 introduction of revised timetables and an all-electric fleet servicing Mosgiel–Dunedin contributed to this result. On-time performance for services departing the Terminus was 84%, below the 90% target. Traffic congestion, roadworks and associated diversions are continuing to affect punctuality throughout the year."*

Updated Annual Report wording following Audit and Risk Committee review:

***"Service reliability and punctuality***
*Dunedin bus services achieved 99.5% reliability. This is the measure of the number of scheduled trips that are operated over the year, which is above the 95% target. The July 2025 introduction of revised timetables and an all-electric fleet servicing Mosgiel–Dunedin contributed to this result. On-time performance (punctuality) for services departing the Terminus was 84%, below the 90% target. Traffic congestion, roadworks and associated diversions are continuing to affect punctuality throughout the year."*

[16] In the Overview of Financial Performance (Annual Report page 85), the comparison figure for shares in subsidiary was incorrect. The value was the prior year valuation instead of budgeted position at 30 June 2026. As a result $788.120 million has been replaced with $790.878 million:

*"Shares in subsidiary: The valuation of the Council shareholding in Port Otago Limited at 30 June 2026 of $847.874 million was above the budgeted amount of $790.878 million."*

[17] There were two changes made to Note 31 Subsequent Events (Annual Report page 157) relating to Local Government reform and the signing of the Otago Central Lakes Regional Deal.

***"Local Government Reform***
*The New Zealand Government has announced a proposal to reform local government. The Government's intention is to merge territorial authorities into larger unitary authorities and abolish regional councils. The proposal includes regional councillors to not be elected from the 2028 local authority elections.*

*This initiative remains at the proposal stage, with no legislation or regulations published or enacted. Accordingly, these financial statements have been prepared on a going concern basis as there is insufficient certainty regarding the nature or timing of any changes that may affect Otago Regional Council. (2025: Nil).*

***Otago Central Lakes Regional Deal***
*On 6 October 2026, the Otago Central Regional Deal was formally signed between the Crown, Queenstown Lakes District Council, Central Otago District Council and Otago Regional Council. The Regional Deal establishes a long-term partnership framework to*

*support economic growth, infrastructure investment, housing, transport, climate resilience and growth management across the region. As at the date of signing these financial statements, the agreement does not give rise to financial obligations."*

[18] The Local Government reform change was made at the request of the Audit Office after the Audit and Risk committee meeting.

[19] The Otago Central Lakes Regional Deal is a subsequent event which was not originally included in the Audit and Risk Committee version of the Annual Report due to the signing occurring after the Committee meeting. It has no financial impact and has been included at the request of Deloitte.

## SUMMARY OF CONSIDERATIONS

**Community Outcomes**
This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

**Whole of Organisation**

This work supports the whole organisation and, therefore, all Community Outcomes.

**Alignment with Central Government Legislation**
There is no specific national policy statement or central government direction that is directly applicable to this work.

**Alignment with Otago Regional Council Internal Policy**
There is no specific ORC policy that is directly applicable to this work.

**Financial Considerations**
The budget for this work was approved through the 2025-2026 Annual Plan and comes from the Council Organisation activity budget.

**Legal Compliance/Risk**
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

**Reputational Risk**
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

**Climate Resilience**
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

**Carbon Emissions**
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

**He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy**
Not Applicable

**Engagement with Mana Whenua**
There has been no engagement with mana whenua or Māori specifically for this work.

**Stakeholder Engagement**
There has been no engagement with external stakeholders and/or the public specifically for this work.

**Communications**
Not Applicable

## ATTACHMENTS

1. Annual Report 2026 [**11.1.1** - 181 pages]
2. ORC FY26 Representation Letter [**11.1.2** - 7 pages]

Otago Regional Council

# Annual Report 2025-2026



# Otago Regional Council Annual Report

## 1 July 2025 to 30 June 2026



Lake Hāwea

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Richard Saunders, Chief Executive & Hilary Calvert, Chairperson

# Message from our Chairperson and Chief Executive

Tēnā koutou katoa

We are pleased to present the Otago Regional Council's 2025-26 Annual Report.

The year has been one of strong delivery, careful prioritisation and continued adaptation. Across New Zealand, the environment for local government is changing, with ongoing resource management reform, discussion about the future structure of councils, and higher expectations of affordability, performance and accountability. Through this period of uncertainty, ORC has remained focused on delivering core services, supporting our communities and preparing for the future.

During the year, councillors adopted a set of 34 Priority Actions to provide additional focus for the remainder of the triennium. These actions sit alongside Council's Long-Term Plan and statutory responsibilities and provide a clearer connection between community expectations, governance priorities and organisational delivery. They reflect a desire to direct Council effort and resources toward the issues that matter most to Otago communities while remaining responsive to a changing national landscape.

Despite considerable change across the policy and legislative environment, ORC continued to deliver important strategic outcomes. A major milestone was reached when all appeals on the proposed Otago Regional Policy Statement were resolved, allowing Council to confirm it would become operative in July 2026. Council also adopted the Indigenous Biodiversity Strategy and continued implementation of the Climate Change Strategy, providing a strong foundation for future environmental management and regional resilience.

Building resilience remained a significant area of focus. During the year, ORC advanced natural hazards investigations and mapping, began a region-wide LiDAR programme, maintained critical flood warning services, and continued long-term adaptation planning in South Dunedin, the Head of Lake Whakatipu and the Clutha delta. Together, these initiatives are helping communities better understand natural hazards, plan for the future and make informed decisions about adaptation and resilience.

We also continued to perform strongly across our core services. Resource consenting and compliance monitoring performed well in the face of sustained demand. Public transport continued to provide reliable and increasingly attractive travel options, with record patronage in Queenstown and continued strong performance in Dunedin.

Community engagement also expanded significantly, creating more opportunities for staff and councillors to talk directly with Otago people about the work of their regional council. Improvements to mapping, data and online information made hazard information more accessible, while investment in monitoring, hazard information and reporting improved community access to environmental information. Ōtākou Enviroschools continued to support environmental learning and action across schools and communities, helping people better understand Council's role and be part of environmental action and decision-making.

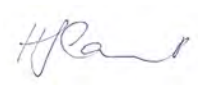
Partnerships continue to be central to our success. Throughout the year, we further developed our relationship with mana whenua through Mana to Mana hui, implementation of recommendations from the Te Tiriti o Waitangi Audit, and collaboration across a wide range of environmental, planning and resilience programmes. We also continued to work closely with territorial authorities, community groups, landowners, environmental organisations and government agencies. These relationships support practical environmental initiatives, long-term planning and better understanding of local priorities.

At the same time, we remained focused on delivering value for money. Across the organisation, teams have worked to improve systems, strengthen organisational performance and carefully prioritise resources to ensure we keep meeting community expectations and have the capacity to respond to emerging challenges and opportunities. We have continued to strengthen the organisation's capability and culture. Investment in organisational systems and processes, along with positive staff engagement and retention results, have strengthened our ability to deliver for the region. None of the achievements outlined in this report would have been possible without the dedication, professionalism and commitment of our staff and elected members.

Looking ahead, we aim to deliver value for ratepayers, progress the 2027–37 Long-Term Plan, improve organisational performance reporting, and position ORC to succeed regardless of how national reforms evolve. While the operating environment will change, our commitment remains the same. We will work with communities, mana whenua, stakeholders and partners to achieve healthy, connected communities and environments across Otago.

We thank our ratepayers, mana whenua, community groups, partner agencies, territorial authorities, volunteers, transport users, schools, landowners and stakeholders across the region for their ongoing support and collaboration. Together, we continue working towards a thriving, resilient and sustainable Otago, ki uta ki tai, from the mountains to the sea.

Kā mihi nui,



**Hilary Calvert**
CHAIRPERSON



**Richard Saunders**
CHIEF EXECUTIVE

# Partnering with mana whenua

The Otago Regional Council (ORC) values its enduring partnership with Te Rūnanga o Ngāi Tahu and the Kāi Tahu Papatipu Rūnaka (the guiding stars of the local rūnaka). The iwi authority recognised by the Te Rūnanga o Ngāi Tahu Act 1996, Te Rūnanga o Ngāi Tahu represents Ngāi Tahu Whānui across Te Waipounamu (the South Island). The takiwā of Ngāi Tahu Whānui includes the entire Otago region. These relationships recognise the interconnected nature of the environment, communities and shared responsibilities that extend beyond regional boundaries.

ORC works closely with Kāi Tahu ki Otago Papatipu Rūnaka and Ngāi Tahu ki Murihiku Papatipu Rūnaka. Established partnership agreements and governance arrangements support meaningful participation in planning, resource management and environmental decision-making.

Council's partnership approach is guided by:

- the Memorandum of Understanding and Protocol (2003) between ORC, Te Rūnanga o Ngāi Tahu and Kāi Tahu ki Otago
- He Huarahi mō Ngā Uri Whakatupu Charter of Understanding (2025) with Murihiku Rūnaka
- He Mahi Rau Rika — ORC's Significance, Engagement and Māori Participation Policy
- the partnership commitments contained in ORC's 2024–2034 Strategic Direction.

## Performance during 2025/26

During the 2025/26 year, ORC strengthened its partnership with mana whenua by embedding the recommendations of the Te Tiriti o Waitangi Audit commissioned in 2023/24. The audit, undertaken by Te Kura Taka Pini with support from rūnaka, identified opportunities to strengthen governance relationships and move beyond consultation towards a genuine partnership model.

The audit recommendations were implemented throughout the year, improving governance practices and further embedding Te Tiriti o Waitangi principles across the organisation.

Four Mana to Mana hui were held between ORC councillors and Papatipu Rūnaka. These hui provided a strategic forum to discuss shared priorities including freshwater management, mahika kai, mātauraka Māori, climate change, local government reform and resource management reform. They also strengthened governance relationships and supported collaborative decision-making on issues of regional significance.

In November 2025, council adopted a portfolio governance structure to replace the committee system. A result of this change was that there is no iwi representation on council committees this triennium. At the same time, council resolved to continue to consult with mana whenua on a mutually agreeable way to incorporate representation into the new structure. Mana whenua positions on governance groups were also established for the Regional Pest Management Plan, Integrated Catchment Management, and the ECO Fund assessment panel.

ORC continued its partnerships with Aukaha (1997) Ltd and Te Ao Mārama Inc, the regional environmental entities mandated by mana whenua to support iwi participation in environmental planning and resource management. Partnership funding continued to enable mana whenua participation in Council processes and support the delivery of statutory responsibilities.

## Delivering outcomes together

Throughout the year, mana whenua partnered with ORC across a wide range of strategic programmes and projects. This work included:

- completing catchment action plans for The Catlins and Upper Lakes and continuing to collaborate on the Inland Mata-Au/Clutha, Lower Mata-Au/Clutha and Taiari/Taieri catchments
- delivering the Te Awa Koeo programme, which supports initiatives to manage and restore hill country erosion
- developing the Otago Climate Change Risk Assessment (Version 2) and Indigenous Biodiversity Strategy, with mana whenua represented on project reference groups
- co-designing, developing a cultural narrative and gifting the name Aonui for ORC's new headquarters, while also giving cultural input for the design of the Queenstown office
- developing the Regional Pest Management Plan with iwi participation throughout the planning process
- participating in ECO Fund assessment panels to support environmental investment decisions
- carrying out natural hazards planning and technical advisory work, including resilience planning in Roxburgh
- continuing to collaborate through the Tri-Agency Agreement to support the Araiteuru Emergency Management Facilitator and strengthen regional emergency management capability.

Mana whenua also continued to contribute across a broad range of Council work programmes, including regional policy development, biodiversity, biosecurity, climate adaptation, environmental restoration and resource management.

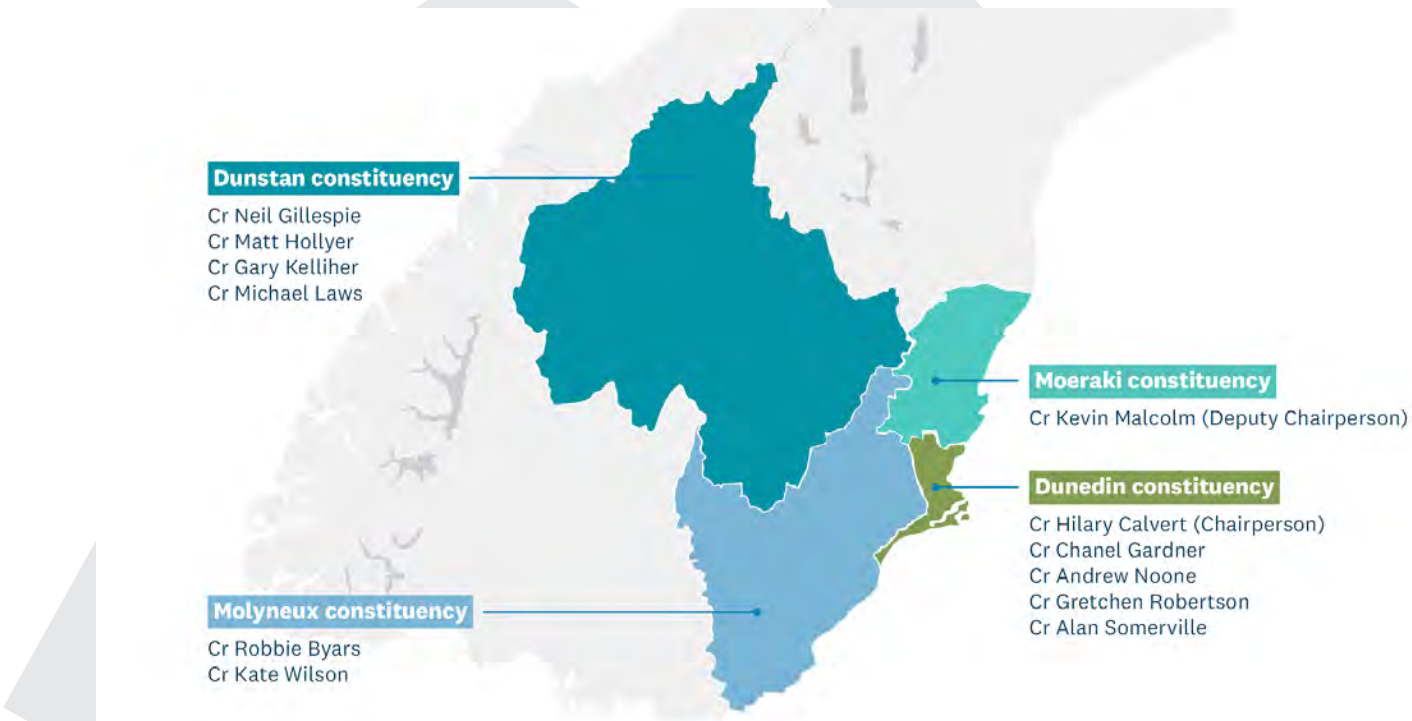
# Councillors and constituencies

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



***Back row left to right*: Cr Matt Hollyer, Cr Andrew Noone, Cr Neil Gillespie, Cr Alan Somerville, Cr Gary Kelliher, Cr Kate Wilson, *Insert:* Cr Michael Laws**

***Front row left to right*: Cr Gretchen Robertson, Deputy Chairperson Kevin Malcolm, Chairperson Hilary Calvert, Cr Chanel Gardner, Cr Robbie Byars**



# 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.***

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# 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 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |


Our Activities Cover
Our activities and performance
Otago Regional Council
For our future
JNW359
10
OTAGO REGIONAL COUNCIL

# 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.

Overview of our activities




- **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 the Year 2 service performance measures and targets established in the 2024-34 Long-Term Plan, including any amendments adopted through the 2025-26 Annual Plan.

The Long-Term Plan established Council's forecast Statement of Service Provision, including a suite of service performance measures and targets across its activity groups.

These measures and targets reflect the levels of service Council intends to deliver to the community. Their development considered national performance measurement requirements, the need to monitor service delivery and trends over time, the availability of baseline information, and Council's ability to measure and report performance effectively.

This Annual Report outlines Council's service delivery and performance during 2025/26 against the applicable Year 2 measures and targets. Results are presented by activity group, providing a clear view of performance across Council's services. Progress against these measures was reported to Council quarterly throughout the year.

A summary of financial performance is included for each activity group. The full Funding Impact Statements, detailing the costs of activities and the funding sources used to deliver them, are provided in the Financial Statements section of this Annual Report.

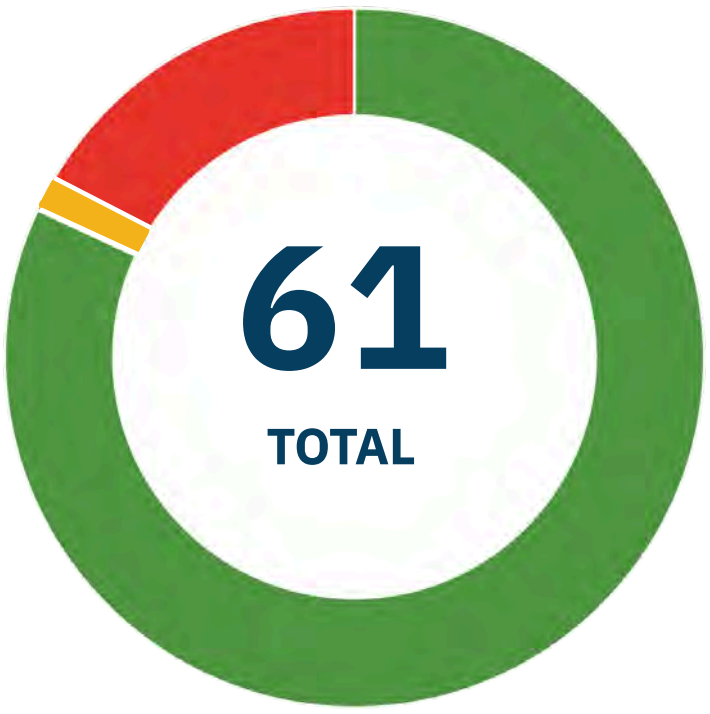
### Performance results:

**50** Targets **fully achieved** (GREEN)

**1** Targets **partially achieved** (AMBER)

**10** Targets **not achieved** (RED)

**0** Targets **not able to be measured** (GREY)



# 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 2024-34 LTP.

## 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 2024-34 Long-Term Plan.

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Specific indicator used to assess how effectively an activity/service is achieving its intended outcome. | Result from the previous year | Goal we set for the year | Result from current year | # |

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

## Performance result status:

| | |
|---|---|
| | Achieved targeted performance |
| | Partially achieved the targeted performance* |
| | Targeted performance not met |
| | Not able to be measured |

*A result is recorded as partially achieved only in cases where the following pre-defined criteria are satisfied:

- a pre-demarcated level of measurable progress can be demonstrated, but the full target has not been met (usually in the form of pre-defined tolerance bands), or
- a required report has been completed with the work delivered during the associated Annual Plan/LTP year, but later than the stated timeframe and target date noted.

# Regional Leadership

## This group of activities includes the following council activities:

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

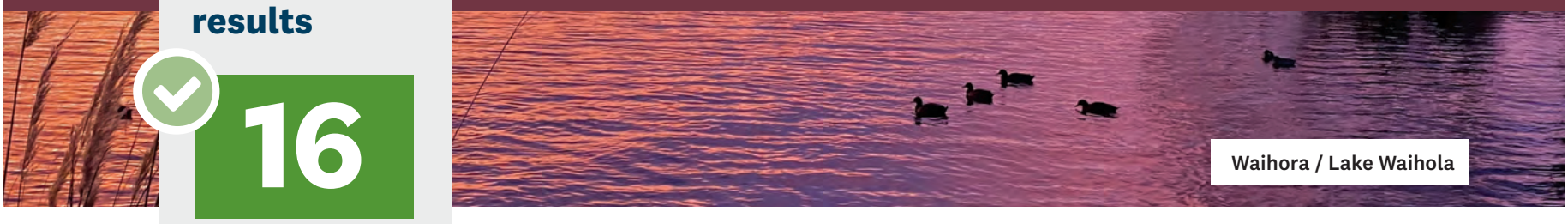
### Performance results

16

1

3

0



Waihora / Lake Waihola

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

**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.

Statement of Service Provision

# Governance and Community Engagement



Dart River estuary near Glenorchy

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

The local body elections in October 2025 were supported by the Deputy Electoral Officer. A coordinated communications campaign helped voters understand the Single Transferable Vote process. Post-election, all councillors completed induction and Council introduced a portfolio lead system.

Agendas for monthly Council meetings were made available to the public at least two working days before each meeting (on target), ensuring the community had timely access to the information being considered by elected members.

Joint committee meetings were aligned more closely with ORC's governance responsibilities, while website improvements made it easier to access governance information. Councillors also engaged with the region's mayors, visited community sites, and participated in significant community and ORC events.

ORC will continue to procure improved governance systems to streamline administrative processes and make governance information more accessible.

## Iwi partnerships

Over the year, ORC worked with mana whenua to meet its statutory responsibilities and give effect to Te Tiriti o Waitangi through its partnerships and practice. ORC worked with Papatipu Rūnaka through their regional environmental entities, Aukaha and Te Ao Mārama Inc, to better integrate Kāi Tahu values, mātauraka Māori and cultural perspectives into planning, policy development, resource management and environmental decision-making.

A key milestone was the co-design with mana whenua of ORC's new headquarters, Aonui. The name, gifted by mana whenua, and the building's design reflect Kāi Tahu identity, cultural narratives and the history of place. This outcome was shaped through ongoing engagement with iwi partners.

Mana whenua also contributed to significant Council work programmes, including the Indigenous Biodiversity Strategy, integrated catchment management, the Regional Pest Management Plan review, and work to understand coastal planning issues and opportunities. Mana whenua involvement helped ensure that Māori values, knowledge and aspirations informed the development of these initiatives.

Building organisational capability remained a priority. ORC published the Te Reo Māori Handbook to support consistent use of local Kāi Tahu place names and te reo Māori, launched the Tiaki Partnership Hub as a central source of guidance and resources, and introduced bilingual job titles. These initiatives improve consistency and staff confidence and help teams engage with mana whenua and hapori Māori earlier and more effectively.

ORC also increased its visibility within hapori Māori. Participation in Otago Polyfest, which welcomed more than 25,000 performers and attendees, created opportunities to connect with Māori, Pacific and wider communities, increase awareness of ORC's role and encourage participation in Council initiatives.

## Community engagement

ORC continued to strengthen how it engages with communities across the region. Staff attended five major community events: the South Otago, North Otago and Wānaka A&P shows, Otago Polyfest and the Wild Dunedin Festival as well as a range of smaller A&P shows and other community events across the region.

Through these events, we have expanded the number of stall visitors from 2,900 people, compared with 824 in 2024/25. Satisfaction also remained high, with 96% of surveyed visitors rating their interaction positively, a slight improvement on 93% satisfaction the previous year. The events increased ORC's visibility, created opportunities for direct conversations and helped people better understand Council's role and services.

Continued relationship-building with other councils, industry and community groups helps ORC understand community needs and collaborate on projects of shared benefit. The Partnerships and Engagement team provided engagement advice and support for public transport, environmental programmes, natural hazards science and adaptation, integrated catchment management, flood and drainage schemes, coastal planning and biosecurity.

To strengthen engagement capability across the organisation and the wider local government sector, a further 55 staff from ORC and other Otago councils were trained in engagement practice. Work also continued to improve ORC's online Engagement Hub, making it easier for communities to access information and participate in engagement opportunities.

## Enviroschools

Ōtākou Enviroschools supports environmental learning and sustainability action across Otago, with the potential to reach up to 26,000 students. During the 2025/26 year, the programme worked with 105 schools and early childhood centres, coordinating the national Enviroschools programme at regional level; providing professional development for students, teachers and environmental educators, and promoting environmental messages and events.

Regional coordinators delivered 15 learning hui for 1,800 primary and secondary students and 150 teachers. Ten regional partners and 50 collaborative community partnerships support the programme, and it works directly with around 70 environmental organisations, community groups and education partners.

By connecting schools and educators with ORC and wider community education programmes, Enviroschools helps young people develop practical knowledge, participate in environmental action and contribute to positive outcomes in their schools and communities.

## Marketing and communications

The Communications and Marketing team shares information about and promotes ORC's broad range of work to the community.

The 2026 Community Survey found an increase in the proportion of respondents who strongly agree they trust the content Council provides — this is now at its highest level since monitoring began. Awareness of Council's activities remained high, particularly for our environmental management and public transport roles. Respondents were generally positive about Council's delivery of its activities. An action plan was developed to support future improvements with progress to be reported to Council in March 2027.

The Communications and Marketing team supported the local government elections, engagement on the Regional Pest Management Plan, establishment of Integrated Catchment Management plans, public transport, and severe weather and Civil Defence responses.

The team sent out 125 media releases, responded to 208 media requests and made 747 social media posts, with the most-viewed organic (non-paid) posts being wallabies caught on a trail camera, Moving Day information, hunting for wallabies at night, and LiDAR work.

Over the year, there were 4,615,236 page views on the ORC website. More than 60% was for public transport pages, with other popular pages being the homepage, property search, the Regional Pest Management Plan, water monitoring, the Indigenous Biodiversity Strategy and rates.




ORC staff engaging with university students

## Corporate planning

Council's annual and long-term plans set out the activities, work programmes and funding needed to deliver services for Otago. During the 2025-26 year, through these plans we focused on achieving our community outcomes, meeting statutory planning requirements, supporting transparent decision-making and strengthening the monitoring and reporting of the organisation's performance.

The 2025-26 Annual Plan was adopted within statutory timeframes and balanced community priorities with financial sustainability and value for money. Completing the process early also meant work could start on the 2027–37 Long-Term Plan, laying the foundations for future planning and community engagement.

Regular reporting on non-financial performance, risk management, and business improvement provided elected members with timely and consistent information, enabling better insight into organisational delivery and community-focused services. This strengthened governance oversight, transparency and evidence-based decision-making.

Looking ahead, our priority is delivering the 2027–37 Long-Term Plan and continuing to improve how we plan and report on our performance. This will help us keep strengthening the services we provide for the people of Otago.

## Customer experience

The ORC's new customer records management system was implemented by August 2025. The system gives staff better access to customers' contact history and the status of enquiries, improving the quality and timeliness of our responses.

Customer satisfaction remained above the 85% target across reception, telephone and email interactions. This reflected strong support from staff, clear policies, improved record-keeping and up-to-date knowledge of ORC's activities. Feedback and complaint themes were shared across ORC to identify areas that customers find difficult and areas for improvement.

Relocating the Queenstown and Dunedin offices made in-person customer interactions safer and more accessible, giving the community stronger connections with ORC and a better understanding of the services and environmental outcomes we deliver. We will continue exploring the safe use of artificial intelligence to help us report accurately and efficiently while maintaining high customer satisfaction.

## Legal services

Council received 221 requests under the Local Government Official Information and Meetings Act 1987 during the year of which 220 were responded to within the statutory timeframe (99.54% compliance against the target of 100%). One LGOIMA response was delayed in the customer relationship management system. Looking ahead, the legal team is trialling the integration of an artificial intelligence redaction tool into the LGOIMA process and exploring the potential for this use across wider business functions.

The legal team also responded to hundreds of general legal enquiries, supported a wide range of contractual matters, and arranged more tailored insurance cover that gives the Council stronger and more cost-effective protection. A focus for the 2025/26 year was work on privacy and the secure management of personal information. The annual ComplyWith survey demonstrated an excellent level of legislative compliance of 98.67%.

Strengthening capability through the delivery of training across the organisation is another key role of the legal team which enables staff to better understand their legal responsibilities.

# Performance Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 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. | ✗ 98.2% (283 requests) | 100% | ✗ 99.5% | 1 |

1: Council received 221 Local Government Official Information and Meetings Act (LGOIMA) requests in 2025-26. Of these, one response was provided out of the statutory timeframe (in July 2025), resulting in an overall compliance rate of 99.54%.

## Develop and deliver robust and effective corporate planning and reporting.

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Deliver our Long-Term Plan, annual reviews of the LTP, and reporting of performance against plan as per the statutory requirements. | ✓ Annual Plan [Year 2] adopted by Council prior to 30 June 2025. | Annual Plan [Year 3] adopted by Council prior to 30 June 2026. | ✓ | 2 |
| | ✓ Council financial and activity performance against the Year 3 LTP 2021-31 reported to Council by October 2024. | Council financial and activity performance against the Year 1 LTP 2024-34 reported to Council by October 2025. | ✓ | 3 |

2: Annual Plan 2026-27 was adopted by Council on 29 April 2026.

3. Reporting of Council financial and activity performance against Year 1 LTP 2024-34 was reported to Council on 25 September 2025.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 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. | Create and implement engagement plan and establish engagement data. | Maintain or increase numbers | | 4 |

4: 2025/26 strategic events programme was completed and exceeded its participation target. A total of 2,906 people attended strategic events and engagement activities, with an average 96% positive satisfaction rating. This is an increase compared to 2024/25 of 824 attendees of 93% positive satisfaction rating.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Biennial survey is conducted to understand and improve community awareness, perceptions and expectations of ORC. | Report against the action plan to Council by March 2025 | Survey and action plan completed March 2026. | | 5 |
| Customers express high levels of satisfaction with customer service provision. | Customer Satisfaction policy was developed to determine satisfaction levels. | Meet or exceed satisfaction target of 85%. | 94% | |

5: The Community Survey report was completed (presented/approved by Council) by the target date of March 2026, however, the work on the Action Plan was completed (presented/approved) at the June 2026 Council meeting. This work was therefore still delivered within the 2025-26 Annual Plan year, rather than remain outstanding and undelivered. This satisfies the criteria for a partially achieved performance status.

# 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 make up this activity is:

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

# Performance and Delivery

## Responding to Issues

An important part of our planning work is responding to issues at a local, regional and national level. After a busy succession of years, 2025/2026 has been quieter for two reasons.  Firstly, ORC's involvement in two significant district plan reviews (QLDC and DCC) wrapped up with conclusions to the appeal processes for both plans.  Secondly, the Resource Management Reform has not yet been implemented, with almost all planning work paused. This has also reduced the volume of national consultations we might usually expect to contribute to. We have made six submissions to national consultation proposals, and four submissions to district plan reviews or strategies.

## Regional Policy Statement

A major milestone was achieved with the resolution of all appeals on the proposed Otago Regional Policy Statement. The statement identifies Otago's significant resource management issues, explains how national direction will be applied, and establishes an integrated framework for managing the region's resources.

Once the appeals were resolved, Council agreed that the Regional Policy Statement would become operative on 9 July 2026. Concluding a substantial, multi-year programme of consultation, hearings, appeals and mediation, this milestone makes regional and district planning across Otago much clearer.

## Strategy

The Strategy Team provides strategic leadership for ORC's indigenous biodiversity, climate change and air quality work. Milestones in the 2025/26 year included adopting the Indigenous Biodiversity Strategy and reporting strong early progress on the Climate Change Strategy. A new Air Quality Strategy was paused following a shift in national direction.

## Indigenous biodiversity

Council adopted the ORC Indigenous Biodiversity Strategy in June 2026, achieving the annual target. Developed in partnership with mana whenua and through stakeholder consultation, the strategy sets a clear direction to protect and restore Otago's indigenous biodiversity by strengthening relationships with mana whenua and communities, identifying priority areas and actions, and supporting others to protect and restore indigenous species and ecosystems.

## Climate change

Implementation of the 2024 Climate Change Strategy continued. The strategy sets out how ORC will achieve the climate-related community outcomes in the Long-Term Plan. A report on the strategy was presented to Council in June 2026, meeting the annual target and showing encouraging progress during the strategy's first 18 months.

Two comprehensive inventories were made of ORC's greenhouse gas emissions — these establish a stronger evidence base for managing organisational emissions. The Otago Climate Story, developed collaboratively with Otago's city and district councils and co-authored with mana whenua, is nearing completion. This work translates the findings of the 2021 Otago Climate Change Risk Assessment into accessible, practical resources for councils, communities and organisations.

## Air quality

Progress was made on a new Air Quality Strategy for Otago, but the planned revision was not completed by the target date. The work was paused in response to the government's direction on plan change processes — this created uncertainty for a revised Regional Plan: Air, a key regulatory mechanism for implementing the strategy.

ORC carried on with non-regulatory initiatives to improve air quality, such as upgrading the monitoring network, supporting citizen-science projects and increasing education about the efficient use of wood burners. These initiatives encourage practices that reduce emissions from home heating. Council also considered, but did not endorse, funding options to support the replacement of higher-emitting wood burners.

# Performance Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Support integrated and well-managed urban growth across Otago. | ✗ Joint Queenstown Future Development Strategy completed by 30 June 2025. | No target | No result to report | 1 |

1: This is an inactive performance measure. The target was removed during the 2025-26 Annual Plan process due to incoming Government direction on future resource management reform. It will remain unset until the Government RMA's direction is fully released. Once known, all related measures and associated targets will be realigned to these mandated requirements.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Develop a Regional Biodiversity Strategy and implement ORC actions. | ✓ Draft Regional Biodiversity Strategy is made available for public consultation by 30 June 2025. | Regional Biodiversity strategy is adopted by 30 June 2026. | ✓ | 2 |

2. Council adopted a regional biodiversity strategy "ORC Indigenous Biodiversity Strategy" in 25 June 2026.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Develop a Regional Climate Change Strategy and implement ORC actions. | ✓ ORC actions from the Regional Climate Change Strategy are implemented, and the effectiveness of the strategy is monitored and reported to Council annually. | ORC actions from the Regional Climate Change Strategy are implemented | ✓ | 3 |
| | Split measure | The effectiveness of the strategy is monitored and reported to Council annually.* | ✓ | 4 |

*Note: This measure has been split into two from the measure set in the LTP; the focus and intent remain aligned with the prior year measure.

3 & 4: Progress continued on implementing the 2024 Climate Change Strategy, which sets out how ORC will deliver the climate-related Community Outcomes identified in the Long-Term Plan (LTP). A report presented to Council in June 2026 on the strategy's implementation and early effectiveness showed encouraging progress during its first 18 months. Work has begun on a combined Climate and Biodiversity Implementation Plan.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Develop a Regional Air Quality Strategy and implement ORC actions. | ✗ Draft Regional Air Quality Strategy is made available for public consultation along with the revised Air Plan by 30 June 2025. | Draft Air Quality Strategy revised following public consultation by 30 June 2026.* | ✗ | 5 |

*Target has been revised during the 2025-26 Annual Plan process.

5: On 29 April 2026, Council adopted a new Priority Action to investigate opportunities to more effectively improve air quality in the region's most affected towns. As this work requires strategic investigation and planning, it was not completed by 30 June 2026. The outcomes of this work are expected to inform future planning, including the Long-Term Plan.

**PRIOR YEAR MEASURES:**

These performance measures were included in the Year 1 of the 2024-34 LTP, but through the 2025-26 Annual 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|---|
| Support Otago's councils and communities to manage environmentally sustainable urban growth. | Support integrated and well-managed urban growth across Otago. | ✖ Consultation on maps of highly productive land completed by 31 December 2024. | | | |

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# Regulatory




Habourmaster 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

Demand for resource consents remained high through the year, with an increasingly complex mix of applications. All 708 applications were processed within the statutory timeframes. The compliance programme checked 8,415 resource consent performance-monitoring conditions during the year. Covering a broad range of consented activities, the monitoring portfolio provides assurance that consent holders are meeting their obligations and that environmental effects are being managed appropriately.

We are positioning our consenting and compliance functions for significant national reform as the Resource Management Act 1991 is progressively replaced by new legislation. The reforms are expected to become fully operational by 2029, with a transition period during which most existing consents will be extended and new applications can still be lodged under current settings. The Regulatory team has begun tracking the impacts of this transition on consenting and compliance practice and is building its readiness to carry Otago's regulatory functions into a materially changed national system.

## Environmental incident response

ORC continues to maintain a 24/7 pollution response, with on-call teams based in both central and coastal Otago. Over the year, the team responded to 1,256 customer complaints relating to 933 incidents. This response service ensures that pollution complaints are addressed in a timely and appropriate manner as they occur, limiting environmental damage and ensuring issues can be reported at any time.

## Compliance and enforcement

A comprehensive auditing programme, supported by good procedures for following up significant non-compliance, underpinned the team's enforcement response over the year. The team issued 40 infringements, 49 abatements and three formal warnings, and charged six parties as part of prosecutions.

## Compliance monitoring and auditing

In 2025/26, the team completed 1,497 audits and field inspections — comprising 1,097 consent audits, 362 dairy inspections and 38 forestry inspections — equating to 123% of the year's target. The team also completed 7,924 performance monitoring returns, 109% of target; these returns include all the information that consent holders are required to submit under their consent conditions, such as photographs of work, water meter returns, complex annual reports and management plans. In total, 3,384 individual consents were monitored during the year, compared with 3,553 in the previous financial year. Work also continued to update and maintain the HAIL (Hazardous Activities and Industries) database of contaminated sites.

To achieve this result, the team spread staffing across Otago, prioritised consents and audited high-priority and high-risk consents. Auditing and monitoring provides assurance that Otago's consent holders are compliant with regional and national rules, which helps protect the environment and ensures consent holders operate on a level playing field. The key priority in the year ahead is to continue current levels of monitoring — targets for 2026/27 have been approved by Council.

## Harbour and waterway management

We ran a summer safety campaign and engaged with the region's recreational boaties throughout the year, including at three large public events. A highlight of the 2025/26 year was supporting environmental water monitoring in Central Otago. Equipment and boating infrastructure was regularly maintained throughout the year.

The team reviewed and updated the Harbourmaster Operational Order for Recreational Boating and placed new vessel identification signs at boat ramps. New navigational bylaws came into force on 27 May 2026.

National compliance with the Port and Harbour Marine Safety Code (PHMSC) was maintained. This year's compliance activity required a joint self-assessment with Port Otago, which is reported to Maritime New Zealand. We expect to complete the self-assessment in July or August 2026, with no material impact anticipated from the short delay.

Our maritime oil pollution response team maintained its readiness to respond through training with Maritime New Zealand.

Covering Otago's waterways with a small Harbourmaster team remains a challenge. We will continue to engage both ashore and on the water to deliver the safety campaign across the region.

# 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Percentage of resource consent applications processed within Resource Management Act 1991 legislative timeframes. | ✓ 100% | ≥ 98% | ✓ 100% | |
| Percentage of public enquiries for consent information responded to within 10 working days. | ✓ 100% | 98% | ✓ 100% | |

## 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets. | ✓ 147% | ≥90% | ✓ 109% | |
| Percentage of programmed inspection/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets. | ✓ 125% | ≥90% | ✓ 123% | |
| 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Maintain 24-hour/7 -day-a-week response for environmental incidents. | ✓ Pollution hotline staff available /on call 24/7 | Pollution hotline staff available /on call 24/7. | ✓ | |
| Maintain 20 appropriately trained responders for maritime oil pollution incidents. | ✓ 20 responders attended 3 exercises | 20 responders attended 3 exercises per year. | ✓ | |

## 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Maintain compliance with Port and Harbour Marine Safety Code. | ✓ External review is completed and deemed to be code consistent. | Annual self review is completed by ORC and Port Otago Ltd (POL) and signed off by the chief executives. | ✗ | 1 |

1. The target was not achieved because the scheduled completion date was moved from mid June 2026 to the next financial year. As this is a joint process that needs completing with Port Otago, the timing was not fully within ORC's control. The annual review is due for completion in July or early August 2026, with no material impact expected from the short delay.

## 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| The safety campaign for recreational 'boaters' is delivered. | ✓ 100% | Develop and deliver a recreational boating engagement plan* | ✓ | |

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

# Environment

## This group of activities includes the following council activities:

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



Rock Wren near French Ridge hut, Queenstown Lakes

### Performance results

**12**

**0**

**4**

**0**

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

**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.

Statement of Service Provision

# Land and Water



Albert Town Lagoon

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

No further work was done on the Land and Water Regional Plan during the 2025/26 year as legislative changes mean the planning process is on pause until the new resource management system and associated national direction are in place. As a result, the target to review the draft plan against the new national direction for freshwater could not be completed.

Work will resume once there is enough certainty in the legislative framework and national direction for us to progress a plan that will align with the future national system.

## Coastal planning

The review of the Regional Plan: Coast was also affected by government direction. In response, the work programme was reshaped, with a shift from developing formal issues and options papers to working with communities to identify coastal issues, opportunities and risks.

This approach means that we can have more meaningful early conversations with communities and stakeholders and will provide a strong evidence base for future planning. The information gathered will be valuable regardless of the final form of the new resource management system.

## Science and monitoring

The annual water quality report, covering the health of Otago's rivers and lakes, was presented to Council in March 2026, followed by reporting on water quality for contact recreation in April.

An update on the land and soil programme was also presented in April. During the year, ORC expanded its soil health monitoring network and investigated alternative approaches to intensive winter grazing. Other work included developing a tool to help prioritise hill country erosion initiatives, mapping septic tanks across the region and continuing research into soil biology.

The use of three-dimensional printed landscapes and species as educational tools made complex environmental information more accessible to communities.

The coast and estuary science programme was adapted to provide technical support for the review of coastal planning. Findings were reported to Council in June 2026. Otago's state-of-the-environment monitoring network now covers all 16 of the region's estuaries, providing a more comprehensive picture of their condition. Video analysis was used to verify offshore areas of significant ecological value, while work continued to develop a kelp-monitoring programme.

Collectively, this work achieved the annual target for reporting on the monitoring results for Otago's freshwater, land, estuarine and coastal environments. It provides decision-makers and communities with reliable information about environmental conditions and helps ORC develop well-targeted policy and environmental initiatives.

## Supporting better land-management practices

Demand remained strong for practical advice on land and water management. During 2025/26, ORC delivered 43 workshops and events — more than three times the annual target of 12 — generating 801 engagements. Delivered alongside landowners, catchment groups, industry organisations and teams across ORC, the workshops addressed local environmental priorities, including soil conservation, water quality and efficient water use. Despite challenges coordinating events around farming schedules and weather, strong local partnerships supported continued engagement across the region.

## Improving priority waterbodies

ORC continued working with mana whenua, landowners and community groups on projects for Tomohaka/Tomahawk Lagoon, Lake Tuakitoto and Waiwhakaata/Lake Hayes. Overall, 83% of scheduled actions were progressed during the year, exceeding the target of 80%. These projects respond to the distinct pressures that affect each waterbody. They help to improve water quality, indigenous biodiversity and freshwater ecosystem health. Lake Tuakitoto and Waiwhakaata/Lake Hayes sites will continue to be funded in 2026/27.

## Planning at a catchment scale

Council endorsed the Upper Lakes Catchment Action Plan during the year, achieving the target of presenting one plan for approval each year. ORC now has two operating catchment action plans: Catlins and Upper Lakes. Developed in partnership with mana whenua and alongside communities and stakeholders, catchment action plans bring together freshwater, land, biodiversity and other environmental priorities and provide a shared framework for targeting investment. The programme will accelerate during 2026/27, with four further plans scheduled for completion: Taieri, Dunedin and Coast, Upper Mata-Au and mid Mata-Au. North Otago will begin in early 2027.

# 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Report the results of environmental monitoring for freshwater, land use, estuarine, and regional coastal environments. | ✓ Annual report for each of the 4 environments to Council prior to 30 June 2025. | Annual report for each of the 4 environments to Council prior to 30 June 2026. | ✓ | 1 |

1. The Freshwater report was presented to Council in March 2026, the Land and Soil report in May 2026, and the Coast and Estuarine report in June 2026.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Complete the Land and Water Regional Plan (LWRP). | ✗ Freshwater hearing panel nominations and required documents submitted to Chief Freshwater Commissioner by 30 June 2025. | Review the draft LWRP against new national direction to freshwater.* | ✗ | 2 |
| Complete a review of the Regional Plan: Coast. | No target set in Yr1 of the LTP. The targets for the future years will be reported in subsequent annual reports. | Issues and options papers developed and reported to Council by 30 June 2026. | ✗ | 3 |

*Target has been revised during the 2025-26 Annual Plan process.

2: The target was not achieved because the Government's new national direction for freshwater has not yet been released and is dependent on new legislation being enacted. As a result, the draft Land and Water Regional Plan could not be reviewed against the new direction as planned. This work will instead be completed as part of implementing the new resource management system.

3. In light of the Government's Plan Stop directive, it is not appropriate to continue working on issues and options for amending the Coast Plan, so the team's focus shifted to preparing a broader Issues and Opportunities Paper instead. A Council presentation on ORC's coastal technical work programme was held on 13 May 2026. Two weeks later Council agreed to proceed with community and stakeholder engagement to identify coastal issues and opportunities, ahead of presenting an Issues and Opportunities paper. These additional steps have delayed the stakeholder engagement process and have shifted the focus from a regulatory Issues and Options paper, to a more broad Issues and Opportunities Paper, which is not consistent with the original Long-Term Plan target.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 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. | ✓ 30 ORC led events (target of 12 per year). | At least 12 ORC led workshops or events are delivered annually. | ✓ 43 | |

## 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Site specific projects are developed for selected degraded waterbodies. | ✓ 82.4% of project actions have been progressed as schedued. | At least 80% of project actions are progressed as scheduled.* | ✓ 83% | |

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

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 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. | ✓ One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2025. | One Catchment Action Plan (CAP) to be presented to Council for approval by 30 June 2026. | ✓ | 4 |

4. The annual target of presenting one Catchment Action Plan (CAP) to Council was achieved, with the Upper Lakes CAP endorsed in October 2025. This brings the total number of operational CAPs to two—Catlins and Upper Lakes—with a further four in development: Taiari/Taieri, Dunedin Coastal Catchments, Inland Mata-au/Clutha, and Lower Mata-au/Clutha. Development of the North Otago CAP is scheduled to begin in March 2027.

**PRIOR YEAR MEASURES:**

These performance measures were included in the Year 1 of the 2024-34 LTP, but through the 2025-26 Annual 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|---|
| 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. | Site specific projects are developed for selected degraded waterbodies. | ✖ New projects and associated milestones are developed and reported to Council. | | | |



Waipahi Wetland

# Biodiversity and Biosecurity



Conroys Dam, Alexandra

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

## Indigenous biodiversity science and monitoring

ORC continued implementing its regional indigenous biodiversity monitoring programme across freshwater, natural wetlands, estuarine and coastal environments, and naturally uncommon terrestrial ecosystems.

After several years of developing monitoring methods, protocols and sites, the programme is now building the long-term data needed to identify changes and trends. An overview of indigenous biodiversity monitoring was presented to Council in June 2026, achieving the annual reporting target.

Terrestrial monitoring focused on naturally uncommon ecosystems, which include coastal turfs, inland saline areas, active sand dunes and shingle beaches. Monitoring approaches are being developed for frost hollows, inland outwash gravels and seabird-influenced ecosystems.

The regional wetland mapping programme continued, with approximately 80% of Otago now completed. The second year of monitoring using ORC's wetland protocol was also completed. This included a scientific survey of the remote Ajax Swamp in The Catlins, which had not been surveyed since the 1970s.

Regional conservation status assessments have now been completed for seven groups of species, with further assessments underway. This work gives us a better understanding of the condition of Otago's indigenous plants, animals and ecosystems, the pressures they face and where protection or restoration initiatives may be most effective.

## Working together for biodiversity

ORC continues to lead the Otago Biodiversity Forum, which brings together mana whenua, the Department of Conservation, local authorities and other organisations. Over the 2025/26 year, the forum helped partners align priorities, share knowledge and develop collaborative projects to protect and restore indigenous biodiversity. Working together makes better use of specialist knowledge, funding and delivery networks and makes it possible to achieve projects that would be difficult for one organisation to do alone.

## Supporting community-led environmental action

All initiatives funded through ORC's environmental funding programmes aligned with at least one of Council's strategic environmental objectives, achieving the annual target. A clear assessment process helped direct ECO Fund investment towards projects with strong environmental benefits, supporting habitat restoration, pest and weed control, biodiversity knowledge and community participation. Demand continued to exceed the funding available, requiring careful prioritisation, while regular engagement, monitoring and reporting helped funded groups respond to challenges such as weather, ecological uncertainty and volunteer capacity.

## Protecting Otago from invasive pests

Biosecurity delivery remained strong across the region. ORC completed 91.3% of priority pest-management actions against a target of 100%; the target was not fully achieved because two feral-rabbit actions connected with the Regional Pest Management Plan review remained underway at year-end. Non-priority pest-management actions reached 83.7%, exceeding the target of 80%, and all targets for exclusion pests and lagarosiphon management were achieved.

A rapid and well-supported response to an African feather grass incursion demonstrated the value of early detection and coordinated community action. ORC also completed 461 rabbit inspections, exceeding the target of 422, and continued supporting community-led rabbit management, including engagement in Moeraki. Externally funded wallaby operations surveyed more than 154,000 hectares and completed 14 surveillance and control operations, with research successfully demonstrating the complete elimination of a monitored wallaby population. Fifty-two wilding conifer control operations treated approximately 28,900 hectares, and work also progressed on using artificial intelligence to improve mapping and support more targeted future control.

## Making external funding go further

All externally funded biosecurity programmes were delivered in line with their agreements, exceeding the target of progressing at least 90% of deliverables as scheduled. Funding supported wallaby surveillance and control, wilding conifer management and the Check, Clean, Dry programme, which promotes simple actions to help prevent freshwater pests and diseases being transferred between rivers, lakes and wetlands.

# 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Report the results of environmental monitoring for regional indigenous biodiversity ecosystems. Note: monitoring programme reporting includes freshwater, inland and coastal wetland, coastal and terrestrial ecology. | ✓ Annual report completed prior to 30 June 2025. | Annual report on monitoring programme completed and reported to Council on 30 June 2026.* | ✓ | 1 |

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

1. Annual report on monitoring programme completed and reported to Council on 30 June 2026.

## 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Biodiversity Forum-based joint projects to enhance indigenous biodiversity are developed. | ✓ New projects and associated milestones are developed and reported to Council and forum partners. | At least one new project is developed and implemented with Biodiversity Forum partners* | ✓ | 2 |
| Joint projects are implemented against milestones. | ✓ Project actions have been progressed as scheduled. (>80%) | At least 80% of project actions are progressed as scheduled.* | ✓ 100% | |

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

2: Four collaborative projects are progressing through delivery phases. Projects included invasive terrestrial plant management in the Upper Lakes, a rare and threatened vascular plants report, Otago-specific fish passage guidance, and lizard protection and rodent exclusion. At least one new project has been successfully developed and implemented in partnership with the biodiversity forum, meeting target expectations.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Alignment between *initiatives and deliverables receiving Council funding, and Council's strategic biodiversity strategic objectives. | ✓ 100% | All environmental projects and initiatives are aligned to at least one of the Council's Environmental strategic objectives.^ | ✓ | 3 |

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

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

3. Environmental projects and initiatives included in this measure are the ECO Fund and Predator Free Dunedin. All projects funded in the 2025 funding round align with at least one of Council's environmental strategic objectives. Alignment is confirmed through the annual funding assessment process, with funding agreements setting clear milestones and expected outcomes. Progress is monitored throughout the year, and recipients provide annual progress reports to confirm delivery against agreed objectives.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Actions within the Biosecurity Operational Plan (BOP) are progressed. | ✗ 79% of actions progressed within timeframes specified. | 80% of non-priority pests management actions are achieved.^ | ✓ 83.7% | |
| | ✗ 96% of targets for priority pests were delivered. | 100% of priority pests management actions are achieved.* | ✗ 91.3% | 4 |

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

^Target has been revised during the 2025-26 Annual Plan process.

4: Overall, 91.3% of priority pest management actions were delivered during 2025/26. Full achievement was reached for exclusion pest species and lagarosiphon management (both 100%), while seven of nine feral rabbit management actions were completed (77%). The target was not fully achieved because the remaining two actions — reviewing the rabbit management programme (including the associated community rabbit programme) to determine its effectiveness and identify improvements, and reporting the review's findings to Council — were still in progress, reflecting the timing of the statutory Regional Pest Management Plan review (expected to be completed close to year end). These two actions will carry over into 2026/27, aligning with Council's priority action (EDA1) to strengthen rabbit-control outcomes through a dedicated working group focused on practical delivery, partnerships, and collaboration with communities and landowners.

## 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Externally funded biosecurity projects/programmes are implemented as per their agreements. | ✓ 100% of deliverables in the agreements with Central Government progressed as scheduled. | 90% of deliverables in the agreements with Central Government are progressing as scheduled. | ✓ 100% | |

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Externally funded freshwater projects/programmes are delivered as per their agreements. | ✓ 100% of deliverables in the agreements with Central Government progressed as scheduled. | 90% of deliverables in the agreements with Central Government are progressing as scheduled. | ✓ 100% | 5 |

5. This measure comprises two projects: Hill Country Erosion and Toitū Te Hakapupu. The Toitū Te Hakapupu project has now been completed and formally closed, with all deliverables successfully achieved. The Hill Country Erosion project also performed strongly, with 100% of scheduled deliverables completed in line with agreed timeframes, meeting all Ministry for Primary Industries (MPI) milestones and any approved contract variations.




ORC's display at Wild Dunedin's NatureDome

Statement of Service Provision

# Air



View from Rock and Pillar Range, Taieri

**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 $PM_{10}$ 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 planning

The review of the Regional Plan: Air was paused following the Government's direction to stop regional plan reviews while the new resource management system is developed. As a result, the planned public engagement and pre-notification consultation on the draft plan did not proceed during 2025/26.

## Air monitoring

Air quality was continuously monitored at nine locations across Otago in the 2025/26 year, focusing primarily on particulate matter — $PM_{10}$ and $PM_{2.5}$. In many Otago communities, the main source of particulate pollution is solid-fuel burning for home heating.

The monitoring network achieved an average data-capture rate of 95% for both $PM_{10}$ and $PM_{2.5}$, meeting the annual performance benchmark.

The annual report on Otago's 2025 air quality was presented to Council in May 2026, and monitoring data continues to be made publicly available through the Land, Air, Water Aotearoa (LAWA) website.

Sixteen $PM_{10}$ exceedances were recorded during the winter of 2025: of these, 10 were in Arrowtown, four in Alexandra and two in Mosgiel. ORC shared information with the public about exceedances of national standards to increase awareness and encourage good burning practices.

A temporary mobile $PM_{2.5}$ monitor was deployed at Albert Town and Hāwea. ORC also continued monitoring black carbon in Arrowtown, with results showing seasonal and daily patterns similar to $PM_{10}$, indicating a strong association with emissions from solid-fuel home heating.

Monitoring of air quality means ORC and the community can track long-term changes, identify locations where pollution may affect people's health and assess progress in improving air quality.




Air monitoring station, Arrowtown

# Performance Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Implement regional air monitoring programme. | ✓ Annual report on monitoring programme completed and reported to Council in May 2026. | Annual report on monitoring programme of previous calendar year completed and reported to Council.* | ✓ | 1 |

*Target has been revised during the 2025- 26 Annual Plan process.

1. 2025 calendar year air quality report was presented to Council in May 2026.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Complete the review of the Regional Plan - Air | ✗ Council approves Regional Plan Air for notification by 30 June 2025. | Complete a public engagement campaign and pre-notification consultation on draft Regional Plan - Air. | ✗ | 2 |

2: In July 2025, Central government announced their intention to halt the notification of new plan or regional policy statement reviews, changes or variations until the end of 2027. The Plan Stop commenced on 21 August 2025. As air quality work is not included in exemptions, work on the Air Plan was stopped.

**PRIOR YEAR MEASURES:**

These performance measures were included in the Year 1 of the 2024-34 LTP, but through the 2025-26 Annual 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|---|
| Monitor Otago's air quality and make accurate, relevant and timely information publicly available. | Report the results of environmental monitoring for air. | ✓ Annual report for air monitoring for previous financial year reported to Council by 30 Sept 2024. *Note: >95%= achieved* | | | |

Statement of Service Provision

# 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

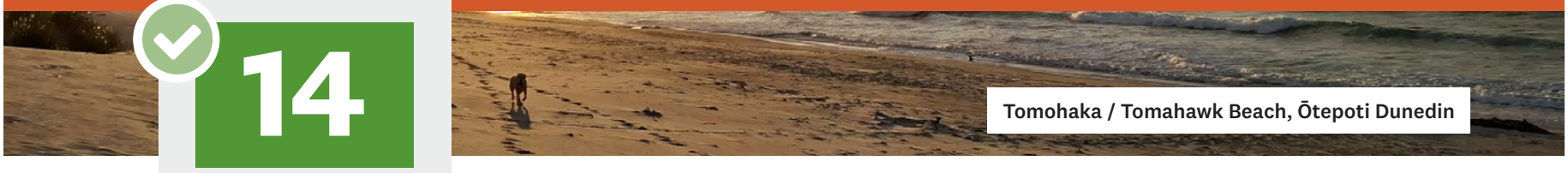
### Performance results

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Tomohaka / Tomahawk Beach, Ōtepoti Dunedin

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

**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.

Statement of Service Provision

# 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

The Natural Hazards team investigates, monitors and plans for Otago's natural hazards and leads climate change adaptation programmes across the region. In the 2025/26 year, the team investigated hazards in the Teviot Valley and Clutha delta, began a region-wide LiDAR mapping programme, kept the 24-hour flood warning service running through severe weather events, and continued adaptation work at the Head of Lake Whakatipu and in South Dunedin.

## Natural hazards investigations, mapping and information

A debris flood hazard and risk study for 13 Teviot Valley (Roxburgh) catchments was completed in the 2025/26 year, and the findings were presented to ORC, Central Otago District Council and the Teviot Valley community in February 2026. The region-wide LiDAR mapping programme also began, co-funded by the Ministry for Cities, Environment, Regions and Transport. We aim to have full regional coverage by 2027–28 as this data is critical to natural hazard assessments, climate adaptation and infrastructure planning.

The natural hazards database and portal were kept up to date throughout the year, with new flood and liquefaction hazard maps, Fault Awareness Areas, and more than 30 new reports. Users can now download all hazard layers. This work keeps hazard information accessible so communities can make informed decisions. The priority for the year ahead is to keep the database current and explore new technologies to make the portal more accessible and user-friendly.

We responded to 185 public enquiries related to natural hazard information over the year, continuing a steady upward trend from 94 in 2023/24 and 143 in 2024/25.

## Flood risk management

ORC's 24-hour flood warning service operated as expected, proving critical to the response to various heavy rain events. A programme to further improve flood warnings is underway. This includes upgrading the flood forecasting capabilities and the pursuit of more consistent national-level coordination — priorities that will continue into next year.

## Natural hazards prioritisation

We are continuing work to build a region-wide spatial understanding of Otago's hazard exposure and risk, compiling assessments and information that had previously been piecemeal. We also prepared a coastal hazard monitoring plan to achieve a more consistent approach to monitoring coastal hazards in the region. Both processes identified higher-priority hazard areas for consideration in the development of the 2027–2037 Long-Term Plan.

## Head of Lake Whakatipu adaptation

ORC supports the implementation of the Head of Lake Whakatipu Natural Hazards Adaptation Strategy, working with Queenstown Lakes District Council, local communities, mana whenua and partner agencies to build the community's resilience. Work will continue to implement the strategy, endorsed by Council in May 2025.

## South Dunedin Future

Significant progress was made on the joint ORC–Dunedin City Council South Dunedin Future programme. Three adaptation futures were further developed and presented to both councils in June 2026. Councillors directed further investigation of a baseline engineering solution and a review of the shortlisted futures, including reconsideration of an engineering option that had not previously been progressed. A revised consultation programme will be presented to both councils later in 2026, ahead of public consultation on the updated shortlist.

## Clutha delta natural hazards adaptation

The main Clutha delta hazard investigations — a seismic risk assessment and a flood hazard assessment — were completed and presented to Council in September 2025 and June 2026 respectively. This work underpins the Clutha Delta Natural Hazards Adaptation Programme, a long-term effort to ensure the resilience of the delta's people, places and infrastructure. Further priorities are set out in the June 2026 Council agenda.

# Performance Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Deliver a natural hazards management and adaptation work programme based on a new prioritisation process. | New measure | Natural hazards prioritisation process as presented to the Safety and Resilience Committee in November 2024 is completed by June 2026. | ✓ | |
| Implement prioritised natural hazard risks adaptation works. | ✗ 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 |
| | ✓ Support the South Dunedin Future Programme - South Dunedin Future natural hazards adaptation plan progresses 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 |
| | No target | Phase 1 and phase 2 of the Clutha Delta natural hazards adaptation programme completed by 30 June 2026. | ✓ | 3 |

1: An action plan has been developed for the Head of Lake Whakatipu Natural Hazard Adaptation Strategy, with implementation planning underway and delivery now in progress.

2: Planned work on the South Dunedin Future Natural Hazards Adaptation Plan was delivered in accordance with the annual work programme.

3. Work on the Clutha Delta Adaptation programme progressed well during the year. Phase 1 (main technical assessments) completed and phase 2 (valued identification) completed.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Natural hazards information is available via the web-based Otago Natural Hazards Database. | ✓ Database information is accessible and up-to-date 100% of the time. | Database is accessible and up-to-date 100% of the time. | ✓ | |
| Percentage of flood warnings that are issued in accordance with the flood warning manual. | ✓ 100% | 100% | ✓ | |

**PRIOR YEAR MEASURES:**

The performance measure was included in the Year 1 of the 2024-34 LTP, but through the 2025-26 Annual 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|---|
| Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies. | Implement the findings of the regional natural hazards risk assessment and inform adaptation planning and implementation. | ✓ Implementation and additional assessments of natural hazard and risks based on the findings of Otago Natural Hazards Risk Assessment. Phased delivery Yr1 to 10 | | | |

Statement of Service Provision

# Flood Protection, Drainage and River Management



Monitoring grass growth establishment on one of the Lower Clutha flood recovery sites

**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.** 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.** 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, 35 tasks.** All scheduled maintenance activities were completed, along with an additional seven reactive maintenance tasks, and a package of works across multiple sites to restore and maintain the functionality of the flood and drainage scheme following a severe wind event in October 2025. |
| **LOWER TAIERI FLOOD PROTECTION SCHEME** | **100% of planned maintenance completed, 26 tasks.** All scheduled maintenance activities were completed, along with an additional nine reactive maintenance tasks, and a package of works across multiple sites to restore and maintain the functionality of the flood scheme following a severe wind event in October 2025. |
| **WEST TAIERI DRAINAGE SCHEME** | **86% of planned maintenance completed, 31 from 36 tasks.** Most scheduled maintenance activities were completed, along with an additional three reactive maintenance tasks, and a package of works across multiple sites to restore and maintain the functionality of the drainage scheme following a severe wind event in October 2025. |
| **EAST TAIERI DRAINAGE SCHEME** | **100% of planned maintenance completed, 44 tasks.** All scheduled maintenance activities were completed, and a package of works across multiple sites to restore and maintain the functionality of the drainage scheme following a severe wind event in October 2025. |
| **TOKOMAIRIRO DRAINAGE SCHEME** | **100% of planned maintenance completed, 20 tasks.** |
| **DUNEDIN RIVERS AND WATERWAY MANAGEMENT** | **96% of planned maintenance completed, 115 out of 120 tasks.** This data includes planned inspections and contract work in the annual work programme, plus any reactive works. |
| **CLUTHA RIVERS AND WATERWAY MANAGEMENT** | **97% of planned maintenance completed, 132 out of 136 tasks.** This data includes planned inspections and contract work in the annual work programme, plus any reactive works. |
| **CENTRAL OTAGO RIVERS AND WATERWAY MANAGEMENT** | **92% of planned maintenance completed, 47 out of 51 tasks.** This data includes planned inspections and contract work in the annual work programme, plus any reactive works. |
| **WHAKATIPU RIVERS AND WATERWAY MANAGEMENT** | **96% of planned maintenance completed, 22 out of 23 tasks.** This data includes planned inspections and contract work in the annual work programme, plus any reactive works. |
| **WĀNAKA RIVERS AND WATERWAY MANAGEMENT** | **100% of planned maintenance completed, 35 out of 35 tasks.** This data includes planned inspections and contract work in the annual work programme, plus any reactive works. |
| **WAITAKI RIVERS AND WATERWAY MANAGEMENT** | **89% of planned maintenance completed, 62 out of 70 tasks.** 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 with the ORC/ECan agreement. |

## Flood protection and drainage scheme maintenance

During the 2025/26 financial year, we completed 97% of the 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 well above the performance target of 85%. A number of reactive maintenance tasks were also completed.

## Scheme renewals programme

Eight of the nine scheme renewal projects (88%) progressed as planned during the 2025/26 year, each achieving the target. These projects span multiple years and will continue in the next financial year.

## Co-funded programmes

ORC has secured central government co-funding from the Regional Infrastructure Fund for eight projects, including two nationally delivered projects. Construction is currently underway on six of these projects.

## Scheme liaison groups

The Lower Clutha Flood Protection and Drainage Scheme Liaison Group was re-established in the 2025/26 financial year, in response to feedback received 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. It is a way for the community to share their perspectives and insights on the scheme's performance and give feedback on work programmes, levels of service and the development of the infrastructure strategy, asset management plans and relevant rating and funding proposals.

The Lower Taieri Flood and Drainage Protection Scheme Liaison Group, established in the previous financial year, is proving to be a valuable connection to the community.

## River management

Our river management programme has a target of completing 85% of planned maintenance activities. In the 2025/26 year, we completed 293 out of 313 maintenance tasks (94%). This comprised 209 planned inspections and 84 programmed works, with a further 121 reactive works also completed.



**Flooding on the Taieri, October 2024**

## Flood event and recovery programme

There were no flood events over the 2025/26 financial year. Work related to previous events is nearing completion under the flood recovery programme. Two sites within the programme remain to be completed being the floodbank at Kaitangata and the Koau training line. Both site are in construction and are expected to be completed summer 2026.

## Bylaws

ORC's Flood Protection Management Bylaw 2022 safeguards flood protection and land drainage assets owned or managed by ORC. We received 19 bylaw applications during the year, and all of them were granted.

## Community enquiries

The engineering team received 262 enquiries about rivers, drainage and flood protection schemes in the 2025/26 year. Of these, 158 (60%) related to river management, 64 (24%) related to schemes, 26 (10%) related to general engineering activities, and 14 (5%) were referred elsewhere for action. We responded to all enquiries within 20 working days.

# Performance Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 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. | ✓ 100% | ≥ 85% of planned maintenance programme completed. | ✓ 97% | 1 |
| 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. | ✓ 86% | ≥ 85% of renewal programmes completed. | ✓ 89% | 2 |

1. 164 out of 169 planned maintenance tasks completed.

2. 8 out of the 9 renewal projects met their planned target. One project was delayed after the construction tender process received no responses.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| The flood repair programme is made available to affected communities within 3 months of the event.* | Flood repair programme: Damage identified, prioritised and a repair programme is made available to affected communities within 3 months of the event/100%* | 100% | ✓ | 3 |
| Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.* | ✗ 99.1% to a target of 100% | 98%^ | ✓ 100% | |

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

^Target was reduced in the 2025-26 Annual Plan process from 100% to 98%.

3: No flood event occurred during 2025/26, so the response target was not triggered and could not be tested. The target is therefore recorded as achieved, as there were no flood event requiring a response during the year.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Percentage of planned maintenance programme: Channel works are maintained, repaired, and renewed to the key standards defined in relevant planning documents. | ✓ 86.75% of planned maintenance programme completed. | ≥ 85% of planned maintenance programme completed. | ✓ 94% | 4 |

4. 293 out of 313 planned activities delivered. This included 209 planned inspections and 84 planned maintenance works, alongside 121 reactive works completed in response to operational needs.

# Emergency Management



Leaning Rock, Alexandra

**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 remains a critical activity for ORC. Over the 2025/26 year, Emergency Management Otago made strong progress across its work programme, positioning the Otago CDEM Group for a period of significant national reform. As a result of this work, the region is in a good state of readiness, with strong community resilience and a clear understanding of the risks we face. We have also laid the groundwork for the shift toward the operating model required by new legislation and national assurance settings.

## Readiness and response capability

CDEM continues to demonstrate its readiness and ability to respond to events, maintaining the region's coordination facility, planning suite and operational tools. Improvement work included new tools to strengthen information sharing, assess people's welfare needs and support recovery. These were further developed and tested through a region-wide emergency exercise.

## October 2025 Clutha wind event and community resilience

The region's resilience was also tested in practice, most notably through the October 2025 Clutha wind event, which prompted a fresh look at rural sector readiness and a new private-sector partnership to support affected communities.

Community resilience work continued to build underlying capacity across the region. The team made progress with engagement activity, the development of resilience groups and public education, while a new Group Assurance Framework and the first draft of the Group Plan 2026–36 were brought forward, giving us a stronger evidence base and planning platform heading into reform.

## National reform positioning

Nationally, the emergency management sector entered a significant period of change. The Emergency Management Bill progressed through Parliament, a review of the National Civil Defence Emergency Management Plan began, and work started to implement NEMA's new emergency management system.

Otago positioned itself deliberately within this reform: we committed to the national assurance pilot, secured a seat in the National Plan Review process, and extended the Mana Whenua Emergency Management Facilitator role toward a sustained capability. Together, this represents a year of consolidating the operating foundation, plans, tools, partnerships and governance settings that the Group will need to carry into a materially changed national system.

## Looking ahead

A key priority is maintaining a stable roster of trained controllers and recovery managers while the new emergency management legislation and related governance changes are introduced. This will help ensure emergency management coverage continues without disruption during the transition.

We will continue to test the new Regional Coordination Facility and establish escalation protocols and business continuity measures. The strategic focus for training will shift from compliance-level qualification toward building depth and succession, widening participation beyond the current core cohort of experienced staff.

The main governance priority is to finalise and adopt the Group Plan 2026–36 and implement the Group Assurance Framework. Otago has committed to the national assurance pilot being progressed through NEMA — a genuine opportunity to help shape the national model rather than simply respond to it later.

The Emergency Management Bill remains the key external risk: its phased commencement (six months to two years post-assent) means alignment work, policy and delivery frameworks and Coordinating Executive Group (CEG) membership changes need to start now, and this is explicitly captured as a 2026/27 workplan item.

# Performance Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Support is provided to Emergency Management Otago to fulfil Otago CDEM Group requirements as defined in the CDEM Act and CDEM. | ✓ Fulfil all requirements as the administering authority and the Otago CDEM Partnership agreement. | Fulfil all requirements as the administering authority and the Otago CDEM Partnership Agreement. | ✓ | |

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Provide a regional coordination facility (ECC) capable of coordinating a region-wide emergency. | ✓ An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation. | An appropriate facility as defined in the CDEM Partnership Agreement is available for immediate activation. | ✓ | |
| | ✓ Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region-wide response. | Adequate staff (as defined in the Group Training and Capability Strategy) are trained and capable to coordinate a region-wide response. | ✗ | 1 |
| Emergency Management Otago staff are available to respond 24/7 to a Civil Defence emergency. | ✓ Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies. | Maintain a duty roster for 24/7 – 365 coverage for initial responses to Civil Defence emergencies. | ✓ | |

1. The annual target was not achieved, as the number of staff trained and capable of coordinating a region-wide response remained below the level set out in the Group Training and Capability Strategy. Leadership capability was strengthened through external support, two trainee controllers commenced training, and several function leaders undertook further development. However, training participation remained low, with average attendance rates of 29% for core training and 27% for function leader training. Work is underway to improve participation through integration with the new HRIS Pulse system and targeted capability initiatives.

Statement of Service Provision

# Transport

## This group of activities includes the following council activities:

- **Transport Planning**
- **Public Passenger Transport**

### Performance results

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Tāhuna Queenstown

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

**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.

# 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

In conjunction with Southland Regional Council, ORC is undertaking a mid-term review of the Regional Land Transport Plan (RLTP). Information gathered during early targeted stakeholder engagement helped ORC develop draft objectives and a draft vision before we release the plan for consultation early next year. Timing for the adoption of the RLTP is contingent on the release of the Government Policy Statement for Transport and the direction it sets.

Several regional connectivity projects also progressed during the year. The Upper Clutha Business Case was finalised, with the substantive work — including market sounding and engagement with Queenstown Lakes District Council and the Wānaka Community Board — completed during the year and the business case being reported to Council in July for endorsement. Work also began on the Alexandra–Cromwell–Queenstown Business Case. Regional connectivity work for Ōamaru, including a community transport trial and a report on transport options, was completed; a public transport trial for Oamaru was subsequently approved to start from October 2026.

Work is well underway on proposals to introduce zones and fare capping across the network, as identified in the Regional Public Transport Plan. Public consultation on these proposals is expected in July 2026, following modelling and councillor direction sought in June.

## Total Mobility

Satisfaction with the Total Mobility scheme, which helps people with long-term impairments access appropriate transport to meet their daily needs and participate in their community, was 94.5% for the year, down from 98% in 2024/25. The three-year rolling average exceeds the 90% target, demonstrating reasonably consistent customer satisfaction.

A key priority for the year ahead is to monitor the impacts of recently introduced fare and transaction caps to ensure the programme remains accessible, equitable and financially sustainable.

## Public transport - Dunedin

### Service reliability and punctuality

Dunedin bus services achieved 99.5% reliability. This is the measure of the number of scheduled trips that are operated over the year, which is above the 95% target. The July 2025 introduction of revised timetables and an all-electric fleet servicing Mosgiel–Dunedin contributed to this result. On-time performance (punctuality) for services departing the Terminus was 84%, below the 90% target. Traffic congestion, roadworks and associated diversions are continuing to affect punctuality throughout the year.

### Passenger satisfaction

Overall passenger satisfaction was 89%, an increase from 88% in 2024/25. This result leaves the three-year rolling average marginally below the 90% target despite customer satisfaction remaining consistent over the past three years. Patronage increased by 0.3% from 2024/25 — a modest result, but better than anticipated given the increased fares. Higher fuel prices likely also supported the outcome — continuing a five-year trend of record patronage levels.

### Highlights

Units 1 and 2 were successfully retendered during the year, with a new contract starting on 1 October 2026 comprising an all-electric fleet, a significant further step towards decarbonisation goals. Planned service improvements, including substantive new contracts, 37 new electric buses, revised timetables, a new Ōamaru service and the Mosgiel Park and Ride scheme, are expected to enhance the network and support continued patronage growth. Further network and timetable improvements, including revisions to central city and Mosgiel/Green Island services, are planned for the fourth quarter of 2026. To sustain high customer satisfaction, the Transport team will keep refining service information, engaging with passengers and responding to emerging customer needs.

## Public transport - Whakatipu

### Service reliability and punctuality

Whakatipu bus services had 98% reliability of scheduled trips over the year, exceeding the 95% target. Significant road works, particularly on State Highway 6, are still affecting performance, but patronage continued to grow despite the congestion. A new ferry operator and increased services lifted patronage and fare revenue on ferry services.

92% of Whakatipu operated bus services departed the Terminus on time over the year (punctuality), exceeding the 90% target.

Annual boardings reached record levels, increasing 7% on the previous financial year, with new patronage records set in four of the twelve months.

### Passenger satisfaction

Overall passenger satisfaction was 91%, with the three-year rolling average also at 91%, exceeding the 90% target and consistent with results in the two preceding years.

### Highlights

While construction will continue to affect operations in the short term, the Queenstown Alliance works are expected to deliver significant long-term improvements, including an expanded bus interchange and new driver facilities, making the network more efficient and reliable. Work is also underway to inform Stage 2 of the Queenstown Public Transport Business Case for the next Long-Term Plan.

# Performance and Results

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 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. | No target | RLTP implementation progress reported annually to Regional Transport Committee.* | ✓ | |

*Target has been revised during the 2025-26 Annual Plan process.

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

| PERFORMANCE MEASURES | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|
| Annual public transport boardings in Queenstown. | ✓ 4% increase from prior year | Increase | ✓ 7% | 1 |
| Annual public transport boardings in Dunedin. | ✓ 3% increase from prior year | Increase | ✓ 0.3% | 2 |
| Overall passenger satisfaction with Whakatipu public transport system at annual survey. | ✓ 92% | Maintain or increase 3yr rolling average >=90% | ✓ 91% | |
| Overall passenger satisfaction with Dunedin Public Transport system at annual survey. | ✗ 88% | Maintain or increase 3 yr rolling average >=90% | ✗ 89% | |
| Percentage of Whakatipu scheduled services delivered (reliability).* | ✓ 99.4% | >95% | ✓ 98% | |
| Percentage of Dunedin scheduled services delivered (reliability).* | ✓ 99.7% | >95% | ✓ 99.5% | |
| Percentage of Whakatipu operated services departing Terminus on time. | New measure | >90% | ✓ 92% | |
| Percentage of Dunedin operated services departing Terminus on time. | New measure | >90% | ✗ 84% | 3 |
| Overall passenger satisfaction with Total Mobility system at annual survey. | ✓ 96.6% | Maintain or increase 3 yr rolling average >=90% | ✓ 94.5% | |

*There has been a wording change for these performance measures as part of the Annual Plan process; however, the focus and intent remain aligned with the prior year.

1: Total Queenstown bus patronage is 2,094,772 which is up by 7% compared to the last financial year.

2: Total Dunedin bus patronage is 3,502,758, which is up by 0.3% compared to the last financial year.

3: The annual target was not achieved, with 84% of Dunedin public transport services departing the Terminus on time. Traffic congestion, roadworks, and associated diversions continued to affect service reliability throughout the year. Timetable performance will continue to be monitored and reviewed to identify opportunities for improvement.

**PRIOR YEAR MEASURES:**

These performance measures were included in the Year 1 of the 2024-34 LTP, but through the 2025-26 Annual 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 | 2024/2025 RESULT | 2025/2026 TARGET | 2025/2026 RESULT | NOTES |
|---|---|---|---|---|---|
| Provide efficient, reliable and accessible public transport services that meets community needs. | Percentage of scheduled services on-time (punctuality - to five minutes). | 85.7% DN<br>90% QTN | | | |
| | Percentage of users who are satisfied with the provision of timetable and services information. | 87% DN<br>87% QTN | | | |

DRAFT

# Public Transport

Statement of Service Provision

## Satisfaction Survey Dunedin

Survey taken May 2026

### Overall satisfaction

**89%**

The overall level of satisfaction with the Dunedin public transport system has decreased in 2026.

▼ 90% in 2025 ▲ 88% in 2024

### Participants

**25%** aged 18-24 years

25% of participants were aged 18-24 years followed by 21% aged 65+.

**79%** non supergold cardholders

79% of participants were not supergold cardholders.

**25%** travelling to work

25% of participants used the bus to get to work.

**81%** would recommend using the bus

81% of participants would likely or very likely recommend public transport to friends or colleagues.

**30%** 5 or more trips per week

30% of participants use the bus for 5 or more trips per week.

### Passenger satisfaction

| | | |
|---|---|---|
| 89% ▲ | Exterior of the bus | 86% in 2025 \| 94% in 2024 |
| 88% ▼ | Interior of the bus | 89% in 2025 \| 93% in 2024 |
| 69% ▼ | The bus is on time | 76% in 2025 \| 84% in 2024 |
| 81% ▲ | How often the service runs | 74% in 2025 \| 86% in 2024 |
| 80% ▼ | Value for money of fare | 88% in 2025 \| 91% in 2024 |
| 90% ▼ | Having enough seats available | 91% in 2025 \| 95% in 2024 |
| 95% ▲ | Ease of getting on and off the bus | 92% in 2025 \| 92% in 2024 |
| 92% ▲ | Comfort of the inside temperature | 86% in 2025 \| 90% in 2024 |
| 93% ▶ | Helpfulness and attitude of driver | 93% in 2025 \| 93% in 2024 |
| 91% ▼ | Personal security during trip | 92% in 2025 \| 96% in 2024 |
| 95% ▲ | Satisfaction of current trip | 93% in 2025 \| 97% in 2024 |
| 71% ▼ | Information about services and delays | 77% in 2025 \| 78% in 2024 |
| 87% ▲ | Travel time | 85% in 2025 \| 92% in 2024 |
| 86% ▼ | Convenience of paying | 91% in 2025 \| 94% in 2024 |
| 85% ▼ | Ease of getting route information | 89% in 2025 \| 89% in 2024 |

# Public Transport
## Satisfaction Survey Whakatipu
Survey taken April 2026

Statement of Service Provision

## Overall satisfaction

**91%**

The overall level of satisfaction with the Whakatipu public transport system has decreased in 2026.

▼ 92% in 2025 ▶ 91% in 2024

## Participants

**43%** aged 25 – 34 years

43% of participants were aged 25 – 34 followed by 22% aged 18 - 24 years.

**93%** non supergold cardholders

93% of participants were not supergold cardholders.

**59%** travelling to work

59% 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.

**35%** 2 or more trips per day

35% of participants use the bus 2 or more trips per day.

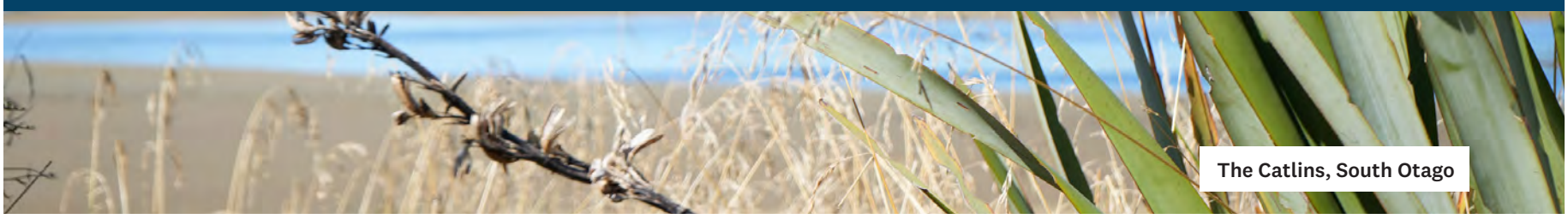
## Passenger satisfaction

| | | |
|---|---|---|
| 96% ▲ | Exterior of the bus | 88% in 2025 \| 93% in 2024 |
| 88% ▼ | Interior of the bus | 91% in 2025 \| 87% in 2024 |
| 61% ▼ | The bus is on time | 81% in 2025 \| 76% in 2024 |
| 69% ▼ | How often the service runs | 73% in 2025 \| 72% in 2024 |
| 78% ▼ | Value for money of fare | 87% in 2025 \| 89% in 2024 |
| 91% ▼ | Having enough seats available | 96% in 2025 \| 95% in 2024 |
| 94% ▼ | Ease of getting on and off the bus | 98% in 2025 \| 97% in 2024 |
| 91% ▼ | Comfort of the inside temperature | 94% in 2025 \| 95% in 2024 |
| 90% ▼ | Helpfulness and attitude of driver | 91% in 2025 \| 97% in 2024 |
| 91% ▼ | Personal security during trip | 98% in 2025 \| 97% in 2024 |
| 95% ▲ | Satisfaction of current trip | 94% in 2025 \| 97% in 2024 |
| 69% ▲ | Information about services and delays | 68% in 2025 \| 72% in 2024 |
| 88% ▲ | Travel time | 83% in 2025 \| 92% in 2024 |
| 85% ▼ | Convenience of paying | 87% in 2025 \| 89% in 2024 |
| 84% ▲ | Ease of getting route information | 81% in 2025 \| 91% in 2024 |

# Council Organisation

This group of activities includes the following council activities:

- Internal Services
- Port Otago



The Catlins, South Otago

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

**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.

# 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 2024-34 Long-Term Plan 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

Information systems provide staff with secure access to the business systems, data and digital tools they need to deliver services across Otago. During the 2025/26 year, the Information Technology team maintained core services, supported organisation-wide improvement initiatives and enabled greater use of modern digital tools.

Technology delivery supported the move into Aonui, ORC's new Dunedin headquarters, helping staff make the transition with minimal disruption. Cybersecurity also remained a key focus, with continued work to strengthen security capability, governance and organisational awareness as threats evolved.

The IT teams continued to modernise the organisation's business systems through IRIS NextGen and related improvements, which mean better service integration, information management and data capability. Reliable and secure technology supports efficient service delivery, better decisions and responsible stewardship of Council information and ratepayer resources.

The coming year will focus on delivering the technology roadmap, progressing IRIS NextGen, strengthening cybersecurity and data governance, and identifying responsible uses of artificial intelligence. Increasing cyber threats, rapid technological change, resource constraints and potential local government reform will remain key considerations.

## Fleet and equipment support for operational delivery

ORC maintains a combined fleet and plant inventory of approximately 140 assets, including operational vehicles, executive vehicles, trailers and specialised plant. Staff use these assets to do environmental monitoring, compliance, community engagement, emergency response and operational field work across the region.

Fleet renewals during the 2025/26 year supported the organisation's carbon reduction objectives while ensuring vehicles remain fit for purpose in environments that are often remote and demanding. At year end, ORC's vehicle fleet had 98 vehicles, including 26 mild hybrids (up by 8%), four petrol vehicles and 68 diesel vehicles. ORC is assessing opportunities to electrify the fleet and is investigating how to support lower-emission vehicles across its sites and areas of operation.

Over the year, we integrated the EROAD telematics platform with the BP fuel management system to give more accurate data about vehicle use and fuel consumption, which helps with fleet planning, operational efficiency and emissions reporting. A new fuel card arrangement reduced costs by approximately $27,000 despite ongoing fuel price pressures during the year, demonstrating the value of strategic procurement, effective supplier management and fleet efficiency.

## Property services supporting regional delivery

ORC's workplaces and operational facilities enable staff to carry out environmental monitoring and regulatory functions while maintaining strong connections with communities across Otago. The 2025/26 year marked a significant period of investment and change across the property portfolio, with several major projects being completed.

A Portacom extension provided extra office space in Wānaka, four separate tenancies were consolidated into a single larger premises in Queenstown, and the Ōamaru office was relocated to a new leased premises.

A major milestone was the completion of the fit-out and relocation to Aonui, ORC's new Dunedin headquarters. The new facility provides a modern, collaborative and sustainable workplace.

ORC continues to operate depots in Balclutha, Alexandra, Cromwell, Wānaka, Palmerston, Ōamaru and Taiari/Taieri, ensuring staff are well equipped for their work across the region.

## Safety and wellbeing

Staff from across ORC took part in workshops to review critical health and safety risks. This work helps us to better understand the causes and potential consequences of each risk, how effective existing controls are, and where further action is needed. With the findings, we have developed an action plan to address critical risks.

The team provided health and safety support for the move to Aonui – this included updating procedures to respond to duress and lockdowns, staff inductions, controls for hazardous substances, emergency procedures and ergonomic guidance. We continued to improve how we manage incidents, monitor staff working alone or remotely, and manage contractor health and safety. Our team reviewed contractor management processes and overlapping duty requirements, aligning our expectations with the level of risk and making them clearer for contractors and suppliers.

Engaging with ORC's health and safety representatives and building stronger connections with health and safety professionals from other councils supported delivery. Work was carefully prioritised to maintain continuity through team changes, while also supporting the Aonui move.

## Human resources

A new human resources information system implemented in the 2025/26 year makes our processes for recruitment, induction, learning, performance management and employee exits more efficient, transparent and accessible. Implementing this system was a significant undertaking, alongside the team's day-to-day responsibilities.

The team supported the transition to Aonui through change-management activities and developed office etiquette guidelines.

Given the uncertainty arising from proposed local government reform, we continued to focus on staff retention. Results from the 2025 employee engagement survey indicated a positive organisational culture: 81% of staff said they would recommend ORC as a great place to work, while 71% said they felt proud to work for ORC. Turnover among permanent staff continued to fall, reaching 11.7% for the 12 months to 30 June 2026.

## Corporate support and records and information management

The Corporate Support team makes sure staff have the resources, equipment and services they need to carry out their roles safely and effectively.

A key achievement during the 2025/26 year was the successful completion of ORC's retention and disposal programme ahead of the move into Aonui. This project transformed the way the organisation manages information, reducing our reliance on physical records and preserving Council information while making it more accessible and secure.

## 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 2025/26 year saw continued improvements and efficiencies with new systems and processes.




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 | Result 2025-26 | 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. | ✓ Self- assessment in June each year. |

In the period 1 July 2025 – 30 June 2026 the following projects were initiated at RSHL.

**Regional Sector Preparedness for Managing Avian Flu risk**

In December 2025 the board approved an agreement with BioSecurity NZ for $3M in funding to support regional preparedness for the Avian Influenza.

Under the agreement:

· RSHL will host the project, and the project will be delivered using our delivery framework.

· The project team will comprise of a contract project manager and members of Te Uru Kahika Bio-Managers Working Group.

· The project will operate within the RSHL control framework and report to the sector OneHealth governance group.

| Target | Result 2025-26 | Result 2024-25 |
|---|---|---|
| All programmes will have an effective governance structure appropriate to the size and complexity of the programme. | Self- assessment in June each year. | Self- assessment in June each year. |

In the period 1 July 2025– 31 December 2025 all projects/programmes operated governance structures as agreed with participating councils, and in accordance with the RSHL Governance Framework.

| Programme | Governance Structure |
|---|---|
| IRIS NextGen | • RSHL Board governance oversight<br>• Council appointed Steering Group with representatives from each council. |
| IRIS | • RSHL Board governance oversight<br>• Council appointed Advisory Group with representatives from each council. |
| HPAI Preparedness | • RSHL Board governance operational oversight<br>• OneHealth Governance strategic oversight<br>• RSHL oversight of financial activity according to RSHL policy.<br>• Steering Group appointed by RSHL, Te Uru Kahika and BioSecurity NZ |
| Tūhono Taiao site transition | • As the project is still in the initiation phase, the governance group is not yet established. |

Statement of Service Provision

| Target | Result 2025-26 | 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. | Self- assessment in June each year. | Self- assessment in June each year. |

| Programme | Governance Structure |
|---|---|
| IRIS NextGen | The IRIS NextGen Programme Budget was updated and endorsed by the Steering Group in February, for inclusion in the Draft Statement of Intent.<br>The final unchanged budget was endorsed by the Steering Group in June for inclusion in the Statement of Intent. |
| IRIS | The IRIS Programme Budget was updated and endorsed by the Advisory Group in February, for inclusion in the Draft Statement of Intent.<br>Participating councils had the budget approved by a staff member with appropriate delegation.<br>The final unchanged budget was endorsed by the Advisory Group in June for inclusion in the Statement of Intent. |
| HPAI Preparedness | HPAI Preparedness is a one-off project. Planning and budgeting was completed by the project team prior to execution of the agreement.<br>The plan and budget were refined over time as the requirements of each region are understood.<br>Scope was tightly managed to ensure alignment with the funding and timing requirements of MPI, who funded the work. |

**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 | Result 2025-26 | Result 2024-25 |
|---|---|---|
| All programmes will meet agreed delivery targets set by the programme governance group each year. | November each year. | Self- assessment in June each year. |
| Annual performance surveys will be completed with participating councils. Survey feedback will be considered and actioned where appropriate – including sharing feedback with the Board. | November each year. | November each year. |

# Financial

**PERFORMANCE STATEMENT:**

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

| Target | Result 2025-26 | Result 2024-25 |
|---|---|---|
| We will operate within approved budget, with any material variations approved by the board. | Assessed at year-end. | Assessed at year-end. |

Financial Reports are reviewed at each board meeting, including Statements of Financial Performance for each activity. Material variances are reported to the board for review.

As noted in the foreword, Revenue was favourable to budget. Council contributions to programmes are generally as budgeted or less. We have collected additional funding for new projects including supporting national preparedness for HPAI.

Operating expenditure is slightly less than budgeted. This is due to timing variances across multiple projects.

| Target | Result 2025-26 | Result 2024-25 |
|---|---|---|
| We will meet all statutory governance and reporting deadlines. | Assessed in July for the previous year. | Assessed in July for the previous year. |

| Target | Result 2025-26 | Result 2024-25 |
|---|---|---|
| The board will operate according to the Institute of Directors' Code of Practice. | Self- assessment to be completed in June for the previous financial year. | Self- assessment to be completed in June for the previous financial year. |

To be assessed in June. Note that in the previous 6 months the board has developed and adopted a charter and Code of Conduct to underpin their commitment to operate according to the IoD Code of Practice.


Financial Statements
Financial Statements

# Funding Impact Statements for Otago Regional Council

## Council Funding Impact Statement for the year ended 30 June 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Annual Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Sources of Operating Funding** | | | | |
| General rates, uniform annual general charge, rates penalties | 29,046 | 29,175 | 31,160 | 31,167 |
| Targeted rates | 35,846 | 35,931 | 37,306 | 37,295 |
| Subsidies and grants for operating purposes | 21,991 | 26,331 | 25,162 | 27,586 |
| Fees and charges | 4,364 | 8,063 | 13,621 | 17,651 |
| Interest and dividends from investments | 27,765 | 27,313 | 27,587 | 29,085 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 10,136 | 8,470 | 3,066 | 694 |
| **Total Sources of Operating Funding ( A )** | **129,148** | **135,283** | **137,902** | **143,478** |
| **Applications of Operating Funding** | | | | |
| Payments to staff and suppliers | 118,109 | 120,677 | 132,094 | 114,138 |
| Finance costs | 9,574 | 7,987 | 5,464 | 6,484 |
| Other operating funding applications | 75 | - | - | 12,501 |
| **Total Applications of Operating Funding ( B )** | **127,758** | **128,664** | **137,558** | **133,123** |
| **Surplus (Deficit) of Operating Funding ( A - B )** | **1,390** | **6,619** | **344** | **10,355** |
| **Sources of Capital Funding** | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 5,000 | - | 24,700 | - |
| Gross proceeds from sale of assets | 500 | 5,838 | 5,846 | 146 |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| **Total Sources of Capital Funding ( C )** | **5,500** | **5,838** | **30,546** | **146** |
| **Applications of Capital Funding** | | | | |
| To meet additional demand | - | - | - | - |
| To improve level of service | 2,625 | 1,750 | 1,211 | 1,361 |
| To replace existing assets | 16,368 | 10,249 | 19,345 | 13,931 |
| Increase/(Decrease) in reserves | (12,103) | 458 | (9,613) | (4,791) |
| Increase/(Decrease) in investments | - | - | 19,947 | - |
| **Total Applications of Capital Funding ( D )** | **6,890** | **12,457** | **30,890** | **10,501** |
| **Surplus/(Deficit) of Capital Funding ( C - D )** | **(1,390)** | **(6,619)** | **(344)** | **(10,355)** |
| **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 of 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 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Annual Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Surplus/(deficit) of operating funding in Funding Impact Statement** | **1,390** | **6,619** | **344** | **10,355** |
| **Add/(Deduct)** | | | | |
| Increase/(Decrease) in the fair value of investment property | - | 150 | - | 825 |
| Increase/(Decrease) in the fair value of investment portfolio | - | 1,782 | 3,461 | 2,800 |
| Gain/(Loss) on disposal of assets | - | 4,703 | - | 147 |
| Depreciation and amortisation | (3,302) | (3,853) | (3,075) | (3,220) |
| Impairment (loss)/reversal on property plant and equipment | - | - | - | - |
| Write-off of property plant and equipment work in progress | - | - | - | - |
| Other | 1,493 | (155) | - | (17) |
| **Surplus/(Deficit) before taxation in Statement of Comprehensive Revenue and Expense** | **(419)** | **9,246** | **730** | **10,890** |

## Schedule of Capital Expenditure

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Annual Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **REGIONAL LEADERSHIP** | | | | |
| Regulatory | 158 | 5 | 21 | 32 |
| Regional Planning | 21 | 1 | - | - |
| Governance and Community Engagement | 35 | 12 | - | - |
| **ENVIRONMENTAL** | | | | |
| Land and Water | 530 | 724 | 542 | 671 |
| Biodiversity and Biosecurity | 100 | 8 | 161 | 119 |
| Air | 150 | 174 | 153 | 290 |
| **CLIMATE CHANGE AND RESILIENCE** | | | | |
| Emergency Management | - | - | - | |
| Natural Hazards and Climate Change | - | - | - | |
| Flood Protection / Drainage - All Schemes | 3,230 | 2,592 | 7,379 | 3,336 |
| River Management - All Schemes | 1,395 | - | 618 | - |
| **TRANSPORT** | | | | |
| Transport | - | - | - | 168 |
| **COUNCIL ORGANISATION** | | | | |
| Property, Plant and Sundry | 9,950 | 7,266 | 9,970 | 9,749 |
| Motor Vehicles | 800 | 807 | 818 | 483 |
| Information Systems | 2,625 | 392 | 894 | 445 |
| **TOTAL** | 18,994 | 11,981 | 20,556 | 15,293 |

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 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Long Term Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Sources of Operating Funding** | | | | |
| General rates, uniform annual general charge, rates penalties | 23,346 | 23,424 | 25,948 | 26,301 |
| Targeted rates (other than a targeted rate for water supply) | 1,049 | 1,050 | 1,184 | 885 |
| Subsidies and grants for operating purposes | 225 | 298 | 75 | 110 |
| Fees, charges and targeted rates for water supply | 3,909 | 4,842 | 4,258 | 6,076 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | 260 | 115 | 260 | 68 |
| **Total Sources of Operating Funding ( A )** | **28,789** | **29,729** | **31,725** | **33,440** |
| **Applications of Operating Funding** | | | | |
| Payments to staff and suppliers | 22,272 | 21,722 | 24,070 | 24,210 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 6,428 | 6,567 | 7,851 | 7,875 |
| Other operating funding applications | 5 | - | 5 | - |
| **Total Applications of Operating Funding ( B )** | **28,705** | **28,289** | **31,926** | **32,085** |
| **Surplus (Deficit) of Operating Funding ( A - B )** | **84** | **1,440** | **(201)** | **1,355** |
| **Sources of Capital Funding** | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | - | - | - | - |
| Gross proceeds from sale of assets | - | - | - | 19 |
| Lump sum contributions | - | - | - | - |
| Other dedicated capital funding | - | - | - | - |
| **Total Sources of Capital Funding ( C )** | **-** | **-** | **-** | **19** |
| **Applications of Capital Funding** | | | | |
| To meet additional demand | - | - | - | - |
| To improve level of service | 175 | 8 | 54 | 32 |
| To replace existing assets | 38 | 10 | 29 | - |
| Increase / (Decrease) in reserves | (130) | 1,422 | (286) | 1,342 |
| Increase / (Decrease) in investments | - | - | - | - |
| **Total Applications of Capital Funding ( D )** | **83** | **1,440** | **(203)** | **1,374** |
| **Surplus/(Deficit) of Capital Funding ( C - D )** | **(83)** | **(1,440)** | **203** | **(1,355)** |
| **Funding Balance ((A – B) + (C – D))** | - | - | - | - |

# Funding Impact Statement: Environment

## Funding Impact Statement for the year ended 30 June 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Long Term Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Sources of Operating Funding** | | | | |
| General rates, uniform annual general charge, rates penalties | 17,003 | 17,076 | 18,346 | 17,785 |
| Targeted rates (other than a targeted rate for water supply) | 10,498 | 10,542 | 14,400 | 10,558 |
| Subsidies and grants for operating purposes | 2,886 | 4,058 | 2,831 | 3,513 |
| Fees, charges and targeted rates for water supply | - | 1,332 | - | 83 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | - | - | - | - |
| **Total Sources of Operating Funding ( A )** | **30,387** | **33,008** | **35,577** | **31,939** |
| **Applications of Operating Funding** | | | | |
| Payments to staff and suppliers | 24,957 | 25,721 | 28,991 | 22,258 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 5,123 | 5,221 | 6,237 | 5,658 |
| Other operating funding applications | - | - | - | - |
| **Total Applications of Operating Funding ( B )** | **30,080** | **30,942** | **35,228** | **27,916** |
| **Surplus (Deficit) of Operating Funding ( A - B )** | **307** | **2,066** | **349** | **4,023** |
| **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 | 355 | 601 | 519 | 713 |
| To replace existing assets | 425 | 305 | 436 | 366 |
| Increase / (Decrease) in reserves | (474) | 1,160 | (607) | 2,944 |
| Increase / (Decrease) in investments | - | - | - | - |
| **Total Applications of Capital Funding ( D )** | **306** | **2,066** | **348** | **4,023** |
| **Surplus/(Deficit) of Capital Funding ( C - D )** | **(306)** | **(2,066)** | **(348)** | **(4,023)** |
| **Funding Balance ((A – B) + (C – D))** | - | - | - | - |

# Funding Impact Statement:
# Climate Change and Resilience

## Funding Impact Statement for the year ended 30 June 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Long Term Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Sources of Operating Funding** | | | | |
| General rates, uniform annual general charge, rates penalties | 4,420 | 4,439 | 4,885 | 4,359 |
| Targeted rates (other than a targeted rate for water supply) | 10,984 | 11,017 | 11,692 | 11,607 |
| Subsidies and grants for operating purposes | 35 | 2,049 | 36 | 2,848 |
| Fees, charges and targeted rates for water supply | 326 | 815 | 340 | 870 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | 256 | 1 | 256 | 273 |
| **Total Sources of Operating Funding ( A )** | **16,021** | **18,321** | **17,209** | **19,957** |
| **Applications of Operating Funding** | | | | |
| Payments to staff and suppliers | 14,637 | 14,397 | 16,606 | 15,280 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 2,892 | 2,727 | 3,445 | 3,068 |
| Other operating funding applications | - | - | - | - |
| **Total Applications of Operating Funding ( B )** | **17,529** | **17,124** | **20,051** | **18,348** |
| **Surplus (Deficit) of Operating Funding ( A - B )** | **(1,508)** | **1,197** | **(2,842)** | **1,609** |
| **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 | 1,265 | 837 | 385 | 4 |
| To replace existing assets | 3,360 | 1,755 | 6,470 | 3,332 |
| Increase / (Decrease) in reserves | (6,133) | (1,395) | (9,697) | (1,727) |
| Increase / (Decrease) in investments | - | - | - | - |
| **Total Applications of Capital Funding ( D )** | **(1,508)** | **1,197** | **(2,842)** | **1,609** |
| **Surplus/(Deficit) of Capital Funding ( C - D )** | **1,508** | **(1,197)** | **2,842** | **(1,609)** |
| **Funding Balance ((A – B) + (C – D))** | - | - | - | - |

# Funding Impact Statement: Transport

## Funding Impact Statement for the year ended 30 June 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Long Term Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Sources of Operating Funding** | | | | |
| General rates, uniform annual general charge, rates penalties | 3,808 | 3,873 | 4,495 | 4,368 |
| Targeted rates (other than a targeted rate for water supply) | 13,315 | 13,322 | 14,404 | 14,250 |
| Subsidies and grants for operating purposes | 18,845 | 19,846 | 20,873 | 21,115 |
| Fees, charges and targeted rates for water supply | 7,098 | 1,074 | 7,671 | 10,622 |
| Internal charges and overheads recovered | - | - | - | - |
| Local authorities fuel tax, fines, infringement fees and other receipts | 502 | 7,331 | 576 | - |
| **Total Sources of Operating Funding ( A )** | **43,568** | **45,446** | **48,019** | **50,355** |
| **Applications of Operating Funding** | | | | |
| Payments to staff and suppliers | 40,347 | 42,308 | 44,585 | 45,303 |
| Finance costs | - | - | - | - |
| Internal charges and overheads applied | 930 | 943 | 1,141 | 871 |
| Other operating funding applications | - | - | - | - |
| **Total Applications of Operating Funding ( B )** | **41,277** | **43,251** | **45,726** | **46,174** |
| **Surplus (Deficit) of Operating Funding ( A - B )** | **2,291** | **2,195** | **2,293** | **4,181** |
| **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 | - | - | - | 139 |
| To replace existing assets | - | - | - | 29 |
| Increase / (Decrease) in reserves | 2,291 | 2,195 | 2,293 | 4,013 |
| Increase / (Decrease) in investments | - | - | - | - |
| **Total Applications of Capital Funding ( D )** | **2,291** | **2,195** | **2,293** | **4,181** |
| **Surplus/(Deficit) of Capital Funding ( C - D )** | **(2,291)** | **(2,195)** | **(2,293)** | **(4,181)** |
| **Funding Balance ((A – B) + (C – D))** | - | - | - | - |

# Funding Impact Statement: Council Organisation

## Funding Impact Statement for the year ended 30 June 2026

| $000s | Long Term Plan 2024/25 | Actual 2024/25 | Long Term Plan 2025/26 | Actual 2025/26 |
|---|---|---|---|---|
| **Sources of Operating Funding** | | | | |
| General rates, uniform annual general charge, rates penalties | (18,312) | (19,637) | (20,123) | (21,646) |
| Targeted rates (other than a targeted rate for water supply) | - | - | - | (5) |
| Subsidies and grants for operating purposes | - | 80 | - | - |
| Fees, charges and targeted rates for water supply | - | - | - | - |
| Internal charges and overheads recovered | 15,495 | 15,458 | 18,794 | 17,474 |
| Interest and dividends from investments | 27,765 | 27,313 | 27,635 | 29,085 |
| Local authorities fuel tax, fines, infringement fees and other receipts | 931 | 1,016 | 4,240 | 352 |
| **Total Sources of Operating Funding ( A )** | **25,879** | **24,230** | **30,546** | **25,260** |
| **Applications of Operating Funding** | | | | |
| Payments to staff and suppliers | 16,079 | 16,992 | 18,913 | 7,088 |
| Finance costs | 9,574 | 7,987 | 7,517 | 6,484 |
| Internal charges and overheads applied | - | - | 10 | - |
| Other operating funding applications | 10 | - | | 12,501 |
| **Total Applications of Operating Funding ( B )** | **25,663** | **24,979** | **26,440** | **26,073** |
| **Surplus (deficit) of operating funding ( A - B )** | **216** | **(749)** | **4,106** | **(813)** |
| **Sources of Capital Funding** | | | | |
| Subsidies and grants for capital expenditure | - | - | - | - |
| Development and financial contributions | - | - | - | - |
| Increase (decrease) in debt | 5,000 | - | 7,500 | - |
| Gross proceeds from sale of assets | 500 | 5,838 | 2,567 | 127 |
| Lump sum contributions | - | - | - | |
| Other dedicated capital funding | - | - | - | |
| **Total Sources of Capital Funding ( C )** | **5,500** | **5,838** | **10,067** | **127** |
| **Applications of Capital Funding** | | | | |
| To meet additional demand | - | - | - | |
| To improve level of service | 830 | 303 | 801 | 473 |
| To replace existing assets | 12,545 | 8,162 | 3,707 | 10,204 |
| Increase / (Decrease) in reserves | (7,659) | (3,376) | 9,665 | (11,363) |
| Increase / (Decrease) in investments | | | - | - |
| **Total Applications of Capital Funding ( D )** | **5,716** | **5,089** | **14,173** | **(686)** |
| **Surplus / (Deficit) of Capital Funding ( C - D )** | **(216)** | **749** | **(4,106)** | **813** |
| **Funding Balance ((A – B) + (C – D))** | **-** | **-** | **-** | **-** |




**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 care 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 2026 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 $70.644 million comprises an operating surplus for the year of $10.890 million and a revaluation gain of $59.754 million. The surplus of $10.890 million is $10.161 million greater than the budgeted surplus of $0.729 million.

The following major items contributed to this variance:

- Grants revenue and subsidies is $2.4250 million greater than budgeted revenue of $25.162 million. The main factors causing this variance are detailed below and were caused by budgets for these areas being set prior to the agreement of the funding agreements.
  - $1.039 million for LiDAR map scanning.
  - $0.896 million increase in grant funding received for wilding pine eradication, which was offset by increased operating expenditure on eradication work.
  - $1.177 million increase from budgeted revenue for NZTA Waka Kotahi for Total Mobility passenger transport services. This was partially offset by increased operational costs.

- Other revenue is $2.690 million greater than budget due to the following major items:
  - $0.510 million in Dunedin and $1.176 million in Queenstown of additional bus fare revenue.
  - Consent processing fees revenue was $1.495 million higher than budget; this includes $1.061 million of unbudgeted fast-track consent fees.
  - Lower Clutha Flood and Drainage Scheme increased revenue of $0.628 million for unbudgeted contribution to flood repair works.

- Finance costs were $1.020 million above budgeted expense due to higher 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 are $6.612 million below budgeted expenditure due to the following:
  - $3.857 million underspend in the Policy and Planning and Land and Water and $0.920 million in Science activities due to work in these activities being put on hold due to government reform.
  - $2.234 million underspend in Biodiversity large-scale environmental fund that has been deferred to 2026/27 financial year.
  - $1.413 million unbudgeted operating expenditure on Lower Clutha flood protection scheme to repair flood damage.

- Other gains/loss is $1.203 million below the budgeted gain of $4.958 million. The main factor causing this variance was the budgeting of the sale of Stafford Street property which was not ready for sale at the end of the financial year as originally budgeted.

### Revaluation gain

The revaluation gain of $59.754 million reflects the gain on the revaluation of the Council's shareholding in the Port Otago Limited Group at 30 June 2026 and is more than the gain of $29.649 million provided for in the budget by $56.996 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 $1,198 million is above budgeted assets of $1,135 million by $63.940 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 $47.12 million and are $11.43 million above the budget amount of $35.69 million.

- Shares in subsidiary: The valuation of the Council shareholding in Port Otago Limited at 30 June 2026 of $847.874 million was above the budgeted amount of $790.878 million.

- In the 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 $150 million to provide loan facilities for Port Otago Limited. Borrowings are held as current borrowing of $162.338 million and non-current borrowing of $15.00 million in the Statement of Financial Position. Borrowing with the NZLGFA was budgeted to be $184.088 million for Council and Port Otago Limited.

- All other assets and liabilities are in line with budget.

## Equity

Public Equity and reserves are $996.096 million, above the budgeted amount of $927.027 million by $69.069 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 2026 was $827.874 million, whereas the actual balance is $770.878 million.

- The surplus for the year of $10.890 million is $9.246 million above budget, which has increased public equity.

## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2026

| $000s | Notes | Council 2026 | Council Budget | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|---|---|
| **REVENUE FROM NON-EXCHANGE TRANSACTIONS** | | | | | | |
| Rates revenue | **1** | 68,462 | 68,467 | 65,106 | 68,280 | 64,945 |
| Grant revenue and subsidies | | 27,587 | 25,162 | 26,331 | 27,587 | 26,331 |
| Other revenue | **1** | 11,050 | 3,316 | 9,940 | 11,050 | 9,940 |
| **REVENUE FROM EXCHANGE TRANSACTIONS** | | | | | | |
| Dividends | **16** | 20,616 | 20,000 | 18,497 | 616 | 497 |
| Interest and investment revenue | | 7,436 | 6,090 | 8,816 | 2,291 | 2,678 |
| Other revenue | **1** | 8,327 | 13,371 | 6,593 | 143,725 | 138,792 |
| **TOTAL REVENUE** | | **143,478** | **136,406** | **135,283** | **253,549** | **243,183** |
| **EXPENDITURE** | | | | | | |
| Employee benefits expense | **2** | (43,543) | (42,388) | (40,158) | (89,422) | (87,846) |
| Depreciation and amortisation expense | **3** | (3,220) | (3,075) | (3,853) | (16,188) | (17,121) |
| Finance costs | **23** | (6,484) | (5,464) | (7,987) | (7,011) | (6,728) |
| Other expenses | **4** | (83,096) | (89,708) | (80,519) | (116,298) | (113,773) |
| **TOTAL OPERATING EXPENDITURE** | | **(136,343)** | **(140,635)** | **(132,517)** | **(228,919)** | **(225,468)** |
| Other gains/(losses) | **5** | 3,755 | 4,958 | 6,480 | 24,432 | 44,447 |
| Joint venture share of profit/(loss) | **18** | - | - | - | 47 | (369) |
| **SURPLUS/(DEFICIT) BEFORE TAX** | | **10,890** | **729** | **9,246** | **49,109** | **61,794** |
| Income tax benefit / (expense) | **6** | - | - | - | (9,472) | (10,559) |
| **SURPLUS/(DEFICIT) FOR THE YEAR** | | **10,890** | **729** | **9,246** | **39,637** | **51,235** |
| **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** | 59,754 | 29,649 | 55,400 | - | - |
| **Cashflow hedges:** | | | | | | |
| Unrealised movement in hedging interest rate swaps | | - | - | - | 246 | (1,755) |
| **TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE** | | **59,754** | **29,649** | **55,400** | **246** | **(1,755)** |
| **TOTAL COMPREHENSIVE REVENUE AND EXPENSE** | | **70,644** | **30,378** | **64,646** | **39,883** | **49,480** |

*The accompanying notes form part of these financial statements.*

## Statement of Financial Position as at 30 June 2026

| $000s | Notes | Council 2026 | Council Budget | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|---|---|
| **CURRENT ASSETS** | | | | | | |
| Cash and cash equivalents | **7** | 13,512 | 4,069 | 18,387 | 13,659 | 18,497 |
| Trade and other receivables | **8** | 15,068 | 18,812 | 16,054 | 30,153 | 33,052 |
| Other financial assets | **15** | 33,606 | 31,619 | 29,892 | 33,606 | 29,892 |
| Current related party receivable | **16** | 150,000 | 38,480 | 57,102 | - | - |
| Property held for sale | **17** | - | - | - | 6,859 | - |
| Other financial instruments | **24** | - | - | - | 619 | 870 |
| Income tax receivable | | - | - | - | 621 | - |
| Other current assets | | 3,815 | 3,350 | 1,281 | 6,979 | 4,154 |
| Borrower notes | **22** | 125 | - | 125 | 125 | 608 |
| **TOTAL CURRENT ASSETS** | | **216,126** | **96,330** | **122,841** | **92,621** | **87,073** |
| **NON-CURRENT ASSETS** | | | | | | |
| Shares in subsidiary | **16** | 847,874 | 790,878 | 788,120 | - | - |
| Property, plant and equipment | **11** | 116,473 | 138,705 | 104,523 | 404,631 | 374,128 |
| Intangible assets | **14** | 38 | - | 157 | 3,268 | 3,792 |
| Investment in joint venture | | - | - | - | 8,617 | 6,986 |
| Investment property inventories | **13** | - | - | - | 13,855 | 14,908 |
| Non-current related party receivable | **16** | - | 106,850 | 92,832 | - | - |
| Investment property | **12** | 17,825 | - | 17,000 | 685,059 | 678,820 |
| Other financial instruments | **24** | - | - | - | 420 | 574 |
| Borrower notes | **22** | 625 | 2,258 | 500 | 625 | 3,742 |
| **TOTAL NON-CURRENT ASSETS** | | **982,835** | **1,038,691** | **1,003,132** | **1,116,475** | **1,082,950** |
| **TOTAL ASSETS** | | **1,198,961** | **1,135,021** | **1,125,973** | **1,209,096** | **1,170,023** |

## Statement of Financial Position as at 30 June 2026

| $000s | Notes | Council 2026 | Council Budget | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|---|---|
| **CURRENT LIABILITIES** | | | | | | |
| Trade and other payables | **9** | 19,998 | 21,278 | 20,638 | 33,287 | 40,186 |
| Borrowings | **22** | 162,338 | 48,355 | 67,288 | 168,108 | 70,879 |
| Employee entitlements | **10** | 5,358 | 2,628 | 4,623 | 13,398 | 12,041 |
| Other financial instruments | **24** | 171 | - | 154 | 1,349 | 1,212 |
| Tax payable | | - | - | - | - | 2,936 |
| **TOTAL CURRENT LIABILITIES** | | **187,865** | **72,261** | **92,703** | **216,142** | **127,254** |
| **NON-CURRENT LIABILITIES** | | | | | | |
| Employee entitlements | **10** | - | - | - | 1,073 | 1,116 |
| Borrowings | **22** | 15,000 | 135,733 | 107,832 | 25,000 | 117,832 |
| Deferred tax liabilities | **34** | - | - | - | 31,179 | 27,261 |
| Other financial instruments | **24** | - | - | - | 922 | 1,676 |
| **TOTAL NON-CURRENT LIABILITIES** | | **15,000** | **135,733** | **107,832** | **58,174** | **147,885** |
| **TOTAL LIABILITIES** | | **202,865** | **207,994** | **200,535** | **274,316** | **275,139** |
| **NET ASSETS** | | **996,096** | **927,027** | **925,438** | **934,780** | **894,884** |
| **EQUITY** | | | | | | |
| Reserves | **19** | 862,791 | 795,554 | 811,316 | 439,004 | 446,390 |
| Public equity | **20** | 133,305 | 131,473 | 114,122 | 495,777 | 448,494 |
| **TOTAL EQUITY** | | **996,096** | **927,027** | **925,438** | **934,780** | **894,884** |

# Statement of Changes in Net Assets/Equity for the year ended 30 June 2026

| | TOTAL COUNCIL 2026 | | | | | |
|---|---|---|---|---|---|---|
| **$000s** | Opening Balance 1 July 2025 | Other Comp. Revenue and Expense | Transfers In | Transfers Out | Closing Balance 30 June 2026 | Council Budget |
| **EQUITY** | | | | | | |
| General Rate Equity | 69,226 | 10,890 | 88,791 | (84,617) | 84,290 | 99,579 |
| Targeted Rate Equity | 44,897 | - | 81,316 | (77,198) | 49,015 | 31,894 |
| **TOTAL PUBLIC EQUITY** | **114,122** | **10,890** | **170,107** | **(161,815)** | **133,305** | **131,473** |
| **RESERVES** | | | | | | |
| Asset Replacement Reserve | 8,112 | - | 2,358 | (6,855) | 3,615 | (6,263) |
| Asset Revaluation Reserve | 16,029 | - | 825 | - | 16,854 | 16,218 |
| Port Share Revaluation Reserve | 768,120 | 59,754 | - | - | 827,874 | 770,878 |
| Building Reserve | 7,516 | - | 162 | (4,654) | 3,024 | 2,965 |
| Emergency Response Reserve | 4,925 | - | 127 | - | 5,052 | 4,801 |
| Kuriwao Endowment Reserve | 6,614 | - | 191 | (433) | 6,372 | 6,955 |
| **TOTAL RESERVES** | **811,316** | **59,754** | **3,663** | **(11,942)** | **862,791** | **795,554** |
| **TOTAL EQUITY AND RESERVES** | **925,438** | **70,644** | **173,770** | **(173,757)** | **996,096** | **927,027** |

| | TOTAL GROUP 2026 | | | | |
|---|---|---|---|---|---|
| **$000s** | Opening Balance 1 July 2025 | Other Comp. Revenue and Expense | Transfers In | Transfers Out | Closing Balance 30 June 2026 |
| **EQUITY** | | | | | |
| General Rate Equity | 403,598 | 39,637 | 103,296 | (99,768) | 446,763 |
| Targeted Rate Equity | 44,897 | - | 81,316 | (77,198) | 49,015 |
| **TOTAL PUBLIC EQUITY** | **448,494** | **39,637** | **184,612** | **(176,966)** | **495,777** |
| **RESERVES** | | | | | |
| Asset Replacement Reserve | 8,112 | - | 2,358 | (6,855) | 3,615 |
| Asset Revaluation Reserve | 419,937 | - | 15,976 | (14,505) | 421,408 |
| Building Reserve | 7,516 | - | 162 | (4,654) | 3,024 |
| Emergency Response Reserve | 4,925 | - | 127 | - | 5,052 |
| Hedging Reserve | (713) | 246 | - | - | (467) |
| Kuriwao Endowment Reserve | 6,614 | - | 191 | (433) | 6,372 |
| **TOTAL RESERVES** | **446,390** | **246** | **18,814** | **(26,447)** | **439,004** |
| **TOTAL EQUITY AND RESERVES** | **894,883** | **39,883** | **203,426** | **(203,413)** | **934,780** |

*The accompanying notes form part of these financial statements.*

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

| | TOTAL COUNCIL 2025 | | | | | |
|---|---|---|---|---|---|---|
| **$000s** | Opening Balance 1 July 2024 | Other Comp. Revenue and Expense | Transfers In | Transfers Out | Closing Balance 30 June 2025 | Council Budget |
| **EQUITY** | | | | | | |
| General Rate Equity | 59,586 | 9,246 | 96,365 | (95,971) | 69,226 | 80,514 |
| Targeted Rate Equity | 42,881 | - | 88,443 | (86,426) | 44,897 | 40,062 |
| **TOTAL PUBLIC EQUITY** | **102,467** | **9,246** | **184,807** | **(182,397)** | **114,122** | **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 |
| Kuriwao Endowment Reserve | 7,291 | - | 205 | (882) | 6,614 | 6,396 |
| Environmental Enhancement Reserve | - | - | - | - | - | - |
| **TOTAL RESERVES** | **758,326** | **55,400** | **7,880** | **(10,290)** | **811,316** | **784,868** |
| **TOTAL EQUITY AND RESERVES** | **860,793** | **64,646** | **192,687** | **(192,687)** | **925,438** | **905,444** |

| | TOTAL GROUP 2025 | | | | |
|---|---|---|---|---|---|
| **$000s** | Opening Balance 1 July 2024 | Other Comp. Revenue and Expense | Transfers In | Transfers Out | Closing Balance 30 June 2025 |
| **EQUITY** | | | | | |
| General Rate Equity | 360,553 | 51,235 | 96,365 | (104,555) | 403,598 |
| Targeted Rate Equity | 42,881 | - | 88,443 | (86,426) | 44,897 |
| **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 |
| Available for Sale 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) |
| 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** | **225,662** | **(225,661)** | **894,883** |

*The accompanying notes form part of these financial statements.*

## Cash Flow Statement for the year ended 30 June 2026

| $000s | Council 2026 | Council Budget | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| **Receipts from exchange transactions** | | | | | |
| Receipts from customers | 69,237 | 68,467 | 70,789 | 200,435 | 157,032 |
| Grant income and subsidies | 27,587 | 25,162 | 26,331 | 27,587 | 26,331 |
| Other receipts | 11,050 | 3,321 | 9,940 | 11,050 | 9,940 |
| **Receipts from non-exchange transactions** | | | | - | |
| Interest and investment income | 7,012 | 6,090 | 8,260 | 7,012 | 8,260 |
| Rental income | 1,306 | - | 997 | 1,306 | 41,785 |
| Dividends | 20,000 | 20,000 | 18,000 | - | - |
| Other receipts | 7,104 | 13,371 | 1,042 | 7,802 | 1,042 |
| Payments to suppliers and employees | (128,810) | (132,095) | (118,284) | (203,884) | (193,822) |
| Interest and other costs of finance paid | (6,484) | (5,464) | (7,987) | (10,017) | (13,256) |
| Income tax received/(paid) | - | - | - | (9,207) | (11,543) |
| Donations | - | - | (350) | - | (350) |
| **NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES** | **8,002** | **(1,148)** | **8,738** | **32,084** | **25,419** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Interest capitalised | - | - | - | (1,876) | (1,870) |
| Proceeds from the sale of property, plant and equipment | 388 | 5,846 | 189 | 1,062 | 10,429 |
| Proceeds from the sale of intangibles | - | - | 150 | - | 150 |
| Proceeds from sale of held for sale asset | - | - | 7,900 | - | 7,900 |
| Insurance proceeds | - | - | - | - | 602 |
| Sale of investment property | - | - | - | 20,043 | 32,604 |
| Advance to joint venture | - | - | - | (1,585) | (7,355) |
| Proceeds from other financial assets | - | (750) | 102 | - | 102 |
| Purchase of improvements to investment property | - | - | - | (16,518) | (30,436) |
| Purchase of Property, Plant and Equipment | (15,292) | (17,931) | (11,982) | (46,045) | (53,878) |
| Purchase of intangible assets | - | (2,625) | (166) | - | (166) |
| **NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES** | **(14,904)** | **(15,460)** | **(3,807)** | **(44,919)** | **(41,918)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Proceeds from borrowings | 120,451 | 24,700 | 36,233 | 191,711 | 57,147 |
| Lending to Port Otago Ltd | (43,150) | (17,700) | (36,381) | - | - |
| Repayment of borrowings | (75,274) | - | - | (183,714) | (35,810) |
| **NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES** | **2,027** | **7,000** | **(148)** | **7,997** | **21,337** |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | **(4,875)** | **(9,608)** | **4,783** | **(4,838)** | **4,838** |
| **CASH AND CASH EQUIVALENTS AS AT 1 JULY** | 18,387 | 13,677 | 13,604 | 18,497 | 13,659 |
| **CASH AND CASH EQUIVALENTS AS AT 30 JUNE** | **13,512** | **4,069** | **18,387** | **13,659** | **18,497** |

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

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **SURPLUS / (DEFICIT) FOR THE YEAR** | **10,890** | **9,246** | **39,637** | **51,235** |
| **ADD / (LESS) NON-CASH ITEMS** | | | | |
| Depreciation and amortisation | 3,220 | 3,853 | 16,740 | 17,121 |
| (Gain)/loss on sale of property, plant and equipment | (147) | (4,703) | (5,786) | (10,884) |
| Provision for doubtful debts and bad debts written off | 128 | 44 | 128 | 44 |
| (Gain)/loss on revaluation of investment property | (825) | (150) | (15,976) | (33,124) |
| Net change in fair value of derivative financial instruments | 17 | 155 | 131 | 1,343 |
| Net change in fair value of financial instruments | (2,800) | (1,782) | (2,800) | (1,782) |
| Net change in other financial assets | (1,030) | (973) | (1,030) | - |
| Proceeds from sale of investment property | - | - | - | - |
| Share of surpluses retained by joint ventures | - | - | (47) | 369 |
| Unrealised foreign currency (gains) losses | - | - | - | - |
| Movement in non-current employee entitlements | - | - | (45) | 102 |
| Deferred tax | - | - | 3,822 | 2,309 |
| | **9,453** | **6,663** | **34,774** | **26,733** |
| Add/(less) items classified as investing or financing activities | - | 0 | 6,634 | (6,806) |
| Add/(less) movements in working capital items | (1,451) | 3,048 | (9,324) | 5,493 |
| | **(1,451)** | **2,075** | **(2,690)** | **(1,313)** |
| **NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES** | **8,002** | **8,738** | **32,084** | **25,420** |

## Reconciliation of Surplus to Net Cash Flows from Financing Activities

| Reconciliation of Surplus for the year to Net Cash Flows from Financing Activities | Council | Council | Group | Group |
|---|---|---|---|---|
| **$000s** | **Council 2026** | **Council 2025** | **Group 2026** | **Group 2025** |
| **BORROWING** | | | | |
| Opening Balance | 175,120 | 138,887 | 186,949 | 165,612 |
| Proceeds from borrowings | 120,451 | 36,233 | 191,711 | 57,147 |
| Lending to Port Otago Ltd | (43,150) | - | - | - |
| Repayment of borrowings | (75,083) | (36,381) | (183,714) | (35,810) |
| **Interest bearing liabilities balance as at 30 June** | **177,338** | **175,120** | **194,946** | **186,949** |

# 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 2026 and were authorised for issue by Council on 28 October 2026.

### 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 2026 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




Albert Town Lagoon

**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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Revenue from exchange transactions** | | | | |
| Port Revenue | - | - | 100,030 | 99,586 |
| Consents and regulatory fees | 6,036 | 4,269 | 6,031 | 4,233 |
| Investment property rental income | 1,306 | 997 | 36,679 | 33,647 |
| Other property rental income | 715 | 1,327 | 714 | 1,326 |
| Other revenue | 270 | - | 270 | - |
| | **8,327** | **6,593** | **143,724** | **138,792** |
| **Revenue from non-exchange transactions** | | | | |
| Consents and regulatory fees | 60 | 164 | 60 | 164 |
| Other activity fees and charges | 10,990 | 9,776 | 10,990 | 9,776 |
| | **11,050** | **9,940** | **11,050** | **9,940** |

## Rates Revenue

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Rate revenue:** | | | | |
| General rates | 31,167 | 29,181 | 31,130 | 29,147 |
| Targeted rates | 37,295 | 35,925 | 37,150 | 35,798 |
| | **68,462** | **65,106** | **68,280** | **64,945** |

# 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Employee benefits expense:** | | | | |
| Salaries and wages | 41,163 | 38,221 | 84,618 | 85,909 |
| Defined Contribution Plans | 1,981 | 1,638 | 4,405 | 1,638 |
| Termination payments | 399 | 299 | 399 | 299 |
| | **43,543** | **40,158** | **89,422** | **87,846** |

# 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Depreciation and Amortisation** | | | | |
| Depreciation of property plant and equipment | 3,101 | 3,436 | 15,664 | 16,167 |
| Amortisation of intangible assets | 119 | 417 | 524 | 954 |
| | **3,220** | **3,853** | **16,188** | **17,121** |

## 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 2025/26 | Budget 2025/26 | Actual 2024/25 | Budget 2024/25 |
|---|---|---|---|---|
| **Depreciation and Amortisation** | | | | |
| Environment | 496 | 526 | 434 | 391 |
| Regional Leadership | 138 | 109 | 268 | 131 |
| Climate Change and Resilience * | 890 | 832 | 902 | 916 |
| Transport | 323 | 181 | 714 | 673 |
| Corporate | 1,373 | 1,467 | 1,535 | 1,191 |
| | **3,220** | **3,115** | **3,853** | **3,302** |

# 4. Other Expenses

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Other expenses** | | | | |
| Net bad and doubtful debts | - | - | 133 | - |
| Donations | 350 | 350 | 595 | 932 |
| Company Directors' remuneration | - | - | 622 | 622 |
| Minimum lease payments | 1,539 | 769 | 4,790 | 1,183 |
| Fuel and Electricity | 794 | 684 | 5,717 | 5,082 |
| Purchased materials and services | 77,283 | 75,904 | 101,310 | 103,142 |
| Other | 3,131 | 2,812 | 3,131 | 2,812 |
| | **83,096** | **80,518** | **116,298** | **113,773** |

## Remuneration of Auditors

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Audit fees for financial statements audit | 247 | 247 | 247 | 247 |
| Other Services- Internal review | - | 98 | - | 98 |
| Other services - Debenture Trust Reporting | 6 | 6 | 6 | 6 |
| | **253** | **351** | **253** | **351** |
| Audit fees to other auditors for audit of financial statements of group entities | - | - | 212 | 249 |
| Audit fees to other auditors for other services to group activities | - | - | - | - |
| | - | - | 212 | 249 |
| | **253** | **351** | **465** | **600** |

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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Other Gains / (Losses)** | | | | |
| Gain / (loss) on revaluation of investment property | 825 | 150 | 15,976 | 33,124 |
| Gain / (loss) on disposal of property, plant and equipment | 147 | 4,703 | 5,787 | 10,884 |
| Net change in fair value of financial assets carried at fair value through the profit and loss | 2,800 | 1,782 | 2,800 | 1,782 |
| Fair value change in forward start interest rate swaps | (17) | (155) | (131) | (1,343) |
| | **3,755** | **6,480** | **24,432** | **44,447** |
| **GAINS** | **3,772** | **6,634** | **24,563** | **45,790** |
| **LOSSES** | **(17)** | **(154)** | **(131)** | **(1,343)** |

# 6. Income Taxes

## Income Tax Recognised in Statement of Comprehensive Revenue and Expense

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **INCOME TAX (EXPENSE) / BENEFIT COMPRISES:** | | | | |
| Current year - current tax | - | - | (5,458) | (8,249) |
| Current year - deferred tax | - | - | (4,014) | (2,310) |
| **INCOME TAX (EXPENSE) / BENEFIT REPORTED IN THE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE** | **-** | **-** | **(9,472)** | **(10,559)** |
| **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 | 10,890 | 9,246 | 49,109 | 61,793 |
| | **10,890** | **9,246** | **49,109** | **61,793** |
| Income tax expense (credit) calculated at 28% | 3,049 | 2,589 | 13,751 | 17,302 |
| Non-deductible expenses | 38,176 | 37,105 | 38,245 | 38,365 |
| Non-assessable income | (35,625) | (34,654) | (37,107) | (37,570) |
| Unrealised change in investment property | - | - | (5,243) | (7,414) |
| Deferred tax expense relating to the origination and reversal of temporary differences | - | - | - | 5 |
| Tax loss not previosuly recognised | - | - | 4 | - |
| Prior period adjustment | - | - | (156) | (129) |
| Imputation credits utilised | (5,600) | (5,040) | | - |
| | **-** | **-** | **9,494** | **10,559** |

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 2026 | Group 2025 |
|---|---|---|
| **BALANCE AT END OF YEAR** | **76,924** | **73,986** |




**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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **CASH AND CASH EQUIVALENTS:** | | | | |
| Cash at bank and on hand | 13,512 | 18,378 | 13,659 | 18,497 |
| Term deposits with maturities less than 3 months | | - | - | - |
| | **13,512** | **18,378** | **13,659** | **18,497** |

# 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS** | | | | |
| Trade receivables | 6,633 | 5,679 | 21,795 | 22,677 |
| Expected credit loss allowance | - | - | - | - |
| | **6,633** | **5,679** | **21,795** | **22,677** |
| Sundry accruals | - | - | - | - |
| Goods and Services Tax receivable | 1,907 | 1,052 | 1,906 | 1,052 |
| | **8,540** | **6,731** | **23,701** | **23,729** |
| **TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS** | | | | |
| Trade receivables | 4,240 | 8,373 | 4,164 | 8,373 |
| Expected credit loss allowance | (61) | (189) | (61) | (189) |
| | **4,179** | **8,184** | **4,103** | **8,184** |
| Accrued income | 2,349 | 1,139 | 2,349 | 1,139 |
| | **6,528** | **9,323** | **6,452** | **9,323** |
| TOTAL | **15,068** | **16,054** | **30,153** | **33,052** |

*(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 (2025: Nil)

Section 90 B Nil (2025: 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Trade payables for Exchange transactions | 10,767 | 11,369 | 15,678 | 30,913 |
| Other accrued charges | 9,231 | 9,269 | 17,609 | 9,273 |
| | **19,998** | **20,638** | **33,287** | **40,186** |

*(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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Accrued salary and wages | 1,797 | 1,527 | 4,298 | 3,335 |
| Annual leave | 3,561 | 3,096 | 8,894 | 8,527 |
| Long service leave | - | - | 1,048 | 1,085 |
| Retiring allowances | - | - | 25 | 31 |
| Sick leave | - | - | 206 | 179 |
| | **5,358** | **4,623** | **14,471** | **13,157** |
| **Disclosed in the financial statements as:** | | | | |
| Current | 5,358 | 4,623 | 13,398 | 12,041 |
| Non-current | - | - | 1,073 | 1,116 |
| | **5,358** | **4,623** | **14,471** | **13,157** |




**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 2026

| $000s | Cost 01 July 2025 | Additions | Disposals | Transfers | Reclass | Cost 30 June 2026 |
|---|---|---|---|---|---|---|
| **COUNCIL OPERATIONAL ASSETS** | | | | | | |
| Land | 9,200 | - | - | - | - | 9,200 |
| Endowment Land | 250 | - | - | - | - | 250 |
| Buildings | 7,871 | 1,618 | (153) | - | - | 9,336 |
| Plant and Vehicles | 15,473 | 1,896 | (1,176) | - | - | 16,193 |
| Capital Work-in-Progress | 8,553 | 8,109 | - | - | - | 16,662 |
| **TOTAL OPERATIONAL ASSETS** | **41,347** | **11,623** | **(1,329)** | **-** | **-** | **51,641** |
| **COUNCIL INFRASTRUCTURAL ASSETS** | | | | | | |
| Floodbanks | 31,731 | 444 | - | - | - | 32,175 |
| Protection Works | 9,741 | | - | - | - | 9,741 |
| Structures | 42,245 | 209 | - | - | - | 42,454 |
| Drains | 3,769 | - | - | - | - | 3,769 |
| Bridges | 2,924 | 959 | (48) | - | - | 3,835 |
| Culverts | 2,165 | - | - | - | - | 2,165 |
| Transport Infrastructure & Hardware | 5,638 | 168 | - | - | - | 5,806 |
| Capital Work-in-Progress | 4,160 | 1,724 | - | - | - | 5,884 |
| **TOTAL INFRASTRUCTURAL ASSETS** | **102,373** | **3,504** | **(48)** | **-** | **-** | **105,829** |
| **TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT** | **143,720** | **15,127** | **(1,377)** | **-** | **-** | **157,470** |

## COUNCIL 2026

| $000s | Accumulated Depreciation and Impairment Charges 01 July 2025 | Impairment Charges | Depreciation Expense | Accumulated Depreciation Reversed on Disposal | Reclass | Accumulated Depreciation and Impairment Charges 30 June 2026 | Book Value 30 June 2026 |
|---|---|---|---|---|---|---|---|
| **COUNCIL OPERATIONAL ASSETS** | | | | | | | |
| Land | - | - | - | - | - | - | 9,200 |
| Endowment Land | - | - | - | - | - | - | 250 |
| Buildings | (3,375) | - | (206) | 131 | - | (3,450) | 5,886 |
| Plant and Vehicles | (7,871) | - | (1,755) | 1,125 | | (8,501) | 7,689 |
| Capital Work-in-Progress | - | - | - | - | - | - | 16,662 |
| **TOTAL OPERATIONAL ASSETS** | **(11,246)** | **-** | **(1,961)** | **1,256** | **-** | **(11,951)** | **39,687** |
| **COUNCIL INFRASTRUCTURAL ASSETS** | | | | | | | |
| Floodbanks | (1,000) | - | - | - | - | (1,000) | 31,175 |
| Protection Works | - | - | - | - | - | - | 9,741 |
| Structures | (21,750) | - | (763) | - | - | (22,513) | 19,941 |
| Drains | - | - | - | - | - | - | 3,769 |
| Bridges | (1,184) | - | (70) | 48 | - | (1,206) | 2,629 |
| Culverts | - | - | - | - | - | - | 2,165 |
| Transport Infrastructure & Hardware | (4,017) | - | (307) | - | - | (4,324) | 1,482 |
| Capital Work-in-Progress | - | - | - | - | - | - | 5,884 |
| **TOTAL INFRASTRUCTURAL ASSETS** | **(27,951)** | **-** | **(1,140)** | **48** | **-** | **(29,043)** | **76,786** |
| **TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT** | **(39,197)** | **-** | **(3,101)** | **1,304** | **-** | **(40,994)** | **116,473** |

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.

## 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 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 2026

| $000s | Cost 01 July 2025 | Additions | Disposals | Transfers | Reclass to intangible | Cost 30 June 2026 |
|---|---|---|---|---|---|---|
| **OPERATIONAL ASSETS** | | | | | | |
| Land | 9,200 | - | - | - | - | 9,200 |
| Endowment Land | 250 | - | - | - | - | 250 |
| Buildings | 7,871 | 47 | (153) | 1,571 | - | 9,336 |
| Plant and Vehicles | 15,473 | 1,574 | (1,176) | 322 | - | 16,193 |
| Capital Work-in-Progress | 8,553 | 10,188 | - | (1,893) | (70) | 16,775 |
| Land- Port | 38,088 | - | - | 2,176 | - | 40,264 |
| Buildings and improvements- Port | 120,174 | - | (26) | 13,772 | - | 133,920 |
| Wharves and berths dredging- Port | 102,036 | - | - | 384 | - | 102,420 |
| Plant, Equipment and vehicles- Port | 125,334 | - | (5,436) | 17,381 | - | 137,279 |
| Capital work in progress- Port | 36,225 | 31,363 | | (33,713) | - | 33,875 |
| **TOTAL OPERATIONAL ASSETS** | **463,204** | **43,172** | **(6,791)** | **-** | **(70)** | **499,512** |
| **INFRASTRUCTURAL ASSETS** | | | | | | |
| Floodbanks | 31,731 | - | - | 444 | - | 32,175 |
| Protection Works | 9,741 | - | - | - | - | 9,741 |
| Structures | 42,245 | 209 | - | - | - | 42,454 |
| Drains | 3,769 | - | - | - | - | 3,769 |
| Bridges | 2,924 | - | (48) | 959 | - | 3,835 |
| Culverts | 2,165 | - | - | - | - | 2,165 |
| Transport Infrastructure & Hardware | 5,638 | 168 | - | - | - | 5,806 |
| Capital Work-in-Progress | 4,160 | 3,018 | - | (1,403) | - | 5,771 |
| **TOTAL INFRASTRUCTURAL ASSETS** | **102,373** | **3,395** | **(48)** | **-** | **-** | **105,716** |
| **TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT** | **565,577** | **46,567** | **(6,839)** | **-** | **(70)** | **605,228** |

## GROUP 2026

| $000s | Accumulated Depreciation and Impairment Charges 01 July 2025 | Impairment Charges | Depreciation Expense | Accumulated Depreciation Reversed on Disposal | Reclass | Accumulated Depreciation and Impairment Charges 30 June 2026 | Book Value 30 June 2026 |
|---|---|---|---|---|---|---|---|
| **OPERATIONAL ASSETS** | | | | | | | |
| Land | - | - | - | - | - | - | 9,200 |
| Endowment Land | - | - | - | - | - | - | 250 |
| Buildings | (3,375) | - | (206) | 131 | - | (3,450) | 5,886 |
| Plant and Vehicles | (7,871) | - | (1,755) | 1,125 | - | (8,501) | 7,689 |
| Capital Work-in-Progress | - | - | - | - | - | - | 16,775 |
| Land- Port | - | - | - | - | - | - | 40,264 |
| Buildings and improvements- Port | (40,954) | - | (4,726) | 19 | - | (45,661) | 88,259 |
| Wharves and berths dredging- Port | (34,542) | - | (1,751) | - | - | (36,293) | 66,127 |
| Plant, Equipment and vehicles- Port | (76,755) | - | (6,086) | 5,195 | - | (77,646) | 59,633 |
| Capital work in progress- Port | - | - | - | - | - | - | 33,875 |
| **TOTAL OPERATIONAL ASSETS** | **(163,497)** | **-** | **(14,524)** | **6,470** | **-** | **(171,551)** | **327,958** |
| **INFRASTRUCTURAL ASSETS** | | | | | | | |
| Floodbanks | (1,000) | - | - | - | - | (1,000) | 31,175 |
| Protection Works | - | - | - | - | - | - | 9,741 |
| Structures | (21,750) | - | (763) | - | - | (22,513) | 19,941 |
| Drains | - | - | - | - | - | - | 3,769 |
| Bridges | (1,184) | - | (70) | 48 | - | (1,206) | 2,629 |
| Culverts | - | - | - | - | - | - | 2,165 |
| Transport Infrastructure & Hardware | (4,017) | - | (307) | - | - | (4,324) | 1,482 |
| Capital Work-in-Progress | - | - | - | - | - | - | 5,771 |
| **TOTAL INFRASTRUCTURAL ASSETS** | **(27,951)** | **-** | **(1,140)** | **48** | **-** | **(29,043)** | **76,673** |
| **TOTAL GROUP PROPERTY, PLANT AND EQUIPMENT** | **(191,449)** | **-** | **(15,664)** | **6,518** | **-** | **(200,594)** | **404,631** |

## 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

| $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 |
|---|---|---|---|---|---|---|---|
| **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** |

## 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 |
| Pland and vehicles- Council | 3 -20 years |
| Buildings and improvements- Port | 10- 50 years |
| Whaves- 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 2026 | Council 2025 | Group 2025 | Group 2024 |
|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | **17,000** | **16,850** | **678,820** | **624,064** |
| Subsequent capital expenditure | - | - | 4,256 | 29,602 |
| Sale of investment property/ disposals | - | - | (14,830) | (9,315) |
| Interest capitalised | - | - | 1,430 | 1,722 |
| Net movement in incentives | - | - | (43) | (377) |
| Net movement in prepaid leasing costs | - | - | - | - |
| Transfer to investment property inventories | - | - | - | - |
| Transfer to non-current assets held for sale | - | - | (6,859) | - |
| Transfer from investment property inventories | - | - | 6,309 | - |
| Net gain / (loss) from fair value adjustments | 825 | 150 | 15,976 | 33,124 |
| **BALANCE AT END OF YEAR** | **17,825** | **17,000** | **685,059** | **678,820** |

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Valuation Analysis** | | | | |
| **VALUED AT 30 JUNE BALANCE DATE AS DETERMINED BY:** | | | | |
| Jones Lang LaSalle | - | - | 382,209 | 187,435 |
| Bayleys Valuations Limited | 17,825 | 17,000 | 71,300 | 238,825 |
| CVAS (NZ) Limited (Colliers) | - | - | 128,550 | 95,500 |
| Savills (NZ) Limited | - | - | 103,000 | 100,200 |

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 2026 | | Group 2026 | |
|---|---|---|---|---|
| | Range of Significant Unobservable Inputs | | Range of Significant Unobservable Inputs | |
| Market capitalisation rate (%) | 5.0% | 5.0% | 4.5% | 10.6% |
| Market rental ($ per Sqm) | $58 | $72 | $13 | $450 |
| Discount rate (%) | 6.8% | 7.0% | 6.6% | 11.0% |
| Rental growth rate (%) | 1.8% | 1.8% | 1.3% | 3.3% |
| Terminal capitalisation rate (%) | 5.3% | 5.3% | 4.8% | 10.8% |

| | 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% |

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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | **-** | **-** | **14,908** | **13,966** |
| Transfer from investment property | - | - | - | - |
| Transfer to investment property | - | - | (6,309) | - |
| Land acquired from joint venture partner | - | - | - | - |
| Disposals | - | - | - | - |
| Subsequent capital expenditure | - | - | 5,142 | 942 |
| Interest capitalised | - | - | 81 | - |
| **BALANCE AT END OF YEAR** | **-** | **-** | **13,822** | **14,908** |

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **COMPRISING:** | | | | |
| Development land for sale | - | - | 13,822 | 14,908 |
| Units and warehouse developments | - | - | - | - |
| | **-** | **-** | **13,822** | **14,908** |

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 $13.9 million carrying value at balance date reflects the cost of 5.7 hectares of developed land for sale. In their June 2026 valuation, Jones Lang LaSalle stated a net realisable value of $29.0 million for this land on hand. At June 2025, the $14.9 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 2025 of $31.1 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 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 | - | - | - | - | - |
| Transfer to Property plant and equipment | - | - | - | - | - |
| Disposals | (150) | (150) | (227) | - | (227) |
| **BALANCE AT 30 JUNE 2025** | **5,779** | **5,779** | **14,810** | **6,338** | **21,148** |
| Additions | - | - | - | - | - |
| Capital WIP additions | - | - | - | - | - |
| Capital WIP write offs | - | - | - | - | - |
| Transfer to complete asset | - | - | - | - | - |
| Disposals | - | - | - | (4) | (4) |
| **BALANCE AT 30 JUNE 2026** | **5,779** | **5,779** | **14,810** | **6,334** | **21,144** |
| **ACCUMULATED AMORTISATION AND IMPAIRMENT** | | | | | |
| Balance as 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)** |
| Amortisation expense | (119) | (119) | (236) | (288) | (524) |
| Disposals | - | - | - | 4 | 4 |
| **BALANCE AT 30 JUNE 2026** | **(5,741)** | **(5,741)** | **(14,479)** | **(3,397)** | **(17,876)** |
| **NET BOOK VALUE** | | | | | |
| **AS AT 30 JUNE 2025** | **157** | **157** | **567** | **3,225** | **3,792** |
| **AS AT 30 JUNE 2026** | **38** | **38** | **331** | **2,937** | **3,268** |

# 15. Other Financial Assets

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **CARRIED AT FAIR VALUE** | | | | |
| **Current:** | | | | |
| Managed funds - cash | 1,440 | 1,785 | 1,440 | 1,785 |
| Managed funds - bonds | 14,394 | 13,009 | 14,394 | 13,009 |
| Managed funds - equities | 17,772 | 15,098 | 17,772 | 15,098 |
| | **33,606** | **29,892** | **33,606** | **29,892** |

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 of FVTOCRE are subsequently measured at FVTSD. However, the Council and Group may elect at initial recognition to the 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 suing 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.

| Fair Value of Financial Instruments table | Council | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| **$000s** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **2026** | | | | | | | | |
| **Financial assets at FVTSD:** | | | | | | | | |
| Other financial assets | 33,606 | - | - | 33,606 | 33,606 | - | - | 33,606 |
| Other financial instruments | - | - | - | - | - | 1,039 | - | 1,039 |
| **Financial liabilities at FVTSD:** | | | | | | | | |
| Other financial instruments | - | 171 | - | 171 | - | 2,271 | - | 2,271 |
| **2025** | | | | | | | | |
| **Financial assets at FVTSD:** | | | | | | | | |
| Other financial assets | 29,892 | - | - | 29,892 | 29,892 | - | - | 27,284 |
| Other financial instruments | - | - | - | - | - | 1,444 | - | 1,444 |
| **Financial liabilities at FVTSD:** | | | | | | | | |
| Other financial instruments | - | 154 | - | 154 | - | 2,888 | - | 2,888 |

# 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 2026 was based on cashflows discounted using a weighted average cost of capital (WACC) of 7.7% (2025: 7.9%), terminal growth rate 2.5% (2025: 2.5%) and discount for lack of marketability 3.0% (2025: 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 7.2% would result in a $42.173 million increase in fair value
- An increase of 0.5% in WACC to 8.2% would result in a $34.731 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 $22.839 million decrease in fair value
- An increase of 0.5% in the terminal growth rate to 3.0% would result in a $27.701 million increase in fair value

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **Balance at beginning of year** | **788,120** | **732,720** | **-** | **-** |
| Gain / (loss) recognised in Other Comprehensive Revenue and Expense | 59,754 | 55,400 | - | - |
| **BALANCE AT END OF YEAR** | **847,874** | **788,120** | **-** | **-** |

## Related Party Transactions

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

| Related Party Transactions | Council | Council |
|---|---|---|
| **$000s** | **Council 2026** | **Council 2025** |
| **REVENUE TRANSACTIONS** | | |
| Dividend payment made to Council | 20,000 | 18,000 |
| Rates | 182 | 161 |
| Other | 98 | 1,536 |
| Interest on borrowings | 5,232 | 6,426 |
| **EXPENDITURE TRANSACTIONS** | | |
| Harbour Control Centre and other costs | 781 | 60 |
| Finance costs | 35 | 31 |
| Fix out costs for Whare Runaka office build | 4,826 | 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 increased to $150 million during 2023. The related party loan amounts, interest rates and repayment dates ranging from August 2026 - June 2027 (2025: September 2025-March 2034) 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 2026 Otago Regional Council had advanced loans of $150,000,000 to Port Otago Limited (2025: $149,934,000). 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:

| | | OWNERSHIP INTEREST | |
|---|---|---|---|
| **SUBSIDIARIES** | **Principal activities** | **2026 %** | **2025 %** |
| 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | **-** | **3,350** | **-** | **19,145** |
| Transfer from / (to) investment property | - | - | 6,859 | - |
| Transfer from / (to) land | - | - | - | - |
| Disposals | - | (3,350) | - | (19,145) |
| **BALANCE AT END OF YEAR** | **-** | **-** | **6,859** | **-** |

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 classifed 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 trailling suction hopper dredge.

As at 30 June 2026, Port Otago Limited has advanced Regional Ports NZ Dredging LP $20.5 million (2025: $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 2026 are $7.6 million (2025: $18.2 million).

| Summarised financial information of joint operations accounted for on a proportionate basis | Regional Ports NZ Dredging LP 2026 | Group's 70% share 2026 | Regional Ports NZ Dredging LP 2025 | Group's 70% share 2025 |
|---|---|---|---|---|
| Cash and cash equivalents | - | - | - | - |
| Other current assets | - | - | - | - |
| **TOTAL CURRENT ASSETS** | - | - | - | - |
| Property, plant and equipment - work in progress | 29,314 | 20,520 | 17,689 | 12,382 |
| **TOTAL ASSETS** | **29,314** | **20,520** | **17,689** | **12,382** |
| | | | | |
| Current liabilities | - | - | - | - |
| Non-current liabilities | - | - | - | - |
| **TOTAL LIABILITIES** | **-** | **-** | **-** | **-** |
| | | | | |
| **NET ASSETS** | **29,314** | **20,520** | **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** | **2026** | **2025** |
|---|---|---|
| Cash and cash equivalents | 101 | 42 |
| Other current assets | 156 | 81 |
| **TOTAL CURRENT ASSETS** | 257 | 123 |
| Investment property | 19,019 | 15,814 |
| **TOTAL ASSETS** | **19,276** | **15,937** |
| | | |
| Current liabilities | (217) | (127) |
| Non-current liabilities | (310) | (324) |
| **TOTAL LIABILITIES** | **(527)** | **(451)** |
| **NET ASSETS (100%)** | **18,749** | **15,486** |

| **Summarised Statement of Comprehensive Income** | **2026** | **2025** |
|---|---|---|
| Operating revenue | 307 | 219 |
| Interest revenue | - | - |
| Interest expense | - | (462) |
| | | |
| **Profit (loss) before tax** | 80 | (404) |
| Income tax credit (expense) | 14 | 189 |
| **Total comprehensive income (loss) (100%)** | **94** | **(215)** |
| | | |
| **Group's share of total comprehensive income (loss) (50%)** | **47** | **(108)** |

| **Carrying value of equity accounted joint ventures** | **2026** | **2025** |
|---|---|---|
| Balance as at 1 July | 6,986 | - |
| Group's share of accumulated retained losses | 47 | (369) |
| Advances to joint venture | 1,585 | 8,112 |
| Elimination of 50% of gain on disposal of property to joint venture | - | (790) |
| Establishment costs | - | 33 |
| **BALANCE AS AT 30 JUNE** | **8,618** | **6,986** |




**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 | Building Reserve | Hedging Reserve | Total Reserves |
|---|---|---|---|---|---|---|---|---|
| **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** | **205** | **150** | **300** | **-** | **63,279** |
| **TRANSFERS OUT:** | | | | | | | | |
| General rate equity | - | (2,318) | - | (532) | - | (7,090) | - | (9,939) |
| Targeted rate equity | - | - | - | (350) | - | - | - | (350) |
| | **-** | **(2,318)** | **-** | **(882)** | **-** | **(7,090)** | **-** | **(10,289)** |
| **BALANCES 30 JUNE 2025** | **768,120** | **8,112** | **4,925** | **6,614** | **16,029** | **7,516** | **-** | **811,316** |
| **TRANSFERS IN:** | | | | | | | | |
| General rate equity | - | 2,182 | - | 26 | - | - | - | 2,208 |
| Interest received | - | 176 | 127 | 165 | - | 162 | - | 630 |
| Revaluation gain | 59,754 | - | - | - | 825 | - | - | 60,579 |
| | **59,754** | **2,358** | **127** | **191** | **825** | **162** | **-** | **63,417** |
| **TRANSFERS OUT:** | | | | | | | | |
| General rate equity | - | (6,855) | - | (83) | - | (4,654) | - | (11,592) |
| Targeted rate equity | - | - | - | (350) | - | - | - | (350) |
| | **-** | **(6,855)** | **-** | **(433)** | **-** | **(4,654)** | **-** | **(11,942)** |
| **BALANCES 30 JUNE 2026** | **827,874** | **3,615** | **5,052** | **6,372** | **16,854** | **3,024** | **-** | **862,791** |

## Group

| $000s | Asset Replacement Reserve | Emergency Response Reserve | Kuriwao Endowment Reserve | Asset Revaluation Reserve | Building Reserve | Hedging Reserve | Total Reserves |
|---|---|---|---|---|---|---|---|
| **BALANCES 30 JUNE 2024** | **3,329** | **4,801** | **7,291** | **411,203** | **14,305** | **1,042** | **441,971** |
| **$000s** | | | | | | | |
| 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 |
| | **7,101** | **124** | **204** | **33,124** | **300** | **(1,755)** | **39,098** |
| TRANSFERS OUT: | | | | | | | |
| General rate equity | (2,318) | - | (532) | (24,390) | (7,090) | - | (34,330) |
| Targeted rate equity | - | - | (350) | - | - | - | (350) |
| | **(2,318)** | **-** | **(882)** | **(24,390)** | **(7,090)** | **-** | **(34,679)** |
| **BALANCES 30 JUNE 2025** | **8,112** | **4,925** | **6,613** | **419,937** | **7,516** | **(713)** | **446,390** |
| **TRANSFERS IN:** | | | | | | | |
| General rate equity | 2,182 | - | 26 | - | - | 246 | 2,454 |
| Interest received | 176 | 127 | 165 | - | 162 | - | 630 |
| Revaluation gain | - | - | - | 15,976 | - | - | 15,976 |
| | **2,358** | **127** | **191** | **15,976** | **162** | **246** | **19,060** |
| **TRANSFERS OUT:** | | | | | | | |
| General rate equity | (6,855) | - | (83) | (14,505) | (4,654) | - | (26,097) |
| Targeted rate equity | - | - | (350) | - | - | - | (350) |
| | **(6,855)** | **-** | **(433)** | **(14,505)** | **(4,654)** | **-** | **(26,446)** |
| **BALANCES 30 JUNE 2026** | **3,615** | **5,052** | **6,371** | **421,408** | **3,024** | **(467)** | **439,004** |

# 20. Public Equity

## Public Equity – General Rates

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | **69,226** | **59,586** | **403,597** | **360,553** |
| **NET SURPLUS / (DEFICIT)** | **10,890** | **9,246** | **39,637** | **51,234** |
| **TRANSFERS IN:** | | | | |
| Asset replacement reserve | 6,855 | 2,318 | 6,855 | 2,318 |
| Asset revaluation reserve | - | - | 14,505 | - |
| Building reserve | 4,654 | 7,090 | 4,654 | 7,090 |
| Environmental enhancement reserve | - | - | - | - |
| Kuriwao endowment reserve | 83 | 532 | 83 | 532 |
| Transfers from public equity - targeted rates | 77,199 | 86,426 | 77,199 | 86,426 |
| Water management reserve | - | - | - | - |
| | **88,791** | **96,365** | **103,296** | **96,365** |
| **TRANSFERS OUT:** | | | | |
| Asset replacement reserve | (2,358) | (7,101) | (2,358) | (7,101) |
| Asset revaluation reserve | (825) | (150) | (15,976) | (8,734) |
| Building reserve | (162) | (300) | (162) | (300) |
| Emergency response reserve | (127) | (124) | (127) | (124) |
| Environmental enhancement reserve | - | - | - | - |
| Kuriwao endowment reserve | (191) | (205) | (191) | (204) |
| Transfers to public equity - targeted rates | (80,954) | (88,092) | (80,954) | (88,092) |
| Water management reserve | - | - | - | - |
| | **(84,617)** | **(95,971)** | **(99,768)** | **(104,555)** |
| **BALANCE AT END OF YEAR** | **84,290** | **69,226** | **446,763** | **403,597** |

## Public Equity - Targeted Equity

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | **44,897** | **42,881** | **44,897** | **42,881** |
| **TRANSFERS IN:** | | | | |
| Kuriwao endowment reserve | 350 | 350 | 350 | 350 |
| Transfers from public equity - general rates | 80,966 | 88,092 | 80,966 | 88,092 |
| | **81,316** | **88,442** | **81,316** | **88,442** |
| **TRANSFERS OUT:** | | | | |
| Transfers to public equity - general rates | (77,199) | (86,426) | (77,199) | (86,426) |
| | **(77,199)** | **(86,426)** | **(77,199)** | **(86,426)** |
| **BALANCE AT END OF YEAR** | **49,015** | **44,897** | **49,015** | **44,897** |

## Total Public Equity

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **BALANCE AT BEGINNING OF YEAR** | **114,122** | **102,467** | **448,494** | **403,435** |
| **NET SURPLUS / (DEFICIT)** | **10,890** | **9,246** | **39,637** | **51,234** |
| Transfers | 8,293 | 2,409 | 7,646 | (6,175) |
| **BALANCE AT END OF YEAR** | **133,305** | **114,122** | **495,777** | **448,494** |

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 - 2026 | | | | Council and Group - 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | Opening balance 01 July 2025 | Transfers In | Transfers Out | Closing balance 30 June 2026 | Opening balance 01 July 2024 | Transfers In | Transfers Out | Closing balance 30 June 2025 |
| **RIVER MANAGEMENT RESERVES** | | | | | | | | |
| Central Otago river | 119 | 411 | (611) | (81) | 268 | 383 | (532) | 119 |
| Clutha river | (767) | 486 | (831) | (1,112) | (630) | 443 | (580) | (767) |
| Dunedin river | 240 | 266 | (901) | (395) | 650 | 240 | (650) | 240 |
| Queenstown river | 461 | 580 | (565) | 476 | 896 | 121 | (556) | 461 |
| Shotover delta flood mitigation | - | - | - | - | 270 | - | (270) | - |
| Stoney creek | - | - | - | - | 166 | - | (166) | - |
| Waitaki river | 1,137 | 687 | (816) | 1,008 | 1,129 | 589 | (581) | 1,137 |
| Wanaka river | - | - | | - | (105) | 105 | - | - |
| | | | | | | | | |
| **FLOOD AND DRAINAGE SCHEME RESERVES** | | | | | | | | |
| Alexandra flood | 132 | 335 | (221) | 246 | 7 | 353 | (228) | 132 |
| East Taieri drainage | (460) | 763 | (1,049) | (746) | (270) | 1,255 | (1,445) | (460) |
| Leith flood | (10,370) | 1,530 | (594) | (9,434) | (12,998) | 4,728 | (2,100) | (10,370) |
| Lower Clutha flood | (4,461) | 3,401 | (4,067) | (5,127) | (838) | 2,141 | (5,764) | (4,461) |
| Lower Taieri flood | (49) | 2,405 | (3,022) | (666) | 4,975 | 2,463 | (7,487) | (49) |
| Lower Waitaki flood | - | - | - | - | (67) | 67 | | - |
| Tokomairiro drainage | (68) | 192 | (297) | (173) | 51 | 175 | (294) | (68) |
| West Taieri drainage | (1,947) | 817 | (1,075) | (2,205) | (2,417) | 3,121 | (2,651) | (1,947) |

| | Council and Group - 2026 | | | | Council and Group - 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| **$000s** | Opening balance 01 July 2025 | Transfers In | Transfers Out | Closing balance 30 June 2026 | Opening balance 01 July 2024 | Transfers In | Transfers Out | Closing balance 30 June 2025 |
| **OTHER RESERVES** | | | | | | | | |
| Biosecurity | (955) | 6,951 | (7,054) | (1,058) | (1,474) | 5,070 | (4,551) | (955) |
| Catchment Management | 960 | 4,679 | (5,348) | 291 | | 8,025 | (7,065) | 960 |
| Clean Heat Clean Air | - | - | - | - | - | - | - | - |
| Dairy monitoring | (12) | 12 | - | - | (37) | 210 | (185) | (12) |
| Dunedin transport services Historical Balance | (10,445) | 1,816 | (238) | (8,867) | (11,978) | 1,810 | (277) | (10,445) |
| Dunedin transport services | (360) | 29,725 | (28,042) | 1,323 | | 27,428 | (27,788) | (360) |
| Emergency management | (7) | 6,299 | (6,120) | 172 | (93) | 3,813 | (3,727) | (7) |
| Infrastructural assets | 73,892 | 3,688 | (1,120) | 76,460 | 68,389 | 10,214 | (4,711) | 73,892 |
| Lake Hayes restoration | - | - | - | - | (735) | 735 | | - |
| Navigational Safety | (88) | 885 | (999) | (202) | - | 860 | (948) | (88) |
| Oamaru transport services | 51 | 1 | (52) | - | - | 51 | | 51 |
| Queenstown transport services Historical Balance | (1,821) | 463 | (40) | (1,398) | (2,234) | 463 | (50) | (1,821) |
| Queenstown transport services | 532 | 13,847 | (13,877) | 502 | - | 11,468 | (10,936) | 532 |
| Rural water quality | - | - | - | - | 607 | | (607) | - |
| Wilding pines | (817) | 1,077 | (260) | - | (650) | 2,110 | (2,277) | (817) |
| | **44,897** | **81,316** | **(77,199)** | **49,015** | **41,263** | **71,657** | **(86,426)** | **44,897** |

**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**

| COUNCIL 2026 | Amount borrowed as at 30 June 2025 | Funds borrowed during the year | Funds repaid during the year | Interest Charged | Amount borrowed as at 30 June 2026 |
|---|---|---|---|---|---|
| Flood protection and control works | 18,122 | 11,979 | (10,626) | 465 | 19,940 |
| Environment | 1,870 | 8,275 | (8,925) | 39 | 1,259 |
| Safety and hazards | 7 | 6,120 | (6,296) | (2) | (171) |
| Transport | 12,627 | 28,042 | (31,993) | 266 | 8,942 |
| | **32,626** | **54,416** | **(57,840)** | **768** | **29,970** |

| COUNCIL 2025 | 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 |
|---|---|---|---|---|---|
| Flood protection and control works | 17,327 | 14,865 | (14,500) | 430 | 18,122 |
| 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 | 12,627 |
| | **34,525** | **54,282** | **(56,999)** | **818** | **32,626** |

# 22. Borrowings

## New Zealand Local Government Funding Agency

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **CURRENT** | | | | |
| Secured borrowings | 162,338 | 67,288 | 162,338 | 67,288 |
| Unsecured borrowings | - | - | - | - |
| | **162,338** | **67,288** | **162,338** | **67,288** |
| **NON-CURRENT** | | | | |
| Secured borrowings | 15,000 | 107,832 | 15,000 | 107,832 |
| Unsecured borrowings | - | - | - | - |
| | **15,000** | **107,832** | **15,000** | **107,832** |
| **TOTAL BORROWINGS** | **177,338** | **175,120** | **177,338** | **175,120** |
| **FIXED RATE BORROWINGS** | **162,247** | **53,063** | **162,247** | **53,063** |
| **FLOATING RATE BORROWINGS** | **15,091** | **122,057** | **15,091** | **122,057** |

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 2026, NZLGFA had borrowings totaling $28,606 million (2025: $25,529 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 mosses are immaterial due to the extremely low probability of default by the NZLGFDA 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% (2025: 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 $750,000 (2025: $625,000), the Group had subscribed to borrower notes totalling $750,000 (2025: $4,350,182). The borrower notes on issue are as follows:

## Borrower notes in issue 2026

| Maturity Date | Amount | Interest Rate |
|---|---|---|
| 04-20-2029 | $250,000 | 3.59% |
| 05-15-2030 | $250,000 | 3.38% |
| 04-15-2027 | $125,000 | 3.25% |
| 05-15-2028 | $125,000 | 5.70% |
| | **750,000** | |

## Borrower notes on 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** | |

## Borrowing- Bank

| $000s | Council 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **CURRENT** | | | | |
| Secured borrowings | - | - | 5,770 | 3,591 |
| Unsecured borrowings | - | - | - | - |
| | **-** | **-** | **5,770** | **3,591** |
| **NON-CURRENT** | | | | |
| Secured borrowings | - | - | 10,000 | 10,000 |
| Unsecured borrowings | - | - | | |
| | **-** | **-** | **10,000** | **10,000** |
| **TOTAL BORROWINGS** | **-** | **-** | **15,770** | **13,591** |
| **FIXED RATE BORROWINGS** | **-** | **-** | **15,770** | **13,591** |
| **FLOATING RATE BORROWINGS** | **-** | **-** | **-** | **-** |

The Group has a $31 million (2025: $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 (2025: $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 78% at 30 June 2026 (2025: 77%) and interest cover ratio 5.7 : 1 (2025: 5.4:1). 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Interest on loans | 6,484 | 7,987 | 8,887 | 8,598 |
| Capitalised borrowing costs | - | - | (1,876) | (1,870) |
| | **6,484** | **7,987** | **7,011** | **6,728** |

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.




**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 2026.

| Fair Value of Financial Instruments table | Council | | | | Group | | | |
|---|---|---|---|---|---|---|---|---|
| **$000s** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **2026** | | | | | | | | |
| **Financial assets at FVTSD:** | | | | | | | | |
| Other financial assets | 33,606 | - | - | 33,606 | 33,606 | - | - | 33,606 |
| Other financial instruments | - | - | - | - | - | 1,039 | - | 1,039 |
| **Financial liabilities at FVTSD:** | | | | | | | | |
| Other financial instruments | - | 171 | - | 171 | - | 2,271 | - | 2,271 |
| **2025** | | | | | | | | |
| **Financial assets at FVTSD:** | | | | | | | | |
| Other financial assets | 29,892 | - | - | 29,892 | 29,892 | - | - | 27,284 |
| Other financial instruments | - | - | - | - | - | 1,444 | - | 1,444 |
| **Financial liabilities at FVTSD:** | | | | | | | | |
| Other financial instruments | - | 154 | - | 154 | - | 2,888 | - | 2,888 |

## COUNCIL 2026

| $000s | Amortised Cost | Fair Value Through Surplus or Deficit | Fair value through Other Comprehensive Revenue and Expense | Total |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Cash and cash equivalents | 13,512 | - | - | 13,512 |
| Trade and other receivables | 15,068 | - | - | 15,068 |
| Related party receivable | 150,000 | - | - | 150,000 |
| Borrower notes | 750 | - | - | 750 |
| Other financial assets | - | 33,606 | - | 33,606 |
| Other current assets | 3,815 | - | - | 3,815 |
| Shares in subsidiary | - | - | 847,874 | 847,874 |
| **TOTAL FINANCIAL ASSETS** | **183,145** | **33,606** | **847,874** | **1,064,625** |
| **FINANCIAL LIABILITIES** | | | | |
| Trade and other payables | 19,998 | - | - | 19,998 |
| Borrowing | 177,338 | - | - | 177,338 |
| Provisions | - | - | - | - |
| **TOTAL FINANCIAL LIABILITIES** | **197,336** | **-** | **-** | **197,336** |

## 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** |

## GROUP 2026

| $000s | Amortised Cost | Designated at Fair Value through Surplus or Deficit | Fair value through Other Comprehensive Revenue and Expense | Total |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Cash and cash equivalents | 13,659 | - | - | 13,659 |
| Trade and other receivables | 30,153 | - | - | 30,153 |
| Borrower notes | 750 | - | - | 750 |
| Other financial instruments * | - | 1,039 | - | 1,039 |
| Other financial assets | - | 33,606 | - | 33,606 |
| Other current assets | 6,979 | - | - | 6,979 |
| **TOTAL FINANCIAL ASSETS** | **51,541** | **34,645** | **-** | **86,186** |
| **FINANCIAL LIABILITIES** | | | | |
| Trade and other payables | 33,287 | - | - | 33,287 |
| Other financial instruments | - | 2,271 | - | 2,271 |
| Borrowing | 193,108 | - | - | 193,108 |
| Provisions | - | - | - | - |
| **TOTAL FINANCIAL LIABILITIES** | **226,395** | **2,271** | **-** | **228,666** |

## GROUP 2025

| $000s | Amortised Cost | Designated at Fair Value through Surplus or Deficit | Fair value through Other Comprehensive Revenue and Expense | Total |
|---|---|---|---|---|
| **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) | - | (2,888) |
| Borrowing | 188,711 | - | - | 188,711 |
| Provisions | - | - | - | - |
| **TOTAL FINANCIAL LIABILITIES** | **228,897** | **(2,888)** | **-** | **226,009** |

* 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Managed funds | 11,712 | 9,085 | 11,712 | 9,085 |
| **TOTAL MANAGED FUNDS** | **11,712** | **9,085** | **11,712** | **9,085** |

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, GPB 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 2026 would have the impact of increasing the carrying value of the managed funds, and the Council surplus, by $1,301,409 (2025: $1,009,464), and an unfavourable movement of 10% would impact unfavourably to the extent of $1,065,217 (2025: $826,946).

## (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 | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| $000s | Profit +100bps | Other Equity +100bps | Profit -100bps | Other Equity -100bps | Profit +100bps | Other Equity +100bps | Profit -100bps | Other Equity -100bps |
| **FINANCIAL ASSETS** | | | | | | | | |
| Cash and term deposits | 125 | - | (125) | - | 175 | - | (175) | - |
| Managed fund | 75 | - | (75) | - | 101 | - | (101) | - |
| Borrower notes | 125 | - | (125) | - | 6 | - | (7) | - |
| Related party receivable | 1,500 | - | (1,500) | - | 1,498 | - | (1,498) | - |
| **FINANCIAL LIABILITIES** | | | | | | | | |
| Borrowings | 1,750 | - | (1,750) | - | 1,748 | - | (1,748) | - |
| Derivatives - non-hedge accounted | 8 | - | (8) | - | 125 | - | (125) | - |
| **TOTAL SENSITIVITY TO INTEREST RATE RISK** | **3,583** | **-** | **(3,583)** | **-** | **3,653** | **-** | **(3,654)** | **-** |

| GROUP | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| $000s | Profit +100bps | Other Equity +100bps | Profit -100bps | Other Equity -100bps | Profit +100bps | Other Equity +100bps | Profit -100bps | Other Equity -100bps |
| **FINANCIAL ASSETS** | | | | | | | | |
| Cash and term deposits | 125 | | (125) | | 175 | - | (175) | - |
| Managed fund | 75 | | (75) | | 101 | - | (101) | - |
| Borrower notes | 125 | | (125) | | 6 | - | (172) | - |
| **FINANCIAL LIABILITIES** | | | | | | | | |
| Borrowings | 1,750 | | (1,750) | | 1,748 | - | (1,748) | - |
| Derivatives - hedge accounted | | 2,817 | | (2,982) | - | 2,135 | - | (2,252) |
| Derivatives - non-hedge accounted | 1,212 | | (1,303) | | 125 | - | (125) | - |
| **TOTAL SENSITIVITY TO INTEREST RATE RISK** | **3,287** | **2,817** | **(3,378)** | **(2,982)** | **2,155** | **2,135** | **(2,321)** | **(2,252)** |

# 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| Other financial assets | 24,559 | 18,032 | 24,559 | 18,032 |
| **EXPOSURE TO EQUITY PRICE RISK** | **24,559** | **18,032** | **24,559** | **18,032** |

## Sensitivity to Equity Price Risk

| Council and Group | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| $000s | -10% Profit | -10% Other Equity | +10% Profit | +10% Other Equity | -10% Profit | -10% Other Equity | +10% Profit | +10% Other Equity |
| **FINANCIAL ASSETS** | | | | | | | | |
| Other financial assets | (2,456) | - | 2,456 | - | (1,803) | - | 1,803 | - |
| **TOTAL SENSITIVITY TO EQUITY PRICE RISK** | **(2,456)** | **-** | **2,456** | **-** | **(1,803)** | **-** | **1,803** | **-** |

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 $150.00 million (2025:$149.934 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Cash at bank and term deposits | 14,952 | 18,387 | 19,827 | 18,497 |
| Trade and other receivables | 15,068 | 16,054 | 30,153 | 33,052 |
| Related party receivable | 150,000 | 149,934 | - | - |
| Other financial assets | 32,166 | 29,892 | 33,606 | 29,892 |
| Other financial instrument - asset | - | - | 1,039 | 1,444 |
| Other financial instrument - liability | (171) | 154 | 2,271 | 600 |
| Shares in Subsidiary | 847,874 | 788,120 | - | - |
| | **1,059,889** | **1,002,541** | **86,896** | **83,485** |

# 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 2026

| | | | | 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 | | 13,512 | 13,512 | 13,512 | - | - |
| Trade and other receivables | | 15,068 | 15,068 | 15,068 | - | - |
| Related party receivable | 3.19 | 150,000 | 152,471 | 152,471 | - | - |
| Shares in subsidiary | | 847,874 | 847,874 | - | - | 847,874 |
| **Managed fund:** | | | | | | |
| Cash and call deposits | | 1,440 | 1,440 | 1,440 | - | - |
| Fixed interest securities | 4.35 | 14,394 | 14,724 | 6,786 | 6,440 | 1,497 |
| Equity securities | | 17,772 | 17,772 | 17,772 | - | - |
| **TOTAL FINANCIAL ASSETS** | | **1,060,060** | **1,062,861** | **207,049** | **6,440** | **849,371** |
| **FINANCIAL LIABILITIES** | | | | | | |
| Trade and other payables | | (19,998) | (19,998) | (19,998) | - | - |
| Borrowing | 3.28 | (177,338) | (179,360) | (168,549) | (10,811) | - |
| Provision | | - | - | - | - | - |
| **Interest rate derivatives (net):** | | - | - | | | |
| Current portion | | (171) | (548) | (172) | (376) | - |
| Non current portion | | - | | | | |
| **TOTAL FINANCIAL LIABILITIES** | | **(197,507)** | **(199,906)** | **(188,547)** | **(11,187)** | **-** |

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 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.

## GROUP 2026

| $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 | | 30,292 | 30,292 | 30,292 | - | - |
| **Managed fund:** | | | | | | |
| Cash and call deposits | | 1,440 | 1,440 | 1,440 | - | - |
| Fixed interest securities | 4.35 | 14,394 | 14,724 | 6,786 | 6,440 | 1,497 |
| Equity securities | | 17,772 | 17,772 | 17,772 | - | - |
| **TOTAL FINANCIAL ASSETS** | | **77,557** | **77,887** | | | |
| **FINANCIAL LIABILITIES** | | | | | | |
| Trade and other payables | | (32,870) | (32,870) | (32,870) | - | - |
| Borrowing (secured) | 3.44 | (193,108) | (210,764) | (64,901) | (116,245) | (29,618) |
| Provision | | - | - | - | - | - |
| **Interest rate derivatives (net):** | | | | | | |
| Current portion | | 245 | (23,034) | (22,867) | (96) | (71) |
| Non current portion | | (12) | (2,683) | - | (2,683) | - |
| **TOTAL FINANCIAL LIABILITIES** | | **(225,745)** | **(269,351)** | **(120,638)** | **(119,024)** | **(29,689)** |

## GROUP 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 | | 18,497 | 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)** |




# 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| **MANAGEMENT PERSONNEL** | | | | |
| Short-term employee benefits | 2,022 | 1,953 | 6,928 | 7,166 |
| Post-employment benefits | - | - | - | - |
| | **2,022** | **1,953** | **6,928** | **7,166** |
| Full-time equivalent number of key management personnel | 7 | 7 | 19 | 20 |
| **GOVERNING PERSONNEL** | | | | |
| Councillors remuneration | 1,020 | 952 | 1,020 | 952 |
| Directors' fees | - | - | 622 | 622 |
| | **1,020** | **952** | **1,642** | **1,574** |

# 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 2026 | Number of Employees 30 June 2025 |
|---|---|---|
| Full-time employees | 329 | 328 |
| Full-time equivalent number of employees | 28 | 27 |

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 2026 | Number of Employees 30 June 2025 |
|---|---|---|
| Less than $60,000 | 11 | 18 |
| $60,000 to $79,999 | 56 | 69 |
| $80,000 to $99,999 | 82 | 86 |
| $100,000 to $119,999 | 94 | 97 |
| $120,000 to $139,999 | 67 | 54 |
| $140,000 to $159,999 | 28 | 15 |
| $160,000 to $179,999 | 11 | 10 |
| $180,000 to $199,999 | 7 | 11 |
| $220,000 to $239,999 | 6 | 2 |
| $240,000 to $419,999 | 6 | 5 |
| | **368** | **367** |

## 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 2025 to 30 June 2026, total remunerations (including any non-financial benefits) paid or payable to the Chief Executive was $415,768 (2025: $394,633).

# Elected Representatives' Remuneration

## Council Remuneration 2026

| COUNCILLOR | Meetings attended / eligible meetings | Remuneration $ | Meeting fees $ | Allowance and mileage $ | Other $ | Total |
|---|---|---|---|---|---|---|
| Hilary Calvery - Chairperson (Appointed 29/10/2025) | 15/16 | 121,316 | - | 1,276 | 108 | 122,700 |
| Gretchen Robertson - Chairperson (to 17/10/2025) | 32/32 | 100,641 | - | 1,526 | 3,781 | 105,947 |
| Kevin Malcolm - Deputy Chairperson (Appointed 29/10/2025) | 28/32 | 94,375 | - | 15,838 | - | 110,213 |
| Lloyd McCall - Deputy Chairperson (to 17/10/2025 not re elected) | 14/16 | 29,885 | - | 7,871 | - | 37,756 |
| Gary Kelliher | 31/32 | 75,421 | - | 14,083 | - | 89,504 |
| Andrew Noone | 22/26 | 75,421 | - | 2,092 | - | 77,513 |
| Michael Laws | 24/26 | 75,421 | - | 8,550 | 319 | 84,290 |
| Kate Wilson | 30/31 | 75,421 | - | 7,046 | 423 | 82,890 |
| Alan Somerville | 31/31 | 75,421 | - | 275 | | 75,696 |
| Robbie Byars | 11/12 | 52,036 | - | 3,509 | 165 | 55,710 |
| Neil Gillespie | 15/16 | 52,036 | - | 12,948 | 788 | 65,772 |
| Chanel Gardner | 16/16 | 52,036 | - | 275 | | 52,310 |
| Matt Hollyer | 16/16 | 52,036 | - | 12,790 | 673 | 65,499 |
| Alexa Forbes (to 17/10/2025 not re elected) | 16/17 | 23,385 | - | 5,301 | - | 28,686 |
| Tim Mepham (to 17/10/2025 not re elected) | 16/16 | 23,385 | - | 550 | - | 23,935 |
| Elliot Weir (to 17/10/2025 not re elected) | 15/15 | 23,385 | - | 275 | - | 23,660 |
| | | **1,001,620** | **-** | **94,203** | **6,256** | **1,102,081** |

## 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 | 98,385 |
| 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 Mepham | 41 / 43 | 71,760 | - | 7,261 | 247 | 79,268 |
| Andrew Noone | 39 / 40 | 71,760 | - | 3,291 | - | 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 | 78,575 |
| Kate Wilson | 43 / 43 | 71,760 | 1,395 | 550 | 1,395 | 75,100 |
| | | **914,854** | **3,767** | **51,523** | **19,012** | **989,155** |

### Severance Payments

For the year ended 30 June 2026, the Council had five (2025: three) severance payments of $51,313, $46,730, $8,000, $7,697 and $354 (2025: $25,888, $24,995 and $22,936).

# 31. Subsequent Events

**Local Government Reform**

The New Zealand Government has announced a proposal to reform local government. The Government's intention is to merge territorial authorities into larger unitary authorities and abolish regional councils. The proposal includes regional councillors to not be elected from the 2028 local authority elections.

This initiative remains at the proposal stage, with no legislation or regulations published or enacted. Accordingly, these financial statements have been prepared on a going concern basis as there is insufficient certainty regarding the nature or timing of any changes that may affect Otago Regional Council. (2025: Nil).

**Otago Central Lakes Regional Deal**

On 6 October 2026, the Otago Central Regional Deal was formally signed between the Crown, Queenstown Lakes District Council, Central Otago District Council and Otago Regional Council. The Regional Deal establishes a long-term partnership framework to support economic growth, infrastructure investment, housing, transport, climate resilience and growth management across the region. As at the date of signing these financial statements, the agreement does not give rise to financial obligations.

# 32. Commitments for Expenditure

**Capital Expenditure Commitment**

At 30 June 2026 the Group had commitments for capital expenditure of $38.4 million (2025: $35.0 million). Included in the above amounts are Council commitments of $5.8 million (2025 $1.4 million) relating to property, plant and equipment acquisitions and contracts for capital expenditure. Port Otago Limited had commitments for capital expenditure of $32.6 million (2025: $33.6 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, (2025: $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 2026 (30 June 2025: $Nil).

**Group**

There are no other contingent liabilities or assets at 30 June 2026 (30 June 2025: $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 2026

| $000s | Opening Balance | Charged to Surplus / (Deficit) | Charged to Other Comprehensive Revenue and Expenses | Closing Balance |
|---|---|---|---|---|
| **GROSS DEFERRED TAX ASSET:** | | | | |
| Tax Losses | - | - | - | - |
| | - | - | - | - |

## COUNCIL 2025

| $000s | Opening Balance | Charged to Surplus / (Deficit) | Charged to Other Comprehensive Revenue and Expenses | Closing Balance |
|---|---|---|---|---|
| **GROSS DEFERRED TAX ASSET:** | | | | |
| Tax Losses | - | - | - | - |
| | - | - | - | - |

## GROUP 2026

| $000s | Opening Balance | Charged to Surplus / (Deficit) | Charged to Other Comprehensive Revenue and Expenses | Closing Balance |
|---|---|---|---|---|
| **GROSS DEFERRED TAX LIABILITIES:** | | | | |
| Other financial assets | (362) | 164 | (96) | (294) |
| Property, plant and equipment | 15,250 | 1,391 | - | 16,641 |
| Investment property | 14,789 | 2,438 | - | 17,227 |
| Other | (2,416) | 21 | - | (2,395) |
| | **27,261** | **4,014** | **(96)** | **31,179** |

## 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** |

## 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.

DRAFT

# 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 2026 | Council 2025 | Group 2026 | Group 2025 |
|---|---|---|---|---|
| Less than 1 year | 3,220 | 415 | 3,632 | 829 |
| 1 - 5 years | 12,224 | 471 | 13,574 | 2,126 |
| Longer than 5 years | 41,300 | 399 | 41,300 | 605 |
| | **56,744** | **1,285** | **58,506** | **3,560** |

# 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 2026 are as follows:

| $000s | Group 2026 | Group 2025 |
|---|---|---|
| **RENTALS RECEIVABLE** | | |
| Within one year | 40,902 | 37,640 |
| 1 - 2 years | 39,122 | 34,590 |
| 2 - 3 years | 34,734 | 32,217 |
| 3 - 4 years | 28,634 | 27,859 |
| 4 - 4 years | 25,996 | 22,894 |
| More than five years | 173,193 | 140,648 |
| **MINUMUM FUTURE LEASE RECEIVABLE** | **342,581** | **295,848** |

# 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 2026

| 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 Andrew Noone** | | | | | |
| N/A | | - | - | - | - |
| **Councillor Alan Somerville** | | | | | |
| Forest & Bird | Member | - | 25,180 | - | - |
| **Councillor Chanel Gardner** | | | | | |
| N/A | | - | - | - | - |
| **Councillor Gary Kelliher** | | | | | |
| Springvale Water Supply Company Limited | Director & Shareholder | 572 | - | - | - |
| **Councillor Kate Wilson** | | | | | |
| Ravensdown Ltd | Cooperative | 15,012 | - | - | - |
| Silver Fern Farms Co-operative Limited | Shareholder | 23,862 | - | - | 810 |
| Strathburn Limited | Director & Shareholder | 292 | - | - | - |
| **Councillor Kevin Malcolm** | | | | | |
| Lower Waitaki Irrigation Company Limited | Shareholder | 328 | - | - | - |
| **Councillor Matt Hollyer** | | | | | |
| N/A | | - | - | - | - |
| **Councillor Michael Laws** | | | | | |
| Central Otago District Council | Spouse is a Councillor | 185,668 | 117,141 | - | 393 |
| **Councillor Neil Gillespie** | | | | | |
| Lowburn Terraces Management Limited | Shareholder | 1,500 | - | 379 | 5,107 |
| **Councillor Robbie Byars** | | | | | |
| N/A | | - | - | - | - |

## COUNCIL 2025

During the 30 June 2025 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.

| 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 | - | - | - |
| **Councillor Kevin Malcolm** | | | | | |
| Lower Waitaki Irrigation Company Limited | Shareholder | 2,858 | - | - | - |
| Poltalloch South Trust | Beneficial interest | 243 | - | - | - |

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 $1,052,376 during the year end 30 June 2026 (2025: $1,063,465).

## 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 (2025: $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

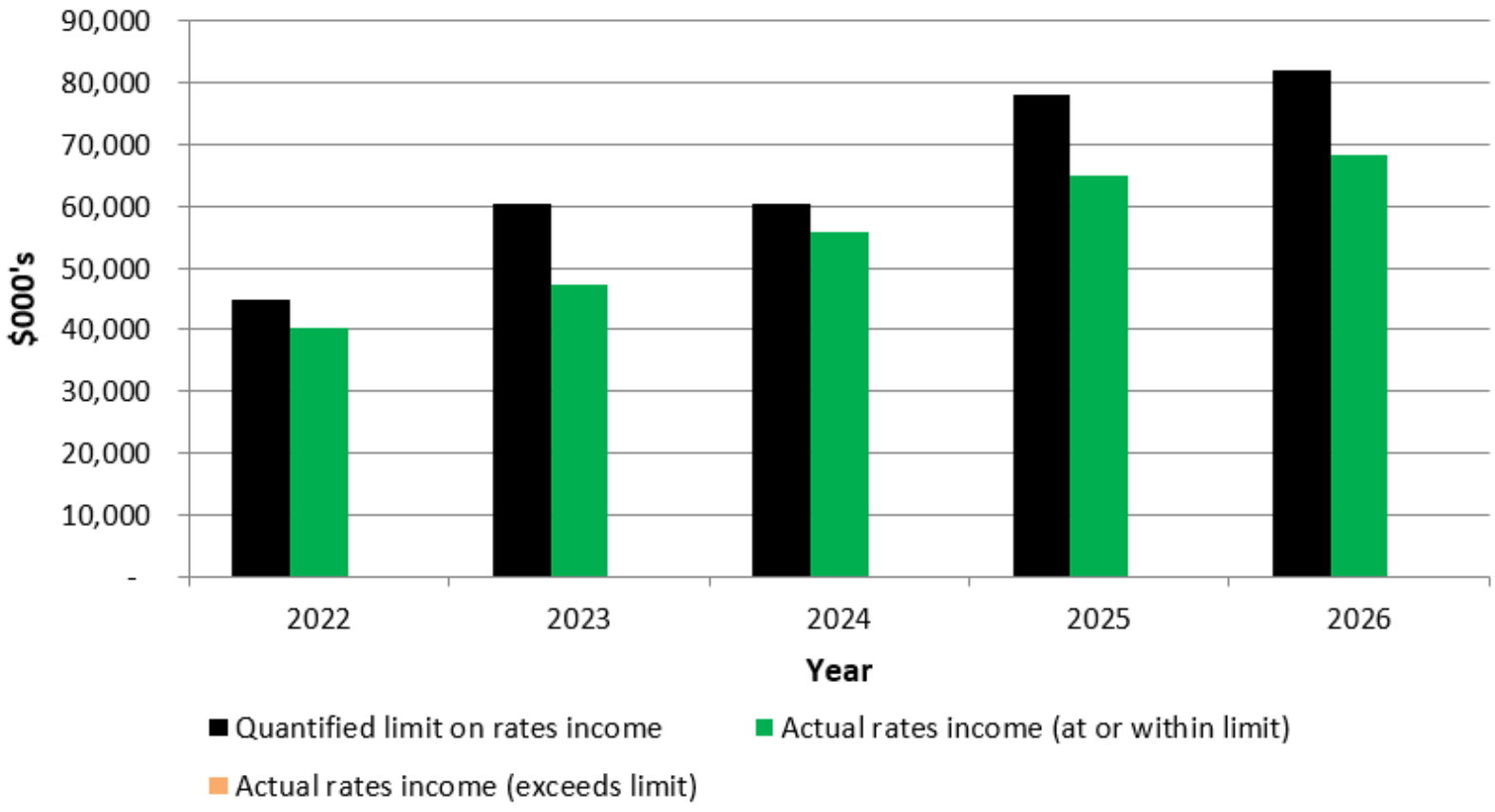
The Council meets the rates affordability benchmark if:

- 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

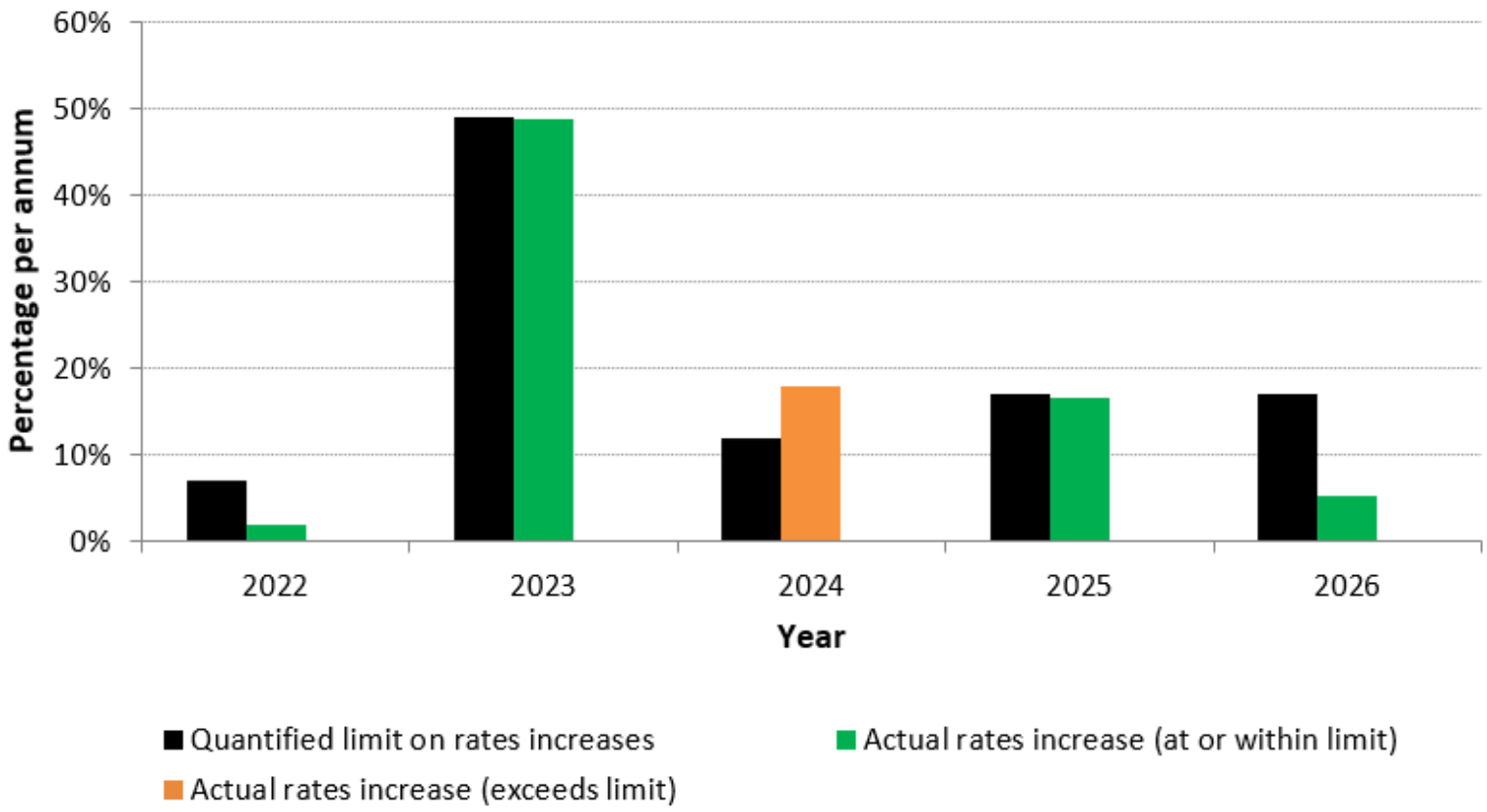
The following graph compares the Council's actual rate income with a quantified limit on rates contained in the financial strategy included in the Council's Long-Term Plan.

The quantified limit for 30 June 2026 is $81 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 17% per annum, (2025: 17%, 2024: 12%, 2023: 49%, 2022: 7%).




### RATES AFFORDABILITY COMMENTARY

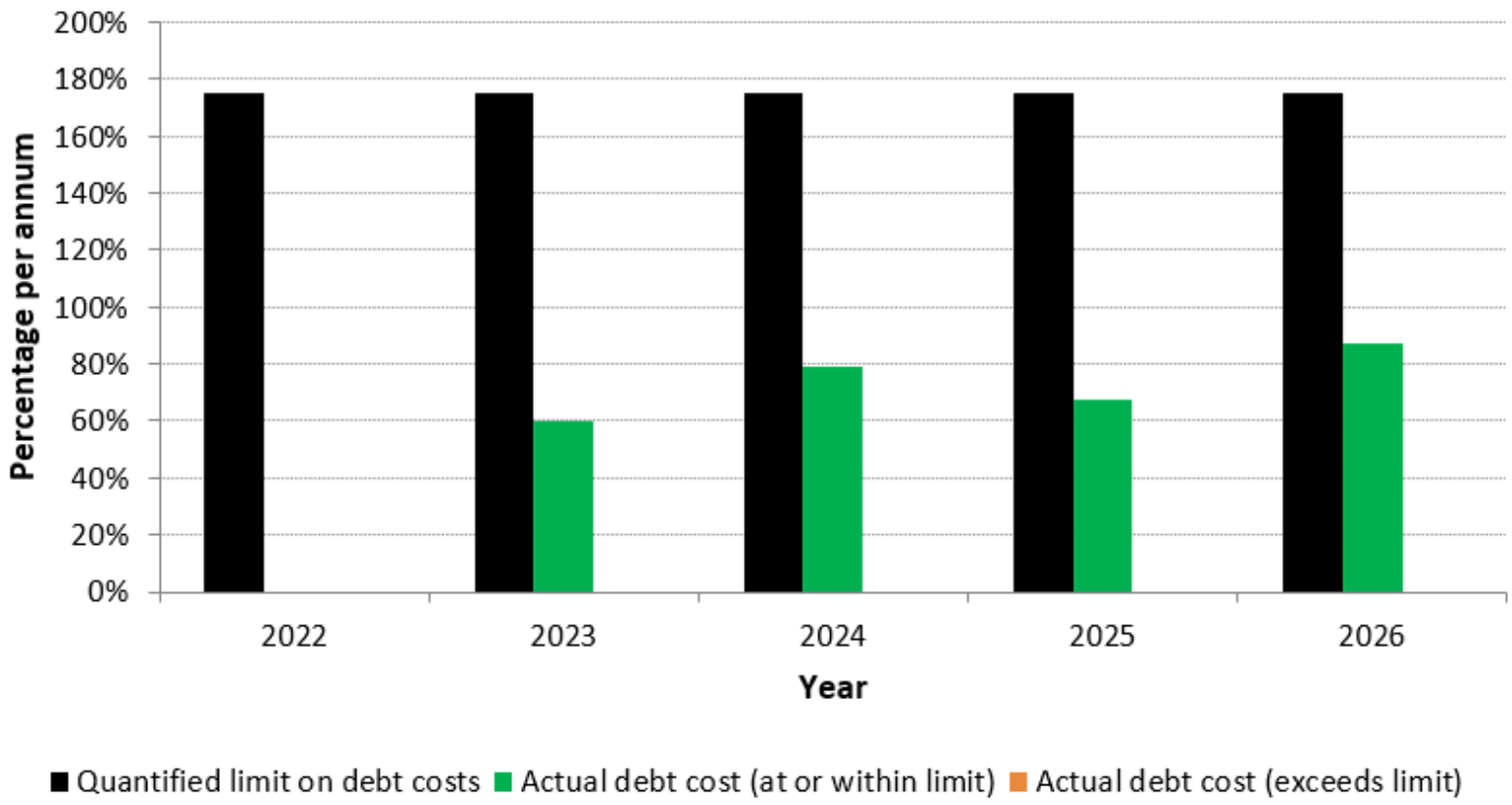
The Rates (increases) affordability graph shows the quantified limit was exceeded in 2024. The quantified limit included in the Long-Term Plan was 12% in 2024 and the actual increase was 18%.

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.

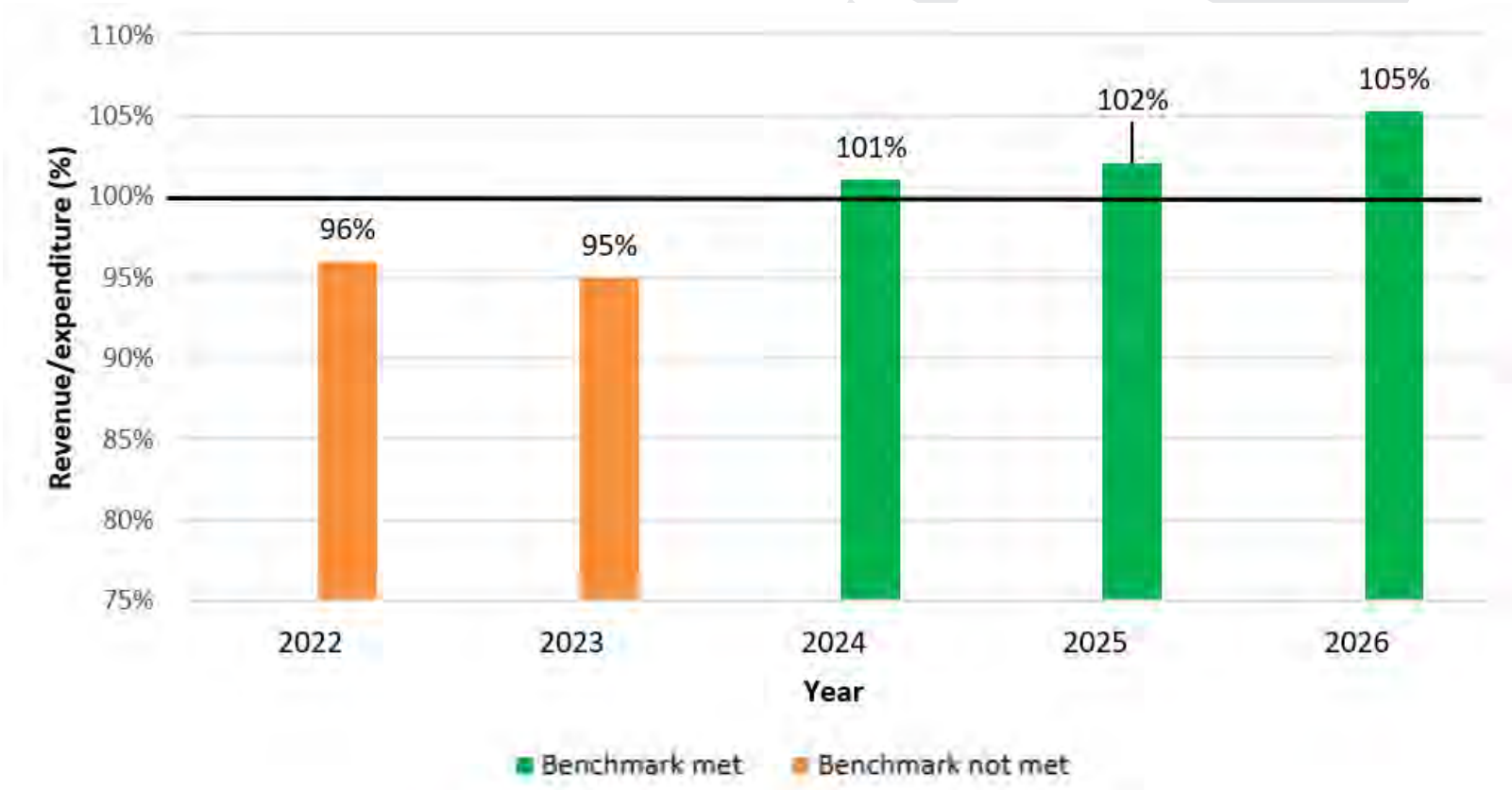
The following graph compares the Council's actual borrowing with a quantified limit specified in the financial strategy included in the Council's Long-Term Plan. The quantified limit 175% of revenue.



# 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 2026, shows that Council's revenue was greater than operating expenses at 105%. 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.

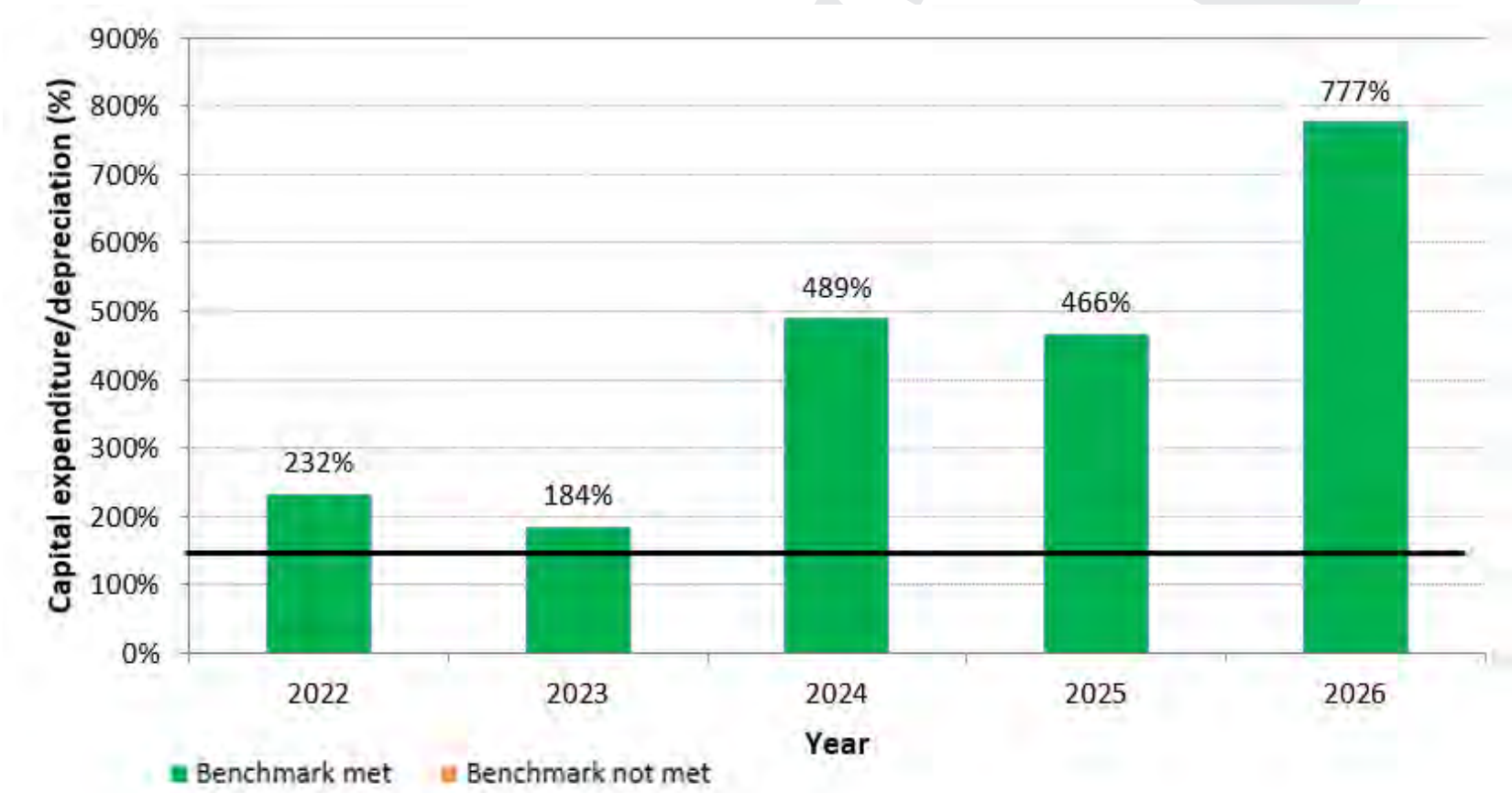
In the 2022-2024 years, Council resolved to fund costs associated with particular activities from reserves, with the activities most affected being the Environmental, Community and Transport activities.

# 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.

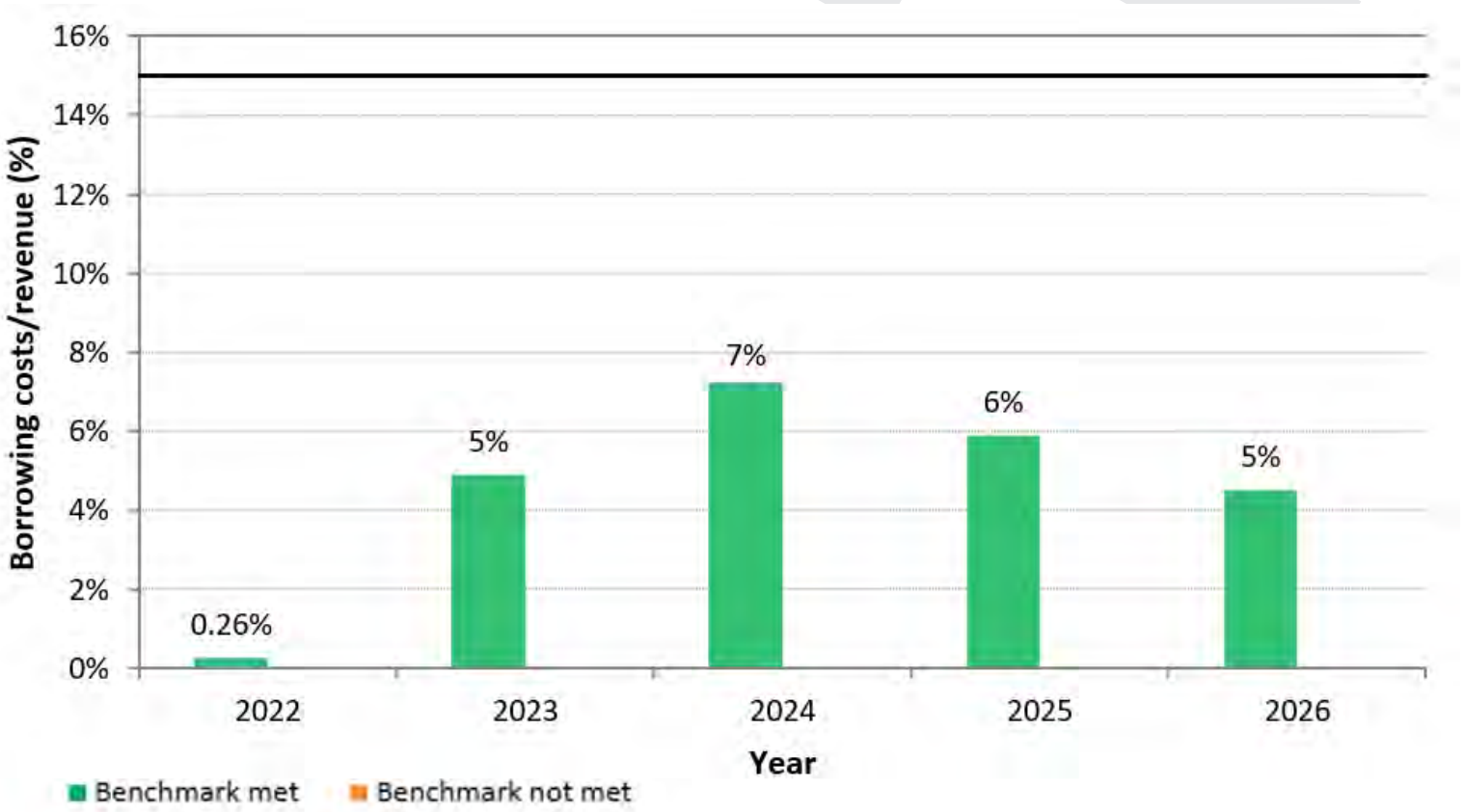
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



# 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.

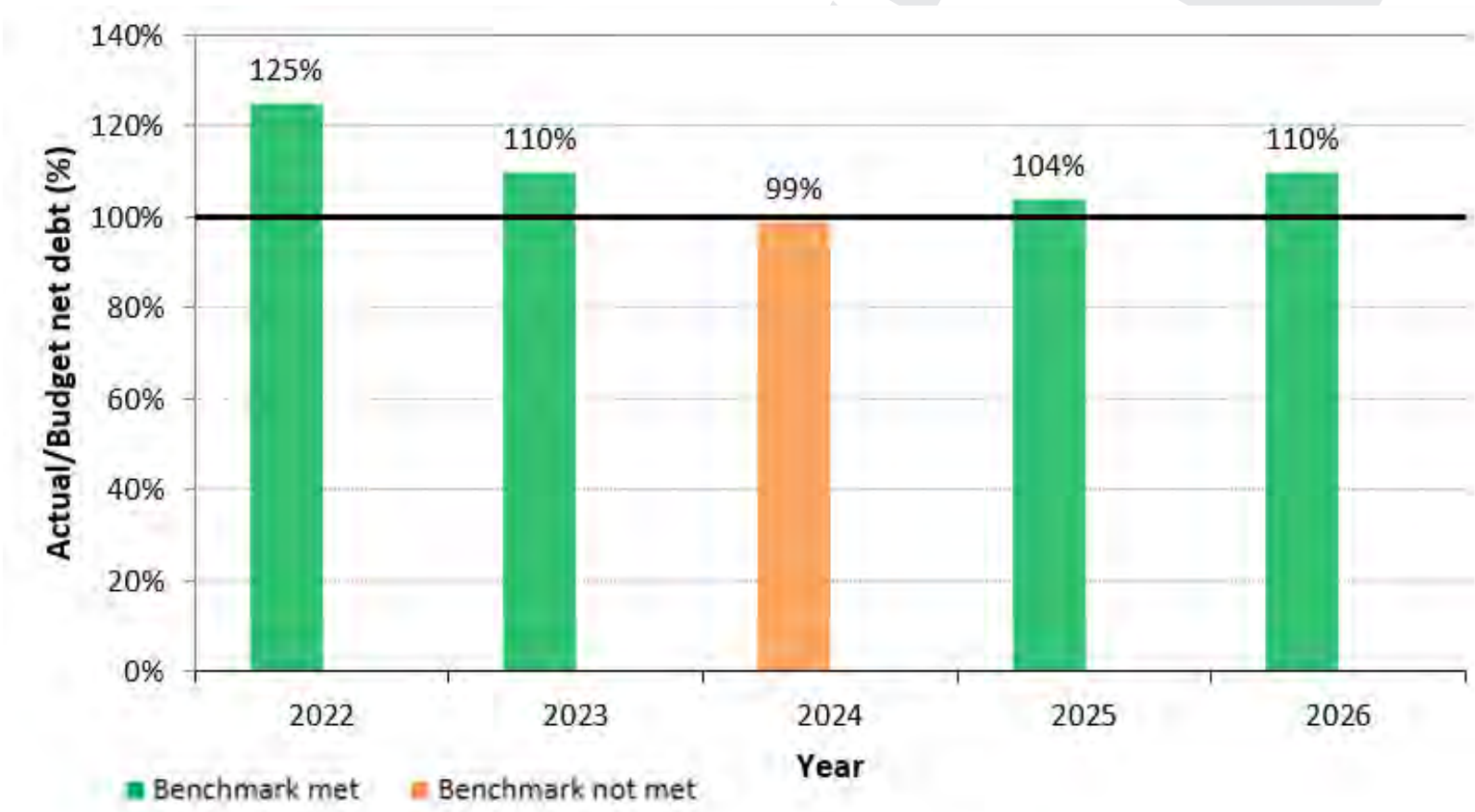


# Debt Control Benchmark

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.

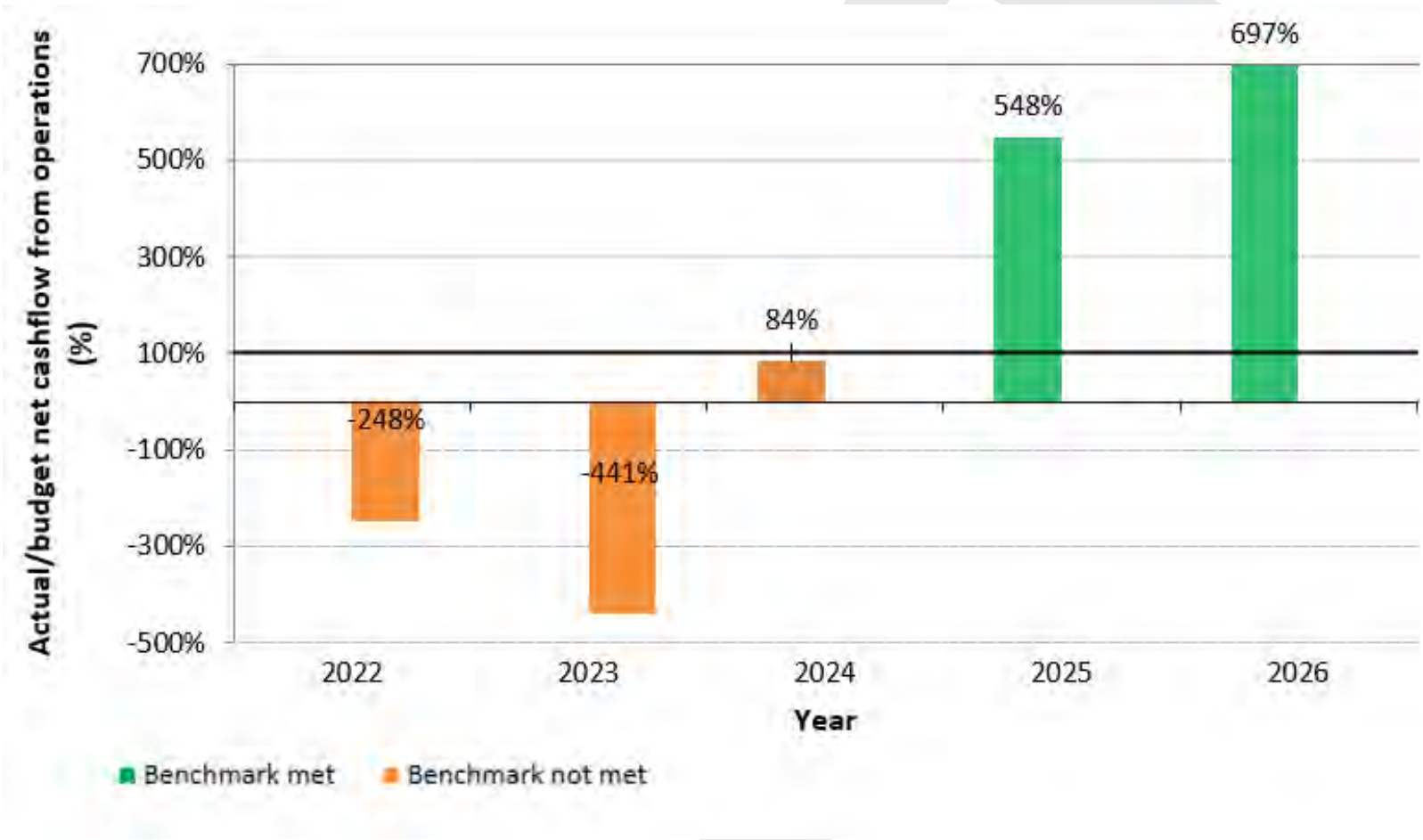
During the 2021/2022 Council borrowed $15 million which was increased to $25 million in 2022/23 to 2025/26 period.



# 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 2026 year, actual cash flow from operations was a new in $8,002,000 compared to a planned new inflow of $1,148,000. The major cause of this variance was a $6,854,000 increase in receipts from customers $2,661,000, and an increase in grant income $2,425,000 and reduced cashflow to pay for payments to suppliers and employees of $3,285,000.

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.

# 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.

| Otago Region | Rating Base Information for the Year Ended 30 June 2026 | Rating Base Information for the Year Ended 30 June 2025 |
|---|---|---|
| Total number of rating units | 139,615 | 136,645 |
| Total capital value of rating units | $163,594,577,192 | $156,242,558,309 |
| Total land value of rating units | $89,218,777,150 | $88,988,471,350 |

## Insurance of Assets

The total carrying value of all assets of the Council as at 30 June 2026 that are covered by insurance contracts amounts to $24.798 million (2025: $7.549 million) and the maximum amount to which they are insured is $51.426 million (2025: $43.776 million).

The total value of all assets of the Council as at 30 June 2026 that are self-insured amounts to $91.675 million (2025:$46.616 million).

Included in the value of self-insured assets are flood protection and drainage infrastructural assets of $39.738 million (2025: $24.136 million), land of $9.450 million (2025: $nil), transport infrastructural assets and hardware of $nil million (2025: $2.970 million), stock effluent disposal facilities of $nil million (2025: $1.830 million) and offices and regional depot of $nil million (2025:$17.680 million). 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 2026 the Council had not entered into any financial risk sharing arrangement for any assets held (2025:$Nil).




## Otago Regional Council Councillors

| | | |
|---|---|---|
| **Chairperson** | Hilary Calvert | Dunedin Constituency |
| **Deputy Chairperson** | Kevin Malcolm | Moeraki Constituency |
| **Regional Councillors** | Chanel Gardner | Dunedin Constituency |
| | Andrew Noone | Dunedin Constituency |
| | Gretchen Robertson | Dunedin Constituency |
| | Alan Somerville | Dunedin Constituency |
| | Robbie Byars | Molyneux Constituency |
| | Kate Wilson | Molyneux Constituency |
| | Neil Gillespie | Dunstan Constituency |
| | Gary Kelliher | Dunstan Constituency |
| | Michael Laws | Dunstan Constituency |
| | Matt Hollyer | Moeraki Constituency |

Additional Information

## 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** | 180 High Street, Dunedin 9016 |
| **Website** | www.orc.govt.nz |
| **Phone** | 0800 474 082 |
| **Email** | customerservices@orc.govt.nz |

## Port Otago Limited

| | | |
|---|---|---|
| **Chairperson** | Tim Gibson | January 2023 to Current |
| **Deputy Chairperson** | Pat Heslin | |
| **Directors** | | |
| | Bob Fulton | |
| | Richard Herd | |
| | Chris Hopkins | |
| | Becky Lloyd | |
| | Anne McLeod | |
| **Chief Executive** | Kevin Winders | |

# Office and Depot Locations

## Offices

### Dunedin Office - Aonui

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm Closed on public holidays.

180 High Street
Dunedin 9016

### Queenstown Office

Monday to Friday
8.00am to 1pm, 2pm to 4.30pm Closed on public holidays.

Alta House
Terrace Junction Ground Level
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.

**Balclutha**
Hasborough Place
Balclutha 9230

**Alexandra**
William Fraser Building
Dunorling Street
Alexandra 9340

13a Ngapara Street
Alexandra 9340

**Cromwell**
14 Rogers Street
Cromwell 9310

**Dunedin**
180 High Street
Dunedin 9054

**Oamaru**
279 Thames Street
Oamaru 9400

**Palmerston**
54 Tiverton Street
Palmerston 9430

**Taieri**
173 Dukes Road North
North Taieri 9092

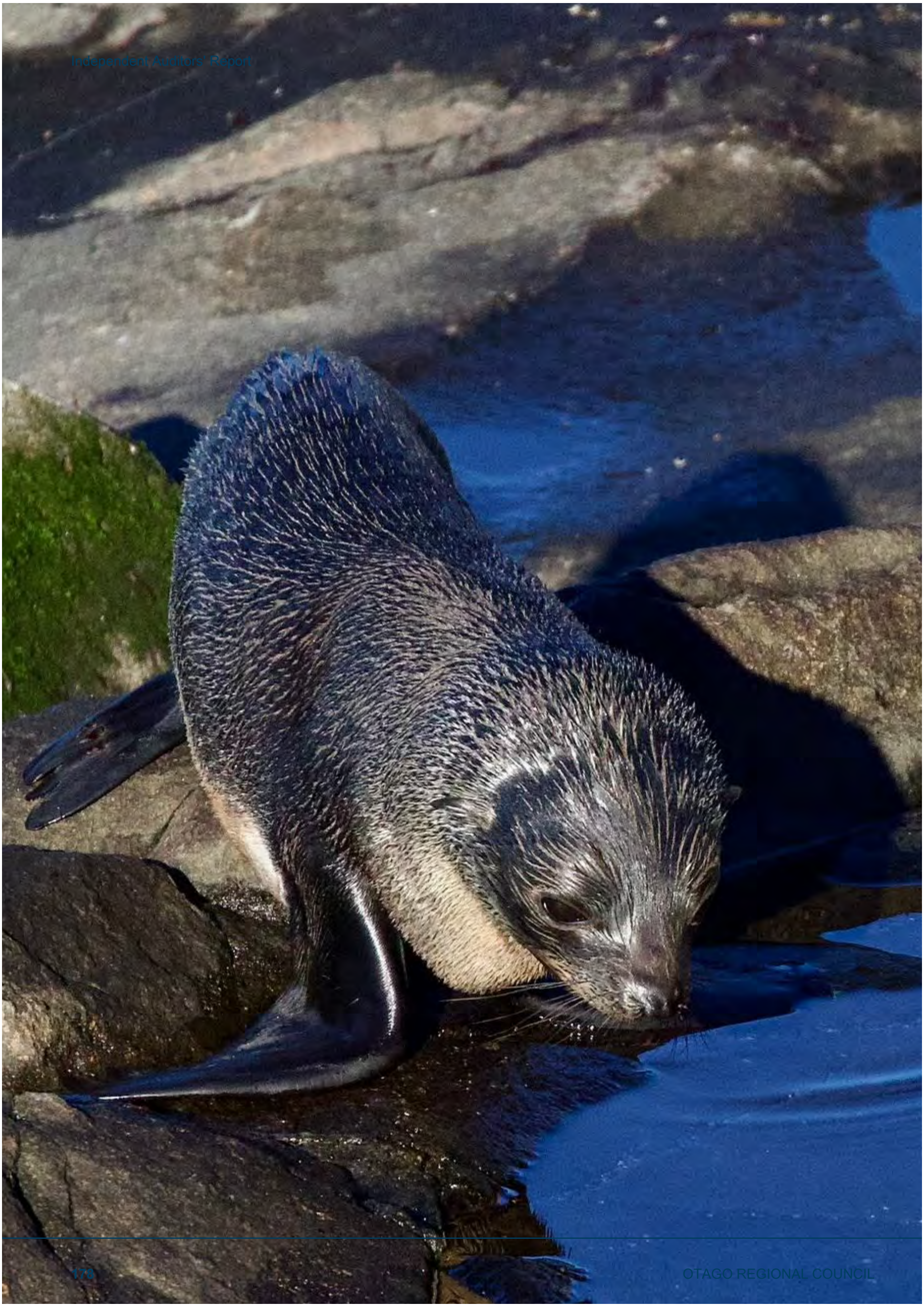
**Wānaka**
185 Riverbank Road
Wānaka 9382

# 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
178
OTAGO REGIONAL COUNCIL

Otago Regional Council

28 October 2026

Anthony Smith
Deloitte
Chartered Accountants
PO Box 1245
**Christchurch 8013**

Dear Anthony

## Representation letter for the year ended 30 June 2026

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Otago Regional Council and Group, statement of performance, and other audited information for the year ended 30 June 2026 for the purpose of expressing an independent opinion about whether:

- the financial statements present fairly, in all material respects, Otago Regional Council and Group's financial position as at 30 June 2026, and the results of its operations and cash flows for the year ended on that date, in accordance with New Zealand Public Benefit Entity Public Sector Standards;

- the statement of performance for the year ended 30 June 2026:

    - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and New Zealand Public Benefit Entity Public Sector Standards; and

    - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;

- the funding impact statements for each group of activities for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and

- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

We understand that you are also required to report on:

- whether Otago Regional Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and

- Otago Regional Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

We understand that your audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board.

## General responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;

- we have complied with our statutory obligations including laws, regulations, and contractual requirements;

- we have carried out our decisions and actions with due regard to minimising waste;

- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and

- any decisions or actions have been taken with due regard to financial prudence.

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

## Representations on the financial statements, statement of performance, other audited information and disclosure requirements

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

- we have fulfilled our responsibilities for preparing and presenting the financial statements, the statement of performance, the other audited information, and the disclosure requirements as required by the Local Government Act 2002 and, in particular, that:

- the financial statements present fairly, in all material respects, Otago Regional Council and Group's financial position as at 30 June 2026, and the results of its operations and cash flows for the year ended on that date, in accordance with New Zealand Public Benefit Entity Public Sector Standards;

- the statement of performance for the year ended 30 June 2026:

  - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and New Zealand Public Benefit Entity Public Sector Standards; and

  - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;

- the funding impact statements for each group of activities for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and

- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

- Council has complied with the information disclosure requirements of Schedule 10 of the Act that apply to the annual report;

- Council disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence Regulations) 2014 are complete and accurate;

- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements and statement of performance are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of New Zealand Public Benefit Entity Public Sector Standards;

- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements in accordance with the requirements of New Zealand Public Benefit Entity Public Sector Standards;

- we have adjusted for or disclosed all events subsequent to 30 June 2026 that require adjustment or disclosure;

- we are aware that you have not identified any misstatements to the financial statements and statement of performance during the course of your audit that have not been adjusted; and

- we are aware that you have not identified any uncorrected disclosure deficiencies in the financial statements and statement of performance during the course of your audit; and

- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with New Zealand Public Benefit Entity Public Sector Standards; and

- Investment property is valued using the fair value model as detailed in the notes to the Council and consolidated financial statements. We believe that the measurement methods and significant assumptions adopted in determining fair value are appropriate and consistently applied.

- The investment in shares in Port Otago Limited is valued using the fair value model as detailed in the notes to the Council financial statements. We believe that the measurement methods and significant assumptions adopted in determining fair value are appropriate and consistently applied.

## Representations about the provision of information

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

- we have provided you with:

    - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements, the statement of performance, the other audited information, and the disclosure requirements; and

    - unrestricted access to persons within Otago Regional Council and Group from whom you determined it necessary to obtain audit evidence;

- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of performance may be materially misstated as a result of fraud;

- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects Otago Regional Council and Group and involves:

    - management;

    - employees who have significant roles in internal control; or

    - others where the fraud could have a material effect on the financial statements and statement of performance;

- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting Otago Regional Council and Group's financial statements and statement of performance communicated by employees, former employees, analysts, regulators, or others;

- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of performance, including possible non-compliance with laws for setting rates;

- we have provided you with all the other documents ("other information") which will accompany the financial statements, the statement of performance, the other audited information and the disclosure requirements. The other information is consistent with the audited information and does not contain any material misstatements; and

- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.

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

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of performance.

The electronic version of the audited financial statements and statement of performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of performance and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial information and statement of performance and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of performance is provided on a website, the financial statements and statement of performance are also provided in full.

## Going concern

We confirm that, to the best of our knowledge and belief, Otago Regional Council and Group has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Council continues to adopt the going concern basis of accounting in preparing the financial statements and the statement of performance for the year ended 30 June 2026. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect Otago Regional Council and Group during the period of one year from the date of signing the financial statements and statement of performance, and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

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

## Sign-off on these representations

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

Yours faithfully

Cr Hilary Calver
Chairperson

Richard Saunders
Chief Executive

# Appendix 1: Uncorrected misstatements

No uncorrected misstatements identified.

## Uncorrected disclosure deficiencies

No uncorrected disclosures identified.

## 11.2. Large-scale Environment Fund

| | |
|---|---|
| **Prepared for:** | Council |
| **Report No.** | ENV2614 |
| **Activity:** | Environmental Implementation |
| **Author:** | Richard Saunders (Chief Executive) |
| **Endorsed by:** | Richard Saunders (Chief Executive) |
| **Date:** | 28 October 2026 |
| **Portfolio Leads:** | Cr Noone and Cr Byars, Environmental Delivery |

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### PURPOSE

[1] This report seeks Council decisions on funding applications from Southern Lakes Sanctuary and Predator Free Dunedin through the Large-scale Environmental Fund. Both applications exceed the Governance Group's delegated funding threshold and have therefore been referred to Council for consideration against the approved eligibility and assessment criteria and within the fund's available budget.

### EXECUTIVE SUMMARY

[2] Council is asked to consider two applications for three-year funding from the Large-scale Environmental Fund. Southern Lakes Sanctuary seeks $600,000 per year and Predator Free Dunedin seeks $500,000 per year. Approving both would commit $1.1 million per year, totalling $3.3 million excluding GST over three years. Both applications exceed the Governance Group's annual delegated authority and have therefore been referred to Council, with the Governance Group recommending that Council approve both applications for the full amounts requested.

[3] Southern Lakes Sanctuary proposes to maintain predator suppression across approximately 250,000 hectares and extend active suppression by a further 50,000 hectares, supported by 3,000 additional traps and bait stations, expanded monitoring technology and continued threatened species recovery.

[4] Predator Free Dunedin's wider programme footprint covers approximately 55,000 hectares. The proposed funding is focused on multi-species elimination work across around 10,000 hectares within that wider programme area, including a core 3,180-hectare elimination zone where possums, stoats and feral cats would be removed. The programme would also continue to protect the possum-free Otago Peninsula and Orokonui Ecosanctuary.

[5] Both applications build on established organisations, delivery systems, partnerships and previous investment. The proposed funding would support an integrated mix of operational capacity and on-the-ground delivery, allowing the organisations to retain

specialist capability, protect existing gains and extend their work. Both proposals include substantial co-investment and measurable environmental, community and capability outcomes.

[6] The Large-scale Environmental Fund Governance Group has assessed each application separately against the approved eligibility and assessment criteria and considers that both provide a credible basis for investment, subject to three-year funding agreements, annual work programmes, staged payments, confirmation of co-investment and regular financial and outcome reporting.

[7] Supporting both proposals could also create benefits beyond the Southern Lakes and Dunedin project areas. Through the regional collaboration opportunity, the organisations intend to share established systems, technical expertise and practical learning with emerging pest and predator-control initiatives elsewhere in Otago. This could reduce duplication and help other initiatives build delivery capability more quickly. No additional Council funding is sought for this collaboration opportunity. It depends on both partner applications being approved and would be progressed within the scope and capacity of the two approved programmes.

## RECOMMENDATION

*That the Council:*

1) ***Notes** that the Large-scale Environmental Fund Governance Group assessed the Southern Lakes Sanctuary and Predator Free Dunedin applications against the approved framework and recommends that Council approve both applications for the full amounts requested. The funding decisions have been referred to Council because the requests exceed the Group's delegated authority.*
2) ***Approves** funding of $600,000 per year for three years, totalling $1.8 million excluding GST, for the Southern Lakes Sanctuary proposal, subject to a three-year funding agreement, agreed annual work programmes and budgets, defined deliverables and measures, staged payments, confirmation of co-investment and reporting requirements.*
3) ***Approves** funding of $500,000 per year for three years, totalling $1.5 million excluding GST, for the Predator Free Dunedin proposal, subject to a three-year funding agreement, agreed annual work programmes and budgets, defined deliverables and measures, staged payments, confirmation of co-investment and reporting requirements.*
4) ***Delegates** to the Chief Executive authority to finalise and execute a funding agreement for any project approved by Council, including annual work programmes and budgets, conditions, milestones, measures, staged payments, co-investment requirements and reporting, and to defer or adjust later-year payments where delivery, financial performance, programme viability or co-investment is not satisfactory, provided any material reduction in outcomes, major change in scope or request for additional Council funding is referred back to Council.*
5) ***Supports** Southern Lakes Sanctuary and Predator Free Dunedin pursuing the regional collaboration opportunity described in this report, where Council approves funding for both projects, within the scope and capacity of their approved agreements. No additional Council funding is sought for this opportunity, and any separate new programme or activity outside the approved scopes will require a separate proposal and approval process.*

## BACKGROUND

[8] Council approved the Large-scale Environmental Fund in June 2025. The Long-Term Plan 2024–2034 provides $2 million per year for larger, collaborative projects that deliver significant and enduring environmental outcomes across Otago. The fund began on 1 July 2025, initially supported by Council reserves.

[9] In April 2026, Council adopted a delivery model combining Council-identified targeted investment opportunities with an open expression-of-interest pathway (resolution CM26-170). In the establishment phase, Council has focused on pursuing targeted investment opportunities. The fund is guided by three principles: enduring impact in partnership with mana whenua and/or communities, collaboration across the environmental funding system, and alignment with Council's strategic direction.

[10] Council approved the fund's governance framework, eligibility and assessment criteria, and project plan template in August 2026. Applications must meet the definition of a large-scale environmental initiative, be delivered by a legal entity, and demonstrate a clear link to Council Priority Actions, Council-endorsed Catchment Action Plans or relevant Council strategies.

[11] Under the approved delegation framework, the Large-scale Environmental Fund Governance Group may approve fully aligned projects of up to $250,000 per year for up to three years, to a maximum of $750,000 per project and within the approved fund budget. Applications above those limits, extending beyond three years, or not fully aligned with the approved criteria and principles require Council approval. The applications considered in this paper have been assessed against this framework.

## DISCUSSION

[12] Council is considering two applications to the Large-scale Environmental Fund. Each application has been assessed on its own merits against the approved eligibility and assessment criteria. Both applications seek investment to continue and extend established programmes rather than purchase a single, stand-alone output.

[13] The proposed funding supports an integrated mix of organisational capacity, specialist people, systems, equipment, field operations, monitoring, partnerships and expansion of existing work. These elements are interdependent. Sustained operational capacity enables both well-established organisations to retain capability, plan and deliver work at scale, and focus on on-the-ground outcomes rather than repeatedly diverting effort to short-term fundraising.

[14] Council's investment would therefore support the delivery platform as well as the specific activities and extensions described in each proposal. Accountability would be maintained through agreed funding conditions, milestones, measures and reporting linked to the environmental outcomes sought through the fund. The following summaries describe the proposed work, expected benefits, costs and matters relevant to Council's funding decisions. The full project plans are included as attachments.

[15] The Large-scale Environmental Fund Governance Group reviewed both applications against the approved framework and recommends that Council approve both applications for the full amounts requested. As each request exceeds the Group's delegated authority, the funding decisions have been referred to Council.

*Southern Lakes Sanctuary*

[16] Southern Lakes Sanctuary proposes a three-year programme to sustain and expand landscape-scale predator control and threatened species recovery across the Southern Lakes. It currently coordinates active predator suppression across approximately 250,000 hectares within a wider 850,000-hectare landscape. The proposal would extend active suppression by a further 50,000 hectares, taking the actively managed area to approximately 300,000 hectares, install 3,000 additional traps and bait stations, expand smart monitoring technology, and continue recovery work for threatened species.

[17] The Southern Lakes Sanctuary is seeking $600,000 per year for three years, totalling $1.8 million excluding GST, as part of an approximately $8.47 million programme. Further information on the proposal, benefits, costs and governance considerations is provided in the table below.

| Southern Lakes Sanctuary | |
|---|---|
| **Project outline** | Southern Lakes Sanctuary seeks to sustain and accelerate landscape-scale predator control and threatened species recovery. It currently coordinates active suppression across approximately 250,000 hectares within a wider 850,000-hectare landscape. Over three years it proposes to extend active suppression by 50,000 hectares, install 3,000 traps and bait stations, add 150 smart monitoring devices, complete two technology trials and one deployment, and continue targeted recovery work for takahē, mohua, whio, long-tailed bats and threatened reptiles. |
| **Principal benefits** | The proposal would protect existing biodiversity gains and predator-control infrastructure, increase active suppression to approximately 300,000 hectares, strengthen threatened species recovery and monitoring, and retain an established delivery platform. It directly supports all three pou of the Indigenous Biodiversity Strategy and the Upper Lakes Catchment Action Plan priority for introduced predator control. The applicant also proposes at least five collaborative projects, engagement with at least 15 education organisations and at least 20 community sessions each year, with volunteer participation increasing from approximately 22,000 hours to 30,000 hours by year three. |
| **Funding sought** | $600,000 per year for three years, totalling $1.8 million excluding GST. The funding would support both core operational capacity and expansion into priority areas. |
| **Programme value and co-investment** | The three-year programme value is approximately $8.47 million and confirmed co-investment is approximately $4.09 million. The application identifies a current-year funding gap of approximately $733,000 and larger gaps against confirmed revenue in later years. It notes that later-year figures are a conservative view of funding already contracted, not a forecast of fundraising capacity. ORC investment would substantially close the current-year gap while SLS continues to renew and diversify other funding. |

| | |
|---|---|
| **Governance considerations** | The request exceeds the Governance Group's delegation and requires Council approval. The programme spans multiple catchments, land tenures and delivery partners, with specific permissions to be confirmed where required. Key assurance matters are continued fundraising, annual confirmation of co-investment, delivery of the 50,000-hectare expansion and installation of 3,000 additional traps and bait stations, evidence of biodiversity response, partner coordination and the sustainability of expanded suppression beyond the funding period. |

*Predator Free Dunedin*

[18] Predator Free Dunedin proposes a three-year programme to protect existing biodiversity and biosecurity gains and deliver a nationally significant multi-species predator elimination proof of concept. Its wider programme footprint covers approximately 55,000 hectares. The proposed funding is focused on multi-species elimination work across around 10,000 hectares within that wider area, including a core 3,180-hectare elimination zone where possums, stoats and feral cats would be removed.

[19] The project would also maintain the possum-free Otago Peninsula, strengthen protection around Orokonui Ecosanctuary, undertake targeted rabbit and rat control, and produce evidence and practical methods for use in other complex mainland landscapes. The programme operates across the Otago Peninsula and West Harbour–Mt Cargill site-led areas identified in the Regional Pest Management Plan. It seeks $500,000 per year for three years, totalling $1.5 million excluding GST, as part of an approximately $6.44 million programme. ORC funding would primarily support predator-control equipment, technology and field materials. Further information on the proposal, benefits, costs and governance considerations is provided in the table below.

| **Predator Free Dunedin** | |
|---|---|
| **Project description** | Predator Free Dunedin seeks to protect existing biodiversity and biosecurity gains and deliver a multi-species predator elimination proof of concept across the Orokonui–Pūrākaunui–Aramoana landscape. Its wider programme footprint covers approximately 55,000 hectares. The proposed funding is focused on multi-species elimination work across around 10,000 hectares within that wider area, including a core 3,180-hectare elimination zone where possums, stoats and feral cats would be removed. The programme also includes targeted rabbit and rat control, defence and suppression zones, maintenance of the possum-free Otago Peninsula, biodiversity monitoring, research and community engagement. |
| **Principal benefits** | The proposal would strengthen protection of Orokonui Ecosanctuary and the possum-free Otago Peninsula, test elimination at a scale and complexity not previously achieved on mainland New Zealand and generate practical methods for integrated predator and pest management. It directly supports the Otago Peninsula and West Harbour–Mt Cargill site-led areas in the Regional Pest Management Plan, supports threatened and taoka species, provides rural and forestry biosecurity benefits, maintains more than 35,000 volunteer hours annually, and produces tools and guidance for wider application. |
| **Funding sought** | $500,000 per year for three years, totalling $1.5 million excluding GST. The proposed funding is focused on the multi-species elimination work across around 10,000 hectares, including the core 3,180-hectare elimination zone. It broadly aligns with the annual requirement for traps, surveillance and detection equipment, baits and lures, field consumables, personal protective equipment, vehicles, fuel and associated field technology and operating costs. |

| | |
|---|---|
| **Programme value and co-investment** | The three-year programme value is approximately $6.44 million. The application identifies $4.51 million of secured co-investment from the Department of Conservation, Dunedin City Council and City Forests, together with $417,000 from Predator Free Dunedin reserves. Dunedin City Council is also contributing approximately $645,000 of in-kind pest-control resource over three years. |
| **Governance considerations** | The request exceeds the Governance Group's delegation and requires Council approval. Delivery depends on regulatory approvals, continued landowner and community support, management of non-target effects and reinvasion risk, delivery of the elimination and proof-of-absence methodology, and securing any remaining programme funding. Funding conditions should require reporting on elimination and knockdown targets, biodiversity response, protection of existing gains, expenditure, co-investment and transfer of learning to wider Otago initiatives. |

*Regional collaboration opportunity*

[20] Alongside their individual applications, Southern Lakes Sanctuary and Predator Free Dunedin have presented a shared regional opportunity. This is a framing proposal rather than a separate funding application, and it does not replace the individual funding requests, delivery plans or evidence supporting each project. No additional Council funding is sought for the regional collaboration opportunity. It depends on both partner applications being approved and would be progressed within the scope and capacity of their approved programmes.

[21] The opportunity is to maximise the combined skills, expertise, networks and established capability of both organisations for region-wide knowledge transfer and capability building. Funding both proposals would retain two established centres of delivery capability in different parts of Otago and create a stronger base from which they could support other areas.

[22] The proposal would connect and amplify existing capability rather than create a single organisation or duplicate structures. Southern Lakes Sanctuary and Predator Free Dunedin have established systems and experience across governance, project management, field operations, monitoring, technology, data management, health and safety, community engagement, reporting and back-office support. Sharing relevant systems, processes and lessons with emerging pest and predator-control initiatives could reduce duplication, support more consistent delivery and extend some of the value of Council's investment beyond the two project areas.

[23] The potential region-wide benefit would arise through practical transfer of capability rather than through direct delivery by either organisation across all of Otago. New or emerging groups focused on pest management have identified needs including project set-up, data management, health and safety, communications and reporting systems that align governance, operations and landowner requirements. Subject to available capacity and the scope of approved funding agreements, support could include sharing back-office processes and templates, joint education and training days, technical advice, project set-up assistance and access to tested monitoring and reporting approaches. This could reduce start-up time and duplication, improve consistency and assurance, and allow local groups to focus more quickly on delivery.

[24] The direct benefits of the proposed funding would remain the outcomes delivered within each applicant's approved programme. Funding both proposals could provide

an additional regional benefit by retaining and connecting specialist capability already operating at scale, strengthening the support available to emerging initiatives and presenting a more coordinated regional platform to prospective public, business and philanthropic funders. This collaboration would not require additional Council funding and would be undertaken within the scope and available capacity of both approved programmes. The extent and timing of wider benefits would depend on that capacity and the needs of other initiatives. Each organisation would retain its own governance, delivery responsibilities and accountability. Any separate new programme or activity outside the approved scopes would require a separate proposal and approval process.

*Assessment against the fund criteria*

[25] The Large-scale Environmental Fund Governance Group, with support from staff, assessed each application separately against the approved eligibility and assessment criteria. Eligibility was confirmed for both applicants. Southern Lakes Sanctuary provides a delivery platform for the Upper Lakes Catchment Action Plan's introduced-predator priorities and all three pou of the Indigenous Biodiversity Strategy. Predator Free Dunedin would deliver within two Regional Pest Management Plan site-led areas and supports science-led environmental management and practical pest management with landowners.

[26] Both proposals increase the scale, impact or pace of established work, demonstrate experienced governance and delivery capability, include material co-investment and partnerships, and identify measurable environmental, community and capability outcomes. Key qualifications requiring funding conditions are Southern Lakes Sanctuary's ongoing fundraising and land-access requirements, and Predator Free Dunedin's regulatory approvals, elimination risk and proof-of-absence methodology. The Large-scale Environmental Fund Governance Group considers that both applications meet the eligibility requirements and provide a credible basis for investment, subject to the controls and annual review arrangements described in this report.

*Strategic alignment and intended outcomes*

[27] The proposals align with the Indigenous Biodiversity Strategy, the Regional Pest Management Plan, relevant Catchment Action Plans and Council Priority Actions. They support Council's shift towards landscape-scale environmental delivery and strengthen mana whenua, community and landowner participation. The outcomes sought through the fund are broader than purchasing equipment or individual activities. They include sustained and expanded predator suppression, protection and recovery of indigenous species, stronger ecological connections, retained community and specialist capability, and systems and knowledge that can support delivery elsewhere in Otago.

*Organisational capability and delivery confidence*

[28] Both applicants are established organisations with governance, specialist staff, operating systems, delivery partnerships, volunteer networks and field infrastructure already in place. Each has demonstrated delivery at landscape scale and can deploy investment through existing programmes without a lengthy establishment phase. Their confirmed co-investment and community contribution provide additional delivery confidence. This established capability reduces implementation risk, supports faster on-the-ground

delivery and allows ORC funding to build on previous investment rather than establish new organisations or systems.

*Investment approach and accountability*

[29] If funding is approved, assurance will be provided through three-year funding agreements supported by agreed annual work programmes and budgets, defined operational and environmental milestones, staged payments, confirmation of co-investment and regular outcome and expenditure reporting.

[30] Applicants must confirm co-investment and notify Council of any material reduction. Later-year payments may be released where delivery, financial performance, programme viability and progress remain satisfactory. The Chief Executive, in consultation with the Large-scale Environmental Fund Governance Group, may defer or adjust payments, or approve a revised plan within the approved funding and overall outcomes. Material reductions in outcomes, major scope changes or additional funding requests will return to Council. Funding agreements will also address underspend, non-delivery and loss of significant co-funding.

[31] Approving both applications would commit $1.1 million of the fund's $2 million annual provision, leaving up to $900,000 per year available for other targeted investment opportunities, existing commitments or future expressions of interest, subject to the fund's current commitments and available balance. If Council approves a lower amount for either proposal, the relevant applicant will need to provide a revised programme confirming the scope, timing, outcomes, delivery viability and effect on co-investment before a funding agreement is completed.

[32] The regional collaboration opportunity broadens the potential benefit from predator control to integrated pest and predator control, including biodiversity and productive-land outcomes. Predator Free Dunedin has also provided an independent historic impact assessment estimating $4.67 million of social, environmental and economic benefits from $2.11 million of investment in 2022/23, a stated benefit-cost ratio of $2.21 for every $1 invested. This evidence relates to previous programme activity and should be treated as supporting evidence of organisational impact, not as a forecast or guarantee of benefits from the current application.

## OPTIONS

[33] Council may apply the following options separately to each application. This allows Council to reach a different decision on each proposal if it considers that appropriate.

**Option 1: Approve both applications at the amounts sought.** Council would approve $600,000 per year for three years for Southern Lakes Sanctuary and $500,000 per year for three years for Predator Free Dunedin, subject to three-year funding agreements, agreed annual work programmes and budgets, defined deliverables and measures, staged payments, confirmation of co-investment and regular reporting. This would commit $1.1 million per year and leave up to $900,000 per year from the fund's annual provision, subject to existing commitments and the available fund balance. It would enable both programmes to proceed at the proposed scale and provide a foundation for

the regional collaboration opportunity. This is the option recommended by the Large-scale Environmental Fund Governance Group.

**Option 2: Approve one or both applications at a lower amount determined by Council.** Council would specify the amount approved for each relevant application. This would depart from the Governance Group's recommendation and may require material redesign of the relevant programme. Before any funding agreement is executed, the applicant would be required to submit a revised programme confirming the scope, timing, deliverables, environmental outcomes, programme viability and effect on co-investment. The Chief Executive would finalise an agreement only if satisfied that the revised programme remains aligned with the fund criteria and offers clear value for the amount approved. This option would retain more funding for other opportunities but may reduce the scale, pace or integrity of the proposed outcomes.

**Option 3: Defer a decision on one or both applications pending specific further information.** Council could defer a decision if it identifies a material matter that cannot be adequately managed through the proposed funding agreements, conditions and annual review arrangements. Council would identify the information required and direct staff to report back to a specified meeting. Deferral would provide additional assurance but may delay delivery and create uncertainty for applicants and co-funders.

**Option 4: Decline one or both applications.** Council could decline either application if, despite the Governance Group's assessment and recommendation, it considers that the proposal does not provide sufficient value or assurance, or is not the preferred use of the available fund budget. Declining one application would not prevent Council from approving, reducing or deferring the other. Funding not approved would remain available for other targeted investment opportunities, existing commitments or future expressions of interest. The outcomes and co-investment associated with a declined application may not proceed at the proposed scale or pace.

## SUMMARY OF CONSIDERATIONS

### Community Outcomes

This work aligns with the following community outcomes from the ORC 2024–2034 Long-Term Plan. The applications support the Long-Term Plan outcomes of a healthy environment and communities that are resilient and empowered to act. The proposed work would protect indigenous biodiversity, strengthen community-led environmental action and support enduring environmental outcomes across Otago.

### Alignment with Central Government Legislation

The proposals are consistent with national direction for indigenous biodiversity, pest management and Predator Free 2050. Funding approval does not remove the need for either applicant to obtain any statutory approvals, permissions or land access required for delivery.

### Alignment with Otago Regional Council Internal Policy

Both applications align with the Large-scale Environmental Fund framework, the Long-Term Plan 2024–2034, Council Priority Actions, the Indigenous Biodiversity Strategy and relevant pest management and catchment priorities. Each application has been assessed against the approved eligibility and assessment criteria.

**Financial Considerations**

The two applications seek a combined $1.1 million per year for three years, totalling $3.3 million excluding GST. The Long-Term Plan provides $2 million per year for the fund. Approving both would leave up to $900,000 per year, subject to existing commitments and the available fund balance. The applications identify programme values of approximately $8.47 million for Southern Lakes Sanctuary and $6.44 million for Predator Free Dunedin. Southern Lakes Sanctuary reports approximately $4.09 million of confirmed funding over three years, with later-year gaps reflecting only formally secured revenue at the time of application. Predator Free Dunedin reports $4.51 million of secured co-investment, $417,000 from reserves and approximately $645,000 of in-kind Dunedin City Council pest-control resource. Any approvals should be supported by staged payments, annual confirmation of work programmes and co-investment, and financial and outcome reporting.

**Legal Compliance/Risk**

Legal and compliance risk can be managed through funding agreements, clear deliverables, conflict-of-interest controls, evidence of required approvals and land access, and regular reporting. Predator Free Dunedin has identified regulatory approvals for some control methods as a delivery risk. Alternative methods and adaptive delivery are proposed if approvals are delayed.

**Reputational Risk**

Key reputational risks include perceived unfairness in funding decisions, failure to achieve stated outcomes, community concern about control methods and insufficient transparency over public investment. These risks can be managed through consistent assessment against the approved criteria, clear reasons for decisions, funding conditions, outcome monitoring and regular public reporting.

**Climate Resilience**

Sustained predator control and recovery of indigenous species can strengthen ecosystem resilience to environmental change. Climate resilience benefits are indirect and will depend on the outcomes achieved in each project area.

**Carbon Emissions**

The funding decisions have no material direct emissions impact. Project delivery will involve travel, field operations and equipment use. Any emissions are expected to be minor relative to the scale of the programmes and should be managed through normal operational planning.

**He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy**

The funding decisions involve material multi-year public investment, but they are within the purpose and budget established through the Long-Term Plan and fund framework. The applications include community and mana whenua participation. Further engagement will occur through project delivery as appropriate to location, methods and effects.

**Engagement with Mana Whenua**

Both applicants describe established relationships with mana whenua and an intention to strengthen mana whenua involvement in governance, planning and delivery. Predator Free Dunedin identifies Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki as partners. Southern Lakes Sanctuary was established with support from Te Rōpū Kaitiaki ki Ara-ite-uru and Kaitiaki Roopū o Murihiku and works with Kāi Tahu on species recovery. Funding agreements should require project-level engagement where relevant.

**Stakeholder Engagement**

Both proposals rely on established partnerships with landowners, community groups, volunteers, local and central government, researchers and conservation organisations. Ongoing engagement will be required to maintain access, community support and coordinated delivery. Each applicant will be responsible for engagement associated with its project.

**Communications**

Council's decisions and reasons should be communicated clearly to the applicants and reported through normal governance channels. If funding is approved, communications should explain the projects, expected outcomes, use of public funding and reporting arrangements without implying that the longer-term regional collaboration opportunity is a separately funded commitment.

## NEXT STEPS

[34] If Council approves funding, staff will confirm the approved amount and scope with each applicant and negotiate three-year funding agreements. The agreements will set annual work programmes and budgets, deliverables, environmental and operational measures, staged payment arrangements, co-investment requirements, reporting, change-control provisions and remedies for underspend or non-delivery. Later-year payments will be subject to annual review.

[35] Following execution of the agreements, the applicants will commence or continue delivery in accordance with the approved programmes. Staff will monitor progress and provide quarterly reporting to Council on funding committed and spent, delivery against milestones, environmental outcomes, co-investment, material risks or changes, and progress on the regional collaboration opportunity where relevant.

## ATTACHMENTS

1. Southern Lakes Sanctuary Project Plan [**11.2.1** - 44 pages]
2. Predator Free Dunedin Project Plan [**11.2.2** - 47 pages]
3. One Regional Opportunity [**11.2.3** - 9 pages]

# Large-scale Environmental Fund Project Plan Template

**Organisation Legal Entity Name:**

Southern Lakes Sanctuary

**Key Contact Name:**

Paul Kavanagh, Chief Executive

**Email:**

paul.kavanagh@southernlakessanctuary.org.nz

**Mobile:**

021 0260 9995

## 1. Project Overview

Provide a brief overview of your project.
Include:

- What the project aims to achieve
- Why the project is needed
- Where the project will take place
- Why is ORC investment needed and what will it enable
- The key environmental outcomes you expect

Southern Lakes Sanctuary seeks investment of $600,000 per year for three years ($1.8 million total) to sustain and accelerate landscape-scale predator control and threatened species recovery across an approximately 300,000-hectare project area in the Southern Lakes region.

ORC funding would protect existing biodiversity gains, expand predator control into priority areas and support recovery of threatened species through an established conservation platform that is ready to scale immediately - whilst also delivering against all three pou of ORC's Indigenous Biodiversity Strategy.

Expected outcomes include enhanced indigenous biodiversity, reduced predator pressure, strengthened threatened species populations and increased community participation in conservation.

## 2. Project Objectives

List the main objectives of your project.

1. **Maintain predator suppression across priority areas of the Southern Lakes**
   **Targets:** collectively maintain and service trap networks. Routine checks include rebaiting, removing dead animals, clearing debris and ensuring traps are functioning correctly Service/audit includes calibration/trigger-sensitivity checks, repairing or replacing baffles, woodwork and other components, this work is completed as required.

2. **Expand predator control into identified priority areas**
   **Targets:** add 3000 new traps and bait stations over the 3-year project period into priority areas (which will be determined based on monitoring results, TrapNZ data and accessibility). Increase predator suppression area by 50,000 ha over 3 years.

3. **Protect and recover threatened species populations**
   **Targets:**
   - **Takahē, Rees Valley:** Continue predator control and monitoring to support the Rees Valley takahē population, including monitoring breeding, survival and distribution and undertake further releases as required.
   - **Mohua, Mātakitaki:** Maintain predator control and monitor the re-established mohua population through annual census monitoring, monitoring of colour-banded birds and breeding. Undertake a further top-up translocation, if required, in agreement with DOC, Kāi Tahu and the Mohua Charitable Trust.
   - **Mohua, Makarora:** Maintain the nationally important population through sustained predator control and monitoring, ideally building on the record 23 fledglings in 2025/26 season. Monitoring includes intensive nest monitoring and innovative acoustic monitoring techniques.
   - **Whio, Makarora and Rees Valley:** Maintain predator control supporting whio recovery and undertake river surveys including with conservation dogs and their handlers to determine whio distribution, breeding/feeding habitat and areas of high predator risk.
   - **Long tailed bats, Rees Valley and Glenorchy:** Establish a stronger understanding of bat distribution and important roosting habitat through acoustic monitoring and specialist bat work (with an independent ecologist and DOC collaboration) and use the results to identify priority areas for predator protection.
   - **Threatened reptiles:** Continue targeted reptile monitoring across priority sites, including in the Whakatipu (Jardine Park, Whitechapel Reserve and Slope Hill Recreation Reserve each November–March, Crown Range lizard monitoring and support for Peninsula Hill monitoring). Expand on lizard surveys across Mātakitaki, Whakatipu Basin, Rees Valley, Ruby Island and Makarora. Investigate an eDNA project for orange-spotted geckos.
   - **Future species recovery work:** Work with Kāi Tahu, DOC and species recovery groups to assess future translocation opportunities, including pāteke/brown teal, yellow-crowned kākāriki, whio and takahē. Complete a translocation feasibility assessment for at least one species and prepare the site for translocation (i.e. monitoring and predator control). There is the potential for a translocation to be completed within the 3-year period, but this is dependent on permits and approvals, source population dynamics, predator control established and planning/consultation with Kāi Tahu, DOC and species recovery groups.

Otago Regional Council

4. **Increase use of innovative predator-control and monitoring technologies**
   **Targets:**
   - **Innovative technology trials/deployments with predator control or monitoring**: Two trials and one deployment of new technology across our region at the end of the 3-year period.
   - **Smart device expansion**: Add an additional 150 smart devices (i.e. AI traps/AI monitoring devices/AI cameras) to our network, with existing or new technology.

5. **Strengthen landscape-scale conservation partnerships and community participation**
   **Targets:**
   - **Collaborative projects with other community organisations:** At least five projects/events delivered annually with other community groups, including supporting groups outside of the Southern Lakes.
   - **Environmental education**: Engage with at least 15 education organisations per year, including at least five projects over the 3-year period (i.e. predator monitoring, trapping projects with schools).
   - **Community events**: Hold at least 20 sessions per year across our partner groups for volunteers and community members to attend (i.e. trap training, monitoring workshops, winter series talks, advanced trap training sessions).
6. **Volunteer participation**: Increase volunteer participation from 22,000 hours annually to 30,000 hours over the 3-year period**Contribute expertise to regional predator-control collaboration across Otago**
   **Targets:**
   - **Events/Presentations:** Hold/facilitate at least one event per year that brings together regional or national groups, for example, predator free hui.
   - **Regional approach to predator control:** Commit resource to support ORC in developing a regional approach to pest management, including support to regional groups
   - **Contribution to regional framework:** Participate as opportunities arise and contribute SLS technical expertise i.e. Catchment Action Plans.

## 3. Project Location

Provide details of where the project will occur.

Include:

- Physical location
- Property or catchment name(s)
- A map showing the project area(s) (attach separately)
- Land ownership or permissions where relevant

Southern Lakes region of Otago

**Catchment Names:**

- Upper Lakes Catchment
- Makarora
- Upper Clutha
- Mātakitaki Valley

- Rees Valley
- Whakatipu
- Wānaka-Hāwea
- Glenorchy
- Richardson Mountains
- Motatapu
- Cardrona

Refer to map included in proposal.

**Land Ownership/Permissions:**
Our programme spans public conservation land, private landholdings, and multiple land tenures. SLS maintains established landowner relationships across the project area. Specific permissions to be confirmed where required.

## 4. Scope of Works

Provide details of work that will be undertaken, including the major workstreams.

| Activity | Description and Scale of the Activity | Hub (Geographic Area) | Three-year phasing |
|---|---|---|---|
| **Predator control** | Maintain and expand the existing predator-control network across priority landscapes. This includes routine checking and rebaiting of traps and bait stations, trap auditing including replacement and maintenance of devices, and installation of new traps and bait stations. | Across our whole project area with suppression focusing on the current 250,000 ha area. Areas for expansion will be determined on (but not limited to) predator monitoring, trap catch data, biodiversity monitoring, accessibility and community engagement (i.e. volunteer capacity). This will ensure the best use of our resources. | Service and maintain existing extensive trap network.<br><br>Add 3,000 traps and bait stations and extend suppression by 50,000 ha over three years. |
| **Smart technology trials and deployment** | Deploy and expand smart traps and AI-enabled monitoring devices | Focus on our high biodiversity areas of Makarora, Mātakitaki and the Rees Valley. | **Trials:** Two trials of new technology and one deployment. As we are dependent on the timing of new tech emerging, this will be achieved over the 3-year period.<br>**Expansion:** 150 smart devices (i.e. AI traps/AI |

| | | | |
|---|---|---|---|
| | | | monitoring devices/AI cameras). Year 1: 0, Year 2: 50, Year 3: 100 |
| **Predator monitoring** | Monitoring to allow for adaptive predator control management<br>Note: we will expand on the following monitoring as we plan predator control expansion. | **Makarora:**<br>• Tracking Tunnels (Valley wide TT monitoring from Haast Pass down to Muddy grid), annually in May, November and February.<br>• Camera monitoring, annually<br>• Waxtag monitoring, pre and post new possum trap deployment<br>**Mātakitaki:**<br>• Camera monitoring, twice per year<br>• Waxtags, pre and post new possum trap deployment<br>**Whakatipu:**<br>• Wye Creek: Waxtag and camera monitoring completed every six months<br>• Bobs Cove: Waxtag, annually<br>• Arrowtown / Coronet Face: Camera and waxtag monitoring in Bush creek and camera monitoring on Coronet Face, annually.<br>**Glenorchy:**<br>• Rees Valley camera monitoring (twice a year), tracking tunnels (3x year)<br>**Motatapu:**<br>• Camera monitoring and waxtags, annually<br>**Wānaka:**<br>• Pre and post predator control expansion monitoring including camera and waxtags. This work is as required, based on the ecosystem, target species etc. | |
| **Threatened species recovery** ***Note: Specific targets for Threatened Species Recovery are provided Objectives (above as #2) and should be read in conjunction with Biodiversity monitoring, below.*** | Support recovery programmes for takahē, mohua, kea, whio and other priority species | Rees Valley/Glenorchy, Mātakitaki, Makarora and other priority sites. | Maintain existing programmes and assess and prepare at least one future translocation opportunity. |

| | | |
|---|---|---|
| **Biodiversity Monitoring** | Monitoring provides evidence of species presence, trends and responses to conservation management and results are used to adjust conservation actions and target resources where they will have the greatest benefit.<br>Note: we will expand on the following monitoring as required | **Makarora:**<br>• Mohua fixed transects (SLS staff have trained DOC staff in this work), annually<br>• Mohua nest surveys and audio recorder work, annually in spring. Bird banding as required<br>• Whio surveys (focusing on Leven, Ore, Blue, Upper Young, potential for South Young and Fish). Annually in spring and summer<br>• Annual bat monitoring with audio-recorders in Makarora, North Young, Leven, Ore and Blue Rivers<br>• Forest bird surveys and incidental bird sightings, annually in spring<br>• Braided river bird surveys<br>• Potential air eDNA monitoring for bats in collaboration with the University of Otago<br>**Mātakitaki:**<br>• Mohua annual census monitoring<br>• Forest bird surveys with audio recorders, annually<br>• Complete camera monitoring work for Kea Conservation Trust and kea nest surveys, annually<br>• Whio surveys: potential for Mill Creek and East Branch (likely in year 2 or 3).<br>**Whakatipu:**<br>• Bobs Cove: Kākāriki monitoring, twice a year in November and winter<br>• Shotover River: Braided river survey of the Shotover River with WWT and Tuckers Beach Wildlife Group<br>• Bittern surveys, annually (in collaboration with BirdsNZ)<br>• Jardine Park, Whitechapel Reserve, Slope Hill Recreation Reserve: 3-day lizard counts in Nov, Dec, Jan, Feb, and March.<br>• Peninsula Hill reptile monitoring<br>• Ben Lomond: 1 night moth community index, once a month during Oct-May<br>**Glenorchy:**<br>• Whio surveys; Year 1: river surveys with SLS staff, Years 2 and 3: surveys with conservation dogs and their handlers.<br>• Forest bird surveys with acoustic recorders planning for Years 2 and 3. |

| | | | |
|---|---|---|---|
| | | • Bat monitoring (in collaboration with DOC and bat ecologist):<br>o Planning and permitting for bat monitoring project (Year 1),<br>o Undertake several nights of capture and transmitter deployment, daytime radio-tracking and roost identification (Year 2).<br>o Deploy and retrieve audio recorders (Year 2).<br>o Map roosts/roosting range (Year 2).<br>o Adjust/expand predator control based on results (Year 3).<br>**Wānaka:**<br>• Bittern surveys, annually (in collaboration with BirdsNZ)<br>• Grebe surveys, annually | |
| **Community engagement** | Support local conservation groups (particularly our 6 founding partners), volunteers and landowners through training, equipment, monitoring and education. | Across the SLS hubs and associated communities throughout the Southern Lakes. | Deliver 5+ collaborative projects annually, engage 15+ education organisations annually, and hold 20+ community sessions annually. |
| **Feral cat control** | Targeted monitoring and control where feral cats pose a significant biodiversity threat | Current priority sites with expansion proposed based on monitoring. | • Rees Valley / Greenstone Road: ongoing<br>• Mātakitaki: twice a year in Autumn and Spring<br>• Makarora: annually in Spring (North Young), ongoing in Makarora valley<br>• Wye Creek and Remarkables Road: ongoing |
| **Regional collaboration** | Support knowledge sharing, systems development and regional predator control initiatives across Otago | Share SLS expertise, systems and knowledge and support regional predator control initiatives. | Hold / facilitate at least one regional event annually and contribute technical expertise to ORC's regional pest-management approach and Catchment Action |

| | | | |
|---|---|---|---|
| | | | Plans and QLDC biodiversity and predator control strategies |

## 5. Project Deliverables

Provide details of the project deliverable and target date for completion

| Deliverable | Output and Expected Completion Date |
|---|---|
| Maintain predator suppression | Maintain and service existing trap network, reported on by 31 July each year. |
| Expand predator control | 3,000 new traps/bait stations installed, and an additional 50,000 ha brought under suppression. Progress reported on by 31 July each year. |
| Predator monitoring | Complete monitoring across priority hubs annually, with results used to adapt predator-control effort throughout the project, reported on annually by 31 July each year. |
| Threatened species recovery | Continue monitoring and management of priority takahē, mohua, whio, bats and reptiles annually; assess and prepare at least one future translocation opportunity by the end of Year 3. |
| Biodiversity monitoring | Complete planned species monitoring across priority sites annually and use results to inform conservation management, reported on annually by 31 July each year. |
| Smart technology | Complete two technology trials and one deployment; add 150 smart devices (50 in Year 2, 100 in Year 3). |
| Community participation | Deliver 5+ collaborative projects, engage 15+ education organisations and hold 20+ community sessions annually; increase volunteer hours to 30,000 hours annually by year 3. Reported on annually by 31 July each year. |
| Regional collaboration | Hold/facilitate at least one regional event annually and contribute technical expertise to regional predator control initiatives. |

## 6. Expected Environmental Outcomes

Describe outcomes your project will achieve.

*E.g. ecological outcomes, community outcomes (if relevant), enduring outcomes once investment is finished.*

The project will deliver measurable improvements in predator suppression, threatened species protection and ecosystem resilience across the Southern Lakes Sanctuary.

- **Reduced predator pressure and increased habitat protection:** Maintain effective predator suppression across approximately 250,000 ha, expanding by a further 50,000 ha over three years, with 3,000 additional traps and bait stations installed.
- **Improved threatened species recovery:** Sustain and increase predator control to improve the survival, breeding success and population resilience of priority threatened species, and use targeted monitoring to track their recovery and distribution. These species include takahē, mohua, whio, long-tailed bats and threatened reptiles.

**Takahē in the Rees:** Increase protection efforts; maintain high adult survival; increase the number of breeding pairs and successful breeding events.
**Mohua in Mātakitaki:** Establish breeding population following the 2025 translocation of 50 birds. Monitor nesting success where possible
**Mohua in Makarora:** Maintain the positive population trajectory, including 8+ breeding pairs, continued successful breeding (23 fledglings in the 25/26 breeding season) and ongoing juvenile recruitment.

- **Greater ecological resilience:** Sustained predator suppression and targeted species recovery will strengthen the resilience of native ecosystems and populations across priority landscapes, helping threatened species and ecosystems better withstand increasing climate-related pressures and environmental change.
- **Increased community stewardship:** Increase volunteer particpation to 30,000 hours annually by year 3, alongside 5+ collaborative projects, 15+ education organisations and 20+ community sessions annually.
- **Enduring conservation capability:** The expanded predator-control network, monitoring capability, community knowledge and partnerships will provide an ongoing foundation for conservation beyond the funding period.

## 7. Project Team and Governance Structure

Describe who will deliver the project.
Include:

**Project Manager and Key staff**

| Name | Role | Organisation |
|---|---|---|
| Paul Kavanagh | Chief Executive | Southern Lakes Sanctuary |
| Tane Coe | Program Delivery Manager | Southern Lakes Sanctuary |
| Phil Green | Technical and Field Advisor | Southern Lakes Sanctuary |
| Katrina Black | Planning (and Fundraising) Manager | Southern Lakes Sanctuary |
| Melanie Seyfort | Partnerships and Communications Manager | Southern Lakes Sanctuary |
| Karen O'Donahoo | Program Services Manager | Southern Lakes Sanctuary |
| Samuel Purdie | Biodiversity Projects Coordinator | Southern Lakes Sanctuary |
| Jo Tilson | Biodiversity Coordinator | Southern Lakes Sanctuary |
| Denis Stojanovic | Makarora Coordinator | Southern Lakes Sanctuary |
| Scott Bewley | Mātakitaki Coordinator | Southern Lakes Sanctuary |
| Sam Reay | Upper Clutha Coordinator | Southern Lakes Sanctuary |
| Bonnie Wilkins | Whakatipu Coordinator | Southern Lakes Sanctuary |
| Greg Whall | Glenorchy Coordinator | Southern Lakes Sanctuary |

**Governance Structure**

Southern Lakes Sanctuary Trust is a registered charitable trust governed by a Board of Trustees. The Board provides strategic governance and oversight of the organisation, including setting strategic direction and policies, approving annual budgets and work plans, monitoring organisational performance, and ensuring that charitable funds and other assets are used effectively to achieve the Trust's conservation purposes.

The Board is made up of Trustees appointed in accordance with the Trust Deed, including Trustees associated with the Trust's Founding Members and up to three Trustees who are not associated with the Founding Members. One of these is designated as the Independent Trustee. Trustees are appointed for four-year terms and may be reappointed, subject to the limits set out in the Trust Deed.
The Board makes decisions collectively. A majority of Trustees constitutes a quorum, and decisions are generally made by a majority vote of those present. Board meetings and decisions are formally recorded. The Board meets ten times each year and may delegate specific responsibilities to committees or individuals while retaining overall governance responsibility.

The Chief Executive Officer is responsible for the day-to-day leadership and implementation of the organisation's work within the strategic direction and policies approved by the Board. This provides a clear separation between governance and operational management, with the Board retaining oversight and accountability for the organisation.

Trustees are also required to disclose conflicts of interest and cannot vote on matters in which they have a material interest, supporting transparent and accountable decision-making.

Southern Lakes Sanctuary Te Ohu Limited (Te Ohu) is an owned entity of Southern Lakes Sanctuary Trust and acts as SLS's workforce and operational delivery arm. Southern Lakes Sanctuary retains responsibility for strategy, governance, funding relationships and programme outcomes, while Te Ohu employs the operational workforce and supports delivery of SLS's conservation programmes.

**Technical specialists / Contractors**

Southern Lakes Sanctuary engages specialist contractors where particular technical expertise, specialist equipment or services are required that are not available within our core workforce. Contractors are engaged for defined pieces of work and operate under agreed scopes of work, deliverables and timeframes. SLS retains responsibility for project oversight, coordination and ensuring that the contracted work contributes to the agreed conservation outcomes. Contractors are not responsible for managing SLS programmes or staff; they provide specialist services within the broader SLS led programme.

Previous and Planned Technical Specialists / Contractors include:

- Ecological and technical consultants, such as Wildland Consultants or bat ecologist, providing specialist ecological advice and technical expertise.
- Acoustic monitoring and data analysis specialists, such as Digilab, supporting biodiversity monitoring through acoustic data processing and analysis.
- Conservation data and statistical specialists, such as Reproducible (Nathan Whitmore), providing specialist data analysis, statistical advice and interpretation.
- Predator control contractors, engaged occasionally for targeted possum and feral cat control, typically where partner groups have a history of engaging these contractors.
- Conservation dog teams and handlers, engaged for targeted field work such as whio surveys, where trained dogs provide specialist detection capability.

**Iwi/hapū involvement**

SLS was established with the support of Te Rōpū Kaitiaki ki Ara-ite-uru and Kaitiaki Roopū o Murihiku and work in partnership with Kāi Tahu on their long-term species recovery work. SLS are committed to strengthening this partnership and will be visiting rūnaka in 2027. An invite to whānau will also be sent for a hīkoi to key operational sites for this field season.

**Partner organisations**

The Southern Lakes Sanctuary Trust is a landscape scale conservation project that unites the work of a consortium of six major conservation groups focused on a long-term goal of eradicating predators from the Southern Lakes region. The founding members are:

- Whakatipu Wildlife Trust (WWT)
- Predator Free Wānaka
- Routeburn-Dart Wildlife Trust (RDWT)
- Soho Properties (Motatapu)
- Central Otago Lakes Branch of Forest and Bird, (Makarora)
- Mātakitaki Conservation Group

## 8. Funding Summary

Provide a summary of project costs.

| **Funding Source** | **Amount (ex GST)** |
|---|---|
| Funding Sought from ORC's Large-scale Environmental Fund | $600,000.00 per annum for three years. Total $1,800,000.00 |
| Co-investment secured (3-year confirmed funding) | $4,091,722 |
| Total value (FY26-27 to FY28-29 budgets) | $8,474,968.00 |

If available, attach a more detailed budget separately.

## 9. Project Timeline

Provide an indicative timeline.

| Phase | Timeframe | Key Activities |
|---|---|---|
| Maintain and establish | Year 1 | Maintain predator suppression across priority areas, including regular checking and servicing of existing trapping infrastructure; complete predator and biodiversity monitoring; undertake threatened species monitoring and management; install new traps/bait stations; commence smart technology trials; deliver community training, education and volunteer activities. |
| Expand and adapt | Year 2 | Continue predator suppression and monitoring; install further traps/bait stations into priority areas; deploy additional smart devices; undertake annual threatened species and biodiversity monitoring; use monitoring results to adjust predator control and identify further priority areas; continue community and regional collaboration activities; progress assessment and preparation for a future species translocation. |
| Consolidate and increase impact | Year 3 | Maintain the expanded predator-control network; install further traps/bait stations and complete the additional 50,000 ha of suppression; deploy additional smart devices; complete planned species and biodiversity monitoring; assess species recovery indicators and conservation outcomes; complete feasibility assessment and site preparation for at least one future translocation opportunity; consolidate community capability and regional knowledge sharing; complete final project reporting. |
| Beyond funding period | Ongoing | Continue predator suppression, monitoring and species recovery, complete successful translocation of threatened species. |

## 10. Risk Management

Identify the main risks to project delivery and how they will be managed.

| Risk | Mitigation |
|---|---|
| Health and Safety risks, especially in remote terrain | Robust H&S systems and processes, risk assessments, appropriate equipment, training and field procedures. |
| Weather and environmental events | Adaptive planning and flexible field scheduling to respond to changing conditions. |
| Environmental factors beyond SLS's control, including beech mast events and natural fluctuations in predator populations | Ongoing monitoring and adaptive management, with the ability to rapidly increase or redirect predator control effort in response to changing conditions and emerging threats |
| Conservation outcomes not achieved | Evidence-based planning, regular monitoring and adaptive management to adjust methods and effort. |
| Partner and stakeholder coordination | Clear roles, regular communication, established MOUs, and coordinated planning across the SLS network. |

| | |
|---|---|
| Delays in obtaining required permits, approvals or land access | Early identification of approval requirements, proactive engagement with relevant agencies and landowners, and flexible scheduling to accommodate potential delays. |
| Reputational risk | Clear governance, transparent reporting, good communication, and consistent delivery against commitments. |
| Funding and financial sustainability | Diversify funding sources, maintain strong funder relationships and regularly review budgets and priorities. Establish a retention fund. |

## 11. Measures of Success

Describe how you will measure success

*E.g. baseline, target*

Project success will be measured through a defined set of **predator control, biodiversity and community** and engagement **indicators**, using existing SLS monitoring programmes wherever possible and establishing baselines where required. Results will be reviewed annually and used to adapt delivery and prioritise effort.

The focus will be on **outcomes rather than activity alone**. Measures such as trap numbers, hectares treated and monitoring effort will demonstrate implementation, while success will be assessed through the following indicators:

**Predator pressure**

- Decrease in predator indices demonstrated through tracking-tunnel, camera and other monitoring methods.
- Reduced predator detections and interaction rates across priority sites.
- Sustained predator suppression over time.
- Expansion of the area achieving effective predator suppression.

**Target:** Maintain effective suppression across existing priority areas and extend suppression by approximately 50,000 hectares during the funding period.

**Biodiversity indicators**

Rather than setting population recovery as a fixed target, SLS will measure the ecological conditions and species responses that predator control is intended to support. Indicators will include:

- Survival, breeding success and recruitment where monitoring allows;
- Occupancy, distribution and activity of priority species;
- Species presence and persistence in managed areas; and
- Evidence of improved habitat security and reduced predator pressure at sites supporting threatened species.

Priority monitoring will include takahē, mohua, whio, long-tailed bats and threatened reptiles, using existing species-specific baselines and monitoring programmes.

**Target:** Maintain or improve ecological conditions and species indicators at monitored sites, while using the results to identify where predator control is contributing to positive biodiversity responses.

**Partnerships and investment**

- New funding secured from philanthropic, corporate and public-sector partners.
- Value of co-investment and in-kind support secured alongside ORC funding.
- New or expanded landowner, community and delivery partnerships established.

**Target:** Secure additional external investment to support SLS's predator control and biodiversity programme over the funding period, with new partnerships and co-investment reported annually.

**Community engagement and advocacy**

- Volunteer hours and active community participation.
- Number and reach of community engagement activities, events and education partnerships.
- Communications reach and engagement across digital and social channels.
- Advocacy outputs, including submissions, briefings, events and contributions to regional and national conservation discussions.

**Target:** Increase volunteer hours to 30,000 by year 3, deliver at least 20 community engagement activities annually and work with 15 education organisations, and track annual communications reach, engagement and advocacy activity.

**Adaptive management and reporting**

SLS will maintain an annual monitoring and reporting cycle, bringing together predator control data, biodiversity monitoring and delivery information. Results will be used to identify where predator suppression is being maintained, where biodiversity responses are emerging, and where effort or investment should be adjusted. This provides a clear line of sight from investment → predator suppression → biodiversity response → longer-term recovery.

Where baseline information is incomplete, the first year will be used to establish or strengthen consistent baselines for subsequent measurement.

## 12. Supporting Information

Attach any supporting information relevant to your project, such as:

- Attachment One: SLS proposal for ORC's Large Scale Environmental Fund
- Attachment Two: One Regional Opportunity - SLS x PFD_Final

# Information Supporting Assessment

## 1. Strategic Alignment

Identify the relevant Council Priority Action(s) and/or Catchment Action Plan delivery action(s) and/or relevant Council strategy, then briefly explain how the proposed investment will contribute to achieving those priorities and outcomes.

| **Priority Action / CAP Delivery Action / Strategy Outcome** | **How the proposed investment contributes to achieving this priority or outcome** |
|---|---|
| ULCAP Action 5a: Use advanced and innovative trapping and monitoring tools | SLS currently deploys predator-control infrastructure and intends to further expand the use of smart traps, remote sensing technologies, AI-enabled monitoring systems, and real-time data collection. Funding would accelerate the implementation of innovative predator-management approaches and improve operational efficiency and adaptive management capability. |
| ULCAP Action 5b: Enhance core-buffer-corridor predator control operations | SLS operates across multiple catchments and ecological corridors, providing a connected landscape-scale approach to predator suppression. Funding would allow intensification of control activities in core biodiversity sites, buffer zones and ecological corridors, improving habitat connectivity and increasing protection for threatened species. |
| ULCAP Action 5c: Establish a future predator elimination zone | SLS has the operational capability, field infrastructure, technical expertise, partnerships and monitoring systems required to contribute to the future development of a predator elimination programme. Funding would help build the operational foundation and capability required to support predator elimination ambitions within the Upper Lakes area. |
| ULCAP Action 5d: Expand community trapping and engagement | SLS works with more than 100 community organisations, businesses and landowners, providing coordination, technical support and engagement activities. The project strengthens community-led conservation by connecting local trapping efforts into a coordinated landscape-scale network and supporting ongoing participation in biodiversity protection. |
| ULCAP Action 5e: Promote responsible companion animal ownership | Through community education and collaborative conservation programmes, SLS contributes to broader efforts to reduce predation pressure from companion animals and improve public understanding of biodiversity protection. Funding would support ongoing engagement and advocacy activities that complement biodiversity outcomes. |

| | |
|---|---|
| ULCAP Action 5f: Strengthen feral cat control | SLS proposes increased monitoring and targeted management of feral cat populations where they pose significant risks to indigenous wildlife. This includes data-driven prioritisation of control efforts and use of appropriate control tools within the wider predator-control programme. |
| ORC Indigenous Biodiversity Strategy 2026 - Strategic Pou 1: Focus Action to Maintain and Enhance (Tiaki me te Whakahaumanu) | The project focuses resources in high-value biodiversity areas where intervention can achieve substantial ecological gains. Predator control and threatened species recovery programmes directly support the protection and enhancement of indigenous biodiversity while monitoring ensures resources are directed to areas of greatest environmental benefit. |
| ORC Indigenous Biodiversity Strategy 2026 - Strategic Pou 2: Empower Action (Whakahau) | SLS enables conservation action by communities, landowners, volunteers and partner organisations through the provision of technical expertise, coordination, monitoring systems, training and operational support. Investment would build conservation capability across the region and enable more people to participate effectively in biodiversity protection |
| ORC Indigenous Biodiversity Strategy 2026 - Strategic Pou 3: Get the System Right (Tūāpapa) | The project supports a collaborative, regional approach to biodiversity management through partnerships with mana whenua, DOC, local conservation groups, landowners and other stakeholders. SLS has committed to sharing systems, technology, monitoring approaches and operational expertise to strengthen predator-control delivery across Otago and contribute to a coordinated regional response. |
| ORC Biodiversity Strategy Outcome: Landscape-scale biodiversity management | SLS is one of the few organisations in Otago operating at true landscape scale, with activities extending across multiple catchments, land tenures and communities. The project aligns strongly with ORC's objective of shifting from individual site-based projects to coordinated landscape-scale environmental management. |
| ORC Biodiversity Strategy Outcome: Strengthening partnerships and investment | ORC investment would leverage substantial existing philanthropy, grants, business partnerships, service agreements and community support. SLS has already established governance, delivery systems and field capability, enabling immediate deployment of funding and maximising the return on public investment. |

| | |
|---|---|
| ORC Biodiversity Strategy Outcome: Threatened species protection and recovery | SLS has demonstrated success in threatened species conservation, including supporting the establishment of New Zealand's second-largest wild takahē population in the Rees Valley and facilitating the return of mohua to the Mātakitaki Valley. Continued investment will help maintain and expand these biodiversity outcomes. |
| ORC Strategic Direction: Collaborative environmental stewardship across Otago | The project extends benefits beyond the Southern Lakes by contributing expertise, systems and leadership to emerging predator-control initiatives elsewhere in Otago, including support for region-wide collaboration with organisations such as Predator Free Dunedin, catchment groups and community conservation initiatives. |

## 2. Alignment with aspirations of mana whenua

Describe how, to the best of your understanding, this project aligns with the aspirations of mana whenua, as expressed through documents developed in partnership, e.g. the ORC Strategic Directions, ORC Indigenous Biodiversity Strategy, Catchment Action Plans.

The project aligns closely with the direction set by ORC's Indigenous Biodiversity Strategy 2026, particularly its recognition of mana whenua as kaitiaki and its outcome that mana whenua are supported to exercise kaitiakitaka. The Strategy recognises Kāi Tahu rakatirataka in indigenous biodiversity management and the importance of valuing and upholding mātauraka and mahika kai practices. It also calls for partnership with mana whenua to sustain taoka species and their habitats (Strategic Pou 1), and for biodiversity management to be approached at a landscape and catchment scale.

SLS's work contributes to these objectives through long-term protection of indigenous biodiversity and threatened species recovery through predator control and biodiversity monitoring across the Southern Lakes. Through discussions with rūnaka, SLS understands that protection of wetlands is an important focus. Predator control and monitoring can support the protection of wetland ecosystems and the taoka species and habitats they support.

Our approach also reflects the Strategy's emphasis on working together through kotahitaka, applying mātauraka Māori, science and community knowledge as complementary sources of knowledge, and coordinating action across catchments. SLS was established with the support of Te Rōpū Kaitiaki ki Ara-ite-uru and Kaitiaki Roopū o Murihiku and works in partnership with Kāi Tahu on species recovery. We are committed to strengthening these relationships and ensuring future conservation work is undertaken in collaboration with mana whenua, rather than assuming or defining their aspirations.

## 3. Increasing Scale or Impact

Describe how the proposed investment will increase the scale, impact or effectiveness of an existing project. If this criterion is not applicable, briefly explain why.

This investment expands an existing, established programme rather than creating a new initiative. Funding would allow SLS to intensify predator control, deploy additional technologies, extend protection into priority areas, and contribute expertise to regional predator-control initiatives throughout Otago.

- Additional monitoring and technical capacity to identify gaps in current protection and respond more quickly to emerging predator threats.
- Expansion of conservation work into additional priority sites of 50,000ha, where SLS currently has limited capacity to establish and maintain control.
- Greater support for partner and community groups, including training, equipment and technical assistance that cannot currently be provided at the required scale.
- More rapid adoption of new predator-control and biodiversity-monitoring technology, to move from trial to operational deployment.
- Additional capacity to develop new species-recovery projects, including the planning and establishment work required before a translocation can occur.

## 4. Value for Money

Describe how this project demonstrates value for money. Explain how the scale and significance of anticipated environmental outcomes, combined with collaboration, co-investment, leverage opportunities, and the ability to expand or accelerate existing initiatives, provide a strong return on Council's investment.

The proposal builds on substantial existing infrastructure, partnerships and operational capability. ORC investment would leverage significant philanthropic, grant, business and community funding while enabling immediate delivery through an established programme. Existing networks, monitoring systems and field teams reduce start-up costs and maximise return on investment.

The value-for-money proposition is particularly strong because ORC's investment sits within an established SLS platform with significant existing financial investment, community contribution and delivery capacity.

Across the three-year funding period, SLS's operating budgets total $8.47 million, compared with the proposed $1.8 million ORC investment. This means that for every **$1 invested by ORC, approximately $3.71 of other SLS organisational investment** sits alongside it.

This is further strengthened by substantial community contribution. Based on our recorded volunteer contribution, SLS's volunteer effort over the three-year period is valued at $1,932,065. This equates to approximately **$1.07 of community contribution for every $1 invested by ORC**. Combined, the SLS

organisational investment and volunteer contribution represent approximately $8.61 million alongside the $1.8 million ORC investment — **or $4.78 for every $1 contributed by ORC**.

SLS's three-year operating budget and are intentionally modest. **ORC support for core operational costs would help SLS move from 250,000 hectares under active predator suppression to 300,000 hectares, while creating the platform to pursue the further investment and partnerships needed to work towards the full 850,000-hectare SLS project area.**

This is a key leverage opportunity: core operational support provides the platform from which SLS can pursue the additional funding and partnerships required to rapidly expand on-ground conservation activity.

## 5. Collective Delivery

Describe how your project will strengthen environmental delivery across organisations or communities, where applicable.

SLS delivers conservation through a network of partner organisations, community groups, landowners, business relationships and volunteers, with each contributing different capability, access and local knowledge.

- **Six founding SLS members (detailed under #7 above):** Each group coordinates conservation work within its local landscape (hub), contributing established volunteer networks, local knowledge and landowner relationships. SLS provides coordination, funding support, equipment, technical capability, and staff, enabling the six groups to deliver as part of a connected landscape scale programme rather than as separate projects.
- **Partner organisations:** DOC, ORC, QLDC, iwi and species-recovery groups provide technical expertise, regulatory and species-recovery support and monitoring expertise.
- **Other community and conservation partners:** SLS works alongside other conservation organisations to coordinate complementary activities and extend conservation outcomes beyond its own projects. These groups include, but are not limited to: Kea Conservation Trust, WAI Wānaka, Whakatipu Reforestation Trust, Mana Tāhuna, TRAC and Tāhuna Glenorchy Dark Skies.
- **Volunteers:** Provide substantial field capacity through trap checking, monitoring, equipment maintenance and community activities. Volunteers also provide local knowledge and extend the reach of SLS's professional team.
- **Southern Lakes Sanctuary:** Coordinates the network, provides operational and technical leadership, manages monitoring and data, supports volunteers and partners, and ensures activities are aligned across the wider landscape.
- **Businesses and landowners:** Provide access, resources and support, enabling conservation to extend across working, recreational and private landscapes and connecting conservation with the wider community.

Collaboration enables conservation to extend across a larger scale, connecting local knowledge, community capacity and specialist expertise. Working collectively allows partners to coordinate

predator control and conservation initiatives, share monitoring and resources, and achieve landscape scale outcomes that would not be possible through individual projects.

## 6. Long-term Sustainability

Describe how the project outcomes will be maintained after funding has ended.

The project is designed as a long-term investment in Southern Lakes Sanctuary's established landscape-scale predator-control platform, rather than a time-limited programme that ends when the funding period concludes. The systems, partnerships, infrastructure, capability and community networks strengthened through this investment will remain in place and continue to support predator control and biodiversity outcomes beyond the three-year funding period.

**Established operational capacity:** SLS has an established organisational structure, staff, governance, operational systems, volunteer network and predator-control infrastructure spanning the Southern Lakes landscape. ORC investment will strengthen and extend this existing platform rather than create a new programme that is dependent on short-term funding. Traps, monitoring equipment, data systems and other infrastructure will continue to be maintained and incorporated into ongoing predator-control programmes.

**Long-term partnerships and community stewardship:** SLS works through a network of landowners, community groups, volunteers, iwi, businesses and conservation organisations. These relationships are fundamental to maintaining predator control across a landscape where much of the work occurs on private and community-managed land. Local participation creates ongoing stewardship of predator-control infrastructure and helps embed predator control within wider land and biodiversity management.

**Monitoring and adaptive management:** SLS will continue to monitor predator-control performance and biodiversity outcomes through established monitoring programmes, including trap and predator-control data, species monitoring and emerging technologies. This provides an ongoing evidence base to identify where gains are being maintained, where additional intervention is needed, and where resources can be targeted most effectively. Monitoring will also provide the evidence required to demonstrate impact and secure future investment.

**Protecting biodiversity gains:** Predator control is intended to create lasting biodiversity gains rather than simply reduce predator numbers during the funding period. As predator-control networks expand and are maintained, recovering populations and newly established species can become part of larger, connected management landscapes. Ongoing predator suppression, monitoring and community stewardship will help protect these gains and reduce the risk of populations declining again once initial recovery has been achieved.

## 7. Co-investment and Financial Sustainability

Describe any existing or proposed co-investment, and how environmental outcomes will be sustained beyond Councils investment

SLS has secured more than $4 million of confirmed funding across philanthropy, grants, business partnerships, service agreements, DOC funding and ORC ECO Fund contributions. SLS has a diversified funding model and established relationships with philanthropic, corporate, community and public-sector funders.

ORC LSEF funding will strengthen the scale, evidence base and demonstrated impact of the programme, supporting future investment from these sources SLS will continue to pursue multi-year partnerships and other longer-term funding opportunities, with the aim of progressively broadening the funding base and reducing reliance on any individual funding source.

The three-year funding period will therefore provide a period of acceleration and consolidation within a much longer-term programme of landscape-scale conservation. The enduring value of the investment will be in strengthening the infrastructure, partnerships, capability, evidence and community stewardship needed for SLS to maintain biodiversity gains and continue scaling predator control beyond the initial funding period.

## 8. Community and Stakeholder Benefits

Describe how your project will empower or activate mana whenua, community groups, individuals, landowners, industries or businesses to take action for Otago's environment.

The project empowers conservation organisations, volunteers, landowners, businesses and communities to contribute to biodiversity protection. It supports local trapping groups, provides training and technical expertise, strengthens conservation networks, and helps connect community efforts into a coordinated landscape-scale programme.


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Otago Regional Council
Large Scale Environmental Fund Proposal
7 October 2026

# Executive summary

Southern Lakes Sanctuary (SLS) is seeking **$600,000 per year for three years ($1.8m total)** from the Otago Regional Council's Large Scale Environmental Fund. This investment will sustain and further accelerate landscape-scale predator control and threatened species recovery, deliver against all three pou of ORC's Indigenous Biodiversity Strategy and leverage further investment from philanthropic, corporate and government partners.

**In practical terms, ORC's investment would support:**

- **Maintaining and strengthening** the existing 250,000 ha suppression programme, including the people, systems, coordination, monitoring and technical capability required to deliver effective predator control at this scale.
- **Expanding active predator suppression by 50,000 ha**, taking the landscape under active suppression to around 300,000ha.
- **Growing the SLS collective's predator-control infrastructure to over 17,000 traps and bait stations**, from 14,185 today, building on the 7,750 already established directly by SLS since 2022.
- **Building regional capability**, strengthening SLS's ability to support emerging groups across Otago, community groups, landowners and delivery partners and coordinate increasingly connected predator-control programmes.
- **Increasing advocacy and engagement**, helping build stronger alignment between councils, government, landowners, communities, businesses and funders around regional predator-control and biodiversity goals.
- **Delivering against all three pou of ORC's Indigenous Biodiversity Strategy**, directly contributing to ORC's strategic objectives for protecting and restoring indigenous biodiversity, strengthening partnerships and participation, and enabling effective action for biodiversity across the region.

# Executive summary

This proposal should be read alongside '**One Regional Opportunity'**, the accompanying joint SLS/PFD investment case. That document sets out the case for investing in both established landscape-scale predator-control platforms together and the additional regional value created through their collaboration.

Our proposal sets out the specific case for investing in SLS: the scale and capability already in place, the alignment with ORC's priorities, and SLS's commitment to contributing its expertise to a more connected regional approach to predator control.

We welcome the opportunity to work with Otago Regional Council to turn this investment into tangible outcomes for Otago's biodiversity. Southern Lakes Sanctuary stands ready to bring our existing capability, partnerships and experience to the table and work alongside ORC to build a stronger, more connected regional approach to predator control.

**Support from Otago Regional Council's Large Scale Environmental Fund would be both protective and catalytic: safeguarding existing conservation gains while enabling SLS to increase the scale and impact of its work through an established platform with the capability to deliver immediately.**

# 1. About Southern Lakes Sanctuary



# About Southern Lakes Sanctuary




Southern Lakes Sanctuary is a landscape-scale conservation initiative spanning a project area of approximately 850,000 hectares across the Southern Lakes.

SLS brings together six established conservation organisations, working with more than 100 community organisations, landowners and businesses. Together, the collective coordinates predator control, threatened species recovery, biodiversity monitoring and community action across a landscape extending from Makarora and the Upper Clutha through the Mātakitaki, Rees Valley and across the wider Whakatipu and Wānaka landscapes.

A 2020 independent report declared that protecting biodiversity here would achieve outcomes “with no equal in any other region in New Zealand.”

That’s the scale of what’s at stake - and what’s possible.

SLS has built the infrastructure and capability required to operate at landscape scale, including field teams, vehicles and equipment, predator-control networks, monitoring systems, technology partnerships, landowner relationships, governance and fundraising capability.



Our programme is already delivering measurable biodiversity outcomes, including major progress in takahē recovery - partnering with mana whenua and DOC to establish NZ's 2nd largest wild population of takahē in the Rees Valley - and the return of mohua to the Mātakitaki Valley, alongside monitoring and predator-control programmes supporting a wide range of threatened species.

Our geographic reach is also distinctive. SLS is the only conservation organisation operating across the full Queenstown-Lakes District Council boundary within the wider ORC region, providing a platform through which conservation activity can be connected across catchments, communities, land tenures and organisations.



| 850,000 | 250,000ha | 115,000+ | 2 | 7,700+ |
|---|---|---|---|---|
| total project area | current suppression area | predators removed | threatened species released | SLS traps & bait stations installed |

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Whakatipu Wildlife Trust TIAKI TAONGA

Routeburn Dart Wildlife Trust

Predator Free Wānaka

Forest & Bird CENTRAL OTAGO

Mātakitaki CONSERVATION GROUP

MAHU WHENUA

# Our collective

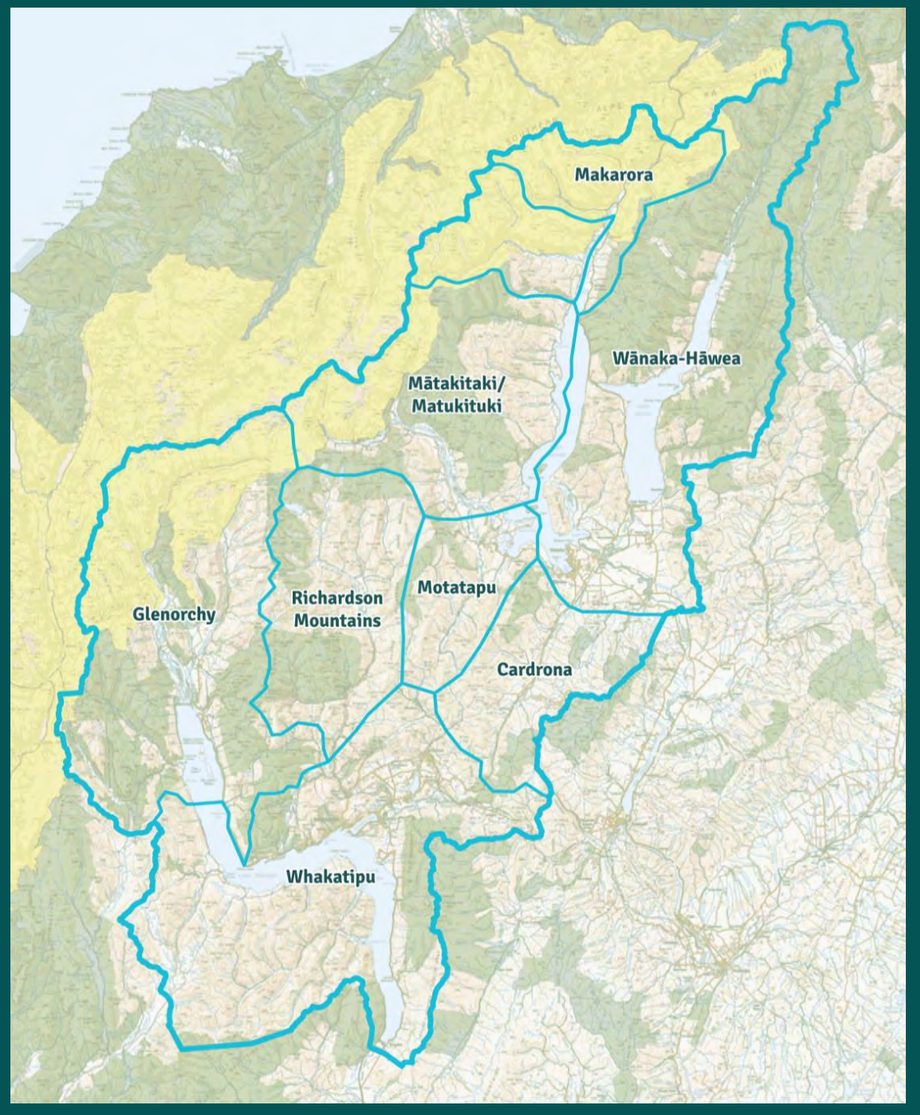
## Our project area

The Southern Lakes Sanctuary is divided into seven core hubs: Whakatipu, Wānaka-Hāwea, Makarora, Mātakitaki, Glenorchy, Richardson Mountains, Motatapu and Cardrona.

The thicker outline shows the QLDC boundary.

The darker-green shading shows Public Conservation Land administered by DOC.

Yellow shading shows both Te Rua-o-te-moko / Fiordland and Tititea / Mount Aspiring National Parks, with remaining areas under various forms of tenure.



# Our strategic focus

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LANDSCAPE SCALE

**RELATIONSHIPS**
We are a trusted partner

**INNOVATION**
Every year we identify and deploy new solutions to old problems

**STORYTELLING**
Our community understands and is inspired by what the SLS is trying to achieve



**PROJECT GROWTH**
$5m per annum of stable funding for the first ten year programme

**KNOWLEDGE ADVANCEMENT**
We will develop, resource & implement a methodology for sharing knowledge in our community

**MEASURING PROGRESS & IMPACT**
Towards our vision and strategic goals



CONSERVATION OUTCOMES


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2. Alignment with Large Scale Environmental Fund intent

# Upper Lakes Catchment Action Plan

Southern Lakes Sanctuary is directly aligned with the priorities established through the Upper Lakes Catchment Action Plan.

In particular, the Upper Lakes Catchment Group's Strategy 5 identifies *"the control of introduced predator mammals"* as a very high priority for action, recognising the need to reduce these predators to protect native wildlife and strengthen ecosystem health.

SLS's work provides an established delivery platform for this priority, with the operational capability, community networks, landowner relationships and technical expertise already in place to deliver at scale. This is consistent with the broader approach of the Upper Lakes Catchment Action Plan, which emphasises coordinated investment, shared responsibility and delivery through existing conservation and community organisations.

Looking ahead, SLS is committed to working with the Upper Lakes Catchment Group to identify and prioritise joint projects across the broader priorities of the Catchment Action Plan, bringing our capability and experience to support areas where we can add the greatest collective impact.

**Southern Lakes Sanctuary provides a practical delivery mechanism for translating the Upper Lakes Catchment Action Plan Strategy 5 into coordinated, landscape-scale action.**

| Upper Lakes CAP Strategy 5:<br>Control introduced predator mammals | How Southern Lakes Sanctuary delivers these actions |
|---|---|
| a) Use advanced and innovative trapping and monitoring tools: Expand use of smart traps, sensors, and real-time monitoring. | SLS will continue to deploy and expand smart traps, remote sensors, AI-enabled monitoring and other emerging technologies to improve predator-control effectiveness, efficiency and real-time decision-making. |
| b) Enhance current core-buffer-corridor control operations: Intensify predator control in core areas, buffer zones, and wildlife corridors. | SLS will intensify and strategically extend predator control across core sites, buffer zones and wildlife corridors, using landscape-scale planning and monitoring to maximise protection for taoka species and habitats. |
| c) Establish a predator elimination zone in 5–10 years: Create a 10,000-ha predator elimination zone with aerial baiting and perimeter trapping. | SLS will contribute its operational capability, experience and technology to develop a programme for a predator elimination zone within the Upper Lakes. |
| d) Expand community engagement and trapping in urban/semi-rural areas: Grow backyard trapping groups and trap libraries with training and support. | SLS will continue to strengthen community-led predator control by supporting local trapping groups, sharing training and expertise, and helping connect backyard and semi-rural efforts into a coordinated landscape-scale network. |
| e) Support responsible companion cat ownership and policy interventions: Promote responsible cat ownership through education and policy advocacy. | SLS will continue delivering community education and collaborative initiatives that promote responsible companion cat ownership and contribute conservation expertise to discussions about appropriate policy interventions. |
| f) Strengthen feral cat control: Develop targeted feral cat control plans guided by monitoring data. | SLS will strengthen targeted feral cat control through improved monitoring, data-led prioritisation and deployment of appropriate control tools in areas where feral cats pose a significant threat. |

# ORC's Indigenous Biodiversity Strategy 2026

SLS provides an established delivery platform through which ORC can implement all three Strategic Pou of the Indigenous Biodiversity Strategy 2026 — focusing action where it can have greatest impact, empowering those already taking action, and strengthening the systems and collaboration needed to achieve landscape-scale outcomes.

The Strategy recognises that many pressures on indigenous biodiversity can only be addressed at landscape scale and that achieving greater impact will require ORC to work with organisations already leading action, build communities of practice, share knowledge and coordinate the right parties at the right scale.

SLS directly contributes to these objectives through:

- landscape-scale predator control;
- threatened species recovery;
- community and landowner participation;
- science, monitoring and adaptive management;
- partnerships with mana whenua and other conservation organisations; and
- leveraging additional public, private and philanthropic investment.

**ORC’s investment in SLS delivers across all three Strategic Pou — through an established delivery partner with the capability, partnerships and scale to turn strategy into tangible outcomes for Otago’s indigenous biodiversity.**

| ORC's Indigenous Biodiversity Strategy Pou | How Southern Lakes Sanctuary aligns with these Pou |
|---|---|
| **Strategic Pou 1: Focus action to maintain and enhance - Tiaki me te Whakahaumanu**<br>Focus effort where it makes the greatest difference: drawing on ORC science, mātauraka and community knowledge | **SLS focuses investment where it can have the greatest biodiversity impact.**<br>LSEF support will enable SLS to maintain and intensify predator control, intensify work in priority areas, protect taoka species and habitats, and use monitoring and adaptive management to continually improve outcomes. This directly supports ORC's intention to identify biodiversity focus areas, promote and fund high-impact action, monitor outcomes and respond to emerging threats. ORC's strategy explicitly identifies landscape-scale visions, targeted funding and monitoring as central to this pou. |
| **Strategic Pou 2: Empower Action - Whakahau**<br>Make it easy to get the know-how and support so mana whenua, communities, landowners and businesses can make a bigger difference, working with those who want to work with us. | **SLS is a platform for community-led conservation at scale.**<br>SLS provides the coordination, technical expertise, systems and infrastructure that enable our collective of conservation organisations to participate effectively in landscape-scale conservation. SLS will continue to share knowledge, technology, monitoring approaches and best practice, helping communities and landowners move from individual action to coordinated landscape-scale impact. This aligns strongly with ORC's emphasis on connecting people to biodiversity, sharing knowledge and capability, collaborating with groups already leading action, and building communities of practice. |
| **Strategic Pou 3: Get the System Right - Tūāpapa**<br>Rally everyone around a shared strategy, attract investment, make sure our plans and decisions support biodiversity outcomes, and monitor to see if we are making a difference. | **SLS will contribute its capability to a more connected regional system for predator control.**<br>SLS will work with ORC, PFD, DOC, councils, mana whenua and other conservation organisations to share data, systems, technology, monitoring and operational expertise. SLS will contribute expertise to any region-wide pest-control initiatives, support coordination and knowledge-sharing across Otago, and provide practical support to emerging landscape-scale initiatives in the Catlins and Taiari. This directly reflects ORC's ambition to rally organisations around shared strategies, strengthen collaboration, attract investment, improve investment-readiness, encourage innovation and develop a shared picture of biodiversity action across Otago. |




# 3. Our commitment to collaboration

# Collaboration and regional leadership

SLS recognises that the scale of Otago's biodiversity challenges requires more than individual organisations working independently. As outlined in the accompanying SLS/PFD regional proposal **'One Regional Opportunity'**, Southern Lakes Sanctuary and Predator Free Dunedin are committed to using their combined experience and capability to strengthen predator-control delivery across Otago.

SLS will commit **technical and strategic expertise to any future Otago wide predator-control initiative**, working alongside relevant partners to help coordinate knowledge, systems, technology, monitoring, reporting and best practice across emerging and established landscape-scale initiatives.

SLS will also work with partners to explore opportunities to support the **Catlins and Taiari**, recognising the significant local effort already underway in both areas and the opportunity to help strengthen the operational foundations required for landscape-scale predator-control.

Importantly, we've also committed to working with the **Upper Lakes Catchment Action Group** to identify and prioritise joint projects that will deliver on the UL CAP's broader priorities.

**This commitment extends the value of ORC's investment beyond SLS's immediate operating footprint, delivering both direct biodiversity outcomes across the Southern Lakes and the wider Otago region.**


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4. Funding

# Financial position and investment opportunity

SLS's financial model combines a diverse funding base - predominantly from philanthropic sources - and further enabled through grants, business partnerships, service agreements and community fundraising to support delivery across a current 250,000-hectare area of predator suppression.

The tables below provide a conservative view of our financial position and investment requirements:

- **Secured funding:** funding currently confirmed across the next three financial years.
- **Three-year budgets:** the level of investment required to sustain existing delivery and progressively expand our programme into priority areas. Budgets are based on a 10% year-on-year uplift, reflecting both anticipated increases in operating costs and the additional capacity required to grow our impact.

Further notes are provided to explain the revenue assumptions and the basis for the three-year budgets, including the distinction between secured funding and future revenue we expect to secure through ongoing fundraising and partnerships.

| Southern Lakes Sanctuary secured revenue | FY26-27 | FY27-28 | FY28-29 |
|---|---|---|---|
| Philanthropy | $601,692 | $1,095,891 | $466,000 |
| Grants | $493,141 | $537,676 | $- |
| Business partnerships | $140,000 | $- | $- |
| Service agreements | $242,360 | $160,000 | $5,000 |
| DOC (contestable Community Fund) | $225,191 | $- | $- |
| ORC (ECO Fund) | $124,771 | $- | $- |
| **Total secured revenue** | **$1,827,155** | **$1,793,567** | **$471,000** |

| Southern Lakes Sanctuary budgets | FY26-27 | FY27-28 | FY28-29 |
|---|---|---|---|
| Labour | $1,722,933 | $1,895,226 | $2,084,749 |
| Operations | $232,500 | $255,750 | $281,325 |
| Transport | $239,984 | $263,982 | $290,381 |
| Predator control | $327,496 | $360,246 | $396,271 |
| Support (H&S, Training, PPE) | $37,500 | $41,250 | $45,375 |
| **Total expenditure** | **$2,560,413** | **$2,816,455** | **$3,098,100** |
| **Funding gap** | **$733,258** | **$1,022,888** | **$2,627,100** |

## Notes on secured revenue

The secured revenue figures represent funding that is formally contracted or otherwise confirmed at the time of application. They deliberately do not include funding from partnerships that SLS expects to continue but which has not yet been formally committed for the relevant financial year.

The resulting gaps in Years 2 and 3 should therefore be viewed as a **conservative presentation of confirmed revenue, rather than a forecast of SLS's fundraising capacity**. They do not reflect an expectation that this funding will remain unfilled. SLS has a strong track record of securing and renewing funding and has established relationships with partners whose support we are confident will continue, although these commitments are not included until formally secured.

## Notes on expenditure

SLS's FY26/27 budget identifies a $733,258 funding gap against the level of activity required to sustain existing delivery and pursue identified priority opportunities. The $600,000 annual investment sought from ORC would substantially close this gap, providing the certainty to maintain current work while driving expansion into priority areas.

Without this investment, the proposed expansion into priority areas would not proceed, SLS would need to reduce elements of existing delivery to remain financially sustainable and risk losing the gains that have been achieved.


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5. Summary

## Summary

Southern Lakes Sanctuary represents an opportunity for Otago Regional Council to make a strategic investment in a proven organisation delivering essential conservation work at a landscape scale.

The investment would accelerate biodiversity outcomes, strengthen an established conservation platform, support priorities already identified through ORC's catchment planning and biodiversity strategy, and leverage the substantial commitment already being made by philanthropic partners, granting organisations, businesses, communities, landowners and volunteers.

At the same time, SLS is offering to contribute its capability beyond its own boundaries - helping build the foundations for a more connected, region-wide approach to pest control across Otago, while sharing knowledge and providing practical support to emerging landscape-scale initiatives in the Catlins and Taiari.

**This is an opportunity to put Otago Regional Council's Large Scale Environmental Fund to work immediately while helping build the capability and connections needed for a more coordinated, ambitious approach to predator control across Otago.**

SOUTHERN LAKES SANCTUARY

# Kā mihi nui

Southern Lakes Sanctuary stands ready to work with Otago Regional Council to shape the terms of this partnership and bring it to life.

For further information or discussion, please contact:

Paul Kavanagh, BSc
Chief Executive

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M: 021 0260 9995
southernlakessanctuary.org.nz



# Large-scale Environmental Fund Project Plan Template

**Organisation Legal Entity Name:**

Predator Free Dunedin (PFD)

**Key Contact Name:**

Rhys Millar

**Email:**

rhys@predatorfreedunedin.org

**Mobile:**

027 387 7866

## 1. Project Overview

Provide a brief overview of your project.
Include:

- What the project aims to achieve
- Why the project is needed
- Where the project will take place
- Why is ORC investment needed and what will it enable
- The key environmental outcomes you expect

Predator Free Dunedin (PFD) is seeking $500,000 per annum for three years from the Otago Regional Council Large-scale Environmental Fund to help deliver one of New Zealand's most ambitious mainland predator-elimination projects. ORC's investment would primarily support the predator-control equipment, technology and field materials required for delivery, including traps, surveillance equipment, baits and lures, consumables, PPE, vehicles, fuel and associated field operating costs. These materials have been costed at $500,000 each year, closely aligning with the level of funding sought from ORC. This investment would sit alongside substantial funding already committed by the Department of Conservation (DOC) and Dunedin City Council (DCC), enabling a fully integrated programme of field delivery, monitoring, research and community engagement.

Nationally recognised as a leader in predator elimination and conservation innovation, PFD has helped establish Otago at the forefront of Predator Free 2050 delivery. Following the successful elimination of possums from the Otago Peninsula, one of New Zealand's most significant mainland predator-elimination achievements, PFD has been selected by DOC to deliver one of only four nationally significant Predator Free 2050 proof-of-concept projects. This investment reflects confidence in PFD's proven ability to develop and demonstrate the tools, technologies and operational approaches needed to achieve Predator Free 2050, while delivering biodiversity outcomes at scale.

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Building on this success, the project will deliver a landscape-scale, multi-species predator elimination proof-of-concept across the Orokonui-Pūrākaunui-Aramoana landscape, while maintaining the Peninsula's possum-free status and strengthening biodiversity outcomes across wider Dunedin.

The programme will manage 55,000 hectares, including around 10,000 hectares managed specifically for multi-species predator elimination. At the heart of the project is a 3,180-hectare elimination zone, which will become one of New Zealand's largest mainland multi-species predator elimination proof-of-concept areas. The project will attempt something that has not previously been achieved at this scale and complexity on mainland New Zealand: the complete removal of possums, stoats and feral cats from a connected rural and peri-urban landscape.

The elimination zones surround Orokonui Ecosanctuary and will therefore provide enormous protective benefit to this regional jewel, as well as to other high-value biodiversity assets, improving outcomes for threatened and taoka species. This project will support more than 35,000 volunteer hours annually.

This project will develop scalable and affordable predator-elimination methods, evidence and guidance that can be applied across other rural, forested and mixed-use landscapes in Otago and elsewhere in New Zealand. The project aims to demonstrate that multi-species predator elimination is achievable beyond fenced sanctuaries and offshore islands, creating a practical pathway for work previously considered beyond the reach of mainland predator control. The approach includes targeted rabbit and rat control within the elimination zone, both to reduce pest impacts and to test how prey reduction and operational sequencing can support more effective and affordable elimination of stoats and feral cats.

ORC investment will leverage approximately $3.9 million secured from DOC and $450,000 from DCC and $645,000 of in-kind DCC pest control contract budget, helping protect and enhance biodiversity outcomes in Otago while developing scalable, affordable methods that can be shared with predator-control and biodiversity initiatives across Otago and New Zealand.

Beyond the programme outlined in this proposal, PFD is collaborating with Southern Lakes Sanctuary to explore how Otago's two established landscape-scale predator-control programmes can work together to strengthen regional capability and accelerate progress towards a Predator Free Otago. Together, the organisations are developing opportunities to share proven systems, technology, monitoring approaches, operational expertise and governance capability, while supporting emerging initiatives in areas such as the Catlins and Taieri.

The joint regional programme described in the accompanying discussion paper, One Regional Opportunity, is broader than this PFD funding request. However, investment in PFD will strengthen the systems, technology, operational knowledge and organisational capability available to the region. ORC is well placed to act as a regional connector and amplifier, linking established capability with local needs and helping proven methods, tools and learning reach other parts of Otago. Further investment may be required to deliver specific new programmes outside the scope of this application.

The project strongly aligns with the Fund’s criteria by delivering enduring, measurable environmental outcomes at scale and accelerating an established programme with a proven track record of delivery and national recognition. ORC’s investment would help protect significant biodiversity and biosecurity gains while enabling the development of practical predator-elimination methods, tools and knowledge that can support environmental outcomes across Otago.

## 2. Project Objectives

List the main objectives of your project.

**1. Develop and demonstrate a new model for mainland multi-species predator elimination**
Test how reducing rats and rabbits, secondary poisoning, targeted control and the sequencing of operations can make the elimination of possums, stoats and feral cats more effective, affordable and achievable across complex mainland landscapes.

**2. Build an enduring mana whenua partnership**
Work in partnership with mana whenua to help shape project priorities and delivery, embed mātauraka where appropriate, and support aspirations for taoka species and cultural landscapes.

**3. Achieve and maintain predator elimination across the project area**
Eliminate target predators from the elimination zone and establish an adaptive defence network to prevent reinvasion.

**4. Measure and support biodiversity recovery**
Monitor how taoka species and wider biodiversity respond to predator elimination, helping inform future biodiversity restoration opportunities and, with mana whenua and DOC, explore future opportunities to return taoka species to the landscape.

**5. Increase landowner and community support**
Engage landowners in project delivery, strengthen support for Predator Free 2050, and grow participation beyond the hundreds of volunteers already contributing more than 35,000 hours annually to the project.

**6. Develop and share practical tools, evidence and guidance**
Test cost-effective monitoring and proof-of-absence methods, produce operational guidance and peer-reviewed research, and share findings with project partners, predator-control and biodiversity groups across Otago, and the wider Predator Free 2050 network.

## 3. Project Location

Provide details of where the project will occur.
Include:

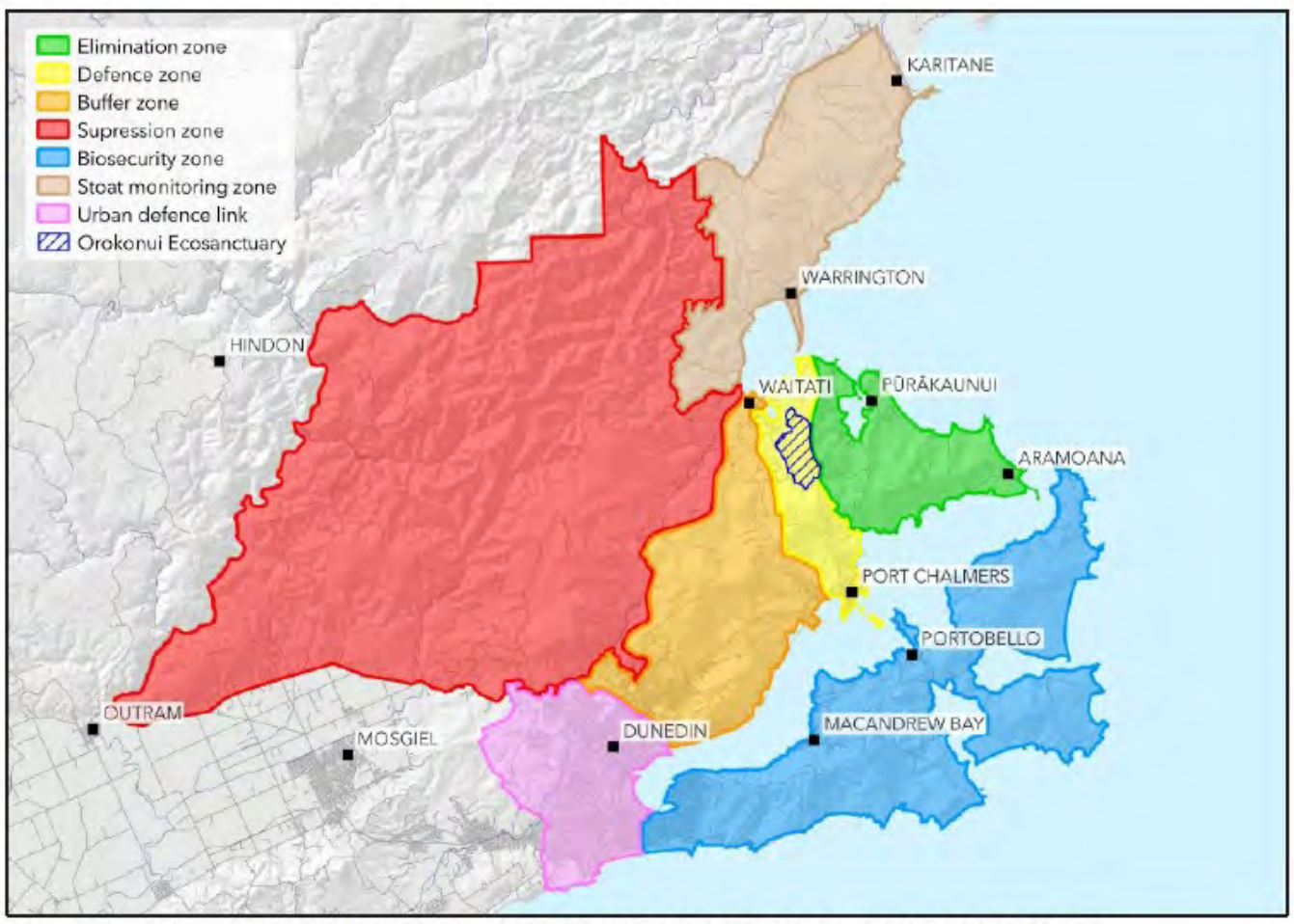
- Physical location
- Property or catchment name(s)
- A map showing the project area(s) (attach separately)
- Land ownership or permissions where relevant

The project will occur across 55,000 ha of the northern and central Dunedin landscape, with the core predator elimination area spanning approximately 3,180 hectares from Pūrākaunui and Aramoana to Orokonui Ecosanctuary and Deborah Bay on the harbourside. Defence (1,800 ha), buffer (6,100 ha) and suppression zones (35,100 ha) extend south and west into North East Valley, Ravensbourne, Signal Hill and the Town Belt. The Otago Peninsula's possum-free status will be maintained, as a managed biosecurity zone (~9,000 ha).

The programme operates across two areas specifically recognised through the Regional Pest Management Plan's site-led programmes: the approximately 9,000-hectare Otago Peninsula and the approximately 12,500-hectare West Harbour–Mt Cargill area. ORC investment would therefore support coordinated pest management within areas already identified as regional priorities, while strengthening the connections between them. These landscapes include nationally and regionally significant biodiversity assets such as Orokonui Ecosanctuary, Aramoana saltmarsh, Purehurehu (Heyward Point), Swampy Summit and Flagstaff, and provide habitat for a wide range of threatened and at-risk species.

The project operates across a mix of public and private land, with support and permissions from all large-scale rural landowners within the elimination zone already secured, and engagement and access agreements for other landowners continuing through established and successful processes. The project is also undertaken with the support of key land managers, including the Department of Conservation, Wenita Forest Products Ltd, City Forest Ltd and the DCC.

A map of the project area is included below.




*Overview map of the Predator Free Dunedin project area and management zones.*

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## 4. Scope of Works

Provide details of work that will be undertaken, including the major workstreams.

| Activity | Description |
|---|---|
| Project establishment | Finalise project planning, operational design, approvals, land access, procurement, staff training, and health and safety requirements. |
| Possum elimination | Complete possum elimination within the elimination zone. |
| Rat and rabbit control | Undertake targeted rat and rabbit control within the elimination zone to reduce prey availability, create secondary-poisoning pathways and support the effective elimination of stoats and feral cats. The work will also generate practical evidence on how rabbit management can contribute to integrated predator-control and biodiversity outcomes in rural landscapes. |
| Stoat elimination | Eliminate stoats from the elimination zone through secondary poisoning, trapping and targeted PAPP toxin use. |
| Feral cat elimination | Eliminate feral cats from the elimination zone through secondary poisoning, trapping and targeted toxin use in rural areas. |
| Monitoring, detection and response | Use cameras, thermal tools, trap data, detection dogs and other methods to confirm elimination and detect and respond to incursions. |
| Defence, buffer and suppression | Maintain appropriate levels of possum, stoat, rat, rabbit and rural feral cat control across defence, buffer, city and wider suppression zones to reduce reinvasion risk, protect biodiversity gains and support connected predator-control across the wider Dunedin landscape. |
| Otago Peninsula biosecurity | Maintain surveillance, detection and rapid-response systems to protect the Otago Peninsula's possum-free status, safeguard significant biodiversity and biosecurity gains already achieved, and prevent possum re-establishment. |
| Communications and engagement | Engage landowners, mana whenua, communities, partners and agencies to support operations and maintain social licence. Encourage active participation in the Predator Free 2050 mission through City Sanctuary, community outreach, events, media and project updates, supporting volunteer participation, community stewardship and long-term engagement in biodiversity protection. |
| Outcome monitoring | Work with Orokonui Ecosanctuary and University of Otago to monitor changes in native species and ecosystems to assess biodiversity outcomes, demonstrate programme impact and inform adaptive management. |
| Research and knowledge sharing | Monitor and evaluate the multispecies approach, including the role of targeted rabbit and rat control, improve monitoring and decision-making, document results, and share learnings with project partners, biodiversity and predator-control groups across Otago, and the wider Predator Free 2050 network. |

## 5. Project Deliverables

Provide details of the project deliverable and target date for completion

| Deliverable | Target |
|---|---|
| Multispecies predator elimination completed across the Project Area, including elimination of possums, stoats and feral cats from the Elimination Zone. | 30 June 2029 and then maintained |
| Orokonui Ecosanctuary protection strengthened through an effective defence network that reduces reinvasion risk and supports the movement of native species into the surrounding landscape. | 30 June 2029 and then ongoing |
| Otago Peninsula possum-free status maintained through an effective biosecurity, detection and rapid-response system. | Ongoing |
| Community engagement and communications programme delivered, supporting volunteer participation, community stewardship and long-term engagement in biodiversity protection, with a replicable engagement model documented | 30 June 2029 and then ongoing |
| Proof-of-concept evidence base completed, including monitoring data, analysis and proof-of-absence assessments. | 30 June 2029 |
| Operational blueprint and methodology documented, including monitoring, detection and proof-of-absence methods that can be applied in similar landscapes across Otago and New Zealand. | 30 June 2029 |
| Documented pathway for scaling multispecies predator elimination across wider Otago landscapes, including practical application in primary-production, forestry, biodiversity and mixed-use environments. | 30 June 2029 |
| Targeted rabbit and rat control delivered within the elimination zone, with results documented to assess their contribution to multi-species predator elimination and inform future integrated pest-management approaches. | 30 June 2029 |
| Mana whenua partnership incorporated into the design and delivery of the programme. | Ongoing |
| Predator-elimination tools and techniques developed and field-tested, including a regulatory submission supporting EPA approval and PAPP sausage bait. | 30 June 2029 |
| Knowledge-sharing and capability-building activities delivered, including dissemination of findings, tools and guidance to biodiversity, restoration and predator-control groups across Otago. | 30 June 2029 |

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# 6. Expected Environmental Outcomes

Describe outcomes your project will achieve.
*E.g. ecological outcomes, community outcomes (if relevant), enduring outcomes once investment is finished.*

The project will build on existing biodiversity and biosecurity gains by reducing introduced predator populations across urban, rural, forested and natural landscapes. These outcomes will strengthen biodiversity recovery already being observed across Dunedin - including the return of kākā to urban areas, increasing tūī and korimako populations on the Otago Peninsula, successful titipounamu breeding in the Town Belt, and the removal of more than 1,600 mustelids and 27,000 possums from the landscape surrounding Orokonui Ecosanctuary since 2018.

**Expected outcomes include:**

- **Significantly reduced predator pressure across more than 46,000 hectares,** creating safer conditions for indigenous biodiversity, threatened fauna expansion beyond Orokonui Ecosanctuary, and supporting productive land uses.

- **Elimination of possums, stoats and feral cats from the 3,180 ha**, creating one of New Zealand's largest and most ambitious mainland multi-species predator elimination proof-of-concept areas, supported by ongoing intensive control in surrounding areas to reduce reinvasion.

- **Reduced threats to taoka and threatened species**, providing greater opportunity for native species to survive, breed and expand into suitable habitat.

- **Stronger protection for Orokonui Ecosanctuary**, one of Otago's most significant biodiversity assets, with reduced predator pressure and reinvasion risk in the surrounding landscape.

- **Continued protection of the possum-free Otago Peninsula**, maintaining the significant biodiversity and biosecurity gains already achieved.

- **Improved primary-production biosecurity**, with lower possum and rural feral cat numbers reducing the risk of diseases affecting livestock, including bovine tuberculosis and toxoplasmosis.

- **Reduced pest impacts on rural and forestry land**, including less possum browsing and damage to vegetation and plantation trees, alongside reduced rabbit pressure.

- **Improved understanding of biodiversity responses**, through monitoring changes in native species and ecosystems following predator reduction.

- **Potential for wider environmental, biosecurity and primary-production gains,** through methods, evidence and operational approaches that can be applied by biodiversity, predator-control, forestry and land-management initiatives across Otago and elsewhere in New Zealand.

- **Strengthened community stewardship and participation in biodiversity protection,** supporting long-term environmental outcomes beyond the life of the project.

## 7. Project Team and Governance Structure

Describe who will deliver the project.

Include:

- Project Manager
- Key staff
- Contractors
- Technical specialists
- Iwi/hapū involvement
- Partner organisations

| Organisation | Role | Responsibility |
|---|---|---|
| Predator Free Dunedin – Trust | Project governance | A seven-member Board of Trustees provides overall governance and oversight, ensuring the project is delivered in line with its objectives, funding commitments and Trust responsibilities. |
| Predator Free Dunedin – Operations and management | Project leadership and coordination | Leads project planning, coordination and contract management, including partner coordination, reporting, communications and engagement and delivery oversight. Provides specialist advice on operational design, predator elimination methods, monitoring and adaptive management, and development of modelling tools. |
| Halo Project, delivered by the Landscape Connections Trust | Operational delivery | Leads predator elimination operations in the multi-species predator elimination zone and the surrounding defence network, including management of landowner relationships, volunteer coordination, engagement, and outcome monitoring. |
| City Sanctuary, delivered by Dunedin City Council | Operational delivery | Leads the City Sanctuary programme, including community and volunteer participation, urban predator control, outcome monitoring, helping build community engagement and support biodiversity outcomes across the wider Dunedin landscape. |
| Te Rūnanga o Ōtākou | Mana whenua partnership | Provides mana whenua guidance and participates in governance, strategic planning, and the design and delivery of relevant programme elements. |
| Kāti Huirapa Rūnaka ki Puketeraki | Mana whenua partnership | Provides mana whenua guidance and participates in governance, strategic planning, and the design and delivery of relevant programme elements. |
| Dunedin City Council | Funding, land access and delivery support | Provides funding, operational support and access to council-managed land, enabling integrated pest management and supporting programme delivery across the wider Dunedin landscape. |

| | | |
|---|---|---|
| Department of Conservation | Funding, technical and regulatory support | Provides funding, technical and regulatory support, and contributes to project planning, innovation and knowledge sharing. |
| Orokonui Ecosanctuary | Biodiversity and technical partner | Contributes ecological expertise, biodiversity knowledge and technical input, and supports effective defence and biosecurity measures that help protect biodiversity gains within and beyond the sanctuary. |
| University of Otago | Research partner | Supports research and evaluation that helps measure biodiversity outcomes and build the evidence base for future predator-elimination programmes. |

## 8. Budget Summary

Provide a summary of project costs.

| **Funding Source** | **FY26/27** | **FY27/28** | **FY28/29** | **3-year total (ex GST)** |
|---|---|---|---|---|
| ***Funding Sought from ORC's Large-scale Environmental Fund*** | ***$500,000*** | ***$500,000*** | ***$500,000*** | ***$1,500,000*** |
| Secured co-investment: | | | | |
| Department of Conservation | $1,130,000 | $1,400,000 | $1,400,000 | $3,930,000 |
| Dunedin City Council | $150,000 | $150,000 | $150,000 | $450,000 |
| City Forests | $65,000 | $65,000 | TBC | $130,000 |
| **Total secured co-investment** | **$1,345,000** | **$1,615,000** | **$1,550,000** | **$4,510,000** |
| PFD reserves | $304,000 | $63,000 | $50,000 | $417,000 |
| **Total project value** | **$2,149,000** | **$2,178,000** | **$2,110,000** | **$6,437,000** |

### What ORC's investment will enable

The $500,000 sought from ORC each year aligns with the programme's annual requirement for predator-control equipment, technology and field materials. This includes traps and surveillance equipment, baits and lures, field consumables, PPE, vehicles, fuel, field technology and associated equipment costs. ORC's contribution would primarily support the practical tools and field resources needed to undertake predator elimination, maintain defence and biosecurity systems, and protect existing biodiversity gains. These resources would be deployed through a wider programme supported by approximately $4.5 million in secured co-investment, together with $417,000 from PFD reserves, funding the skilled workforce, operational delivery, monitoring, research and community engagement required to put the equipment and materials to effective use.

| | FY26/27 | FY27/28 | FY28/29 | 3-year total |
|---|---|---|---|---|
| **People and Capability:** Personnel and workforce-related costs, including programme coordination, specialist advice, delivery staff and contractors, staff training, work-related travel, volunteer support and associated costs. | $1,262,000 | $1,283,000 | $1,248,000 | $3,793,000 |
| **Programme Support and Overheads:** Programme administration and enabling costs, including governance and financial services, audit, insurance, office expenses, accounting and IT systems, subscriptions, utilities and other shared operating support. | $130,000 | $123,000 | $122,000 | $375,000 |
| **Monitoring, Research and Evaluation:** Research, biodiversity outcome monitoring and evaluation activities used to assess ecological outcomes and inform ongoing programme delivery. | $45,000 | $46,000 | $48,000 | $139,000 |
| **Community and Stakeholder Engagement:** Communications and engagement activity, including Rūnaka engagement, community events, advertising, interpretation and stakeholder engagement. | $55,000 | $26,000 | $26,000 | $107,000 |
| **Predator Control Equipment, Technology and Field Materials:** The practical equipment and materials required for field delivery, including traps, surveillance and detection equipment, baits and lures, consumables, PPE, vehicles, fuel, field technology, FTP overheads and associated equipment depreciation. | $516,000 | $534,000 | $499,000 | $1,549,000 |
| **Predator Control Delivery:** Direct delivery of predator-control and biosecurity operations, including operational contractors and other field-delivery costs not included under equipment and materials. | $141,000 | $166,000 | $167,000 | $474,000 |
| **Total Project Value** | **$2,149,000** | **$2,178,000** | **$2,110,000** | **$6,437,000** |

## 9. Project Timeline

Provide an indicative timeline.

| Phase | Timeframe | Key Activities |
|---|---|---|
| Project establishment and mobilisation | Jul 2026 - Dec 2026 | Finalise project planning, approvals and landowner agreements. Continue work to secure the programme's remaining funding. Procure equipment, establish monitoring, detection-control infrastructure, commence research and data-management systems, strengthen predator activities, and continue ongoing possum and stoat control across the project area. |
| Operational readiness and early delivery | Jan 2027 - Jun 2027 | Continue possum and stoat control activities, undertake targeted rabbit control, establish baseline information, and complete operational preparations for large-scale elimination activities. |
| Predator elimination implementation | Jul 2027 - June 2028 | Deliver rabbit and rat control operations, continue possum and stoat elimination activities, establish and expand feral cat control, maintain defence networks. |
| Predator elimination and verification | Jul 2028 - Mar 2029 | Undertake targeted stoat and feral cat mop up activities. Verify elimination outcomes through proof-of-absence monitoring and maintain rapid-response capability to protect the gains achieved. |
| Otago Peninsula biosecurity | Jul 2026 - Jun 2029 | Maintain surveillance, detection and rapid-response systems to protect the Otago Peninsula's possum-free status. |
| City Sanctuary operations | Jul 2026 - Jun 2029 | Continue delivery of the City Sanctuary programme, including urban predator control, volunteer support, neighbourhood trapping initiatives, community-group development, environmental education and biodiversity stewardship activities that support predator elimination, protect biodiversity gains and strengthen community participation across urban Dunedin. |
| Communications and engagement | Jul 2026 - Jun 2029 | Deliver ongoing communications and engagement activities with landowners, mana whenua, communities, volunteers and stakeholders. Support volunteer participation, strengthen community predator-control groups, undertake outreach and education activities, and encourage wider participation in biodiversity protection and the Predator Free 2050 mission. |
| Biodiversity outcome monitoring | Jul 2026 - Jun 2029 | Monitor changes in native species and ecosystems across the project area to assess biodiversity responses and quantify environmental outcomes over time. |
| Evaluation and knowledge sharing | Jul 2026 - Jun 2029 | Complete project evaluation and analysis, prepare final reporting and operational guidance, share project learnings with project partners and biodiversity and predator-control groups across Otago and the wider Predator Free 2050 network, and document pathways for future expansion. |

## 10. Risk Management

Identify the main risks to project delivery and how they will be managed.

| Risk | Mitigation |
|---|---|
| Regulatory approvals for use of PAPP toxin delayed | Work closely with DOC and regulatory agencies, submit applications early, and retain alternative control methods where required. |
| Landowner or community opposition to control methods | Maintain proactive engagement with landowners, mana whenua and communities, provide clear information about project outcomes, and adapt delivery methods where appropriate. |
| Predator elimination targets not achieved | Use intensive monitoring, adaptive management and supplementary control methods to respond quickly where targets are not being achieved. |
| Non-target impacts from predator control activities | Apply best-practice risk management, including targeted delivery methods, monitoring, and ongoing review of control techniques. |
| Reinvasion of target species | Maintain defence networks, detection systems and rapid-response capability to detect incursions early and respond quickly. |
| Operational delays or cost increases | Maintain detailed work planning, regular budget review, contingency reserves and flexible operational scheduling. |
| Funding gap not fully secured | Continue implementation of PFD's fundraising strategy, pursue philanthropic and corporate partnerships, and stage expenditure in line with secured funding commitments. |

## 11. Measures of Success

Describe how you will measure success.

Success will be measured through a combination of operational, biodiversity, social and knowledge-sharing outcomes. Key measures include:

- Elimination of possums, stoats and feral cats from the 3,180 ha elimination zone, demonstrating multi-species predator elimination at a scale and level of mainland complexity not previously achieved in New Zealand.
- Significant knockdown of possums, stoats and feral cats from the remaining 52,000 ha project area, laying the foundation for subsequent application of the multi-species predator elimination programme.
- A documented pathway for scaling multispecies predator elimination into wider Otago landscapes, supporting future biodiversity, biosecurity and pest-management outcomes across the region and informing future biodiversity and predator-control initiatives.
- Reduction of rabbit and rat abundance within the Elimination Zone, providing evidence to assess the effectiveness of the project's sequential predator-elimination approach and inform future elimination programmes.

- Maintenance of the Otago Peninsula's possum-free status through effective surveillance, detection and rapid-response systems, protecting one of Otago's most significant biosecurity achievements and biodiversity assets.

- Strengthened protection of Orokonui Ecosanctuary and the surrounding landscape through reduced predator pressure and an enhanced defence network.

- Improved protection and monitoring of taoka and threatened species, including kākā, kōrimako, titipounamu, kākāruai (South Island robin) and native lizards, helping assess biodiversity responses and recovery over time.

- Increased community participation in predator control and biodiversity stewardship, including volunteer involvement, landowner support and strengthened community predator-control and biodiversity networks across Dunedin.

- Development and field validation of tools, knowledge and operational approaches that support biodiversity restoration, biosecurity and predator management across Otago, including primary-production and forestry landscapes.

## 12. Supporting Information

Attach any supporting information relevant to your project, such as:

- Maps
- Detailed budget
- Concept designs
- Photographs
- Letters of support
- Landowner agreements
- Technical reports
- Resource consents (if applicable)
- Other relevant documentation

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# Information Supporting Assessment

## 1. Strategic Alignment

Identify the relevant Council Priority Action(s) and/or Catchment Action Plan delivery action(s) and/or relevant Council strategy, then briefly explain how the proposed investment will contribute to achieving those priorities and outcomes.

| **Priority Action / CAP Delivery Action / Strategy Outcome** | **How the proposed investment contributes to achieving this priority or outcome** |
|---|---|
| Indigenous Biodiversity Strategy 2026 (IBS) | |
| IBS Strategic Pou 1: Focus action to maintain and enhance (Tiaki me te Whakahaumanu) | Protects high-value biodiversity assets and ecological corridors through landscape-scale predator management, targeted biosecurity and biodiversity monitoring. Supports Predator Free 2050 objectives and evidence -based biodiversity management across urban, rural and forested landscapes. |
| IBS Strategic Pou 2: Empower action (Whakahau) | Builds community stewardship through volunteer participation, community trapping networks, environmental education and support for community groups, helping connect people with local biodiversity and enabling action at scale. |
| IBS Strategic Pou 3: Get the system right (Tūāpapa) | Strengthens collaboration between mana whenua, communities, local government, DOC, researchers and landowners. Generates monitoring data, research, operational knowledge innovation to support informed decision-making and future biodiversity investment across Otago. |
| IBS Outcome: Mana whenua are supported to exercise kaitiakitaka | Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki contribute through governance participation, strategic planning and partnership in programme development and delivery. |
| IBS Outcome: Communities are empowered as stewards | Supports more than 35,000 volunteer hours annually and strengthens long-term community participation, capability and stewardship through City Sanctuary, community trapping initiatives and public engagement. |
| Regional Pest Management Plan 2019 – 2029 (RPMP) | The project directly supports the RPMP's site-led approach by delivering coordinated predator management across the Otago Peninsula and West Harbour–Mt Cargill site-led areas, together covering approximately 21,500 hectares and containing high-value indigenous ecosystems and habitat. PFD's programme maintains the possum-free status of the approximately 9,000-hectare Otago Peninsula and delivers multi-species predator management across the West Harbour–Mt Cargill landscape, including Orokonui Ecosanctuary and surrounding ecological connections.<br><br>Across these and adjoining areas, the programme manages possums, mustelids and rural feral cats and undertakes targeted rat and rabbit control. It brings together landowners, mana whenua, communities and |

| | |
|---|---|
| | partner organisations to protect significant biodiversity values, support productive land uses and develop more effective and affordable pest-management approaches. ORC investment would strengthen delivery within two of its identified site-led priority areas while generating tools, systems and learning that can support pest management elsewhere in Otago. |
| Priority Actions | |
| SRA1: Science -led environmental management | The project aligns with ORC's focus on science -led environmental management through comprehensive monitoring, research and evaluation. It will generate evidence on the effectiveness of landscape-scale predator elimination, support biodiversity outcome monitoring, and develop practical knowledge and tools that can inform future biodiversity and biosecurity initiatives across Otago. |
| EDA1: Practical pest management and landowner collaboration | The project includes targeted rabbit control within the elimination zone, undertaken with rural landowner support. This will reduce local rabbit pressure and allow PFD to test how rabbit reduction affects prey availability, predator behaviour and the effectiveness of wider multi-species predator elimination. Findings will contribute practical evidence that may inform future integrated rabbit and predator-management approaches in Otago. |

## 2. Alignment with aspirations of mana whenua

Describe how, to the best of your understanding, this project aligns with the aspirations of mana whenua, as expressed through documents developed in partnership, e.g. the ORC Strategic Directions, ORC Indigenous Biodiversity Strategy, Catchment Action Plans.

Partnership with mana whenua is a longstanding component of Predator Free Dunedin's governance and programme development. Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki contribute through governance participation partnership in programme development, and collaborative strategic planning, helping to shape programme priorities and biodiversity outcomes. PFD is currently working with Rūnaka to understand their aspirations related to the PF2050 mission, and to integrate these aspirations into the PFD strategic direction.

Specific mana whenua objectives, priorities and measures of success will be developed and co-designed with Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki and will be incorporated into project planning and delivery as this work progresses. This approach recognises mana whenua as partners in shaping the programme and helps ensure project outcomes reflect local values, mātauraka, aspirations and priorities.

The project aligns with aspirations expressed through the ORC Indigenous Biodiversity Strategy 2026, particularly supporting mana whenua participation in environmental decision-making, the exercise of kaitiakitaka, protection of taoka species, and collaborative approaches to biodiversity management.

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The programme seeks to improve outcomes for taoka and threatened species, protect significant biodiversity assets, and support long-term stewardship and restoration of indigenous biodiversity across the wider Dunedin landscape.

## 3. Increasing Scale or Impact

Describe how the proposed investment will increase the scale, impact or effectiveness of an existing project. If this criterion is not applicable, briefly explain why.

This project represents a deliberate and ambitious shift from suppressing predator populations to demonstrating that multiple predator species can be completely removed from a complex mainland landscape. This represents a nationally significant ambition. This project builds on nearly a decade of successful predator management and biodiversity restoration across the Dunedin landscape, including the elimination of possums from the Otago Peninsula, significant possum removal around Orokonui Ecosanctuary and Dunedin's inner-city suburbs, and sustained suppression of mustelids around Orokonui Ecosanctuary, stretching into Flagstaff and Silverstream. The proposed investment will enable Predator Free Dunedin to move beyond business-as-usual predator control and deliver the next phase of work: a landscape-scale, multispecies predator elimination proof-of-concept across the Pūrākaunui-Aramoana landscape, while protecting and building on biodiversity and biosecurity gains already achieved elsewhere in Dunedin.

This work builds on PFD's experience as a nationally recognised Predator Free 2050 programme developing and applying innovative approaches including AI-enabled traps, thermal drone surveillance, detection dogs, remote monitoring systems and proof-of-absence methodologies.

The investment will accelerate the transition from predator suppression to predator elimination, enabling the development and testing of new approaches, technologies and operational methods for multispecies elimination, reinvasion defence and proof-of-absence monitoring. It will increase both the scale of predator management and the ambition of the outcomes being pursued. The resulting knowledge and methodologies will be developed and tested in Otago, ensuring local biodiversity assets, landowners, communities, biodiversity groups and predator-control initiatives benefit first from the tools, approaches and capability being developed, while supporting future biodiversity restoration and predator management initiatives both within the region and beyond.

The project increases the scale, reach and long-term impact of existing biodiversity investment by connecting predator elimination, biosecurity, community stewardship and research across a single landscape-scale programme.

**Supporting a Regional Approach to Predator Elimination**

Beyond the direct outcomes of this project, Predator Free Dunedin is working with Southern Lakes Sanctuary to explore how Otago's two largest landscape-scale predator-control programmes can support a more connected regional approach to biodiversity protection and pest management. Together, the organisations are developing opportunities to share proven governance, project management, health and safety, monitoring, reporting and operational systems, while helping build capability within emerging initiatives such as the Mid-Taieri Integrated Pest System and the Catlins Invasive Mammal Management Plan. The partnership also provides a mechanism for sharing technology, operational methods and lessons learned across different landscapes and land uses,

helping accelerate predator-control efforts elsewhere in the region. Further information is provided in the accompanying discussion paper, One Regional Opportunity.

ORC has a distinctive role in turning this capability into regional benefit. As the regional pest-management authority and an investor in environmental delivery, ORC can connect established programmes with emerging local initiatives, help align effort with regional priorities and amplify the value of tools, systems and knowledge already being developed. Investment in PFD and Southern Lakes Sanctuary would strengthen two established centres of capability while creating a clearer pathway for other parts of Otago to access practical support, proven approaches and shared learning.

## 4. Value for Money

Describe how this project demonstrates value for money. Explain how the scale and significance of anticipated environmental outcomes, combined with collaboration, co-investment, leverage opportunities, and the ability to expand or accelerate existing initiatives, provide a strong return on Council's investment.

ORC's investment will support an established, experienced programme rather than a project starting from scratch. Predator Free Dunedin is a nationally recognised programme that already has strong governance, skilled staff, delivery partners, landowner relationships, volunteer networks, monitoring systems and predator-control infrastructure in place. Nearly a decade of delivery has produced proven results, including possum elimination on the Otago Peninsula and sustained mustelid suppression around Orokonui Ecosanctuary. This foundation reduces establishment costs, duplication and delivery risk, directing funding towards on-the-ground delivery, biodiversity gains and measurable environmental outcomes. The requested $1.5 million will support a three-year programme valued at approximately $6.4 million, backed by substantial co-investment from DOC, DCC, City Forests and PFD reserves. ORC support will maximise this investment, leverage substantial existing co-investment, and protect gains already achieved.

At a practical level, the funding sought from ORC broadly matches the programme's annual investment in predator-control equipment, technology and field materials. It would provide the traps, surveillance systems, baits, lures, vehicles, fuel, PPE and other field resources required to translate the programme's existing workforce, partnerships and co-investment into on-the-ground results. In effect, ORC's investment would support a clearly identifiable package of delivery inputs, while benefiting from the wider programme infrastructure and co-investment needed to deploy them effectively.

Independent analysis by Valueable Consulting estimated that Predator Free Dunedin generated approximately $4.67 million in social, environmental and economic benefits from $2.11 million of investment during 2022/23, representing a benefit-cost ratio of $2.21 for every $1 invested. Further information is provided in the accompanying Valueable impact assessment summary.

ORC will be investing in a programme with a nationally proven track record, substantial co-investment already secured, and the capability to deliver immediate biodiversity and biosecurity outcomes while building longer-term environmental capability across Otago. Rather than establishing a new programme, ORC's investment would equip and accelerate an established collaborative initiative that already has the people, partnerships and systems needed to deliver results at scale. It would give Otago the opportunity to lead a breakthrough in

mainland predator elimination, while ensuring the region benefits first from the capability, tools and knowledge created.

## 5. Collective Delivery

Describe how your project will strengthen environmental delivery across organisations or communities, where applicable.

Predator Free Dunedin is a conservation collective of more than 20 organisations working together to protect indigenous biodiversity across Dunedin and the wider Otago region. The programme brings together mana whenua, landowners, community groups, volunteers, researchers, local and central government, and delivery partners including City Sanctuary and the Halo Project to achieve outcomes that no single organisation could deliver alone.

The proposed investment will strengthen this collaborative model by supporting coordinated action across urban, peri-urban, rural and natural environments. It will enable shared planning, monitoring, community engagement and operational delivery and knowledge sharing, while continuing to build community capability through volunteer programmes, school engagement and community trapping initiatives and support for biodiversity and predator-control groups across Otago.

The project will also strengthen partnerships with Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki through ongoing governance participation and collaborative strategic planning. Research and evaluation will be undertaken in partnership with the University of Otago and other research partners. By bringing together expertise, resources and investment from multiple partners, the programme increases the effectiveness, efficiency and reach of biodiversity and biosecurity efforts across Otago. ORC's involvement would further strengthen this model by connecting established capability with regional priorities and emerging initiatives, amplifying the value of investment already made in people, systems, technology and operational learning.

## 6. Long-term Sustainability

Describe how the project outcomes will be maintained after funding has ended.

A key objective of the project is to develop and test more cost-effective approaches to maintaining predator-free areas and defending them against reinvasion. This includes improving detection, proof-of-absence and rapid-response systems and reducing the long-term cost of protecting assets such as the Otago Peninsula and Orokonui Ecosanctuary. By the end of the project, PFD will have developed practical pathways for transitioning from intensive elimination operations to lower-cost, long-term maintenance and biosecurity operations.

The project will also generate the evidence base needed to demonstrate that the tools, technologies, operational approaches and community support required to achieve Predator Free 2050 are effective, affordable and ready for wider implementation across Otago and other suitable landscapes. This evidence will help inform future investment decisions by central government, regional partners and biodiversity funders, and strengthen the case for accelerating the next stage of the Predator Free 2050 programme.

## 7. Co-investment and Financial Sustainability

Describe any existing or proposed co-investment, and how environmental outcomes will be sustained beyond Councils investment

The project is supported by substantial co-investment, including approximately $3.9 million from the Department of Conservation, $450,000 from Dunedin City Council, $130,000 from City Forests, and a contribution from PFD reserves. In addition, the DCC are contributing an in-kind financial resource of $645,000 of pest control budget, over the three years. The proposed ORC investment of $500,000 per annum will leverage approximately $4.5 million in secured co-investment, strengthening the impact of existing public and community investment in biodiversity outcomes across Otago, and support delivery of a programme valued at approximately $6.4 million over three years.

The funding sought from ORC broadly corresponds to the programme's annual predator-control equipment, technology and field materials requirement. This gives ORC a clear and tangible investment proposition, while the surrounding co-investment provides the personnel, delivery systems, relationships, monitoring and research needed to turn those inputs into sustained environmental outcomes.

Alongside project delivery, Predator Free Dunedin is currently undertaking a long-term strategic planning process and is developing a fundraising strategy to diversify income and increase philanthropic support and reduce reliance on any single funding source. ORC investment will help close the remaining funding gap while strengthening the programme's ability to attract future investment from government, philanthropic and community sources, and retain the capability, infrastructure and partnerships needed to deliver long-term biodiversity outcomes.

## 8. Community and Stakeholder Benefits

Describe how your project will empower or activate mana whenua, community groups, individuals, landowners, industries or businesses to take action for Otago's environment.

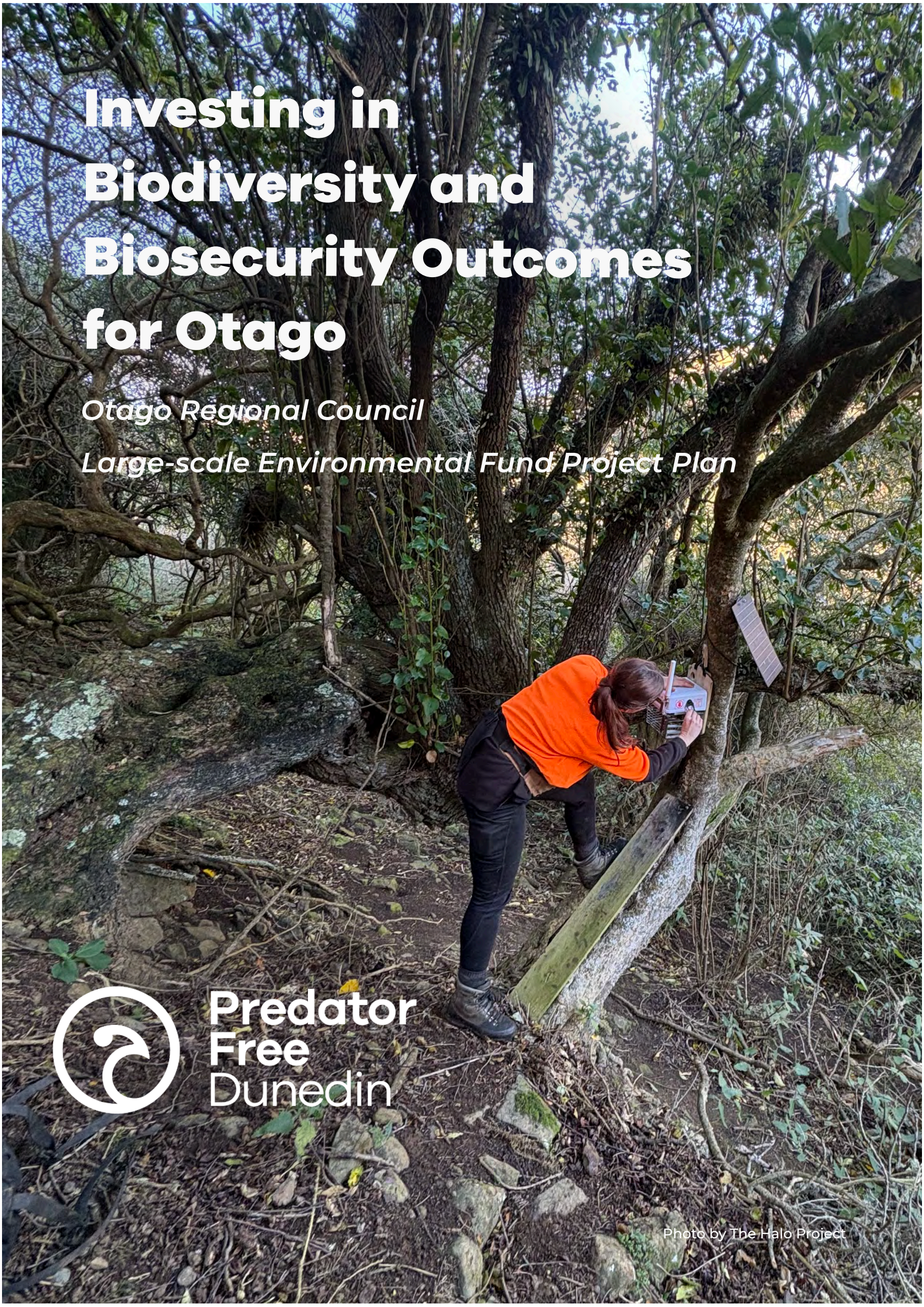
The project provides practical opportunities for people to contribute directly to biodiversity and biosecurity outcomes through volunteer predator control, neighbourhood trapping, biodiversity monitoring and community-led conservation initiatives. Hundreds of volunteers and backyard trappers already contribute more than 35,000 hours annually to Predator Free Dunedin's collective efforts, demonstrating strong community support and creating substantial additional value from public investment. The project will build on this foundation by supporting participation by landowners, volunteers, community groups, mana whenua and local residents, strengthening community stewardship and expanding involvement in biodiversity protection across Otago.

The programme supports rural landowners through predator and targeted rabbit management while strengthening collaboration between mana whenua, researchers, local government, conservation organisations and communities. Through these partnerships, the project combines local knowledge, mātauraka, scientific expertise and community action to deliver outcomes that would not be achievable by any one organisation alone.

Otago Regional Council

The project will also help protect the biodiversity values that underpin Dunedin’s identity as New Zealand’s Wildlife Capital, supporting the city’s environmental reputation and enabling residents and visitors to experience native wildlife across the wider landscape.

Independent analysis found that Predator Free Dunedin's activities contributed to increased volunteering, improved physical and mental wellbeing, stronger native bird populations, reduced pest-related impacts and broader community benefits. By giving people meaningful opportunities to participate in protecting biodiversity, the project helps build long-term support for conservation, strengthens community capability, and strengthens the social foundations needed to sustain environmental gains across Otago.


Investing in Biodiversity and Biosecurity Outcomes for Otago
Otago Regional Council
Large-scale Environmental Fund Project Plan
Predator Free Dunedin
Photo by The Halo Project




*FTP Network relay point overlooking Heyward Point.*

# 1. Overview

Predator Free Dunedin (PFD) is seeking $500,000 per annum for three years from the Otago Regional Council Large-scale Environmental Fund to help deliver one of New Zealand's most ambitious mainland predator-elimination projects. ORC's investment would primarily support the predator-control equipment, technology and field materials required for delivery, including traps, surveillance equipment, baits and lures, consumables, PPE, vehicles, fuel and associated field operating costs. These materials have been costed at $500,000 each year, closely aligning with the level of funding sought from ORC. This investment would sit alongside substantial funding already committed by the Department of Conservation (DOC) and Dunedin City Council (DCC), enabling a fully integrated programme of field delivery, monitoring, research and community engagement.

Nationally recognised as a leader in predator elimination and conservation innovation, PFD has helped establish Otago at the forefront of Predator Free 2050 delivery. Following the successful elimination of possums from the Otago Peninsula, one of New Zealand's most significant mainland predator-elimination achievements, PFD has been selected by DOC to deliver one of only four nationally significant Predator Free 2050 proof-of-concept projects. This investment reflects confidence in PFD's proven ability to develop and demonstrate the tools, technologies and operational approaches needed to achieve Predator Free 2050, while delivering biodiversity outcomes at scale.

Building on this success, the project will deliver a landscape-scale, multi-species predator elimination proof-of-concept across the Orokonui-Pūrākaunui-Aramoana landscape,




*Overlooking Heywards Point, the new project area.*

while maintaining the Peninsula's possum-free status and strengthening biodiversity outcomes across wider Dunedin.

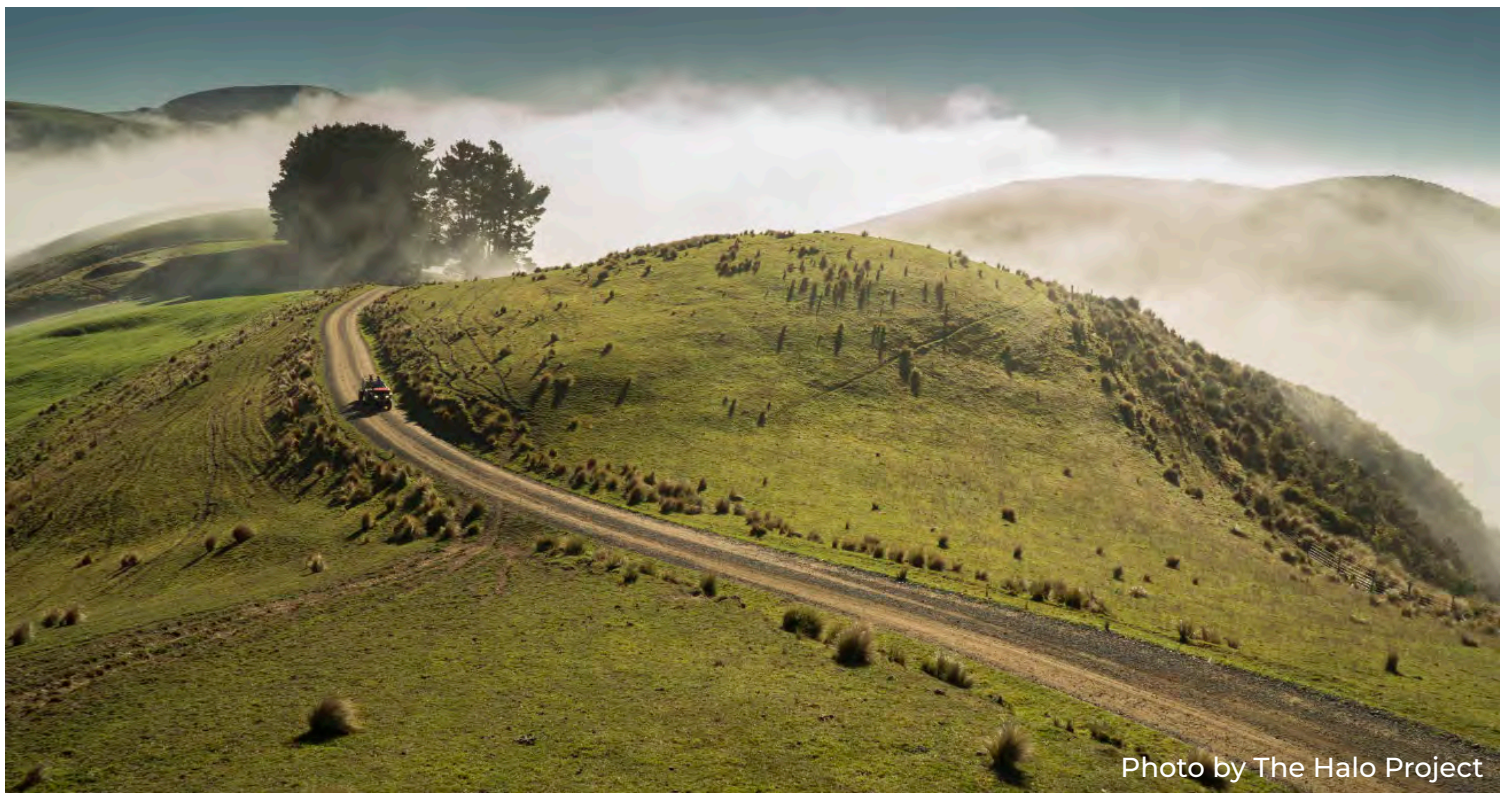
The programme will manage 55,000 hectares, including around 10,000 hectares managed specifically for multi-species predator elimination. At the heart of the project is a 3,180 hectare elimination zone, which will become one of New Zealand's largest mainland multi-species predator elimination proof-of-concept areas. The project will attempt something that has not previously been achieved at this scale and complexity on mainland New Zealand: the complete removal of possums, stoats and feral cats from a connected rural and peri-urban landscape.

**ORC investment will help Predator Free Dunedin protect hard-won biodiversity gains, eliminate predators at landscape scale, and build practical pathways for predator-free landscapes across Otago.**

The elimination zones surround Orokonui Ecosanctuary and will therefore provide enormous protective benefit to this regional jewel, as well as to other high-value biodiversity assets, improving outcomes for threatened and taoka species. This project will support more than 35,000 volunteer hours annually.

This project will develop scalable and affordable predator-elimination methods, evidence and guidance that can be applied across other rural, forested and mixed-use landscapes in Otago and elsewhere in New Zealand. The project aims to demonstrate that multi-species predator elimination is achievable beyond fenced sanctuaries and offshore islands, creating a practical pathway for work previously considered beyond the reach of mainland predator control. The approach includes targeted rabbit and rat control within the elimination zone, both to reduce pest impacts and to test how prey reduction and operational sequencing can support more effective and affordable elimination of stoats and feral cats.

## 3




*PFD has demonstrated the capability to remove predators across complex rural landscapes.*

ORC investment will leverage approximately $3.9 million secured from DOC and $450,000 from DCC and $645,000 of in-kind DCC Pest Control budget, helping protect and enhance biodiversity outcomes in Otago while developing scalable, affordable methods that can be shared with predator-control and biodiversity initiatives across Otago and New Zealand.

Beyond the programme outlined in this proposal, PFD is collaborating with Southern Lakes Sanctuary to explore how Otago's two established landscape-scale predator-control programmes can work together to strengthen regional capability and accelerate progress towards a Predator Free Otago. Together, the organisations are developing opportunities to share proven systems, technology, monitoring approaches, operational expertise and governance capability, while supporting emerging initiatives in areas such as the Catlins and Taieri.

The joint regional programme described in the accompanying discussion paper, One Regional Opportunity, is broader than this PFD funding request. However, investment in PFD will strengthen the systems, technology, operational knowledge and organisational capability available to the region. ORC is well placed to act as a regional connector and amplifier, linking established capability with local needs and helping proven methods, tools and learning reach other parts of Otago. Further investment may be required to deliver specific new programmes outside the scope of this application.

The project strongly aligns with the Fund’s criteria by delivering enduring, measurable environmental outcomes at scale and accelerating an established programme with a proven track record of delivery and national recognition. ORC’s investment would help protect significant biodiversity and biosecurity gains while enabling the development of practical predator-elimination methods, tools and knowledge that can support environmental outcomes across Otago.

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*Stoat eating an egg.*

## 2. Project Objectives

The project is guided by the following overarching objectives. These are supported by a more detailed set of research, operational, mana whenua, community engagement and knowledge-transfer objectives.

1. **Develop and demonstrate a new model for mainland multi-species predator elimination**
   Test how reducing rats and rabbits, secondary poisoning, targeted control and the sequencing of operations can make the elimination of possums, stoats and feral cats more effective, affordable and achievable across complex mainland landscapes.

2. **Build an enduring mana whenua partnership**
   Work in partnership with mana whenua to help shape project priorities and delivery, embed mātauraka where appropriate, and support aspirations for taoka species and cultural landscapes.

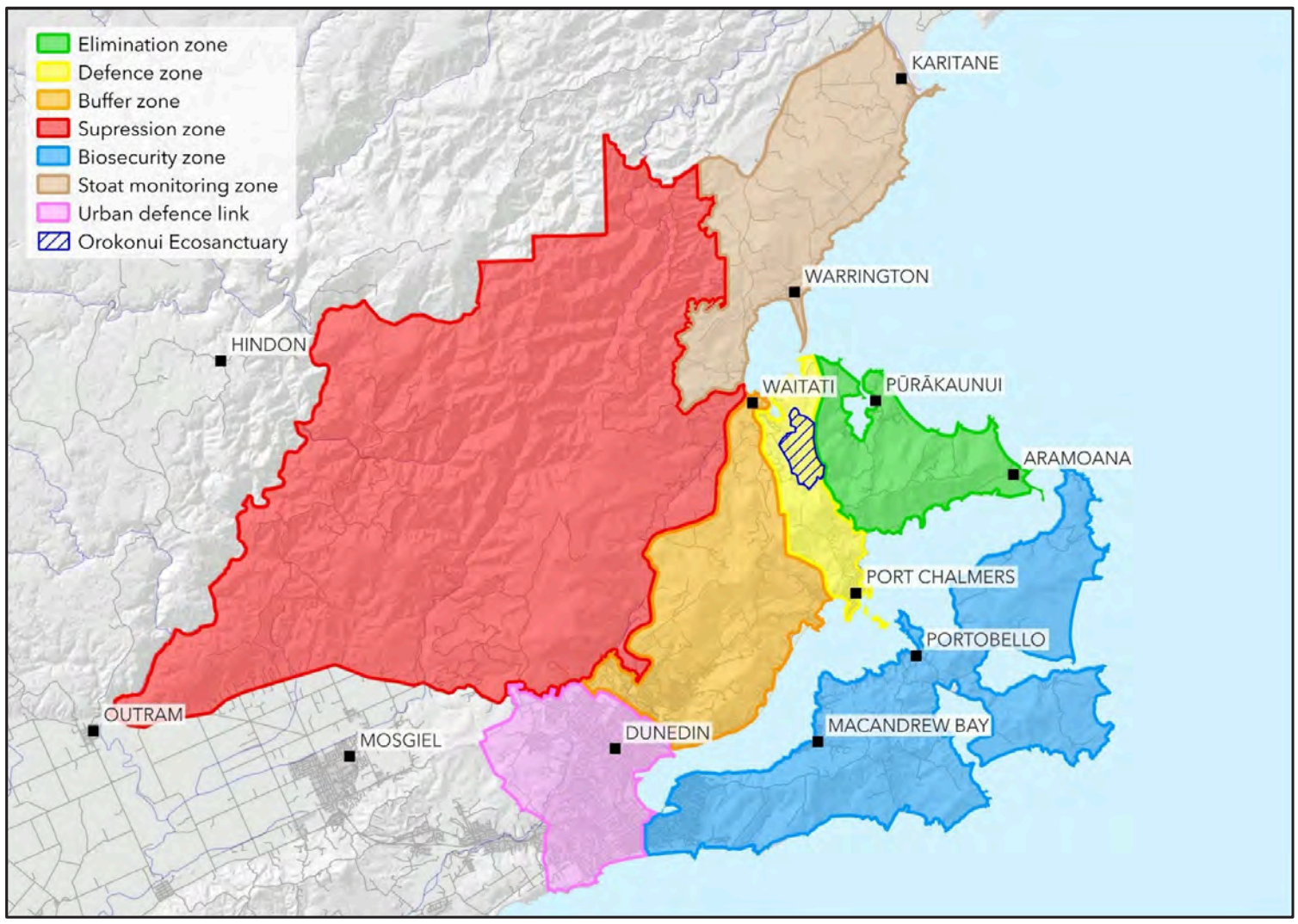
3. **Achieve and maintain predator elimination across the project area**
   Eliminate target predators from the elimination zone and establish an adaptive defence network to prevent reinvasion.

4. **Measure and support biodiversity recovery**
   Monitor how taoka species and wider biodiversity respond to predator elimination, helping inform future biodiversity restoration opportunities and, with mana whenua and DOC, explore future opportunities to return taoka species to the landscape.

5. **Increase landowner and community support**
   Engage landowners in project delivery, strengthen support for Predator Free 2050, and grow participation beyond the hundreds of volunteers already contributing more than 35,000 hours annually to the project.

6. **Develop and share practical tools, evidence and guidance**
   Test cost-effective monitoring and proof-of-absence methods, produce operational guidance and peer-reviewed research, and share findings with project partners, predator-control and biodiversity groups across Otago, and the wider Predator Free 2050 network.

# 3. Project Location




*Overview map of the Predator Free Dunedin project area and management zones.*

The project will occur across 55,000 ha of the northern and central Dunedin landscape, with the core predator elimination area spanning approximately 3,180 hectares from Pūrākaunui and Aramoana to Orokonui Ecosanctuary and Deborah Bay on the harbourside. Defence (1,800 ha), buffer (6,100 ha) and suppression zones (35,100 ha) extend south and west into North East Valley, Ravensbourne, Signal Hill and the Town Belt. The Otago Peninsula's possum-free status will be maintained, as a managed biosecurity zone (~9,000 ha).

The programme operates across two areas specifically recognised through the Regional Pest Management Plan's site-led programmes: the approximately 9,000-hectare Otago Peninsula and the approximately 12,500-hectare West Harbour–Mt Cargill area. ORC investment would therefore support coordinated pest management within areas already identified as regional priorities, while strengthening the connections between them. These landscapes include nationally and regionally significant biodiversity assets such as Orokonui Ecosanctuary, Aramoana saltmarsh, Purehurehu (Heyward Point), Swampy Summit and Flagstaff, and provide habitat for a wide range of threatened and at-risk species.

The project operates across a mix of public and private land, with support and permissions from all large-scale rural landowners within the elimination zone already secured, and engagement and access agreements for other landowners continuing through established and successful processes. The project is also undertaken with the support of key land managers, including the Department of Conservation, Wenita Forest Products Ltd, City Forest Ltd and the DCC.

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# 4. Scope of Works

| Activity | Description |
|---|---|
| Project establishment | Finalise project planning, operational design, approvals, land access, procurement, staff training, and health and safety requirements. |
| Possum elimination | Complete possum elimination within the elimination zone. |
| Rat and rabbit control | Undertake targeted rat and rabbit control within the elimination zone to reduce prey availability, create secondary-poisoning pathways and support the effective elimination of stoats and feral cats. The work will also generate practical evidence on how rabbit management can contribute to integrated predator-control and biodiversity outcomes in rural landscapes. |
| Stoat elimination | Eliminate stoats from the elimination zone through secondary poisoning, trapping and targeted PAPP toxin use. |
| Feral cat elimination | Eliminate feral cats from the elimination zone through secondary poisoning, trapping and targeted toxin use in rural areas. |
| Monitoring, detection and response | Use cameras, thermal tools, trap data, detection dogs and other methods to confirm elimination and detect and respond to incursions. |
| Defence, buffer and suppression | Maintain appropriate levels of possum, stoat, rat, rabbit and rural feral cat control across the defence, buffer, city and wider suppression zones to reduce reinvasion risk, protect biodiversity gains and support connected predator-control efforts across the wider Dunedin landscape. |
| Otago Peninsula biosecurity | Maintain surveillance, detection and rapid-response systems to protect the Otago Peninsula's possum-free status, safeguard significant biodiversity and biosecurity gains already achieved, and prevent possum re-establishment. |
| Communications and engagement | Engage landowners, mana whenua, communities, partners and agencies to support operations and maintain social licence. Encourage active participation in the Predator Free 2050 mission through City Sanctuary, community outreach, events, media and project updates, supporting volunteer participation, community stewardship and long-term engagement in biodiversity protection. |
| Outcome monitoring | Work with Orokonui Ecosanctuary and University of Otago to monitor changes in native species and ecosystems to assess biodiversity outcomes, demonstrate programme impact and inform adaptive management. |
| Research and knowledge sharing | Monitor and evaluate the multispecies approach, including the role of targeted rabbit and rat control, improve monitoring and decision -making, document results, and share learnings with project partners, biodiversity and predator-control groups across Otago, and the wider Predator Free 2050 network. |

# 5. Project Deliverables

| Deliverable | Target |
|---|---|
| Multispecies predator elimination completed across the Project Area, including elimination of possums, stoats and feral cats from the Elimination Zone. | 30 June 2029 and then maintained. |
| Orokonui Ecosanctuary protection strengthened through an effective defence network that reduces reinvasion risk and supports the movement of native species into the surrounding landscape. | 30 June 2029 and then ongoing |
| Otago Peninsula possum-free status maintained through an effective biosecurity, detection and rapid-response system. | Ongoing |
| Community engagement and communications programme delivered, supporting volunteer participation, community stewardship and long-term engagement in biodiversity protection, with a replicable engagement model documented. | 30 June 2029 and then ongoing |
| Proof-of-concept evidence base completed, including monitoring data, analysis and proof-of-absence assessments. | 30 June 2029 |
| Operational blueprint and methodology documented, including monitoring, detection and proof-of-absence methods that can be applied in similar landscapes across Otago and New Zealand. | 30 June 2029 |
| Documented pathway for scaling multispecies predator elimination across wider Otago landscapes, including practical application in primary-production, forestry, biodiversity and mixed-use environments. | 30 June 2029 |
| Targeted rabbit and rat control delivered within the elimination zone, with results documented to assess their contribution to multi-species predator elimination and inform future integrated pest-management approaches. | 30 June 2029 |
| Mana whenua partnership incorporated into the design and delivery of the programme. | Ongoing |
| Predator-elimination tools and techniques developed and field-tested, including a regulatory submission supporting EPA approval of PAPP sausage bait. | 30 June 2029 |
| Knowledge-sharing and capability-building activities delivered, including dissemination of findings, tools and guidance to biodiversity, restoration and predator-control groups across Otago. | 30 June 2029 |




*Rifleman / Titīpounamu*

## 6. Expected Environmental Outcomes

The project will build on existing biodiversity and biosecurity gains by reducing introduced predator populations across urban, rural, forested and natural landscapes. These outcomes will strengthen biodiversity recovery already being observed across Dunedin - including the return of kākā to urban areas, increasing tūī and korimako populations on the Otago Peninsula, successful titipounamu breeding in the Town Belt, and the removal of more than 1,600 mustelids and 27,000 possums from the landscape surrounding Orokonui Ecosanctuary since 2018.

**Expected outcomes include:**

- **Significantly reduced predator pressure across more than 46,000 hectares,** creating safer conditions for indigenous biodiversity, threatened fauna expansion beyond Orokonui Ecosanctuary, and supporting productive land uses.
- **Elimination of possums, stoats and feral cats from the 3,180 ha**, creating one of New Zealand's largest and most ambitious mainland multi-species predator elimination proof-of-concept areas, supported by ongoing intensive control in surrounding areas to reduce reinvasion.
- **Reduced threats to taoka and threatened species**, providing greater opportunity for native species to survive, breed and expand into suitable habitat.




*Trap installation near Mihiwaka.*

- **Stronger protection for Orokonui Ecosanctuary**, one of Otago's most significant biodiversity assets, with reduced predator pressure and reinvasion risk in the surrounding landscape.
- **Continued protection of the possum-free Otago Peninsula**, maintaining the significant biodiversity and biosecurity gains already achieved.
- **Improved primary-production biosecurity**, with lower possum and rural feral cat numbers reducing the risk of diseases affecting livestock, including bovine tuberculosis and toxoplasmosis.
- **Reduced pest impacts on rural and forestry land**, including less possum browsing and damage to vegetation and plantation trees, alongside reduced rabbit pressure.
- **Improved understanding of biodiversity responses**, through monitoring changes in native species and ecosystems following predator reduction.
- **Potential for wider environmental, biosecurity and primary-production gains,** through methods, evidence and operational approaches that can be applied by biodiversity, predator-control, forestry and land-management initiatives across Otago and elsewhere in New Zealand.
- **Strengthened community stewardship and participation in biodiversity protection,** supporting long-term environmental outcomes beyond the life of the project.

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# 7. Project Governance, Delivery and Research Partners

The programme is delivered through a long-established partnership model that brings together mana whenua, local government, central government, environmental organisations, researchers, landowners and community programmes. This collaborative approach combines specialist operational expertise, scientific research, community engagement and governance oversight, helping ensure the project delivers enduring biodiversity outcomes across Dunedin and Otago.

| Organisation | Role | Responsibility |
|---|---|---|
| **Predator Free Dunedin - Trust** | **Project governance** | A seven-member Board of Trustees provides overall governance and oversight, ensuring the project is delivered in line with its objectives, funding commitments and Trust responsibilities. |
| **Predator Free Dunedin – Operations and management** | **Project leadership and coordination** | Leads project planning, coordination and contract management, including partner coordination, reporting, communications and engagement and delivery oversight. Provides specialist advice on operational design, predator elimination methods, monitoring and adaptive management and development of modelling tools. |
| **Halo Project, delivered by the Landscape Connections Trust** | **Operational delivery** | Leads predator elimination operations in the multi-species predator elimination zone and the surrounding defence network, including management of landowner relationships, volunteer coordination, engagement, and outcome monitoring. Leads Otago Peninsula biosecurity activities. |
| **City Sanctuary, delivered by Dunedin City Council** | **Operational delivery** | Leads the City Sanctuary programme, including community and volunteer participation, urban predator control, outcome monitoring, helping build community engagement and support for biodiversity outcomes across the wider Dunedin landscape. |

# Project Governance, Delivery and Research Partners cont.

| Organisation | Role | Responsibility |
|---|---|---|
| **Te Rūnanga o Ōtākou** | **Mana whenua partnership** | Provides mana whenua guidance and participates in governance, strategic planning, and the design and delivery of relevant programme elements. |
| **Kāti Huirapa Rūnaka ki Puketeraki** | **Mana whenua partnership** | Provides mana whenua guidance and participates in governance, strategic planning, and the design and delivery of relevant programme elements. |
| **Dunedin City Council** | **Funding, land access and delivery support** | Provides funding, operational support and access to council-managed land, enabling integrated pest management and supporting programme delivery across the wider Dunedin landscape. |
| **Department of Conservation** | **Funding, technical and regulatory support** | Provides funding, technical and regulatory support, and contributes to project planning, innovation and knowledge sharing. |
| **Orokonui Ecosanctuary** | **Biodiversity and technical partner** | Contributes ecological expertise, biodiversity knowledge and technical input, and supports effective defence and biosecurity measures that help protect biodiversity gains within and beyond the ecosanctuary. |
| **University of Otago** | **Research partner** | Supports research and evaluation that helps measure biodiversity outcomes and build the evidence base for future predator-elimination programmes. |




*DOC200 traps being laid out by the team as part of the mustelid network.*

## 8. Budget Summary

| Funding / cost | FY2026/27 | FY2027/28 | FY2028/29 | 3-year total |
|---|---|---|---|---|
| *Funding sought from ORC* | $500,000 | $500,000 | $500,000 | $1,500,000 |
| Secured co-investment: | | | | |
| Department of Conservation | $1,130,000 | $1,400,000 | $1,400,000 | $3,930,000 |
| Dunedin City Council | $150,000 | $150,000 | $150,000 | $450,000 |
| City Forests | $65,000 | $65,000 | TBC | $130,000 |
| Total secured co-investment | $1,345,000 | $1,615,000 | $1,550,000 | $4,510,000 |
| PFD reserves | $304,000 | $63,000 | $50,000 | $417,000 |
| **Total project value** | **$2,149,000** | **$2,178,000** | **$2,110,000** | **$6,437,000** |

### What ORC's investment will enable

The $500,000 sought from ORC each year aligns with the programme's annual requirement for predator-control equipment, technology and field materials. This includes traps and surveillance equipment, baits and lures, field consumables, PPE, vehicles, fuel, field technology and associated equipment costs. ORC's contribution would primarily support the practical tools and field resources needed to undertake predator elimination, maintain defence and biosecurity systems, and protect existing biodiversity gains.

These resources would be deployed through a wider programme supported by approximately $4.5 million in secured co-investment, together with $417,000 from PFD reserves, funding the skilled workforce, operational delivery, monitoring, research and community engagement required to put the equipment and materials to effective use.

## Budget Breakdown

| | FY26/27 | FY27/28 | FY28/29 | 3-year total |
|---|---|---|---|---|
| **People and Capability:** Personnel and workforce-related costs, including programme coordination, specialist advice, delivery staff and contractors, staff training, work-related travel, volunteer support and associated costs. | $1,262,000 | $1,283,000 | $1,248,000 | $3,793,000 |
| **Programme Support and Overheads:** Programme administration and enabling costs, including governance and financial services, audit, insurance, office expenses, accounting and IT systems, subscriptions, utilities and other shared operating support. | $130,000 | $123,000 | $122,000 | $375,000 |
| **Monitoring, Research and Evaluation:** Research, biodiversity outcome monitoring and evaluation activities used to assess ecological outcomes and inform ongoing programme delivery. | $45,000 | $46,000 | $48,000 | $139,000 |
| **Community and Stakeholder Engagement:** Communications and engagement activity, including Rūnaka engagement, community events, advertising, interpretation and stakeholder engagement. | $55,000 | $26,000 | $26,000 | $107,000 |
| **Predator Control Equipment, Technology and Field Materials:** The practical equipment and materials required for field delivery, including traps, surveillance and detection equipment, baits and lures, consumables, PPE, vehicles, fuel, field technology, FTP overheads and associated equipment depreciation. | $516,000 | $534,000 | $499,000 | $1,549,000 |
| **Predator Control Delivery:** Direct delivery of predator-control and biosecurity operations, including operational contractors and other field-delivery costs not included under equipment and materials. | $141,000 | $166,000 | $167,000 | $474,000 |
| **Total Project Value** | **$2,149,000** | **$2,178,000** | **$2,110,000** | **$6,437,000** |

# 9. Project Timeline

| Phase | Timeframe | Key Activities |
|---|---|---|
| Project establishment and mobilisation | Jul 2026 - Dec 2026 | Finalise project planning, approvals and landowner agreements. Continue work to secure the programme's remaining funding. Procure equipment, establish monitoring, detection-control infrastructure, commence research and data -management systems, strengthen predator activities , and continue ongoing possum and stoat control across the project area. |
| Operational readiness and early delivery | Jan 2027 - Jun 2027 | Continue possum and stoat control activities, undertake targeted rabbit control, establish baseline information, and complete operational preparations for large-scale elimination activities. |
| Predator elimination implementation | Jul 2027 - Jun 2028 | Deliver rabbit and rat-control operations, continue possum and stoat elimination activities, establish and expand feral cat control, maintain defence networks. |
| Predator elimination and verification | Jul 2028 - Mar 2029 | Undertake targeted stoat and feral cat mop up activities. Verify elimination outcomes through proof-of-absence monitoring and maintain rapid-response capability to protect gains achieved. |
| Otago Peninsula biosecurity | Jul 2026 - Jun 2029 | Maintain surveillance, detection and rapid-response systems to protect the Otago Peninsula's possum-free status. |
| City Sanctuary operations | Jul 2026 - Jun 2029 | Continue delivery of the City Sanctuary programme, including urban predator control, volunteer support, neighbourhood trapping initiatives, community-group development, environmental education and biodiversity stewardship activities that support predator elimination, protect biodiversity gains and strengthen community participation across urban Dunedin. |
| Communications and engagement | Jul 2026 - Jun 2029 | Deliver ongoing communications and engagement activities with landowners, mana whenua, communities, volunteers and stakeholders. Support volunteer participation, strengthen community predator-control groups, undertake outreach and education activities, and encourage wider participation in biodiversity protection and the Predator Free 2050 mission. |
| Biodiversity outcome monitoring | Jul 2026 - Jun 2029 | Monitor changes in native species and ecosystems across the project area to assess biodiversity responses and quantify environmental outcomes over time. |
| Evaluation and knowledge sharing | Jan 2029 - Jun 2029 | Complete project evaluation and analysis, prepare final reporting and operational guidance, share project learnings with project partners biodiversity and predator-control groups across Otago, and the wider Predator Free 2050 network, and document pathways for future expansion. |




*FTP gateway on Mihiwaka sends live trap network data back to the team.*

## 10. Risk Management

| Risk | Mitigation |
|---|---|
| Regulatory approvals for use of PAPP toxin delayed | Work closely with DOC and regulatory agencies, submit applications early, and retain alternative control methods where required. |
| Landowner or community opposition to control methods | Maintain proactive engagement with landowners, mana whenua and communities, provide clear information about project outcomes, and adapt delivery methods where appropriate. |
| Predator elimination targets not achieved | Use intensive monitoring, adaptive management and supplementary control methods to respond quickly where targets are not being achieved. |
| Non-target impacts from predator control activities | Apply best-practice risk management, including targeted delivery methods, monitoring, and ongoing review of control techniques. |
| Reinvasion of target species | Maintain defence networks, detection systems and rapid-response capability to detect incursions early and respond quickly. |
| Operational delays or cost increases | Maintain detailed work planning, regular budget review, contingency reserves and flexible operational scheduling. |
| Funding gap not fully secured | Continue implementation of PFD's fundraising strategy, pursue philanthropic and corporate partnerships, and stage expenditure in line with secured funding commitments. |




*A ranger overlooks the Otago Peninsula from Sandymount.*

## 11. Measures of Success

Success will be measured through a combination of operational, biodiversity, social and knowledge-sharing outcomes. Key measures include:

- Elimination of possums, stoats and feral cats from the 3,180 ha elimination zone, demonstrating multi-species predator elimination at a scale and level of mainland complexity not previously achieved in New Zealand.
- Significant knockdown of possums, stoats and feral cats from the remaining 52,000 ha project area, laying the foundation for subsequent application of the multi-species predator elimination programme.
- A documented pathway for scaling multispecies predator elimination into wider Otago landscapes, supporting future biodiversity, biosecurity and pest-management outcomes across the region and informing future biodiversity and predator-control initiatives.
- Reduction of rabbit and rat abundance within the Elimination Zone, providing evidence to assess the effectiveness of the project's sequential predator-elimination approach and inform future elimination programmes.
- Maintenance of the Otago Peninsula's possum-free status through effective surveillance, detection and rapid-response systems, protecting one of Otago's most significant biosecurity achievements and biodiversity assets.
- Strengthened protection of Orokonui Ecosanctuary and the surrounding landscape through reduced predator pressure and an enhanced defence network.




*City Sanctuary trains Dunedin high school students how vto look after their own traplines.*

- Improved protection and monitoring of taoka and threatened species, including kākā, kōrimako, titipounamu, kākāruai (South Island robin) and native lizards, helping assess biodiversity responses and recovery over time.
- Increased community participation in predator control and biodiversity stewardship, including volunteer involvement, landowner support and strengthened community predator-control and biodiversity networks across Dunedin.
- Development and field validation of tools, knowledge and operational approaches that support biodiversity restoration, biosecurity and predator management across Otago, including primary-production and forestry landscapes.

## Information Supporting Assessment

# 1. Strategic Alignment

| Priority action / strategy | How the proposed investment contributes |
|---|---|
| Indigenous Biodiversity Strategy 2026 (IBS) | |
| IBS Strategic Pou 1: Focus action to maintain and enhance (Tiaki me te Whakahaumanu) | Protects high-value biodiversity assets and ecological corridors through landscape-scale predator management, targeted biosecurity and biodiversity monitoring. Supports Predator Free 2050 objectives and evidence-based biodiversity management across urban, rural and forested landscapes. |
| IBS Strategic Pou 2: Empower action (Whakahau) | Builds community stewardship through volunteer participation, community trapping networks, environmental education and support for community groups, helping connect people with local biodiversity and enabling action at scale. |
| IBS Strategic Pou 3: Get the system right (Tūāpapa) | Strengthens collaboration between mana whenua, communities, local government, DOC, researchers and landowners. Generates monitoring data, research, operational knowledgeinnovation to support informed decision-making and future biodiversity investment across Otago. |
| IBS Outcome: Mana whenua are supported to exercise kaitiakitaka | Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki contribute through governance participation, strategic planning and partnership in programme development and delivery. |
| IBS Outcome: Communities are empowered as stewards | Supports more than 35,000 volunteer hours annually and strengthens long-term community participation, capability and stewardship through City Sanctuary, community trapping initiatives and public engagement. |
| Regional Pest Management Plan 2019–2029 (RPMP) | The project directly supports the RPMP's site-led approach by delivering coordinated predator management across the Otago Peninsula and West Harbour–Mt Cargill site-led areas, together covering approximately 21,500 hectares and containing high-value indigenous ecosystems and habitat. PFD's programme maintains the possum-free status of the approximately 9,000-hectare Otago Peninsula and delivers multi-species predator management across the West Harbour–Mt Cargill landscape, including Orokonui Ecosanctuary and surrounding ecological connections.<br><br>Across these and adjoining areas, the programme manages possums, mustelids and rural feral cats and undertakes targeted rat and rabbit control. It brings together landowners, mana whenua, communities and partner organisations to protect significant biodiversity values, support productive land uses and develop more effective and affordable pest-management approaches. ORC investment would strengthen delivery within two of its identified site-led priority areas while generating tools, systems and learning that can support pest management elsewhere in Otago. |

| Priority Actions | |
|---|---|
| SRA1: Science-led environmental management | The project aligns with ORC's focus on science-led environmental management through comprehensive monitoring, research and evaluation. It will generate evidence on the effectiveness of landscape-scale predator elimination, support biodiversity outcome monitoring, and develop practical knowledge and tools that can inform future biodiversity and biosecurity initiatives across Otago. |
| EDA1: Practical pest management and landowner collaboration | The project includes targeted rabbit control within the elimination zone, undertaken with rural landowner support. This will reduce local rabbit pressure and allow PFD to test how rabbit reduction affects prey availability, predator behaviour and the effectiveness of wider multi-species predator elimination. Findings will contribute practical evidence that may inform future integrated rabbit and predator-management approaches in Otago. |

## 2. Alignment with aspirations of mana whenua

Partnership with mana whenua is a longstanding component of Predator Free Dunedin's governance and programme development. Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki contribute through governance participation partnership in programme development, and collaborative strategic planning, helping to shape programme priorities and biodiversity outcomes. PFD is currently working with Rūnaka to understand their aspirations related to the PF2050 mission, and to integrate these aspirations into the PFD strategic direction.

Specific mana whenua objectives, priorities and measures of success will be developed and co-designed with Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki and will be incorporated into project planning and delivery as this work progresses. This approach recognises mana whenua as partners in shaping the programme and helps ensure project outcomes reflect local values, mātauraka, aspirations and priorities.

The project aligns with aspirations expressed through the ORC Indigenous Biodiversity Strategy 2026, particularly supporting mana whenua participation in environmental decision-making, the exercise of kaitiakitaka, protection of taoka species, and collaborative approaches to biodiversity management.

The programme seeks to improve outcomes for taoka and threatened species, protect significant biodiversity assets, and support long-term stewardship and restoration of indigenous biodiversity across the wider Dunedin landscape.




*Trained to detect possum scat, Scout the conservation dog is a vital tool in removing possums in low density and biosecurity scenarios.*

## 3. Increasing Scale or Impact

This project represents a deliberate and ambitious shift from suppressing predator populations to demonstrating that multiple predator species can be completely removed from a complex mainland landscape. This represents a nationally significant ambition.

This project builds on nearly a decade of successful predator management and biodiversity restoration across the Dunedin landscape, including the elimination of possums from the Otago Peninsula, significant possum removal around Orokonui Ecosanctuary and Dunedin's inner city suburbs, and sustained suppression of mustelids around Orokonui Ecosanctuary, stretching into Flagstaff and Silverstream. The proposed investment will enable Predator Free Dunedin to move beyond business-as-usual predator control and deliver the next phase of work: a landscape-scale, multispecies predator elimination proof-of-concept across the Pūrākaunui-Aramoana landscape, while protecting and building on biodiversity and biosecurity gains already achieved elsewhere in Dunedin.

This work builds on PFD's experience as a nationally recognised Predator Free 2050 programme developing and applying innovative approaches including AI-enabled traps, thermal drone surveillance, detection dogs, remote monitoring systems and proof-of-absence methodologies.

The investment will accelerate the transition from predator suppression to predator elimination, enabling the development and testing of new approaches, technologies and operational methods for multispecies elimination, reinvasion defence and proof-of-absence monitoring. It will increase both the scale of predator management and the ambition of the outcomes being pursued. The resulting knowledge and methodologies




*Regular upskilling workshops keep volunteers engaged and develop capability.*

will be developed and tested in Otago, ensuring local biodiversity assets, landowners, communities, biodiversity groups and predator-control initiatives benefit first from the tools, approaches and capability being developed, while supporting future biodiversity restoration and predator management initiatives both within the region and beyond.

The project increases the scale, reach and long-term impact of existing biodiversity investment by connecting predator elimination, biosecurity, community stewardship and research across a single landscape-scale programme.

## Supporting a Regional Approach to Predator Elimination

Beyond the direct outcomes of this project, Predator Free Dunedin is working with Southern Lakes Sanctuary to explore how Otago's two largest landscape-scale predator-control programmes can support a more connected regional approach to biodiversity protection and pest management. Together, the organisations are developing opportunities to share proven governance, project management, health and safety, monitoring, reporting and operational systems, while helping build capability within emerging initiatives such as the Mid-Taieri Integrated Pest System and the Catlins Invasive Mammal Management Plan. The partnership also provides a mechanism for sharing technology, operational methods and lessons learned across different landscapes and land uses, helping accelerate predator-control efforts elsewhere in the region. Further information is provided in the accompanying discussion paper, One Regional Opportunity.

ORC has a distinctive role in turning this capability into regional benefit. As the regional pest-management authority and an investor in environmental delivery, ORC can connect established programmes with emerging local initiatives, help align effort with regional priorities and amplify the value of tools, systems and knowledge already being developed. Investment in PFD and Southern Lakes Sanctuary would strengthen two established centres of capability while creating a clearer pathway for other parts of Otago to access practical support, proven approaches and shared learning.

## 4. Value for Money

ORC's investment will support an established, experienced programme rather than a project starting from scratch. Predator Free Dunedin is a nationally recognised programme that already has strong governance, skilled staff, delivery partners, landowner relationships, volunteer networks, monitoring systems and predator-control infrastructure in place. Nearly a decade of delivery has produced proven results, including possum elimination on the Otago Peninsula and sustained mustelid suppression around Orokonui Ecosanctuary. This foundation reduces establishment costs, duplication and delivery risk, directing funding towards on-the-ground delivery, biodiversity gains and measurable environmental outcomes. The requested $1.5 million will support a three-year programme valued at approximately $6.4 million, backed by substantial co-investment from DOC, DCC, City Forests and PFD reserves. ORC support will maximise this investment, leverage substantial existing co-investment, and protect gains already achieved.

At a practical level, the funding sought from ORC broadly matches the programme's annual investment in predator-control equipment, technology and field materials. It would provide the traps, surveillance systems, baits, lures, vehicles, fuel, PPE and other field resources required to translate the programme's existing workforce, partnerships and co-investment into on-the-ground results. In effect, ORC's investment would support a clearly identifiable package of delivery inputs, while benefiting from the wider programme infrastructure and co-investment needed to deploy them effectively.

Independent analysis by Valueable Consulting estimated that Predator Free Dunedin generated approximately $4.67 million in social, environmental and economic benefits from $2.11 million of investment during 2022/23, representing a benefit-cost ratio of $2.21 for every $1 invested. Further information is provided in the accompanying Valueable impact assessment summary.

ORC will be investing in a programme with a nationally proven track record, substantial co-investment already secured, and the capability to deliver immediate biodiversity and biosecurity outcomes while building loner-term environmental capability across Otago. Rather than establishing a new programme, ORC's investment would equip and accelerate an established collaborative initiative that already has the people, partnerships and systems needed to deliver results at scale. It would give Otago the opportunity to lead a breakthrough in mainland predator elimination, while ensuring the region benefits first from the capability, tools and knowledge created.




*Representatives of community trapping groups attend an upskilling workshop.*

## 5. Collective Delivery

Predator Free Dunedin is a conservation collective of more than 20 organisations working together to protect indigenous biodiversity across Dunedin and the wider Otago region. The programme brings together mana whenua, landowners, community groups, volunteers, researchers, local and central government, and delivery partners including City Sanctuary and the Halo Project to achieve outcomes that no single organisation could deliver alone.

The proposed investment will strengthen this collaborative model by supporting coordinated action across urban, peri-urban, rural and natural environments. It will enable shared planning, monitoring, community engagement and operational delivery and knowledge sharing, while continuing to build community capability through volunteer programmes, school engagement and community trapping initiatives and support for biodiversity and predator-control groups across Otago.

The project will also strengthen partnerships with Te R¹nanga o ¡tŌkou and KŌti Huirapa R¹naka ki Puketeraki through ongoing governance participation and collaborative strategic planning. Research and evaluation will be undertaken in partnership with the University of Otago and other research partners. By bringing together expertise, resources and investment from multiple partners, the programme increases the effectiveness, efficiency and reach of biodiversity and biosecurity efforts across Otago. ORC's involvement would further strengthen this model by connecting established capability with regional priorities and emerging initiatives, amplifying the value of investment already made in people, systems, technology and operational learning.




*South Island Kākā*

## 6. Long Term Sustainability

A key objective of the project is to develop and test more cost-effective approaches to maintaining predator-free areas and defending them against reinvasion. This includes improving detection, proof-of-absence and rapid-response systems, and reducing the long-term cost of protecting assets such as the Otago Peninsula and Orokonui Ecosanctuary. By the end of the project, PFD will have developed practical pathways for transitioning from intensive elimination operations to lower-cost, long-term maintenance and biosecurity operations.

The project will also generate the evidence base needed to demonstrate that the tools, technologies, operational approaches and community support required to achieve Predator Free 2050 are effective, affordable and ready for wider implementation across Otago and other suitable landscapes. This evidence will help inform future investment decisions by central government, regional partners and biodiversity funders, and strengthen the case for accelerating the next stage of the Predator Free 2050 programme.

## 7. Co-investment and Financial Sustainability

The project is supported by substantial co-investment, including approximately $3.9 million from the Department of Conservation, $450,000 from Dunedin City Council, $130,000 from City Forests, and a contribution from PFD reserves. In addition, the DCC are contributing an in-kind financial resource of $645,000 of pest control budget, over the three years. The proposed ORC investment of $500,000 per annum will leverage approximately $4.5 million in secured co-investment, strengthening the impact of existing public and community investment in biodiversity outcomes across Otago, and support delivery of a programme valued at approximately $6.4 million over three years.




*Children from Outram School receive hands-on learning about trapping in their local environment.*

The funding sought from ORC broadly corresponds to the programme's annual predator-control equipment, technology and field materials requirement. This gives ORC a clear and tangible investment proposition, while the surrounding co-investment provides the personnel, delivery systems, relationships, monitoring and research needed to turn those inputs into sustained environmental outcomes.

Alongside project delivery, Predator Free Dunedin is currently undertaking a long-term strategic planning process and is developing a fundraising strategy to diversify income and increase philanthropic support and reduce reliance on any single funding source. ORC investment will help close the remaining funding gap while strengthening the programme's ability to attract future investment from government, philanthropic and community sources, and retain the capability, infrastructure and partnerships needed to deliver long-term biodiversity outcomes.

## 8. Community and Stakeholder Benefits

The project provides practical opportunities for people to contribute directly to biodiversity and biosecurity outcomes through volunteer predator control, neighbourhood trapping, biodiversity monitoring and community-led conservation initiatives. Hundreds of volunteers and backyard trappers already contribute more than 35,000 hours annually to Predator Free Dunedin's collective efforts, demonstrating strong community support and creating substantial additional value from public investment. The project will build on this foundation by supporting participation by landowners, volunteers, community groups, mana whenua and local residents, strengthening




*A backyard trapper receives training on optimal trap placement on his section.*

community stewardship and expanding involvement in biodiversity protection across Otago.

The programme supports rural landowners through predator and targeted rabbit management while strengthening collaboration between mana whenua, researchers, local government, conservation organisations and communities. Through these partnerships, the project combines local knowledge, mātauraka, scientific expertise and community action to deliver outcomes that would not be achievable by any one organisation alone.

The project will also help protect the biodiversity values that underpin Dunedin's identity as New Zealand's Wildlife Capital, supporting the city's environmental reputation and enabling residents and visitors to experience native wildlife across the wider landscape.

Independent analysis found that Predator Free Dunedin's activities contributed to increased volunteering, improved physical and mental wellbeing, stronger native bird populations, reduced pest-related impacts and broader community benefits. By giving people meaningful opportunities to participate in protecting biodiversity, the project helps build long-term support for conservation, strengthens community capability, and strengthens the social foundations needed to sustain environmental gains across Otago.

OTAGO REGIONAL COUNCIL · LARGE-SCALE ENVIRONMENTAL FUND

# One Regional Opportunity

A joint investment case from Southern Lakes Sanctuary and Predator Free Dunedin, framing two individual funding proposals as one regional opportunity for Otago.

SOUTHERN LAKES SANCTUARY + Predator Free Dunedin

Framing document accompanying the individual SLS and PFD funding proposals · September 2026

## THE OPPORTUNITY

### About this document

This is a framing document, not a replacement for either organisation's funding application. SLS and PFD are each submitting their own proposal to ORC's Large-scale Environmental Fund, with their own funding request, delivery plan and evidence base.

This document sits alongside both. It makes the case for why investing in both projects together — rather than assessing them in isolation — creates additional value for Otago. Detailed figures for each programme are in the individual proposals.

## Predator and pest control is foundational to flourishing nature.

Pest and predator control is one of the fundamental enablers of biodiversity recovery.

Across Otago, introduced predators continue to suppress native birds, reptiles, bats and other wildlife, limiting the ability of ecosystems to recover and thrive. Where sustained predator control is established, native species have the opportunity to survive, reproduce and expand - enabling the wider benefits of healthy, functioning ecosystems.

Other pests take a direct toll on Otago's productive land. Rabbits, deer, pigs and possums compete with livestock for pasture, damage crops, forestry plantings and shelterbelts, and accelerate erosion on vulnerable hill and high country. Possums remain a vector for bovine tuberculosis, and rabbits continue to be a persistent and costly problem across Otago.  For farmers and landowners, uncontrolled pest populations mean lost production, higher costs and degraded soils. Coordinated, landscape-scale pest control protects the productive base of Otago's rural economy just as it protects native species — and the systems, operational models and landowner relationships that underpin predator control are the same ones that make effective pest control possible.

For ORC, this makes pest and predator control directly relevant to the protection and enhancement of Otago's biodiversity and the productivity of its land. It is a practical, proven intervention that enables the ecological outcomes the region is seeking to achieve: healthier native ecosystems, stronger populations of threatened species, productive agricultural economies, and more resilient landscapes.

## Two proven projects. One regional opportunity.

Otago has only two established, landscape-scale predator control projects with the capability to absorb significant investment immediately: Southern Lakes Sanctuary (SLS) and Predator Free Dunedin (PFD).

SLS and PFD are independently governed and locally led, operating in different landscapes and with different operating models suited to their communities and operating environments, but working closely to share knowledge, experience and approaches to large-scale predator control.

**Their partnership does not seek to create a single organisation or duplicate existing structures. Instead, it creates an opportunity to connect and amplify the capability that already exists, across the region.**

Both have demonstrated that landscape-scale predator control and elimination can be delivered through mana whenua partnerships, community participation, proven operational models, strong local partnerships, and capable governance. Both are also currently operating below the level of investment they need, to fully deploy.

## ORC investment in SLS and PFD together would provide:

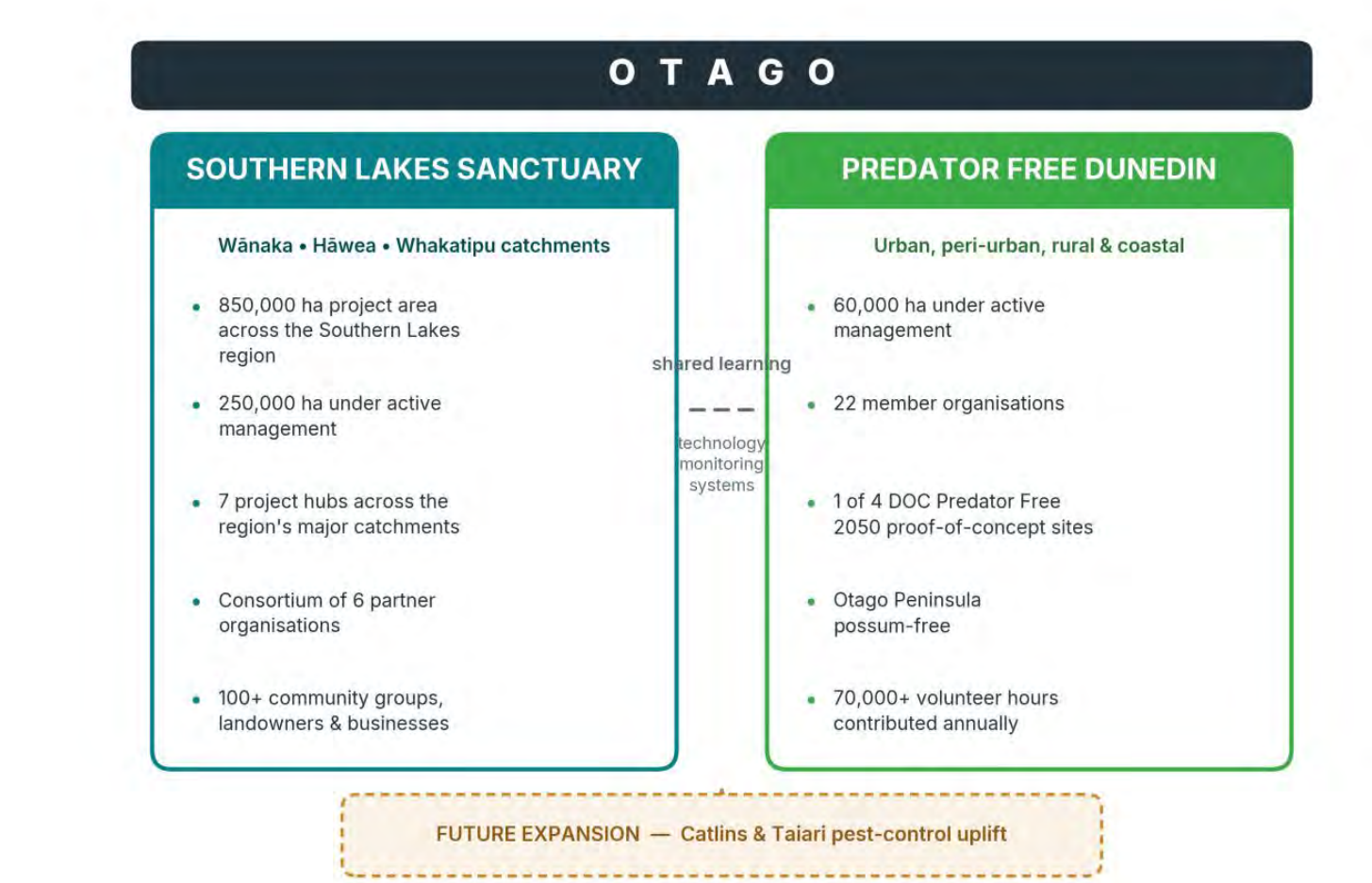
- Immediate landscape-scale delivery across two significant Otago landscapes. SLS and PFD have ambitious work programmes which are carefully aligned with the challenge at hand. Both projects require additional resourcing to ensure their current and future objectives are met.
- Proven operational capability, infrastructure, systems and governance already in place. Strong, established projects that are nationally recognised as being at the top of the game.
- A foundation for shared learning and innovation, with SLS and PFD committed to working together to share our knowledge, technology, monitoring, systems and lessons with other groups in the region.
- Committed community and partner networks, providing a substantial base of mana whenua, volunteer, philanthropic, business and public support. Our partnerships are at multiple levels, from central government to NGOs.
- Capacity to leverage further investment, bringing additional public, private and philanthropic capital into regional conservation. Our collaboration speaks to the qualities of our region, and our shared ambition.



## ONE REGIONAL NETWORK

# Two projects, already covering Otago's key landscapes.

Together, SLS and PFD already reach a substantial share of Otago's most significant landscapes — and share a clear, stated path to extending that reach further.




This is not simply funding two projects. It is investing in two established regional projects and using that investment to strengthen the collective capability to seriously address the pest crisis across Otago and to work towards a predator free Otago.

Both SLS and PFD will take a leadership role in identifying where their collective experience, systems, technology and networks can support wider pest and predator-control efforts across Otago - including supporting practical opportunities to help uplift pest control in places such as the Catlins and the mid-Taieri / Taiari.

**SUPPORTING THE NEXT WAVE**

## A regional leadership role.

SLS and PFD see a responsibility that extends beyond the boundaries of their own projects - and an opportunity to do something new for Otago.

Otago has strong local conservation initiatives, but there has not yet been a deliberate regional approach to connecting established landscape-scale capability with the emerging groups and communities taking on pest and predator control in other parts of the region.

As established landscape-scale operators, both organisations are prepared to take a leadership role in supporting the next generation of pest and predator-control initiatives across Otago - sharing hard-won experience and capability so emerging groups do not have to build everything from scratch.

## A model for supporting the next wave.

Two examples of real, independent groups the Mid-Taiari Integrated Pest System (m-TIPS) and the CAP group behind the Catlins Invasive Mammal Management Plan.  These groups are tackling high populations of rabbits, possums deer and pigs, species which are causing significant damage to agricultural productivity and to biodiversity.

Both groups have identified similar gaps: project management set-up, data management systems, health and safety systems, communications systems, and the reporting structures that keep governance, operations and landowner needs aligned. These are exactly the systems SLS and PFD have already built and proven at scale, and are ready to share.

**As landscape-scale pest control gains momentum across Otago, the groups picking up the challenge need the same foundational capability, and investing in SLS and PFD builds the regional capability base they can draw on.**



## THE PATHWAY

# From two proven projects to a Predator Free Otago.




With sustained investment and a deliberate commitment to collaboration, SLS and PFD could become the foundation for a progressively more connected approach to predator control across Otago — sharing capability, innovation, data, technology and proven delivery models to support other communities and landscapes.

This creates a pathway towards a Predator Free Otago: the first predator-free region in New Zealand.

We recognise that this is not a three-year project. Three years should be viewed as the first phase of an enduring partnership, providing the certainty needed to strengthen delivery, demonstrate further impact, build regional connections and unlock additional investment.

**ORC has an opportunity to make a smart investment in capability that already exists - accelerating outcomes today while laying the foundations for a much bigger regional ambition tomorrow.**



## THE NEED FOR REGIONAL INVESTMENT

# The step-change required.

The ambition of a Predator Free Otago requires a step-change in both scale and financial capacity. SLS and PFD have demonstrated that significant landscape-scale predator control can be delivered through strong local partnerships, capable organisations and proven systems. The next challenge is to build organisations with the scale, certainty and capability to support a much larger regional effort.

Our shared ambition is to build towards organisations operating at $5m+ annual scale - not simply to increase activity, but to create the organisational capacity required to absorb and deploy significantly greater levels of public, central government, business and philanthropic investment.

A meaningful, multi-year commitment from ORC can help provide that foundation.

Cornerstone regional investment gives established organisations greater certainty, strengthens their ability to plan and invest in capability, and provides confidence to other funders that there is durable regional commitment behind the work. This can in turn help unlock larger contributions from central government, businesses and major philanthropic partners.

**The objective is therefore not for ORC to fund the whole solution. It is to help create the conditions in which substantially more investment can be attracted into Otago's predator-control effort.**

# A shared responsibility for public investment.

We recognise that investment from ORC is an investment from Otago ratepayers. That brings a shared responsibility to use public funding carefully, transparently and for the greatest possible regional benefit.

For SLS and PFD, this means being clear about what public investment enables, the outcomes it is intended to deliver, and how progress will be measured and reported.

It also means using ORC investment to strengthen, rather than displace, other sources of funding. Public funding should provide a foundation for delivery and leverage, alongside central government investment, philanthropy, business support, landowner contribution, community contribution and in-kind support.

**SLS and PFD are committed to working with ORC on clear measures of delivery, impact, financial accountability and leverage, and to sharing the learning generated through this investment so that its value extends beyond the two individual programmes.**

## WHY THIS FITS ORC'S FUND

# Meeting ORC's criteria — together.

ORC's Large-scale Environmental Fund (confirmed May 2026) uses a hybrid contestable and targeted model, guided by three principles: intergenerational impact, collaboration, and strategic alignment — including Otago's existing and emerging Catchment Action Plans. A joint approach from SLS and PFD speaks directly to the collaboration principle in a way neither proposal can demonstrate alone.

| ORC criterion | How the two projects deliver it together |
|---|---|
| **Landscape-scale** | ~850,000 ha (SLS) and 60,000 ha (PFD) across two of Otago's most significant landscapes, with a shared pathway to support capability development into the Catlins and Taieri. |
| **Community-led & collaborative** | A consortium of 6 SLS partner organisations and 100+ community groups, alongside PFD's 22 member organisations, delivery partners (City Sanctuary, the Halo Project), and 70,000+ volunteer hours contributed annually. Two further emerging groups have already sought SLS and PFD's support to get established, evidence this collaborative capability extends well beyond the two applicants themselves. |
| **Mana whenua involvement** | Both partnerships are built on mana whenua governance participation. PFD's is formalised through Te Rūnanga o Ōtākou and Kāti Huirapa Rūnaka ki Puketeraki; SLS was established with the support of mana whenua, in particular, Te Rōpū Kaitiaki ki Ara-ite-uru and Kaitiaki Roopū o Murihiku and work in partnership with Kāi Tahu on their long-term species recovery work. |
| **Inter-generational benefits** | Both programmes are framed as multi-decade commitments. Together, they underpin a stated pathway to a Predator Free Otago — the first predator-free region in New Zealand. |
| **Co-funding** | Each programme already draws funding from diverse sources. PFD alone has secured ~$3.9m from DOC and $450k from DCC for 2026–2029. SLS's funding is predominately from contestable grants, philanthropy and business. |
| **Landowner support** | Both operate across mixed public and private tenure and depend on landowner access agreements — a foundation each individual proposal sets out in more depth. Emerging groups, such as m-TIPS, a 235,000 ha farmer collective spanning dry-stock farmland, forestry and conservation land, shows how central this challenge is for the next wave of groups, and how directly SLS and PFD's experience applies. |

## THE ASK & NEXT STEPS

# The ask.

- Predator Free Dunedin is seeking $500,000 per year for three years ($1,500,000 total) to help achieve a multi-species predator elimination project. This project, though smaller in area, is particularly complex in scope. The complete removal of these predators in a mainland environment is nationally and internationally significant. Removing PFD's current funding shortfall of $1.5m will allow for a focus on medium-term financial sustainability, rather than very short-term funding cliffs. Its specific funding request will be set out in its own individual proposal to ORC.
- Southern Lakes Sanctuary is seeking $600,000 per year for three years ($1,800,000 total) to fund existing operational needs as well as expansion into priority areas. SLS operates at a large scale, and amongst some of New Zealand's most challenging and iconic landscapes. Reintroduction of taoka species demonstrates the influence of its work at scale. Its specific funding request will be set out in its own individual proposal to ORC.

Considered together, ORC's investment across both projects secures immediate, landscape-scale delivery across two of Otago's most significant conservation programmes, retains specialist capability already built up over more than a decade, and lays the foundation for an enduring, connected regional partnership — not just two separate grants.

## Next steps

- We welcome the opportunity to present this joint case to Council or staff, alongside our individual proposals.
- We are happy to walk through governance, delivery and reporting arrangements — including how a targeted or contestable funding pathway would work in practice for both organisations.
- We would welcome an early conversation about how this joint approach fits ORC's Catchment Action Plans as they are finalised.

## Contacts

Predator Free Dunedin - Rhys Millar, Project Lead. 027 3877866

Southern Lakes Sanctuary - Paul Kavanagh, CEO. 021 026 09995

## 11.3. Balclutha to Dunedin Public Transport Investigations

| | |
|---|---|
| **Prepared for:** | Council |
| **Report No.** | TRN2624 |
| **Activity:** | Transport Planning |
| **Authors:** | Robyn Hyde (Transport Planning Lead), Grace Longson (Transport Planner), Jack Cowie (Transport Planner) |
| **Endorsed by:** | Anita Dawe (General Manager Regional Planning and Transport) |
| **Date:** | 28 October 2026 |
| **Portfolio Leads:** | Cr Hollyer and Cr Somerville, Transport |

### PURPOSE

[1] To report on the ORC Annual Plan 2025/26 direction to investigate public transport options for connecting Balclutha to Dunedin including consideration of Dunedin Airport.

### EXECUTIVE SUMMARY

[2] Staff have prepared a technical note which outlines public transport options for a Balclutha to Dunedin service in accordance with Annual Plan 2025-26 direction. These investigations are a critical step in realising the 2025-2035 Regional Public Transport Plan's (RPTP) key priority of improving regional connectivity, and network aspiration to extend Dunedin bus services to Balclutha via the Dunedin Airport.

[3] A wide range of viable options for servicing South Otago and Dunedin Airport have been considered and assessed through a structured long-list and short-list evaluation process.

[4] The emerging preferred option is a service that travels from Balclutha to Dunedin via Dunedin Airport operating three return trips per day, seven days per week. This would provide South Otago communities with an all-day service similar to the current Palmerston to Dunedin Route 1 service.

[5] This option maximises one bus and is considered to represent the best value-for-money entry point for establishing public transport to South Otago (via Dunedin Airport).

[6] The indicative annual operating cost is approximately $589,465, assuming an 89-kilometre service distance and 90-minute running time. An additional $100,000 in set up implementation costs would be required proceeding the trial.

[7] Early community engagement suggests a service would receive good support. A simple patronage-benchmarking exercise against the comparable Palmerston-Dunedin service indicates potential for strong per-trip patronage and that with appropriate fares, revenue could recover a substantial portion of costs.

[8] Taking into account the current limited funding environment and strong focus on affordability, staff recommend that this project not be included alongside other

transport improvements, as part of the draft 2027-2037 Long-Term Plan considerations and public consultation processes.

[9] If it were to progress to be considered for inclusion in the LTP, the recommendation would be that the trial is paid for through targeted rate funding to meet the local share (49%) of total operating costs of a two-year trial through ORC's Long-Term Plan 2027-2037, on the presumption of co-funding from NZ Transport Agency Waka Kotahi.

[10] If Council decides to include and fund the trial service in the Long-Term Plan, it would also be included in ORC's Regional Land Transport Plan and future Service Improvement Programme bids for funding via the National Land Transport Fund.

[11] Delivery of the preferred option would be considered achievable within existing ORC staff resources and governance arrangements, although it would be staged to come after any other trials that may be initiated.

[12] Initiating this project would provide people in South Otago with greater choice in how they safely move around to participate in economic and social opportunities. It would provide further affordable options to access Dunedin Airport and also contribute to reducing transport-related emissions through less reliance on private vehicles.

## RECOMMENDATION

*That the Council:*

1) ***Notes** this report and the accompanying technical note "Balclutha to Dunedin bus service investigation, October 2026" [Attachment 1 of the report].*
2) ***Notes** the completion of the investigation into public transport options connecting Balclutha and Dunedin including consideration of Dunedin Airport as requested in the Annual Plan 2025/26.*
3) ***Notes** that for capacity reasons, it is not recommended to pursue a trial service at this time.*

## BACKGROUND

[13] Many South Otago residents have an interest in or need to travel to Dunedin for employment, education, to visit family and friends and access opportunities, recreational activities and key destinations such as medical facilities and the airport.

[14] The Dunedin Orbus network to the south of Dunedin currently provides a regular service to Dunedin's southern communities of Brighton, Green Island, Abbotsford, Fairfield and Mosgiel.

[15] Communities along the Balclutha – Dunedin State Highway 1 (SH1) corridor including Milton, Waihola, Momona, Outram, Allanton and East Taieri south are currently underserved by public transport. Most residents remain heavily reliant on private vehicles. This causes challenges to mobility, access and connectivity – especially for those that do not have reliable access to a private vehicle or wish to use more sustainable modes.

[16] Census commuter data demonstrates the high share of private vehicle trips along the corridor associated with work and school travel. Table 1 below sets out daily trip figures,

revealing the number of work and education related trips that may have demand for a Balclutha – Dunedin public transport service.

[17] *Table 1 Daily journeys to work and education taken with private vehicle (as a driver or passenger) on the Balclutha – Dunedin corridor (2023)*

| Travel pattern | Work | Education | Total |
|---|---|---|---|
| Travelling **northbound** from residence to place of work/education | 1227 | 321 | **1548** |
| Travelling **southbound** from residence to place of work/education | 450 | 78 | **528** |
| Travelling **locally** from residence to place of work/education | 1008 | 480 | **1488** |

[18] Two commercial (unsubsidised) services operate from Invercargill to Dunedin (InterCity and Catch a Bus South), with one trip per day in each direction. Both services have intermediary stops in Balclutha, Milton, Waihola, Dunedin Airport and Mosgiel. In addition to the InterCity service from Invercargill, the Queenstown to Dunedin service stops in Milton and Waihola on request. As commercial operations, the fares for these services are largely cost prohibitive for regular use.

[19] Dunedin International Airport has a further four commercial Airport Shuttle services providing door-to-door transport services between Dunedin and the airport at varying costs.

[20] Introducing public transport between Dunedin and Balclutha is signalled in the 2025 Regional Public Transport Plan's (RPTP) regional network aspirations (RPTP, p. 61) and is considered to be an integral service to the Otago public transport network (RPTP, p. 119).

[21] A Balclutha to Dunedin, including Dunedin Airport bus service trial was included in the 2024-2034 Long-Term Plan (LTP) as well as the 2024 Regional Land Transport Plan (RLTP) and National Land Transport Programme (NLTP) bid. NZTA co-funding was not secured and a decision was made to remove the trial from the draft Annual Plan 2025/26. Council resolved [Resolution CM24-205, 20 November 2024 Council meeting] to retain a small amount of funding to investigate a public transport option to connect South Otago to Dunedin.

[22] This technical note has been prepared in response to the LTP 2024–2034 direction to investigate public transport opportunities in communities currently underserved by public transport, and more specifically, the Annual Plan 2025/26 directive to investigate options for a Balclutha to Dunedin (via Dunedin Airport) service.

## DISCUSSION

[23] The **Technical note: Balclutha to Dunedin bus service investigation** (Attachment 1) outlines the case for investing in the introduction of a public transport service connecting Balclutha to Dunedin via Dunedin Airport.

[24] This investigation has followed a business case approach, however the level and detail of analysis has been limited by the available budget and LTP development timeframes.

[25] Improving connectivity and equity for South Otago communities is the foundational reason for initiating this project, and serving Dunedin Airport a secondary consideration. The three investment objectives critical to a Balclutha to Dunedin public transport service are described as:

- **Connectivity and choice** – People have greater choice in how they move around safely to participate in social and economic opportunities between Balclutha and Dunedin.
- **Environmental sustainability** – Transport-related emissions are reduced through less reliance on private vehicles.
- **Affordability** – Public transport is provided at a cost that is affordable to both users and funders.

[26] A broad range of possible public transport service options connecting South Otago to Dunedin via Dunedin Airport were developed. The inclusion of a detour to Outram was also considered. Options were assessed through a structured long-list to short-list process, with a focus on service solution. Multi-criteria analysis was undertaken to assess each of the short-list options.

[27] Based on the assessment, the preferred option is to maximise one bus to operate three return trips per day, seven days per week from Balclutha to Dunedin via Dunedin Airport. This option also connects South Otago communities along the corridor including Milton, Waihola, Allanton and East Taieri. It provides a similar level of service as the current Palmerston to Dunedin service.

[28] The indicative annual operating cost of the preferred option is approximately $589,465 per year (plus $100,000 of implementation costs in year one). A one return trip per day service has an estimated cost of $263,155 and five daily trips estimated to be $1,015,775. This three return trip option is considered to represent the best value-for-money entry point for establishing public transport between South Otago and Dunedin.

[29] Staff have engaged with several key stakeholders and a community development group to discuss options and funding considerations. Feedback was supportive and emphasised the need for an affordable, convenient and safe transport connection between South Otago and Dunedin.

[30] Staff have considered potential demand for a service, benchmarking it against the existing Palmerston to Dunedin service for which substantial patronage data exists. Taking into account the higher population able to be served by a South Otago to Dunedin service, as well as the additional airport demand, applying the Palmerston to Dunedin service's patronage-to-population ratio suggests a potential demand of 15-25 passengers per trip. This is higher than the rate of usage for the Dunedin network, which is around 12 passengers per trip. This level of patronage could generate fare revenue in the realm of $200,000 to $300,000 per annum if fares were similar to the Palmerston service, (i.e. 30-50% of operating costs).

[31] The proposed procurement approach for a service trial would be to include a variation to the existing Unit 5 service contract alongside the existing Mosgiel routes. Re-procurement of the Unit 5 Contract is currently scheduled for 2034. The proposed trial could occur between 2030 and 2033 to inform the next Unit 5 re-procurement. No operator engagement has been undertaken as part of this investigation.

[32] Small trials have previously sought general rate funding (for example the trials proposed for Balclutha and the Central sub-region in LTP 2024 – 2034), however the investment required for this proposed trial is significantly higher than those previous trials. For this reason, staff suggest this project seek targeted rate funding through ORC's LTP 2027-2037 process to meet the local share (49%) of total operating costs of a two-year trial.

[33] If Council choose to include the trial in the LTP, staff would need to develop a suitable targeted rating methodology for the service for consultation with the community. Rating impact would depend on how the targeted rate is calculated, how the rating area is delineated, and the consideration given to servicing Dunedin Airport.

[34] A trial service could be included in the transport improvements package for consideration in the draft LTP 2027-37. This would allow this project to be discussed and weighed up against all other priorities for inclusion in the draft 2027-2037 LTP.

[35] If Council decides to include and fund the trial service in the 2027 – 2037 LTP, it would also be included in ORC's RLTP and future Service Improvement Programme bids for funding via the National Land Transport Fund (NLTF).

[36] A trial provides an opportunity to establish and embed the service in the community before being evaluated and an assessment of its long-term viability completed.

[37] If the trial is considered successful and Council (and NZTA) approved the continuation of the service beyond a trial, staff would recommend a broader targeted rate review of the region including South Otago, Queenstown, Upper Clutha and Central Lakes sub-region to understand how to best fund and support public transport that serve a regional connectivity function.

[38] Passenger fares will be an important source of fare revenue to off-set the running cost of this service.

[39] The Dunedin four-zone fare structure to be implemented from 1 November 2026 would need to be adjusted to include zones and fare pricing for South Otago that are consistent with zoning decisions for travel north of Dunedin.

[40] The proposed Balclutha to Dunedin service is comparable in distance and operation to the Hampden to Dunedin segment of the recently introduced Ōamaru trial service. This 78km segment is charged a $7.50 fare (three zones) under the incoming zonal fare structure, a reasonable fare for an 80km Balclutha to Dunedin journey. Similarly, the fare for a 55km Milton to Dunedin trip would reflect the similarly distanced Palmerston to Dunedin (53km) zonal fare of $4 (two zones). Fare concessions (percent discounts off the adult fare) would reduce these fares for concession-eligible passengers. For example, the child and youth concession fare is currently a 40% discount off the adult fare, thus a three-zone child concession under the zonal fare structure described above would be $4.50.

[41] The fare price proposals could be considered through the draft LTP development and consultation if Council choose to include this project as part of the broader transport improvements.

[42] As noted earlier, funding would need to be secured to progress this project. Given it is not recommended to be included in the next LTP, no specific planning has been

undertaken however if Council wishes to progress, staff anticipate a trial could be launched in early 2030 using existing ORC staff resources and governance arrangements.

[43] Irrespective of timing, ORC's Transport team would own and manage the project delivery including the design, planning, procurement and management of the service, collaborating with key partners, such as Clutha District Council, Dunedin City Council, NZTA, Dunedin International Airport and the service operator, as well as other stakeholders where relevant.

[44] The following key risks and associated mitigation strategies of the proposed service have been identified:

- To be eligible for NZTA co-funding the proposed service would need to be included in the draft improvement programme for inclusion in both the RLTP and the NLTP. However, the likelihood of funding is dependent on the government's investment priorities set through the Government Policy Statement on land transport 2027 (GPS). The draft GPS 2027 is expected to be released for consultation in early 2027. If the GPS 2027 does not support public transport improvements such as the proposed trial, or the activity class is oversubscribed, NZTA co-funding may not be available. Council will then need to consider whether it would support the implementation of the proposed service being fully rates-funded, or delay until co-funding is available (later in the three-year funding cycle or in the following funding cycle). Funding prioritisation is assessed nationally against all other public transport improvement programmes competing for funding from the NLTP.
- If service frequency or coverage is too limited, the service may be perceived as inadequate, reducing trust or ridership. Staff will engage with the community during design and early implementation phases and plan the service in an iterative and evidence-led way. An adaptive management approach will be taken throughout the trial period.
- If the service does not generate enough patronage to be financially viable in the long term, then Council could decide to withdraw the service. Alternative options could be considered for supporting Balclutha to Dunedin travel, such as supporting fare reductions on InterCity services or providing financial support to a community transport provider through a wider community transport programme.
- If demand for the service is too high there is a risk that passengers could get left behind and people will not consider it a reliable transport option. High patronage would however mean that the service would cover a notable share of its costs, potentially making it affordable for ORC to add additional trips. Under these circumstances staff would prepare the financials of adding trips to meet the high demand for the service, and present to Council for consideration.

[45] Should a Balclutha to Dunedin (via Dunedin Airport) service trial proceed, periodic reviews of the trial's performance against outcomes sought and NZTA performance criteria would be undertaken. These would be used to inform ongoing adaptive management of timetables and operational efficiencies, inform future procurement opportunities and scaling of services. They would also be used to keep Council updated and support future funding requests.

[46] Staff recommend Council approves that the **Technical note: Balclutha to Dunedin bus service investigation** (Attachment 1) fulfils Council's 2025/26 Annual Plan directive to investigate public transport options for connecting Balclutha and Dunedin including consideration of Dunedin Airport as requested. While limited in scope, the strategic case

for investment is clear and a number of service design options have been considered and assessed.

[47] While not recommended for inclusion in the next LTP, they can be used to support discussions.

[48] A future public transport service between Balclutha and Dunedin (including Milton, Waihola, Momona, Allanton, Dunedin Airport and East Taieri) three return trips per day, seven days per week would provide a practical and scalable first step towards improving mobility, reducing transport emissions and creating greater transport choice for communities in South Otago.

## OPTIONS

[49] **Option 1:** Note the completion of the Balclutha to Dunedin (via Dunedin Airport) public transport investigation (as directed in the 2025/26 Annual Plan), **support** the preferred option of three return trips per day, seven days per week, and support its inclusion as part of the broader transport improvements package for ORC's draft 2027-2037 LTP considerations.

[50] The Balclutha to Dunedin bus service investigation outlines the case for investing in connecting South Otago to Dunedin (via Dunedin Airport), which is currently underserved by public transport. The investigation assesses a range of public transport options and proposes three return trips per day as the preferred option. Improving regional connectivity is a key priority in Otago's RPTP 2025.

[51] Under this option funding pathways and timing for trialling a service need to be prepared as described in Paragraph [34 and 35].

[52] **Option 2:** Note the completion of the Balclutha to Dunedin (via Dunedin Airport) public transport investigation (as directed in the 2025/26 Annual Plan), but **do not support** the preferred option's inclusion as part of the broader transport improvements package for ORC's draft 2027-2037 LTP Year 1 to 3 considerations.

[53] If option 2 is chosen a Balclutha to Dunedin public transport trial would not be considered as part of the upcoming 2027-30 LTP considerations, but would be put forward as part of the broader transport improvements package for consideration at ORC's next LTP (2030-2033) and Otago's RLTP (2030 mid-term review) and 2030-2033 NLTP bid.

[54] Under this timeline the proposed trial could still occur between 2030 and 2033 to inform the next Unit 5 contract procurement currently scheduled for 2034.

[55] **Option 3:** Do not note the completion of the Balclutha to Dunedin (via Dunedin Airport) public transport investigation as directed in the 2025/26 Annual Plan.

[56] If option 3 is chosen staff would seek direction from Council on what further work is required to complete the investigation into public transport options for Balclutha to Dunedin via Dunedin Airport.

## SUMMARY OF CONSIDERATIONS

### Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

**Transport**

Otago has an integrated transport system that contributes to the accessibility and connectivity of our community, reduces congestion and supports community wellbeing aspirations.

### Alignment With Central Government Legislation

This work is consistent with relevant central government policy and direction. Specifically, it aligns with the Land Transport Management Act 2003 (LTMA) and Local Government Act 2002 (LGA) where investigating public transport options for communities with limited or no public transport service fulfils the LTMA s115(1) principles of:

*(a) Well-used public transport services reduce the environmental and health impacts of land transport, including by reducing reliance on single-occupant vehicles and using zero-emission technology*

*(b) Public transport services support a mode shift from private motor vehicle use and equitable access to places, facilities, services, and social and economic opportunities if they are co-ordinated, integrated, reliable, frequent, accessible, affordable, and safe.*

The Project fulfils the following LGA *s12(2)* and *(5)* mandates for a regional council to deliver benefits to significant areas of its region:

*(2) "For the purposes of performing its role, a local authority has—*

*(a) full capacity to carry on or undertake any activity or business, do any act, or enter into any transaction; and*

*(b) for the purposes of paragraph (a), full rights, powers, and privileges."*

*(5) "A regional council must exercise its powers under this section wholly or principally for the benefit of all or a significant part of its region, and not for the benefit of a single district."*

### Alignment With ORC Internal Policy

This work is consistent with relevant ORC policies, in particular the 2025 – 2035 Regional Public Transport Plan, 2025/26 Annual Plan and the 2024-2027 Procurement Strategy.

### Financial Considerations

Decisions sought in this report do not result in any financial commitments for Council.

Should the service be confirmed through the LTP process. the estimated cost of delivering the recommended option is $589,465 per annum. There would be an additional $100,000 in general implementation costs in Year one. The project delivery would be managed within existing transport staff resources.

The proposed approach would be to seek targeted rate funding through Otago Regional Council's LTP process to meet the local share (49%) of total operating costs of a two-year trial. NZTA co-funding would also be sought through Otago's RLTP and NLTP bid for the relevant three year period.

The required public transport infrastructure would be funded and delivered by Clutha District Council, Dunedin City Council and NZTA, as the road controlling authorities for Dunedin and South Otago. Staff would also work with Dunedin International Airport to install any additional infrastructure required.

**Legal/Compliance Risk**
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

**Reputational Risk**
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Public transport services between Balclutha and Dunedin via Dunedin Airport have been signalled in ORC's 2021 and 2025 Regional Public Transport Plans. These investigations respond to support from the community to explore public transport options for South Otago and a connection between Dunedin Central and Dunedin Airport despite lack of NZTA co-funding. Not supporting the work completed has the potential to further erode community trust and Council reputation.

**Climate Resilience**
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

The introduction of a bus service between Balclutha and Dunedin via Dunedin Airport is expected to generate mode shift away from private vehicle travel, reducing transport-related emissions in Otago.

**Carbon Emissions**
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

**He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy**
This work is of MEDIUM significance as assessed against He Mahi Rau Rika.

**Engagement With Mana Whenua**
There has been no engagement with mana whenua or Māori specifically for this work.

**Stakeholder Engagement**
Several engagement sessions have been held with community, and partner organisations in preparation of this technical note.

In the coming months Council will decide on whether to include the proposed service as an item in the draft LTP 2027-2037 for public consultation. It will also be considered for inclusion in Otago's RLTP and NLTP bid which will also seek public feedback through consultation.

## COMMUNICATIONS

The decision will be communicated with the relevant audiences, in particular the Bruce Community Board, Clutha District Council, Dunedin City Council and New Zealand Transport Agency.

## NEXT STEPS

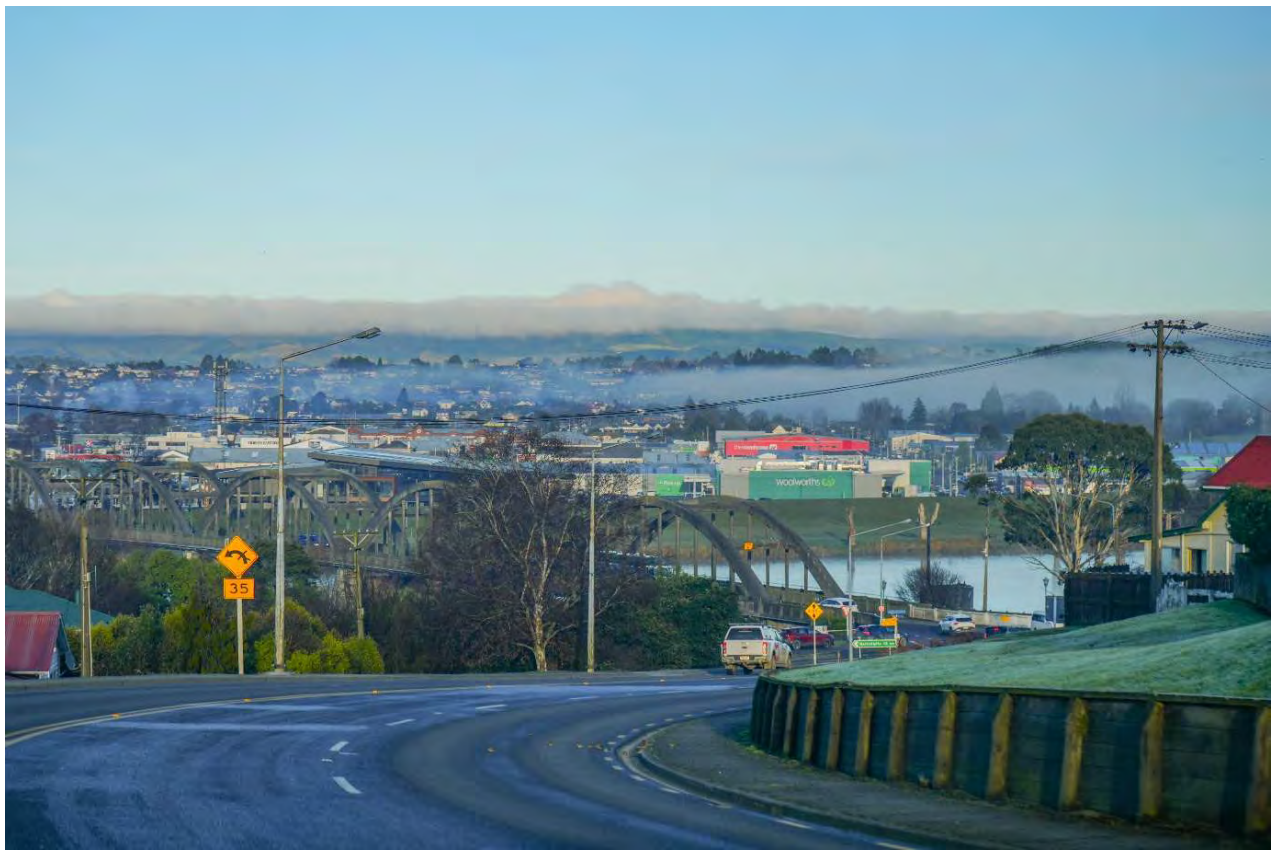
[57] If Council request the public transport options connecting Balclutha and Dunedin be included for consideration as part of the upcoming LTP discussions, ORC's Transport team will:

- Include the Balclutha to Dunedin (via Dunedin Airport) public transport service trial as part of the package of transport improvement projects which Council can consider for inclusion in either ORC's 2027-2030 draft LTP, or ORC's next LTP.
- Include the Balclutha to Dunedin (via Dunedin Airport) public transport service trial in ORC's public transport service improvement programme for inclusion in Otago's 2027-2030 RLTP and 2027-2030 NLTP bid.
- Continue market engagement to inform timetable design, service delivery costs and fleet requirements.
- Explore third-party funding opportunities such as corporate sponsorship and/or fare-share schemes with key local businesses to offset some of the service operating costs.
- If Council chooses not to progress for LTP consideration, staff will note this decision, and request reconsideration for the 2030 – 2033 LTP, RLTP and NLTP bid.

## ATTACHMENTS

1. Final Balclutha Public Transport Investigation Technical Note (October 2026) [**11.3.1** - 34 pages]

# Technical note: Balclutha to Dunedin bus service investigation




ORC Transport

October 2026

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## 2. Introduction

The purpose of this technical note is to detail ORC's staff investigation into how best to serve communities between Balclutha and Dunedin with an affordable public transport option. It forms the basis for advice on a proposed Balclutha – Dunedin bus service via the Dunedin Airport. As a largely rural corridor home to communities with limited essential services and few transport options beyond private vehicle travel, people would benefit from an affordable, convenient and safe transport connection to Dunedin.

This work fulfils the ORC Annual Plan 2025/26 direction to complete a Balclutha/Airport to Dunedin investigation of public transport options. It is a critical step in realising the Otago Regional Public Transport Plan's (RPTP) key priority of improving regional connectivity and the network aspiration to extend Dunedin bus services to Balclutha via the Dunedin Airport.

During the consultation on the draft RPTP 2025-35, communities demonstrated support for public transport connections beyond Dunedin and Queenstown.

This technical note details and evaluates possible Balclutha to Dunedin (via Dunedin Airport) bus service options to provide Council with information to inform Council's future decision-making.

### 2.1. Scope

This investigation has followed a business case approach. The level and detail of analysis has however been limited by the available budget and Long-Term Plan development timeframes.

The geographical scope of the study is the corridor between Balclutha and Dunedin. The key service requirements considered include:

- Public transport options that serve diverse trip types (including commuters) between Balclutha and Dunedin
- Prioritising a patronage orientated network including opportunities to include a public transport connection to the Dunedin International Airport as part of the Balclutha – Dunedin options
- Supporting connections with other services and modes
- Community support gauged through early conversations with community groups and organisations.

A first principles approach has been taken to estimate:

- Service costs
- Passenger demand
- Fare revenue and private share calculations
- Possible rating implications.

The following analysis is out of scope:

- Economic modelling and calculation of benefit cost ratios
- Rating area calculations and type of rates to be applied
- Market engagement and testing potential suppliers including small private transport operators
- Extensive stakeholder engagement or public consultation
- Exploration of third-party funding from commercial operations.

## 3. Background

The Dunedin Orbus network to the south of Dunedin provides a regular service to Dunedin's southern communities of Brighton, Green Island, Abbotsford, Fairfield and Mosgiel. Within Mosgiel an on-demand service operates Monday – Friday 8am- 5pm to support the Mosgiel – Dunedin routes (77 and 78).

Currently route 1 is the only regional service that extends beyond the Dunedin city boundary into neighbouring districts. Route 1 operates four daily return trips between Palmerston and Dunedin on weekdays and three on weekends. It also extends to Ōamaru once per day to offer one return daily service between Ōamaru and Dunedin seven days per week. Route 1 forms part of Unit 1, a grouping of routes delivered under a single service contract. The extension to Ōamaru is a trial that commenced on 1 October 2026.

Extending the Dunedin Orbus network to cover Balclutha is signalled in the RPTP's regional network aspirations (RPTP, p.119) as a secondary route to supplement existing exempt services.

A proposal for regional bus trials was included in the Long-Term Plan 2024 consultation. The public were given the opportunity to provide feedback on their willingness to support trial services from Balclutha to Dunedin, via the airport. A total of 21 comments were received in relation to the proposal for the Balclutha service, of which 16 were supportive. Comments referenced the importance and value of the airport as part of the proposed service trial as a key attractor for people, and the economic viability of the service.

In the RPTP consultation conducted in 2025, submitters frequently requested improved regional connectivity, enabling people in smaller towns and rural areas to be less reliant on private vehicles (n = 49). This included 16 submissions explicitly requesting public transport services for smaller communities along the Balclutha – Dunedin corridor and 20 requesting a Dunedin Airport connection.

## 4. Strategic context

### 4.1.Social context

Balclutha is the third largest settlement in the coastal Otago area, after Dunedin and Ōamaru. The town has a population of around 4,460, which is roughly one quarter of the population of the wider Clutha District. It acts as a service centre for surrounding rural areas, providing community facilities and economic activities. Key demographic characteristics of Balclutha include:

- **Limited population growth:** the population of the centre has been growing since 2013 after previously stagnating, with a 9.5% increase in 12 years leading to 2025. Projected population growth is low, with 4,680 people estimated to live in the town in 2043.[1]
- **An aging population:** the average age of a resident is 43 years, five years older than the national average. Over 20% of the population is 65 years and over.
- **Above-average rates of socioeconomic deprivation:** Balclutha's median household income in 2023 was $74,100, moderately lower than the $97,000 national median. Socioeconomic deprivation occurs at above average levels, with 65.8% of the Balclutha population falling into the five most deprived deciles.

## 4.2.Land use context

The Balclutha to Dunedin corridor supports a mix of residential, rural and industrial land uses. Population and housing are concentrated in Balclutha, Milton and Waihola, while the surrounding area is characterised by extensive agricultural production, forestry and food processing activities. Balclutha acts as the primary service and employment centre for South Otago, while Dunedin offers major employment, education, healthcare and access to commercial destinations. Additionally, Tokomairiro High School, Calder Stewart headquarters and Otago Corrections Facility represent significant employment activities in Milton and Milburn. These land use patterns generate a combination of commuter, education, social and freight movements, reinforcing the corridor's strategic role in connecting South Otago communities with regional opportunities and services.

Key townships along the Balclutha – Dunedin State Highway 1 (SH1) corridor not served by ORC public transport include Milton, Waihola, Momona, Outram, Allanton and East Taieri as shown in Figure 1. These are small communities with few services meaning they need to travel to Dunedin to access essential services such as health care, social support, education and jobs. There are currently limited transport options beyond private vehicle travel or private taxis/shuttles. Key land uses predominantly support the functions of the surrounding rural land including livestock, dairy and forestry.

Dunedin Airport is located 22 kilometres west of Dunedin city. It is one of two international airports in the lower South Island, the second being Queenstown. The airport is a 'lifeline utility' meaning is it part of the critical infrastructure gateway to the Otago region for emergencies. It also provides key connections to the rest of Aotearoa, and further, for people living and visiting Otago. Dunedin Airport is a critical enabler of economic prosperity, human connection, and sustainable development for the entire lower South, contributing to the region's growth and connectivity.[2]

[1] https://www.stats.govt.nz/information-releases/statistical-area-2-and-3-population-projections-2023base2053-seventh-instalment/

[2] https://www.dunedinairport.co.nz/assets/financial-reports/FY2026-Statement-of-Intent-FINAL.pdf

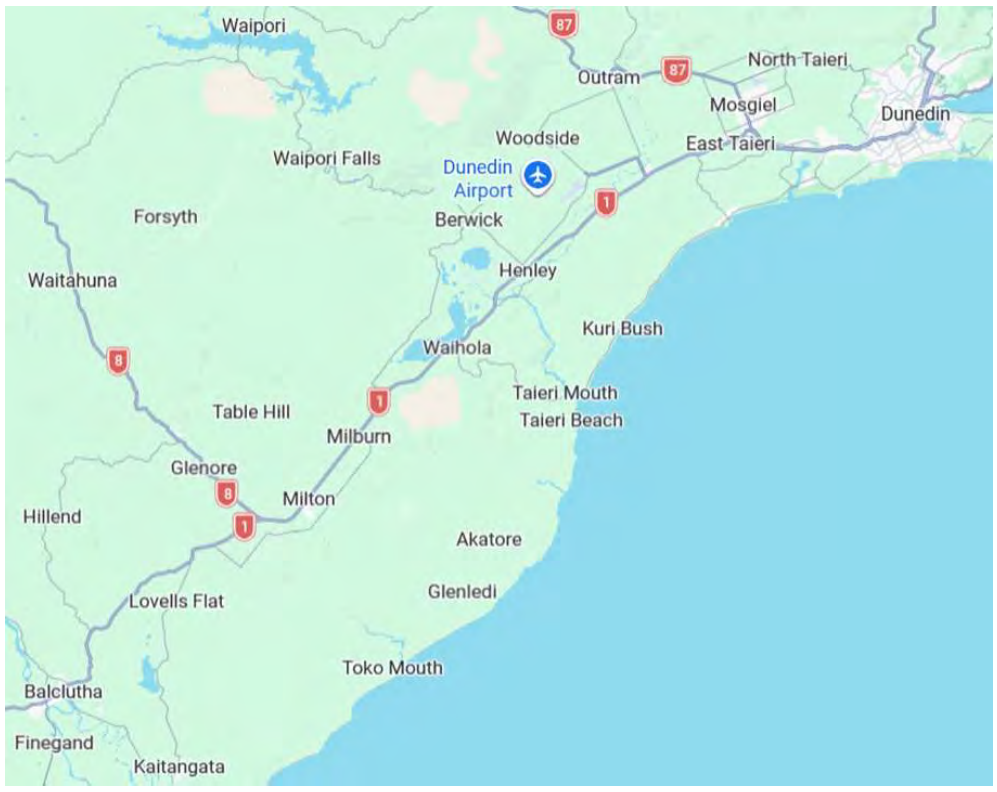



Figure 1 Balclutha to Dunedin SH1 corridor

## 4.3.Transport context

Balclutha is located along State Highway 1 (SH1), 79 kilometres south of Dunedin city centre and 125 kilometres east of Invercargill. Despite the corridor predominantly comprising small towns and rural areas, it experiences a material number of trips. Figure 2 shows the NZTA's annual average daily traffic (AADT) counts for light vehicles on key points of the corridor.[3]

[3] 2024 data (most recently available). https://experience.arcgis.com/experience/a09cd3ec9bdd4068b45c818a69601775/#data_s=id%3AdataSource_1-192bc3bd297-layer-84%3A1858




Figure 2 Light vehicle annual average daily traffic counts (2024)

Census commuter data reveals the share of private vehicle trips along the corridor that are related to work and school travel.[4] Table 1 sets out daily trip figures, revealing the number of work and education related trips that may be well-suited to shift to using a Balclutha – Dunedin public transport service.

Table 1 Daily journeys to work and education taken with private vehicle (as a driver or passenger) on the Balclutha – Dunedin corridor (2023)

| Travel pattern | Work | Education | Total |
|---|---|---|---|
| Travelling **northbound** from residence to place of work/education | 1227 | 321 | **1548** |
| Travelling **southbound** from residence to place of work/education | 450 | 78 | **528** |
| Travelling **locally** from residence to place of work/education | 1008 | 480 | **1488** |
| Travelling **via Airport** to/from place of residence to place of work/education | 1 | 18 | **19** |

Of commuters going by private vehicle, those travelling northbound from their residence to their place of work/education is the most common travel pattern, with 1227 workers and 312 students

[4] Data aggregated at the statistical area 2 unit from https://datafinder.stats.govt.nz/data/category/census/2023/commuter-dataset/

following this pattern. This includes commuters living in Balclutha and working in Dunedin, as well as intermediary trips such as those living in Milton and working in Mosgiel. The second most common private vehicle travel pattern is commuters travelling locally from their place of residence (1008 workers and 480 students). This includes travel within the same statistical area unit 2 (SA2) and travel between Balclutha South and Balclutha North.

Commuters travelling southbound from their residence to their place of work/education (e.g. Dunedin to Balclutha) (n=528) are considered the "reverse commute." This travel pattern still represents material latent demand for a public transport service.

While census data reveals that a negligible number of commuters reside a flight's distance away from their place of work/school (19 total), this does not correlate with the high demand for travel to/from Dunedin Airport. The airport is a significant trip generator for the area, with 853,812 arriving or departing passengers in 2025, 2,339 per day on average.[5]

*Current transport options*

The South Otago transport network comprises the elements listed below. Limited public transport options are available between Balclutha and Dunedin so many rely on private vehicle travel to complete the trip, particularly for longer distances.

- State highways (SH1, SH8, SH86, SH87) connect Balclutha, Dunedin Airport, Outram, Mosgiel and Dunedin to the wider region.
- Rural connectors and rural roads as part of the Road Controlling Authority network connect settlements across the region.
- Urban roads, footpaths and cycleways allow people to connect to key activity centres by private vehicle and active modes.
- Active travel corridors offer pedestrians and cyclists travel routes free of motor vehicle traffic, primarily in the form of recreational routes throughout Otago.
- Ministry of Education school bus services serve all schools in Balclutha, Milton and surrounds. 18% of students in Lower Clutha (which includes Balclutha township) and 13% in Milton commute via school bus, with 46% of students in the wider Clutha District relying on this mode.
- Anecdotal evidence reveals some private businesses provide shared transport options to support their employees or have informal carpooling arrangements among colleagues.
- Two commercial (unsubsidised) services operate from Invercargill to Dunedin (InterCity and Catch a Bus South), with one trip per day in each direction. Both services have intermediary stops in Balclutha, Milton, Waihola, Dunedin Airport and Mosgiel. In addition to the InterCity service from Invercargill, the Queenstown to Dunedin service stops in Milton and Waihola on request.

[5] https://www.dunedinairport.co.nz/assets/financial-reports/Annual-Report-2025-with-Audit-Report-FINAL-Signed.pdf

- One Total Mobility operator with one vehicle (not wheelchair accessible) is based in Balclutha while a second Dunedin-based operator (with multiple wheelchair accessible vehicles) is available on request, providing discounted travel to eligible disabled people.
- Several community shuttle services are present, though most have low capacity and high fares. Hato Hone St John's Waka Ora Health Shuttle providing access to health appointments in Dunedin for people in Balclutha, Milton, and Waihola, while Milton Community Health Trust provides a similar service for people in the Milton, Coastal, Waihola and Taieri Mouth area.
- One taxi operator is active in Balclutha.
- There are several private airport shuttles providing transport to Dunedin Airport for people living in surrounding communities.

*Commercial and private transport services*

Commercial public transport services provide connections between South Otago, Dunedin Airport and Dunedin Central at variable costs as set out in Table 2. These costs vary and can exceed $30 one way, making them challenging to afford for many people in these areas.

Table 2 Commercial public transport services adult fare cost estimates (one way)

| Origin | Destination | InterCity | Catch a Bus South |
|---|---|---|---|
| Balclutha | Dunedin Central | $17 - $28 | $40 |
| Milton | Dunedin Central | $15 - $38 | $35 |
| Waihola | Dunedin Central | $13 - $33 | $35 |
| Allanton | Dunedin Central | Origin not served | $25 |
| Dunedin Airport | Dunedin Central | $12 - $33 | $25 |
| Balclutha | Dunedin Airport | $15 - $18 | $40 |
| Mosgiel | Dunedin Airport | $12 - $33 | Origin not served |
| Dunedin Central | Dunedin Airport | $13 - $33 | $25 |

There are limited low-cost options available for airport journeys as evidenced by the cost estimates for shuttle services from the main centres to Dunedin Airport shown below in Table 3.

Table 3 Dunedin Airport shuttle cost estimates (one way)[6]

| Origin | Super Shuttle | Airport Shuttles Dunedin | Aerolink Shuttle | Dunedin Passenger Transport |
|---|---|---|---|---|
| Dunedin Central | $35 | $28 | $29 | $110 |
| Mosgiel | $36 | $28 | $29 | $75 |
| Waihola | $210 | $70 | $71 | $78 |
| Milton | $260 | $180 | Location not supported | $123 |
| Balclutha | $375 | $250 | Location not supported | $198 |

*Cycle trail network*

Purpose-built walking and cycling trails now span a network of over 500km between Queenstown and Waihola, where the Clutha Gold Trail ends. One of the biggest challenges for trail users is the connecting transport at each end of their journey. Currently Clutha Gold Trail users that start or finish in Waihola are limited to the infrequent commercial bus or shuttle services from Dunedin and/or Dunedin airport (as described above). There is a vision for a shared walking and cycling trail across the Taieri (Taieri Trail) to connect with the Tunnels Trail into Dunedin in the future, however in the interim the economic opportunities of the growing cycle trail market are constrained by lack of connecting transport options.

## 5. Defining the problem

Informed by the strategic context and community perspectives shared during public engagement, the following problem statement describes the transport problem that needs to be addressed.

***Inadequate transport choice***

*People who live in or visit South Otago have few transport options to connect to larger centres such as Dunedin, resulting in severance from essential services, amenities and opportunities.*

The impacts of few transport choices existing in South Otago are felt most acutely by those without reliable access to private vehicle travel. These people are disproportionately elderly or

[6] Based on cost of single adult trip from a central location to Dunedin Airport.

experiencing socioeconomic deprivation, groups which are overrepresented in South Otago as presented in Section 4.1. These people are less likely to have reliable access to a private vehicle and must rely on other transport modes – walking, cycling, public transport or alternative private transport. Walking and cycling are not an option for many, including disabled people, some parents and people travelling longer distances. Public transport options, such as InterCity, are limited and often inconvenient, particularly for frequent travel. Alternative private transport, such as taxi services, are limited and expensive.

Consequentially, people without reliable access to a private vehicle are challenged to access essential services, basic amenities, valued activities and opportunities; they must rely on their informal social networks for transport or forgo making the journey altogether. This can often result in social exclusion, reduced ability to participate in their communities and undue burden on friends and families.

The lack of transport options in this area also influences a person's risk attitude. For example, an elderly person who is comfortable using their car to complete shorter trips may require the safety of public transport to travel longer distances. Without public transport, they must choose between skipping the trip and taking the risk of driving. This is also evident with youth who choose to take the risk of driving illegally on learner and restricted licences if other options are not available. Further, tertiary students from South Otago who live in Dunedin do not need a car most of the time, but with few alternatives for longer trips, are more likely to own a private vehicle to travel between home and their studies.

Such a lack of transport choice has a high environmental cost. With no convenient and affordable public transport services available, people must rely on energy-intensive private vehicles, whose emissions generate material climate and health impacts.

### Airport connection

Access to Dunedin Airport presents a further transport disadvantage for Otago communities. The lack of transport choice limits access to Dunedin Airport, a strategically important regional asset serving communities across Otago. With no subsidised public transport serving the airport, access is largely dependent on private vehicle travel. This reduces accessibility for people without reliable access to a car and increases the cost and complexity of reaching national and international destinations. The absence of alternative transport options reinforces transport disadvantage and weakens connectivity between these communities and the wider regional, national and international transport network.

Enabling a connection between South Otago, Dunedin Airport and Dunedin for people who may not be able to afford the high costs of private connections will contribute positively towards people's ability to engage in more social and economic opportunities. Additionally, a connection could provide a lower cost option for the approximately 13,000 students who fly into Dunedin Airport to attend University of Otago [7].

[7] Calculation of students whose 'home area' was North Island or overseas in 2025 and therefore likely to fly into/out of Dunedin Airport, Sourced from https://www.otago.ac.nz/about/quickstats

# 6. Investment objectives and benefits

## 6.1. Investment objectives

Three investment objectives critical to a future public transport service have been defined. Each objective has been weighted to reflect ORC's level of responsibility and ability to impact through investment.

| # | Investment Objective | Weighting |
|---|---|---|
| 1 | **Connectivity and choice**<br>Increase connectivity and accessibility<br>People have greater choice in how they move around safely to participate in social and economic opportunities between Balclutha and Dunedin. | **40%** |
| 2 | **Environmental sustainability**<br>Carbon emissions are reduced and air quality is improved<br>Transport-related emissions are reduced through less reliance on private vehicles. | **20%** |
| 3 | **Affordability**<br>Increase access to affordable alternatives to private vehicle travel<br>Public transport is provided at a cost that is affordable to both users and funders. | **40%** |

The content below discusses each of these objectives and contrasts the current state with the community needs or desired future state. The gap between existing arrangements and community needs represents the fundamental reasons for initiating this project.

*Investment Objective 1: Connectivity*

| **IO1 statement: Increase connectivity and accessibility** | |
|---|---|
| Existing arrangements | • Limited public transport options operate between Dunedin and Balclutha (e.g. InterCity and small providers)<br>• Accessible public transport options are highly limited (e.g. St John health shuttles) and do not meet all needs<br>• InterCity timetables only allow for a same day return-trip from Balclutha to Dunedin, with a 2-hour window in Dunedin. Dunedin - Balclutha same day return-trip is not possible<br>• Difficult to access Dunedin (from Balclutha, Milton and the small South Coast communities) except by private vehicle for most journey types<br>• Lack of transport options beyond private vehicle travel may force people to drive even when it is unsafe to do so<br>• Social isolation especially for those not able to drive |

| | |
|---|---|
| | • No public transport access to Dunedin Airport, people rely on costly private vehicles or shuttle services<br>• Poor transport options for people (including visitors) to access the Clutha Gold Cycle Trail and strong Central Otago cycle network it is linked to. |
| Community needs | • People have greater choice for how they travel between South Otago, Dunedin, and Dunedin Airport<br>• Daily public transport connections that serve diverse trip types, including access to the airport and Clutha Gold Cycle trail<br>• Public transport supports safe and equitable access to places, facilities, services, and social and economic opportunities<br>• Public transport services are delivered in a manner that is coordinated, integrated, reliable and accessible. |

*Investment Objective 2: Environmental sustainability*

| **IO2 statement: Carbon emissions are reduced and air quality is improved** | |
|---|---|
| Existing arrangements | • Reliance on private vehicles for most journey types<br>• Private vehicles being the dominant transport mode are responsible for high transport-related emissions. |
| Community needs | • Availability of public transport as a sustainable transport option<br>• Well-used public transport services reduce the environmental and health impacts of land transport, including reducing reliance on private vehicles (particularly single-occupancy vehicles)<br>• Vehicles use zero-emission technology. |

*Investment Objective 3: Affordability*

| **IO3 statement: Increase access to affordable alternatives to private vehicle travel** | |
|---|---|
| Existing arrangements | • Social isolation especially for those without reliable access to a private vehicle, or those with insufficient resources to pay the high cost of existing commercial travel options<br>• InterCity bus services are not wheelchair-accessible and fares are unpredictable and often high, especially for unplanned travel<br>• Total Mobility discounts are capped and do not support affordable long-distance travel for disabled people<br>• The high cost of private travel excludes people from accessing essential services, amenities and opportunities. |
| Community needs | • Public transport is provided at a cost that is affordable to both users and funders<br>• Reliable and affordable public transport supports greater social inclusion for all. |

## 6.2.Benefits of investment

The key benefits of investing in a Balclutha to Dunedin service are presented in Table 4 below.

The benefits and measures are linked to each of the investment objectives and are consistent with the Land Transport Benefits framework,[8] RPTP performance measures, and recent NZTA research.[9]

Table 4 benefits of investment

| Benefit | KPIs / Measures | Targets |
|---|---|---|
| **Investment Objective 1: Connectivity and choice:** Increase connectivity and accessibility using sustainable modes | | |
| Improved public transport mode choice | Mode share | Percentage of the population in South Otago using public transport in the last year is increasing. |
| | Accessibility of public transport facilities | Number of bus stops that are fully accessible is increasing |
| | Temporal availability of public transport | Public transport frequency per hour weighted by percentage of the population living within 500m of a bus stop is increasing |
| | Service use/passenger demand | Passenger boardings are increasing annually. |
| **Investment Objective 2: Environmental sustainability:** Carbon emissions are reduced and air quality is improved | | |
| Reduced emissions from land transport | $CO_2$ emissions | Total vehicle $CO_2$ emissions **per capita** is reducing |
| | Vehicle kilometres travelled (VKT) reduction | Light vehicle VKT is reducing |
| **Investment Objective 3: Affordability:** Increase access to affordable alternatives to private vehicle travel | | |
| Improved transport affordability for users | Cost of access to key destinations for all modes | Cost to access destinations is reducing with the introduction of affordably priced public transport |

[8] https://www.nzta.govt.nz/partners/planning-and-investment/learning-and-resources/benefits-management-guidance/the-land-transport-benefits-framework

[9] Baker, K., Weir, D., Woodfield, C., Kelley, S., & Wallis, I. (2025). Vertically integrated public transport measurement (NZ Transport Agency Waka Kotahi research report 747). https://www.nzta.govt.nz/assets/resources/research/reports/747/747-vertically-integrated-public-transport-measures.pdf

| | | |
|---|---|---|
| | Fair fares relative to other PT networks in the region | Public transport fares remain comparable with other networks in Otago (Queenstown and Dunedin) (e.g. Less than a 50% difference from existing service fares) |
| Value for money (for funders) – using limited resources to best serve communities. | Private share of operating costs | Private share contributions to the costs of service delivery grow over time. |
| | Operating cost per passenger kilometre | Average operating cost per passenger kilometre remains comparable with the rest of the Otago network. |
| Changes in human health | Physical and mental health benefits from availability of affordable reliable public transport. | [Qualitative] Improvement in quality of life experienced by users such as reduced financial stress, improved social interaction (reduced isolation), and improved physical health through use of active first/last mile trip legs. |

## 7. Options analysis

A range of possible public transport service options connecting South Otago to Dunedin via Dunedin Airport were developed and refined through several working sessions. Table 5 below summarises the five dimensions for options that were considered. It is noted that "trips per day" refers to return trips.

Table 5 Five dimensions of long-list options

| Dimension | Options | |
|---|---|---|
| **1. Geographical scope** What levels of coverage are possible? | GC1 | Do nothing (status quo) |
| | GC2 | Airport – Mosgiel (via SH1) |
| | GC3 | Airport – Dunedin |
| | GC4 | Balclutha – Mosgiel (via SH1) |
| | GC5 | Balclutha – Dunedin |
| | GC6 | Balclutha – Airport – Mosgiel (via SH1) |
| | GC7 | Balclutha – Airport – Dunedin (via SH1) |
| | GC8 | Balclutha – Airport – Outram – Mosgiel (via SH87) – Dunedin |
| **2. Service solution** | SC1 | Do nothing (status quo) |
| | SC2 | 1 return trip daily |
| | SC3 | 2 return trips daily |

| | |
|---|---|
| How could the preferred scope of scope be delivered? | SC4 3 return trips daily |
| | SC5 5 return trips daily |
| | SC6 Hourly service |
| **3. Service delivery**<br>Who will deliver the service? | SD1 Exempt (community led): community-led organisation plans, funds and operates the service |
| | SD2 Subsidised integral (gross cost): ORC contracts an operator and pays a set fee to deliver the services. ORC collects the fare revenue and bears risk of patronage fluctuations. ORC controls fares, branding, service quality and integrated ticketing. Reflects the BAU, or standard approach, for ORC |
| | SD3 Subsidised integral (net cost): ORC contracts an operator and provides a subsidy to operate to cover operating costs and risk. The operator retains fare revenue. Net contracts incentivise operators to increase patronage |
| | SD4 Small private sector collaboration: working with existing private transport operators, e.g. companies providing staff or customer transport services |
| | SD5 Exempt (commercial): a private company plans, funds and operates the service without ORC involvement |
| **4. Implementation/ timing**<br>When will the service be delivered? | IM1 Delay indefinitely (do nothing) |
| | IM2 Phase over Years 1-10 of next LTP |
| | IM3 Phase over Years 4-10 of next LTP |
| | IM4 Immediately in Years 1-3 of next LTP (do maximum) |
| **5. Funding**<br>How will it be funded? | FD1 Fares/third party funding + ORC rates + NZTA co-funding: private share, local share and central government subsidy. Reflects the BAU, or standard approach, for ORC |
| | FD2 Fares/third party funding + ORC rates: private share and local share |
| | FD3 Fares/third-party funding: private share only (user pays and third-party subsidy) |
| | FD4 Fares only: private share only (user pays 100%) |

Table 6 below shows the long-list assessment of each option dimension against the investment objectives outlined in Section 6.1 as well as some critical success factors. The high-level assessment uses “Yes” to indicate strong alignment and ability to meet a criterion, “No” where an option element does not meet a criterion, and “Partial” where an option element somewhat meets the criterion. The project team used their qualitative judgement to assess and score each of the options.

## Table 6 Long-list options assessment

| **Dimension** | **Geographical Scoping Options** (what levels of coverage are possible?) | | | | | | | | **Service Solution Options** How could the preferred scope of services be delivered? | | | | | | **Service Delivery Options** Who could deliver the preferred scope and service solution? | | | | | **Implementation/Timing Options** When could services be delivered? | | | | **Funding Options** How could the service be funded? | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Option** | Status Quo | Min | | | Intermediate | | | Max | Status Quo | Min | Intermediate | | | Max | Min | BAU | Intermediate | | | Status Quo | Intermediate | | Max | BAU | | | |
| | **GC1** | **GC2** | **GC3** | **GC4** | **GC5** | **GC6** | **GC7** | **GC8** | **SC1** | **SC2** | **SC3** | **SC4** | **SC5** | **SC6** | **SD1** | **SD2** | **SD3** | **SD4** | **SD5** | **IM1** | **IM2** | **IM3** | **IM4** | **FD1** | **FD2** | **FD3** | **FD4** |
| **Description of Option** | **Do nothing** | **Airport - Mosgiel (via SH1)** | **Airport - Dunedin** | **Balclutha - Mosgiel (via SH1)** | **Balclutha - Dunedin** | **Balclutha - Airport - Mosgiel (via SH1)** | **Balclutha - Airport - Dunedin** | **Balclutha - Airport - Outram - Mosgiel (via SH87) - Dunedin** | **Do nothing** | **1 return trip daily** | **2 return trips daily** | **3 return trips daily** | **5 return trips daily (1 all-day bus, 1 reverse-commute bus)** | **Hourly service** | **Exempt (community-led)** | **Subsidised (gross cost contract)** | **Subsidised (net or hybrid net cost ontract)** | **Small private operator collaboration** | **Exempt (commercial)** | **Delay indefinitely (do nothing)** | **Phase over Yr 1-10 of next LTP** | **Phase over Yrs 4-10 of next LTP** | **Immediately in Yrs 1-3 of next LTP** | **Fares/ third party funding + ORC rates + NZTA co-funding** | **Fares/ third party funding + ORC rates** | **Fares/ third party funding** | **Fares only** |
| **Investment Objectives** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Connectivity and choice:** Increase connectivity and accessibility using sustainable modes | No | Partial | Partial | Partial | Partial | Partial | Yes | Yes | No | Partial | Partial | Partial | Yes | Yes | Partial | Yes | Yes | Partial | Yes | No | Yes | Partial | Yes | Yes | Yes | Yes | Yes |
| **Environmental sustainability:** carbon emissions are reduced and air quality is improved | No | Partial | Partial | Partial | Partial | Partial | Yes | Yes | No | No | Partial | Partial | Yes | Partial | Partial | Yes | Yes | Partial | Partial | No | Yes | Yes | Yes | Yes | Yes | Partial | Partial |
| **Affordability to users:** increase access to affordable alternatives to private vehicle travel | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Partial | Partial | Yes | Yes | No | Yes | Yes | Partial | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Partial | No |
| **Critical Success Factors** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Strategic fit and organisational needs (Strategic) | No | No | No | Partial | Partial | Partial | Yes | Yes | No | Partial | Partial | Yes | Yes | No | Partial | Yes | Yes | Yes | Partial | No | Yes | Yes | Partial | Yes | Yes | Yes | No |
| Potential value for money/Benefit optimisation (Economic) | No | Partial | Partial | No | Partial | Partial | Yes | Partial | No | No | Partial | Partial | Partial | No | Partial | Yes | Yes | Yes | Partial | No | Partial | Partial | No | Yes | Yes | Yes | No |
| Provider capacity and capability (Commercial) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Partial | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Potential affordability - current and future (Financial) | Yes | Partial | Partial | No | No | Partial | Partial | Partial | Yes | Partial | Partial | Partial | Partial | No | Yes | Partial | Yes | Partial | Partial | No | No | Partial | No | Partial | No | Yes | Yes |
| Potential feasibility/achievability (Management) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No | No | Partial | Yes | Yes | No | Yes | Yes | Yes | No |
| **SUMMARY** | Carry forward as comparator | Discount | Discount | Discount | Discount | Discount | Preferred | Carry forward | Carry forward as comparator | Discount | Discount | Carry forward | Preferred | Discount | Discount | Preferred | Possible | Discount | Discount | Discount | Possible | Preferred | Discount | Preferred | Discount | Possible | Discount |
| **Options Progressed to Short-list** | ↓ | | | | | | ↓ | | ↓ | | | ↓ | ↓ | | | ↓ | | | | | | ↓ | | ↓ | | | |

Sections 7.1 and 7.2 examine select service delivery and geographical scoping options, detailing their suitability for a future public transport service. Section 7.3 presents the short-list options assessment undertaken using a multi-criteria analysis (MCA) approach, focussing on the service solution (i.e. frequency) options.

Additional assessment of the implementation/timing options and funding options was considered to be unnecessary for the nature of this technical note. In the current environment, implementation of a future public transport service beginning in Year 4 of the Long-Term Plan 2027-2037 is expected to be the only viable implementation/timing option, while funding the service through a combination of fares/third party funding, rates and NZTA co-funding the only viable funding option. Section 11 below details timing and funding considerations.

## 7.1.Service delivery model

This section discusses the assessment of the community transport, exempt (commercial) and subsidised integral gross contract service delivery models.

The subsidised integral net cost and small private operator collaboration service models have not been considered further. These would require undertaking market engagement and testing which is outside the scope of this investigation.

### Option 1: Community transport model

Under the community transport model Council could provide financial support to trusts operating (or seeking to operate) volunteer driver services.

Community transport's volunteer run, low capacity and typically on-demand model does not suit the many demands identified, such as commuting, travelling to the airport, or making last-minute trips for shopping or leisure. This charity model is reliant on the goodwill of volunteers to set up, source donations, manage and operate. As demonstrated by the volunteer fatigue resulting from the Ōamaru community shuttle service trial, community transport providers are challenged to have adequate resource to regularly provide longer-distance travel at suitable service levels. Few community transport operators are present along the Balclutha – Dunedin corridor and it is unlikely they have the capacity to provide a suitable and regular service to address the current gap in needs.

A community transport service focusing on short local trips would be useful to complement a full scheduled Balclutha – Dunedin bus service. It could focus more on local trips, getting people to/from the bus stops to access a scheduled service, or serving high-need travellers with limited ability to catch a bus.

### Option 2: InterCity financial support for lower fares

This option would entail ORC pre-purchasing a limited number of seats on InterCity services between Balclutha and Dunedin for passengers to purchase at Orbus fare-equivalent prices. Currently InterCity provides one Balclutha – Dunedin return trip seven days per week, departing

Balclutha at 11:00AM and returning at 3:55PM. This provides passengers seeking to return the same day with 2 hours 10 minutes in Dunedin. Typically these trips are priced at roughly $19 each way.

The single return trip per day enabling only a couple of hours in Dunedin would not be useful for many trip types such as travelling to suburbs outside of Central Dunedin or attending longer appointments or activities. Moreover, InterCity vehicles have several stairs, rendering them inaccessible for people in wheelchairs or with prams.

This option is legally possible under amendments to the Land Transport Management Act which allow funding to be provided to reduce fares on exempt services. However, staff have not investigated it in any detail.

#### Option 3: Integral service model – gross contract

This option represents the standard service model ORC uses to deliver its current public transport services. ORC would plan, fund and manage a scheduled fixed-route service, while contracting and paying a set fee to an operator to deliver it. Fares, branding, service quality and ticketing would be controlled by ORC.

An integral gross contract service model enables ORC to maintain the greatest oversight of the service, shaping it to best meet communities' needs within the allocated budget. Under this model, ORC collects the revenue generated by the service and can easily integrate the service's schedules, fares and ticketing with the existing network.

### 7.2.Service design

This section evaluates different geographical coverage and frequency options for the service. Serving and improving connectivity and equity for South Otago communities is the primary objective, while services between the Dunedin and Dunedin Airport are a secondary consideration. Options which terminate in Mosgiel, requiring a transfer to connect to Central Dunedin, are considered to significantly reduce the attractiveness of the service due to the increased travel times and inconvenience of changing buses, and are therefore discounted.

The potential timetables provided for each option in this section are for illustrative purposes only.

#### Option 1: Balclutha – Dunedin Airport – Mosgiel – Dunedin

This option would provide a public transport service between Balclutha and Dunedin via Dunedin Airport primarily via SH1 (Figure 3). On its 89-kilometre route it would serve intermediary South Otago communities including Milton, Waihola, Momona and Allanton and East Taieri. By operating on a direct route this option offers a travel time competitive to private vehicle travel and the most efficient operational costs.

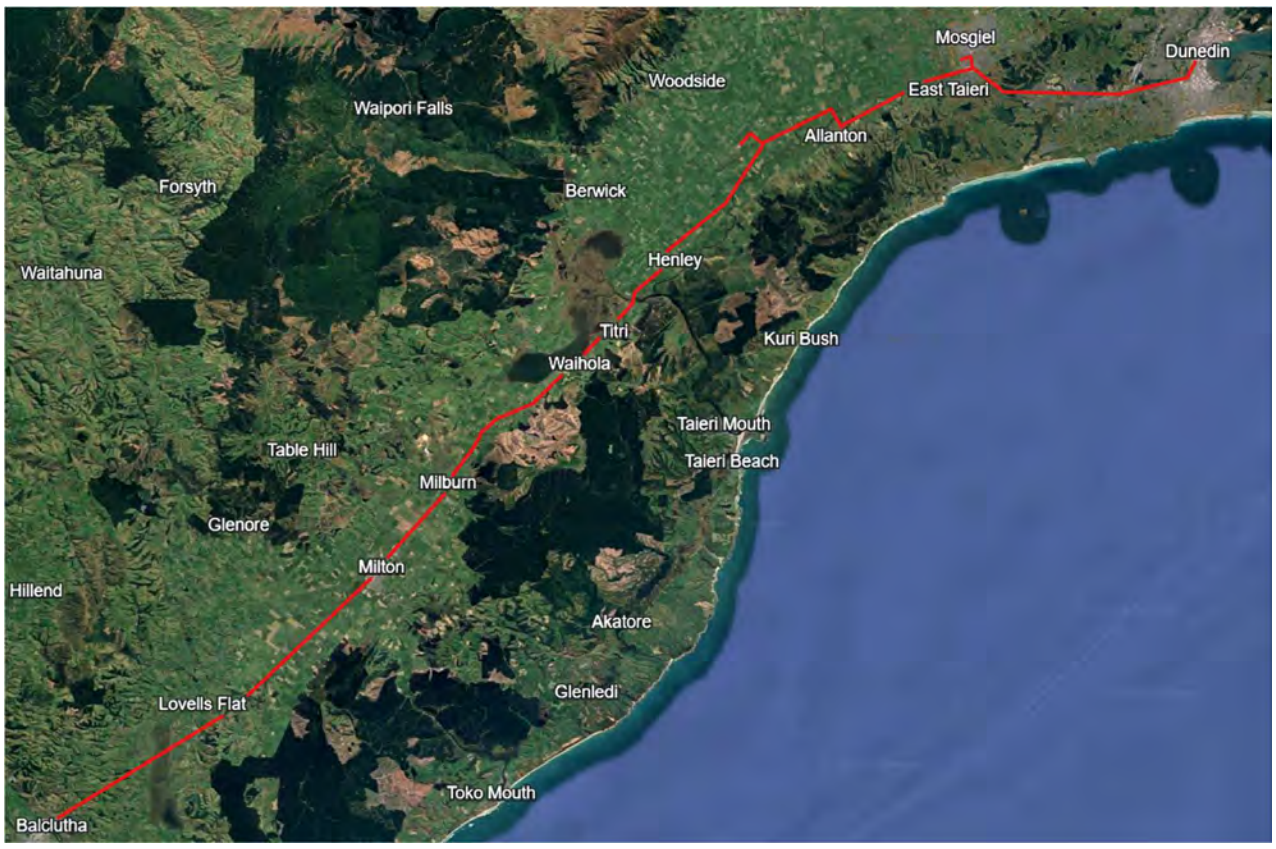



Figure 3 Balclutha – Dunedin Airport – Mosgiel – Dunedin service routing

This option could also run to the southern end of Balclutha, to provide a limited local service for those wishing to travel within the town. Figure 4 presents a possible routing through Balclutha to enable some local trips.

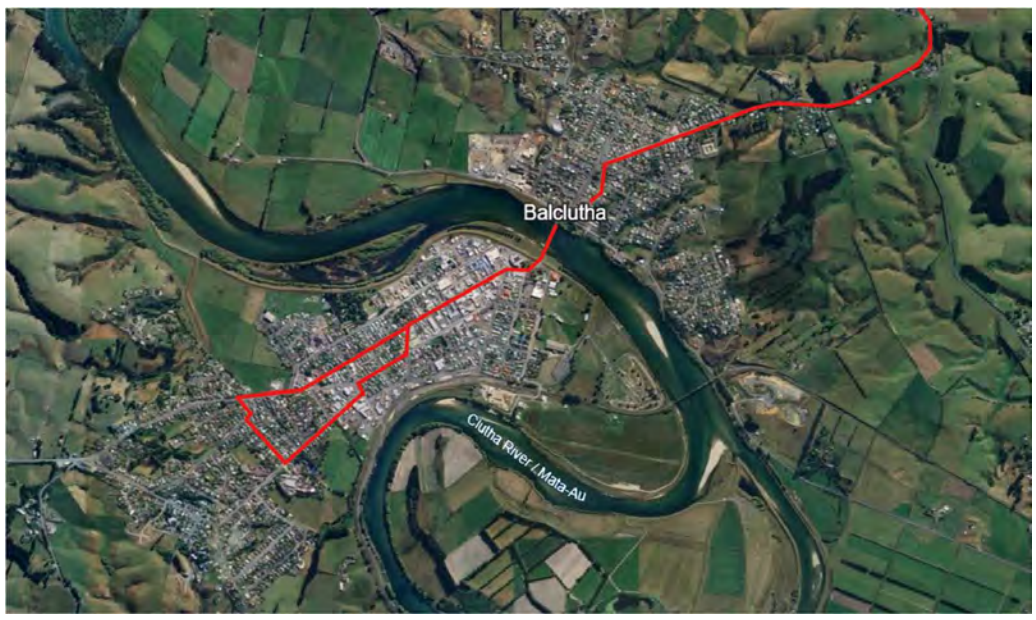



Figure 4 Possible service routing for Balclutha

Table 7 below presents an indicative high-level timetable for this option.

Table 7 Possible Balclutha – Dunedin timetables for one, three and five trips daily

| One trip daily | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| 6:50 | 7:40 | 8:20 |
| | | |
| **Dunedin** | **Airport** | **Balclutha** |
| 17:30 | 18:10 | 19:00 |

| Three trips daily | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| 6:50 | 7:40 | 8:20 |
| 11:00 | 11:50 | 12:30 |
| 15:30 | 16:20 | 17:00 |
| **Dunedin** | **Airport** | **Balclutha** |
| 9:00 | 9:40 | 10:30 |
| 13:00 | 13:40 | 14:30 |
| 17:30 | 18:10 | 19:00 |

| Five trips daily | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| 6:50 | 7:40 | 8:20 |
| 9:00 | 9:50 | 10:30 |
| 11:00 | 11:50 | 12:30 |
| 15:30 | 16:20 | 17:00 |
| 17:30 | 18:10 | 18:50 |
| **Dunedin** | **Airport** | **Balclutha** |
| 6:50 | 7:30 | 8:20 |
| 9:00 | 9:40 | 10:30 |
| 13:00 | 13:40 | 14:30 |
| 15:30 | 16:10 | 17:00 |
| 17:30 | 18:10 | 19:00 |

While this option is only expected to provide convenient connections to a minority of Dunedin Airport flights (Balclutha – Dunedin (northbound) services for three of 25 flights daily, or 9%, and Dunedin – Balclutha (southbound) for 36% flights daily) this is considered a fair outcome. To elevate the priority of the airport as a destination relative to South Otago communities would not align with the investment objectives set out in this technical note. Under this option, additional airport services could be considered as a part of other investigations, such as Mosgiel service extensions.

### Option 2: Balclutha – Dunedin Airport – Outram – Mosgiel – Dunedin

This option represents the same design as the Option 1 but adds a detour to Outram. While this would improve public transport access for Taieri communities, it would require a diversion from the primary Balclutha to Dunedin corridor, increasing both travel time and operating costs.

One option would be to operate a single trip in each direction per day via Outram. This could provide a limited level of service for residents undertaking shopping, social, and health-related travel. However, further investigation would be required to understand the scale and nature of demand and whether patronage would justify the additional operating cost.

Given Outram's relatively small population base and its location approximately 14 km west of Mosgiel, the diversion is unlikely to materially contribute to the primary objectives of the proposed inter-urban service. The increased journey time may also reduce the attractiveness of

the service for through-passengers travelling between Balclutha, Milton, Waihola, Mosgiel and Dunedin.




Figure 5 Service routing for possible Outram connection (not recommended)

An alternative approach to providing an Outram connection could be through an extension to the existing Mosgiel – Dunedin express services (Route 78). Extending a small number of Route 78 trips to Outram could provide a basic level of public transport access while avoiding impacts on the efficiency and operating costs of the Balclutha service.

Accordingly, Outram coverage is not recommended as part of the initial trial but could be considered as a future enhancement, subject to further demand assessment, community consultation, and funding availability.

Table 8 Possible Balclutha – Dunedin via Outram timetables for one, three and five trips daily

| One trip daily | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| 6:50 | 7:40 | 8:30 |
| | | |
| **Dunedin** | **Airport** | **Balclutha** |
| 17:30 | 18:20 | 19:10 |

| Three trips daily | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| 6:50 | 7:40 | 8:30 |
| 11:00 | 11:50 | 12:30 |
| 15:30 | 16:20 | 17:00 |
| | | |
| **Dunedin** | **Airport** | **Balclutha** |

| Five trips daily | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| 6:50 | 7:40 | 8:20 |
| 9:00 | 9:50 | 10:40 |
| 11:00 | 11:50 | 12:30 |
| 15:30 | 16:20 | 17:00 |
| 17:30 | 18:10 | 18:50 |

| | | |
|---|---|---|
| 9:00 | 9:40 | 10:30 |
| 13:00 | 13:50 | 14:40 |
| 17:30 | 18:10 | 19:00 |

| Dunedin | Airport | Balclutha |
|---|---|---|
| 6:50 | 7:30 | 8:20 |
| 9:00 | 9:40 | 10:30 |
| 13:00 | 13:40 | 14:30 |
| 15:30 | 16:20 | 17:10 |
| 17:30 | 18:10 | 19:00 |

**Key**

Trips via Outram

### Option 3: Dunedin Airport – Dunedin

Consideration has been given to how the airport could be best served. Coordinating services with flight schedules, which vary throughout the week and seasonally, presents a significant challenge. Providing a service that meets a broad range of arrivals and departures would require either high frequency or significant vehicle layover time, both of which would incur significant operating costs. Conversely, operating a limited number of services, though less costly, may not provide adequate connectivity for airport users.

Table 9 Possible airport-focused timetable

| Three trips daily from Balclutha, nine trips daily to airport | | |
|---|---|---|
| **Balclutha** | **Airport** | **Dunedin** |
| | 7:10 | 8:00 |
| 6:50 | 7:40 | 8:20 |
| | 11:00 | 11:40 |
| 11:00 | 11:50 | 12:30 |
| | 13:00 | 13:50 |
| | 15:00 | 15:40 |
| 15:30 | 16:20 | 17:00 |
| | 17:00 | 17:40 |
| | 19:00 | 19:40 |

| Three trips daily to Balclutha, nine trips daily to airport | | |
|---|---|---|
| **Dunedin** | **Airport** | **Balclutha** |
| 6:20 | 7:00 | |
| 9:00 | 9:40 | 10:30 |
| 10:00 | 10:40 | |
| 12:00 | 12:50 | |
| 13:00 | 13:40 | 14:30 |
| 14:10 | 14:50 | |
| 16:10 | 16:50 | |
| 17:30 | 18:10 | 19:00 |
| 18:00 | 18:50 | |

**Key**

Trips via Outram

While delivering a high-quality public transport connection to the airport meaningfully reduces transport-related emissions, allocating disproportionate resource to airport-only services does not align with the service's desired outcomes of increasing South Otago communities' connectivity and accessibility to Dunedin, defined by the investment objectives and benefits (Section 6). Serving the airport as an intermediary stop on the Balclutha – Dunedin service allows airport passengers to use the service alongside broader range of people travelling for work,

education, health and other purposes. This improves service efficiency and reduces reliance on airport demand alone.

Alternative options, such as extending selected Mosgiel services to the airport, could also be investigated in future but are considered outside the scope of this investigation.

## 7.3.Short-list options assessment

The geographic scope was able to be narrowed to the Balclutha to Dunedin via Dunedin airport, so the short-list options focus on the optimal service frequency to achieve the investment objectives. Table 10 below summaries the short-listed options.

Table 10 Short-listed options

| | Do nothing | Option 1 | Option 2 | Option 3 |
|---|---|---|---|---|
| **Geographical scope** | Do nothing Status quo | Balclutha – Airport – Dunedin | | |
| **Service solution** | Do nothing – No publicly funded scheduled services as currently exists | 1 return trip daily | 3 return trips daily | 5 return trips daily |
| **Service delivery** | N/A | Subsidised integral (gross cost contract) | | |
| **Timing** | Delay indefinitely (do nothing) | Phase over Years 4-10 of next LTP | | |
| **Funding** | N/A | Fares/third party funding + ORC rates + NZTA co-funding | | |

A basic Multi-Criteria Analysis (MCA) approach (informed by NZTA guidance) was used to assess effectiveness and value for money in an integrated manner. While the long-list assessment weighed each option against the investment objectives and critical success factors in isolation, the MCA provides the opportunity to evaluate the short-list options across all service dimensions at once. A seven-point assessment scale from +3 (large positive) to -3 (large negative) has been used. Each variable has been given equal weighting. Table 11 below presents the MCA variables and results.

The highest scoring option is Option 2: **three return trips** daily. This option delivers the maximum level of service possible with one vehicle. It serves a variety of trip types, supports mode shift and maximises value for money. It therefore has the strongest alignment to the investment objectives and achieves the benefits to the highest degree relative to the service cost, rendering it the preferred option.

Option 3 (five return trips daily) also scored well due to the high level of service. While the additional frequency of this option provides stronger connectivity, it requires two buses, therefore incurring significant additional cost. Until there is demonstrated demand for this high level of frequency this option is considered an overinvestment in the wider context of the region. Introducing such a level of service to the area while most of Otago's smaller towns do not yet have subsidised public transport (or if they do, the services are small-scale and in infancy) would be an uneven distribution of resources at this stage.

Table 11 Multi-criteria analysis of service options

| Option | Do nothing | Option 1 | Option 2 | Option 3 |
|---|---|---|---|---|
| **Criteria** | No service (status quo) | Balclutha - Airport - Dunedin, 1 return trip daily | Balclutha - Airport - Dunedin, 3 return trips daily (peak, counterpeak, and interpeak trips only) | Balclutha - Airport - Dunedin, 5 return trips daily |
| **Investment Objectives** | | | | |
| Connectivity and choice: Increase connectivity and accessibility using sustainable modes | 0 | +1 | +2 | +2 |
| Environmental sustainability: carbon emissions are reduced and air quality is improved | -2 | 0 | +1 | +1 |
| Affordability to users: increase access to affordable alternatives to private vehicle travel | 0 | +1 | +2 | +2 |
| **Critical Success Factors** | | | | |
| Strategic fit and organisational needs (Strategic) | -2 | +1 | +2 | +1 |
| Potential value for money/benefit optimisation (Economic) | -1 | +2 | +3 | +2 |
| Provider capacity and capability (Commercial) | 0 | +1 | +2 | +2 |
| Potential affordability - current and future (Financial) | +3 | +1 | 0 | -1 |
| Potential feasibility/achievability (Management) | +3 | +3 | +3 | +3 |
| **Impacts** | | | | |
| All excluded due to double counting or lack of applicability | n/a | n/a | n/a | n/a |
| **Score** | **1** | **10** | **15** | **12** |
| **Project-specific impacts** | | | | |
| Cost estimate (general order of magnitude) | 0 | $263,155 | $589,465 | $1,015,775 |
| **Emerging preferred option** | | | | |
| **Commentary** | **Discount** | **Discount** | **Preferred** | **Discount** |
| | Failing to deliver a service realises no community benefits nor fulfills our strategic priority of improving regional connectivity. People remain highly dependent on private vehicles, generating high levels of transport-related emissions and transport disadvantage. | This option is a skeleton service designed for Balclutha commuters to Dunedin. Counterpeak nor interpeak travellers would be served. It would not suit the time needs of the vast majority Dunedin of Airport travellers. However, it may serve as an initial level of service at which to establish the route. ORC may be challenged to find a supplier for this option as it provides no economies of scale. | This option delivers the maximum level of service possible with one vehicle. It serves for a variety of trip types, supporting mode shift from private vehicle travel while limiting cost. | This option achieves moderately more connectivity and emissions reduction than Option 2, providing all day service and encouraging the greatest uptake of public transport. However, its need for two vehicles increases its costs substantially, making it fail on the financial ciritical success factor. Until there is demonstrated demand for this high level of frequency, it is considered to be too costly for the moderate increase in benefits. |

| Scoring key | |
|---|---|
| +3 | Large positive impact |
| +2 | Moderate positive impact |
| +1 | Limited positive impact |
| 0 | Neutral |
| -1 | Limited negative impact |
| -2 | Moderate negative impact |
| -3 | Large negative impact |

## 7.4.Preferred option

Based on the assessment completed, **Option 2: Balclutha – Airport – Dunedin, three return trips daily** is the preferred option for connecting South Otago, Dunedin Airport and Dunedin at this time.

This would provide a basic all-day service including a 'commuter trip' from Balclutha and two interpeak, or "shopper" trips. Workers and students from Balclutha will be able to connect to their workplaces and schools/universities while interpeak services offer the ability for others to access key activities without the return trip consuming a full day. This is very similar to the current Palmerston to Dunedin level of service.

The proposed service would connect communities along the corridor including Balclutha, Milton, Waihola, Allanton, East Taieri and Mosgiel. Additional stops for smaller settlements or employment locations along the route could be considered through the consultation and implementation phases. The preferred option also provides moderate access to Dunedin Airport. As improving connectivity to the airport is a secondary outcome to introducing a reliable and affordable transport choice for South Otago communities, this is considered acceptable.

The preferred option requires **one** bus and has an **indicative annual operational cost of $589,465**, assuming an 89-kilometre service distance and 90-minute running time.

### Additional considerations

The following should also be noted:

- There are still benefits to supporting community transport services in Balclutha to supplement a scheduled bus service
- To increase the service frequency to Dunedin Airport, an extension to the current Mosgiel services (route 77 and 78) could be considered as a variation to the Unit 5 service contract.
- The proposed service peak trips could replace trips on Route 78 (Mosgiel Express), either as trips via Outram, or by linking East Taieri to north-west Mosgiel. In either case this would have some detractors for Mosgiel Express users as the bus would not serve north-eastern Mosgiel, but the service's core on Gordon Road through to the Park and Ride would be maintained.
- The Mosgiel Express will, from October 2026, be operated by three buses in the peak direction only, with buses needed to deadhead back to their starting point. The most likely trips that could be converted to Balclutha trips are one of the last two trips in the morning, one of the first two afternoon trips, and one of the last two afternoon trips (blue cells in Table 12 below).

Table 12 Route 78 timetable for possible Balclutha conversion

| Mosgiel Terminus | Bus Hub Stop A | | Bus Hub Stop F | Mosgiel Terminus |
|---|---|---|---|---|

| | |
|---|---|
| 7:01 am | 7:32 am |
| 7:19 am | 7:52 am |
| 7:39 am | 8:12 am |
| 7:59 am | 8:32 am |
| 8:20 am | 8:52 am |

| |
|---|
| Trips not well-suited for extension to Balclutha |
| Trips most suitable for extension to Balclutha |

| | |
|---|---|
| 3:15 pm | 3:46 pm |
| 3:35 pm | 4:06 pm |
| 3:55 pm | 4:24 pm |
| 4:15 pm | 4:44 pm |
| 4:35 pm | 5:04 pm |
| 4:55 pm | 5:24 pm |
| 5:15 pm | 5:44 pm |
| 5:35 pm | 6:04 pm |

## 8. Potential performance

The existing Palmerston – Dunedin service gives a strong benchmark for the potential performance of the preferred option, particularly given it has a similar level of service and timetable structure. The key differences are:

- The distance to Balclutha is longer than to Palmerston
- The size of Balclutha may supress trip demand to Dunedin because more services (e.g. shopping, basic medical needs) are available locally (even though the limitations of these services, e.g. higher-level medical care, are motivation for travel needs)
- The airport is an additional trip attractor in South Otago.

Notwithstanding these differences, a population comparison identified that the number of users boarding trips in Palmerston, Waikouaiti, Karitane and Waitati on a particular day tended to be between 1-1.5% of the population of the settlements:

Table 13 Route 1 (Palmerston – Dunedin) public transport patronage relative to population (2025)

| Origin | Population[10] | Boardings per day | Boardings per trip (assume 6 trips per day) | % of population travelling per day |
|---|---|---|---|---|
| **Palmerston** | 1080 | 28.73 | 4.79 | 1.3% |
| **Waikouaiti** | 1310 | 36.58 | 6.10 | 1.4% |
| **Karitane** | 430 | 6.53 | 1.09 | 0.8% |
| **Waitati** | 590 | 12.55 | 2.09 | 1.1% |

[10] Stats NZ (2025)

Taking a conservative approach, the percentage of the population using the Palmerston – Dunedin bus service was halved (0.5%) to estimate the daily users from the populations of Balclutha, Milton, Waihola, Momona/Allanton, and East Taieri. It was also assumed that there would be an additional 25% of users from Dunedin – Airport trips. The Airport figure is benchmarked against vehicle traffic counts on SH86, the primary access road from SH1 to the airport.

Using these conservative estimates (i.e. assuming the service would be less than half as attractive to use as the current Palmerston service) boardings on the proposed Balclutha – Dunedin service would be 21 passengers per trip. This compares very favourably to the Dunedin network (12 per trip) and even the Queenstown network (19 per trip). If fares were set at a level to generate an average of $5 in revenue per trip, this would generate approximately $232,000 per year in fare revenue, offsetting around 39% of the operating cost.

These figures indicate substantial potential demand, and in the long-term a Balclutha service (incorporating the airport) may need additional trips (such as the 5- or 6-trip options), or double-decker buses, if such demand was realised.

## 9. Engagement

To inform this investigation ORC transport staff held online meetings with staff from Clutha District Council and Dunedin International Airport Limited. A meeting was also held with community development staff from Project Bruce who represent and provide community services in Milton. Further, a recent Zero Carbon Alliance meeting was also used to discuss this investigation. The Zero Carbon Alliance is a group of major organisations including the Dunedin City Council, Otago Regional Council, University of Otago, Otago Polytechnic – Te Pūkenga, Te Whatu Ora - Health New Zealand and Dunedin International Airport Limited where representative staff collaboratively work on reducing Dunedin's emissions.

During the meetings the service options being considered were shared and discussed. Feedback from these engagement sessions was supportive, with all organisations recognising the high value a service would deliver to the area. Learnings gathered through these sessions has informed the strategic context, assessment of the options and funding considerations.

## 10. Implementation considerations

### 10.1. Procurement

Given the geographic proximity and potential operational links with route 78, the proposed service trial could be implemented as a variation to the existing Unit 5 contract. One new bus would be required. It would likely be a triple-axle battery-electric bus configured for longer-distance travel and additional luggage capacity to cater for passengers travelling to/from Dunedin Airport. These buses would be primarily used for Balclutha – Dunedin trips but could be integrated into the wider fleet of large triple-axle electric buses that are used on Unit 5 and possibly Palmerston services in Unit 1.

### 10.2. Infrastructure

Public transport infrastructure is funded and delivered by the local road controlling authority. For the proposed service trial minimal infrastructure will be required. Following the trial additional bus infrastructure or improvement in stop facilities will be required. This will enable heavily used bus stops to have greater amenity and facilities to be upgraded.

ORC would work closely with NZTA, Clutha District Council, Dunedin City Council and Dunedin Airport to ensure funding for any infrastructure is included in their planning processes, and delivery is aligned with the delivery of the proposed service.

## 11. Funding and financing considerations

The preferred service option is estimated to have annual operating costs of approximately $589,465. Additionally, approximately $100,000 of upfront general implementation costs (such as installation of ticketing equipment, branding, marketing and advertising) for the proposed new service are anticipated in the financial year immediately prior to implementation.

The proposed funding arrangements for this project will follow the standard model – a combination of public funding (local rates and central government funding) and private revenue (fares and third party). The level of public subsidy required for this service will be dependent on the amount of fare revenue collected from the users of the service. ORC would claim 51% of the net cost (i.e. gross contract cost less fare revenue) from NZTA with the remaining 49% of cost to be met with rate funding. Initially implemented as a trial, the service's value, viability and eligibility for NZTA co-funding would be evaluated at the end of the trial period (usually two years) before being considered a permanent service and included in ORC's continuous programme.

It is proposed that this project seek targeted rate funding through ORC's Long-Term planning process to meet the local share (49%) of total operating costs of a two-year trial. If Council choose to include the trial in the Long-Term Plan, staff would need to develop a suitable targeted rating methodology for the service. Rating impact would depend on how the targeted rate is calculated, how the rating area is delineated, and the consideration given to servicing Dunedin Airport.

Council would need to consider the most appropriate time to commence a trial. A transport improvements package, including several other new regional service trials will be considered as part of the draft Long-Term Plan 2027-2037 discussions. While this Balclutha - Dunedin trial is not currently included in the transport improvements package for consideration in the draft Long-Term Plan 2027-30, Council would have the option to include it and test rating implications and public support, or alternatively defer it to the next Long-Term Plan (2030-2033) deliberations. If Council decides to include and fund the trial service in the Long-Term Plan, it would also be included in ORC's Regional Land Transport Plan and future Service Improvement Programme bids for funding via the National Land Transport Fund at that time.

Following the trial period, ORC could seek to incorporate the service into the Unit 5 service contract alongside the existing Mosgiel routes through a contract variation. Procurement of the Unit 5 Contract is currently scheduled for 2034. The proposed trial could occur between 2030 and 2033 to inform the next Unit 5 procurement.

A trial provides an opportunity to establish and embed the service in the community before being evaluated and an assessment of its long-term viability completed. If the trial is considered successful and Council (and NZTA) approves the continuation of the service beyond a trial, a broader targeted rate review of the South Otago area would be undertaken to understand the best approach to fund and support public transport across Otago.

While a public transport service between South Otago, Dunedin airport and Dunedin as proposed in this technical note is likely to materially improve transport options for these communities, it would be competing for limited Council and NZTA funding with other proposed regional service trials. These other regional services are located in the Upper Clutha and the wider Otago Central Lakes sub-region, an area characterised by rapid population growth, high visitor demand and worsening congestion. In Long-Term Plan development processes, Council will have to determine the priority of the Balclutha – Dunedin service relative to other service improvements.

### 11.1. Third-party funding opportunities

The RPTP 2025-35 funding policy FS P4 outlines ORC's intent to identify feasible initiatives to grow third-party funding to increase private share. This service trial may present an opportunity to also explore and test two initiatives; fare share and corporate sponsorship or advertising.

Fare share schemes could be developed with key employers in the area as a means of incentivising staff to use of public transport, increasing patronage and private share. There may also be advertising or corporate sponsorship opportunities with key local businesses that could be explored to offset some of the service operating costs, reducing the public subsidy required.

### 11.2. Fare considerations

Until recently, Otago had a simple flat fare structure, where an adult Bee card fare was $2.50 per trip regardless of the trip distance. Under a flat fare structure longer-distance trips are subsidised by shorter-distance trips, which indirectly supports dispersed land use patterns rather than consolidated urban form. Flat fares are also an obstacle to introducing services that improve regional connectivity due to their inability to recover a meaningful share of the longer-distance operational costs. In September 2026 ORC approved moving to a four-zone fare structure for the Dunedin and North Otago services from 1 November 2026. This will increase the cost recovery of longer-distance services.

A potential zonal fare structure for the proposed Balclutha – Dunedin service is presented in Figure 6 below. The proposed route would be comparable in distance and operation to the Hampden – Dunedin segment of the recently introduced Ōamaru trial service. This 78km segment is charged a $7.50 fare (three zones) under the incoming zonal fare structure, a reasonable fare for an 80km Balclutha to Dunedin journey. Similarly, the fare for a 55km Milton

to Dunedin trip would reflect the similarly distanced Palmerston to Dunedin (53km) zonal fare of $4 (two zones). All fare concessions would still apply.

A premium Dunedin Airport zonal fare is recommended to increase the cost recovery of airport-related trips. While most NZ public transport authorities do not apply a premium fare for airport travel, the lack of destinations near the Dunedin Airport and its long distance from Central Dunedin result in high operating costs for public transport serving it. For these reasons, staff consider a premium fare to be warranted. To enable airport employees to pay a more affordable fare, staff will work with Dunedin Airport to explore opportunities such as fare capping (rewarding frequent users with discounted travel) and fare sharing (employer-subsidised fares).




Figure 6 Potential fare zones and corresponding fare structure for the proposed service

## 12. Risks and uncertainties

**What if very few people use the trial service?**

Whilst no demand modelling has informed this investigation, community support is high and travel patterns suggest a latent demand. If a trial was implemented and use was low, Council could decide to withdrawal the trial. Alternative options could be considered for supporting Balclutha to Dunedin travel, such as supporting fare reductions on InterCity services or providing financial support to a community transport provider through a wider community transport programme.

**What if too many people want to use the service?**

Given the long distances of travel, if demand was very high there is a risk of running out of seats on high-demand days. This may be exacerbated on weekends when SuperGold card holders are eligible for free travel.

High patronage would however mean that the service would cover a notable share of its costs, potentially making it affordable for ORC to add additional trips. Under these circumstances staff would prepare the economics of adding trips to meet the high demand for the service, and present to Council for consideration.

With high demand there is also a risk that the bus may be full for the return journey, leaving passengers stranded in Dunedin. This risk could be mitigated by introducing prepaid return fares and the driver not overselling the return trip.

**What if the InterCity service is affected?**

The proposed service timetable has been designed to run at different times to the existing InterCity services. If the proposed service timetable were expanded, it could potentially compete with InterCity trips for passengers, significantly reducing the demand for Balclutha to Dunedin travel on InterCity. This could have a negative impact on Otago users of InterCity who benefit from connections south of Balclutha. Therefore, any further expansion of service from this level would require careful consideration and consultation with InterCity.

**How might the existing airport shuttle services be affected?**

The proposed service timetable is infrequent and rigid compared to the existing airport shuttle services which operate around flight schedules and provide door-to-door service. It is designed to offer an alternative, lower cost transport option for those who have the flexibility to travel at the scheduled times. Therefore, the proposed low frequency service is not expected to compete with the existing shuttle service operations, rather it will complement them and provide greater choice. If any future airport service is proposed, it would require careful consideration and consultation with the private transport providers.

**What if the bus is running late and at risk of missing a flight connection?**

While the bus service would be on a fixed schedule, delays may result in expected connections to flights being missed. Under such circumstances ORC is not responsible for missed flight connections. Communications material for the service would be designed and promoted in a way to ensure passengers were aware that ORC holds no obligation for ensuring passengers connect to their flight. This follows other NZ standard practice, wherein public transport authorities and operators rely on published timetables, real-time service information and passenger contingency planning, with users expected to allow sufficient travel time to account for potential traffic and service disruptions.

**What if the proposed service doesn't get co-funding from NZTA?**

To be eligible for NZTA co-funding the proposed service would need to be included in the draft improvement programme for inclusion in both the Regional Land Transport Plan and the National

Land Transport Programme. However, the likelihood of funding is dependent on what the Government Policy Statement on land transport 2027 (GPS) sets out as the government's investment priorities. The draft GPS 2027 is expected to be released for consultation in early 2027.

If the GPS 2027 does not indicate that a project like the proposed service would be a priority, or the activity class is oversubscribed, NZTA co-funding may not be available. Council will then need to consider whether it would support the implementation of the proposed service being fully rates-funded, or delay until co-funding is available (later in the three-year funding cycle or in the following funding cycle).

**What if the proposed service threatens the continuation of Ministry of Education school bus services?**

Coordination with the Ministry of Education will be critical in ensuring students continue to be provided suitable bus transport as public transport is introduced. ORC will seek to work with the Ministry through any potential changes in students' eligibility for Ministry-provided bus service that may arise.

## 13. Conclusion

This technical note outlines the strategic context for investing in public transport between Balclutha and Dunedin and proposes some service design options. The preferred option is three return trips per day (seven days per week). This basic all-day service would serve Balclutha to Dunedin commuter trips as well as other trips through the day. It would also provide some public transport access to Dunedin airport. The proposed service is a similar level of service to the current Palmerston to Dunedin service.

The proposed Balclutha to Dunedin service would be implemented as a trial following decisions by Council and NZTA on a suitable funding pathway. At the conclusion of the trial an evaluation of the service would be completed and a decision made as to the viability of its future inclusion into the Public Transport Continuous Programme.

The next steps for this project are dependent on Council's decisions and outcomes from the 2027-2037 LTP process.

## 11.4. Annual Compliance Report 2025-2026

| | |
|---|---|
| **Prepared for:** | Council |
| **Report No.** | ENV2613 |
| **Activity:** | Compliance |
| **Author:** | Simon Wilson (Manager Compliance), Byron Pretorius (Principal Compliance Specialist Compliance) |
| **Endorsed by:** | Joanna Gilroy (General Manager Environmental Delivery) |
| **Date:** | 28 October 2026 |
| **Portfolio Leads:** | Cr Noone and Cr Byars, Environmental Delivery |

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### PURPOSE

[1] This report provides the Council with the *ORC Annual Compliance Monitoring Report* for the 2025/26 financial year.

### EXECUTIVE SUMMARY

[2] An *ORC Annual Operational Compliance Monitoring Report 2025/26FY* has been prepared that provides an overview of the compliance monitoring and enforcement (CME) activities undertaken by Council in the 2025/26 year. This report shows the compliance monitoring work undertaken and reflects the overall high levels of compliance by the Otago community. This report also provides a five-year performance overview that confirms the performance of the CME function against six key performance indicators over a five-year period.

### RECOMMENDATION

*That the Council:*

1) ***Approves*** *the ORC Annual Compliance Monitoring Report 2025/26FY*
2) ***Delegates*** *to the Chief Executive, the power to approve minor editorial changes to the Annual Compliance Monitoring Report 2025/26FY subsequent to this meeting to correct any errors or readability.*

### BACKGROUND

[3] The ORC Compliance Plan 2023-2026 was originally developed in 2020 and was reviewed in 2022 and 2026. The Plans are set by Council and inform the Compliance Team's work in accordance with our obligations under the Resource Management Act 1991.

[4] This annual report covers compliance work done under the 2023-2026 plan in the 2025/2026 financial year.

[5] The *ORC Compliance Plan 2023-2026* supports a responsive and risk-based approach to the allocation of resources for proactive compliance monitoring as well as reactive

response to environmental incidents. It identifies 6 priorities for compliance monitoring activities focussed on issues with the highest environmental impacts. The priorities are:

a) Priority 1 - Reduce non-compliant discharges for improved freshwater quality
b) Priority 2 -Proactive and integrated approach to monitoring large-scale activities
c) Priority 3 -Monitor water takes and use to protect water quantity
d) Priority 4 -Monitor structures and works in and adjacent to freshwater
e) Priority 5 -Reduce non-compliant air discharges to improve air quality
f) Priority 6 -Monitor coastal structures and oil spill preparedness

[6] As part of implementing the *ORC Compliance Plan 2023-2026*, annual targets are approved by Council. These targets are required under the long term plan and are reported on as part of Annual Plan reporting. The attached report takes the numbers reported as part of Annual Plan reporting and provides a more detailed breakdown of the Council's CME activities.

[7] The targets for the 2025/26 financial year were:

Operational Compliance Audit and Performance Monitoring Schedule 2025/26FY

| | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Planned performance monitoring assessed** | 700 | 700 | 700 | 700 | 700 | 500 | 500 | 550 | 550 | 550 | 550 | 550 | **7.250** |
| **Audits/inspections** | 70 | 70 | 115 | 125 | 125 | 105 | 105 | 115 | 115 | 100 | 100 | 80 | **1,225** |
| **Total consents planned for monitoring*** | | | | | | | | | | | | | **3.000** |
| **Type of audits/inspections by priority as identified in the *Compliance Plan 2023–2026*** | | | | | | | | | | | | | |
| **Priority 1:** Permitted activity dairy programme, farming, intensive winter grazing, forestry, in-stream works and earthworks | 3 | 15 | 25 | 20 | 55 | 65 | 66 | 65 | 55 | 15 | 15 | 15 | **446** |
| **Priority 2:** District council consents (including landfills but excluding in-stream works), large-scale activities, industrial activities, communal drinking water supplies, septic tank discharges, contaminated land, power generation and quarrying | 30 | 50 | 85 | 30 | 25 | 10 | 10 | 10 | 18 | 75 | 80 | 60 | **483** |
| **Priority 3:** Water takes, water schemes and bores | 0 | 0 | 0 | 65 | 35 | 20 | 19 | 40 | 42 | 5 | 0 | 0 | **226** |
| **Priority 4:** Structures within waterways, water and dam discharges, water diversion, wetlands and gravel extraction | 0 | 0 | 5 | 5 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | **25** |
| **Priority 5:** Industrial air discharges, domestic burning and herbicide and pesticide application | 5 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 5 | 5 | **25** |
| **Priority 6:** Coastal activities and structures | 0 | 0 | 0 | 5 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 0 | **20** |

*Note: Total consents planned for monitoring (including grading of information, audits and inspections) in 2025/26 was 3,000.

## DISCUSSION

[8] The *ORC Annual Compliance Monitoring Report 2025/26FY* has been prepared and is included as Attachment 1. The Annual Report provides a detailed discussion of ORC's CME activities and actions during the 2025/26 financial year and shows delivery against the approved *ORC Compliance Plan 2023-2026.*

[9] The Annual Report seeks to ensure the transparency of ORC's CME activities and accountability to the community for our regulatory work in Otago. This aligns with Councillor Priority Action EAD05 "Audit and Risk to complete a deep dive into consenting, and compliance condition activities to ensure they are operating fairly,

transparently, at an appropriate cost, efficiently and in a timely fashion. This would include setting conditions, monitoring and enforcement of above."

[10] Some of the CME highlights in the 2025/26 financial year included:

a) 1,477 on-site consent and permitted activity audits and inspections were completed (increase from 1,267 in 2024/25).
b) 7,924 performance monitoring returns assessed and graded (decrease from 8,794 in 2024/25).
c) 1,256 pollution calls were responded to and triaged (decrease from 1,407 in 2024/25).
d) 933 individual incidents were created and investigated (decrease from 1,042 in 2024/25)
e) 93 formal enforcement actions were taken (decrease from 125 in 2024/25).
f) 5 prosecutions were in progress and no prosecutions were concluded.

[11] The report reflects a significant and varied work programme designed to target the areas of highest risk within Otago. ORC Compliance staff undertake work which is often technical in conditions which can be challenging. The report also shows that overall Compliance across Otago is high with good engagement from the sectors.

## OPTIONS

### Option one – Council Approves the ORC Annual Compliance Monitoring Report (recommended)

[12] The positives of this approach are:

a) This report provides both the Council and community with a clear outline of the work undertaken by Council in the RMA Compliance space. It provides a clear picture of the overall compliance of consent holders within Otago.

b) This report keeps CME reporting in line with previous years and best practice around the country.

[13] There are no identified risks of approving the report.

### Option two Council Does Not Approve the ORC Annual Compliance Monitoring Report

[14] Council could choose not to approve the report. This would have limited operational impact as the CME work has already been completed. The report could be adjusted as required before being released.

[15] There are no clear benefits of this approach.

## SUMMARY OF CONSIDERATIONS

### Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

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.

Otago has a healthy environment ki uta ki tai (from mountains to the sea), including thriving ecosystems and communities, as well as flourishing biodiversity.

**Alignment with Central Government Legislation**
This work is consistent with Central Government Legislation, in particular the RMA

**Alignment with Otago Regional Council Internal Policy**
This work is consistent with relevant ORC policies, in particular the ORC Compliance and Enforcement Policy,

**Financial Considerations**
The budget for this work was approved through the 2024-2034 Long-Term Plan and comes from the Regional Leadership activity budget.

**Legal Compliance/Risk**
There is insignificant/minor risk that discussions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

**Reputational Risk**
There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust

**Climate Resilience**
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

**Carbon Emissions**
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

**He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy**
This work is of LOW significance as assessed against He Mahi Rau Rika.

**Engagement with Mana Whenua**
Mana Whenua have not been engaged specifically on this report.

**Stakeholder Engagement**
There has been no engagement with external stakeholders and/or the public specifically for this report. Regular meetings and engagement occurs with stakeholders and the public across the year as part of the broader work programme.

**Communications**
The report will be made public via the ORC website.

## NEXT STEPS

[16] If approved the report will be published on the ORC website.

[17] Compliance work will continue in the 2026/27 financial year.

## ATTACHMENTS

1. ORC Annual Compliance Monitoring Report 2025-26FY [**11.4.1** - 72 pages]

# ORC Annual Compliance Monitoring Report 2025/26FY

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# Introduction

Otago Regional Council (ORC) carries out Compliance, Monitoring and Enforcement (CME) functions in relation to its responsibilities under section 30 Resource Management Act (1991), that relate to soil conservation, water quantity and quality, air quality, the coastal marine area, land use to avoid natural hazards, and monitoring and investigating contaminated land. CME activities set clear expectations for the regulated community and are necessary to achieve desired behaviour change to safeguard our environment for the future.

Critical CME activities include, but are not limited to:

(1) compliance monitoring involving the receipt and assessment of performance monitoring data and requirements of consent holders under consent conditions.
(2) site audits and inspections of resource consents and permitted activities, like dairy-related permitted activities and National Environmental Standards for Commercial Forestry (NES-CF) forestry notifications, in line with the ORC Compliance Plan 2023-2026 and Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY.
(3) the response to complaints and notifications of pollution or potential permitted activity rule breaches through pollution hotline.
(4) the undertaking of enforcement action in line with the ORC RMA Compliance and Enforcement Policy 2021 and ORC Formal Warning Policy 2022.

This ORC Annual Operational Compliance Monitoring Report 2025/26FY provides an overview of the CME activities carried out over the 2025/26 financial year. This report also confirms the delivery and performance against the targets approved within ORC Compliance Plan 2023-2026 and Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY, that had set out the planned targets for performance monitoring assessment and on-site auditing by the Compliance team throughout the 2025/26 financial year. Furthermore, this annual report also includes a five-year overview that confirms the performance of the CME function over an extended period in six key areas. This report does not compare ORC's performance against that of other Councils. This is done nationally as part of the annual CME Metrics Report.

## Approach to compliance monitoring

A compliance approach, aligned with the RMA and is based on '4E model' of Engage, Educate, Enable and Enforce is used for compliance monitoring at ORC.

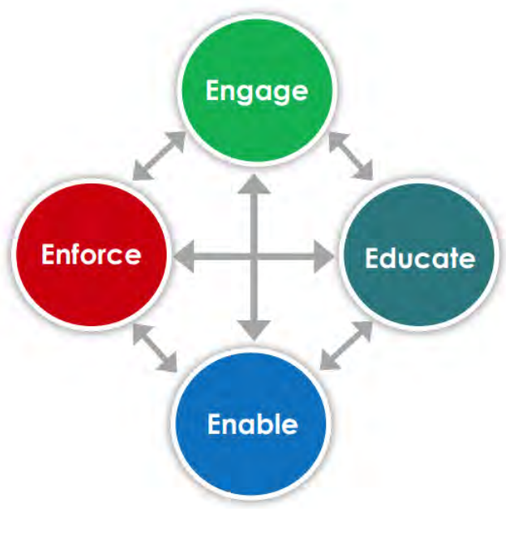



***Figure 1: '4E model' of Engage, Educate, Enable and Enforce***

**Each of the '4E model' components are explained as:**

**Enable** – provide opportunities for regulated parties to be exposed to industry best practice and regulatory requirements. Link regulated parties with appropriate industry advisors and promote examples of best practice.

**Engage** – consult with regulated parties, stakeholders and community on matters that may affect them. This will require maintaining relationships and communicating until final outcomes have been reached. This will facilitate greater understanding of challenges and constraints, engender support, and identify opportunities to work with others.

**Educate** – educate regulated parties about what is required to be compliant, and that the onus lies with them to maintain their compliance. Educate the community and stakeholders about what regulations are in place around them, so they will better understand what is compliant and what is not.

**Enforce** – when breaches of regulation, or non-compliance, are identified, a range of enforcement tools are available to bring about positive behaviour change. Enforcement outcomes should be proportional to the circumstances of the breach, and culpability of the party

The CME function in 2025/2026 FY continued to align its compliance approach with the ORC RMA Compliance and Enforcement Policy 2021 and ORC Compliance Plan 2023-2026. For consistency with the Regional Sector Strategic Compliance Framework, the Compliance and Investigations Teams couple the strategic 'spectrum' approach with the '4E model' to encourage positive behaviour change to ensure the highest levels of compliance possible.

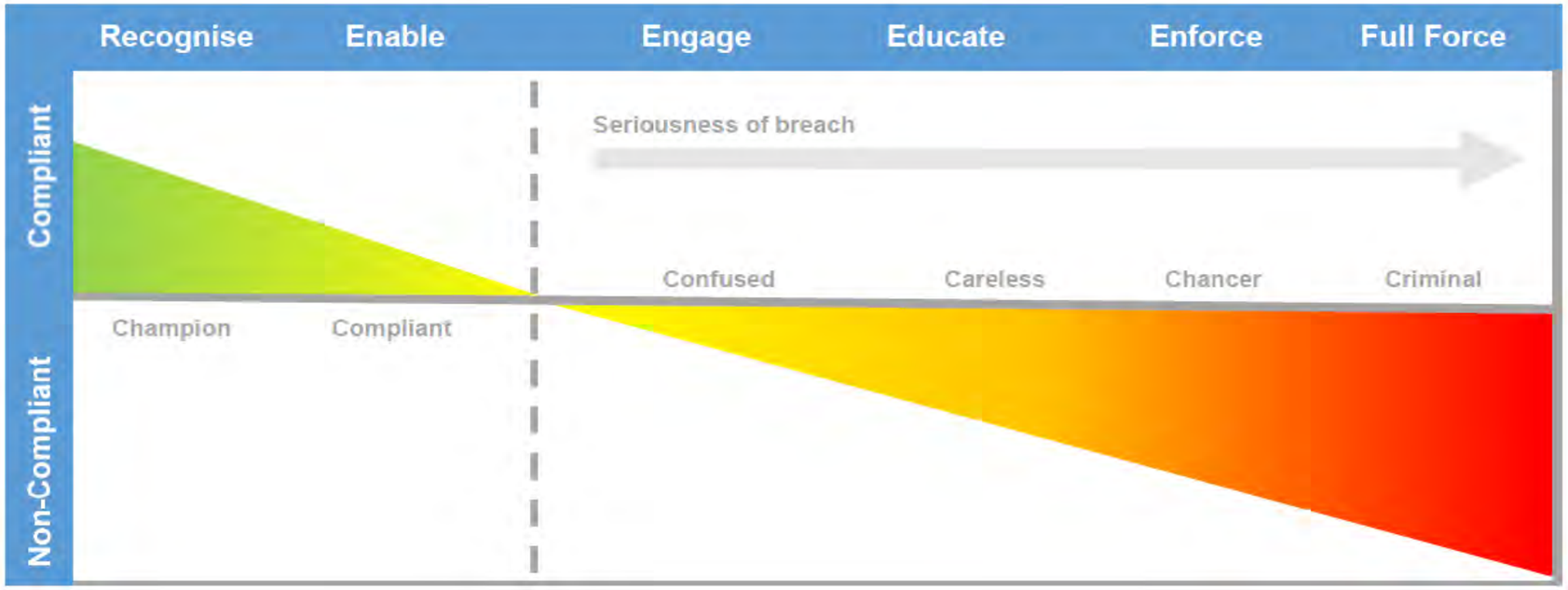



***Figure 2: Strategic 'spectrum' compliance approach under the RMA.***

ORC uses a compliance grading system based on the Ministry for Environment 'Best Practice Guidelines for Compliance, Monitoring and Enforcement under the Resource Management Act 1991'. This grading system is used consistently in all instances where monitoring of compliance is required by the CME function in order to assess and grade for compliance.

| | COMPLIANCE GRADE |
|---|---|
| 1 | **FULL COMPLIANCE** with all relevant consent conditions, plan rules, regulations and national environmental standards. |
| 2 | **LOW RISK NON-COMPLIANCE** Compliance with most of the relevant consent conditions, plan rules, regulations and national environmental standards. Non-compliance carries a low risk of adverse environmental effects or is technical in nature (e.g. failure to submit a monthly report). |
| 3 | **MODERATE RISK NON-COMPLIANCE** Non-compliance with some of the relevant consent conditions, plan rules, regulations and national environmental standards, where there are some environmental consequences and/or there is a moderate risk of adverse environmental effects. |
| 4 | **SIGNIFICANT RISK NON-COMPLIANCE** Non-compliance with many of the relevant consent conditions, plan rules, regulations and national environmental standards, where there are significant environmental consequences and/or there is a high-risk of adverse environmental effects. |
| 5 | **CONSENT NOT YET EXERCISED** The consent and relevant consent conditions had been confirmed to not yet be exercised or given effect to. |

***Figure 3: ORC's compliance audit grading system based on the Ministry for Environment 'Best Practice Guidelines for Compliance.***

ORC use a range of Compliance and Enforcement tools to respond to non-compliance:

- Letters - Used where a minor breach has been reported and/or to educate on the relevant consent conditions, rules and regulations that apply

- Formal Warnings - Used when the risk to the environment or people from a breach is low and to work proactively to improve compliance to avoid repeat incidents.

- Infringement Notices - Used when non-compliance with a consent condition or with rules requires a more formal approach and where a fee is required to be paid.

- Abatement Notices - Used when non-compliance with a consent condition or rules requires works to cease and/or where remediation is required.

- Enforcement Orders - Used for higher level offending, made by the Environment Court, and requires activities to cease, actions to be taken and/or costs to be paid.

- Prosecution - For higher level offending, establishes the guilt or innocence of an accused party, and can include fines and/or imprisonment.

As of 12 August 2026, the teams within the CME function were comprised of a total of 39.7 full time equivalent (FTE) staff spread across our Compliance Support, Central and Coastal Compliance Monitoring, Investigations, Environmental Data and Systems and Analytics Teams.

During the 2025/26 financial year, the CME function continued to support and encourage compliance through proactive engagement with landowners, consent holders and the community on compliance matters and good practice. These approaches were centered around the first two ‘4 E’s model’ components of Enable and Engage in the first instance, before an education approach was typically taken in instances of initial low-level non-compliance.

The CME function also collaborated with external stakeholders and partners. Input from partners supported the review of the ORC Compliance Plan 2023-2026, which set the CME priorities in the Otago region for the 2025/26 financial year. During major incidents or comprehensive investigations, iwi partners are generally advised and engaged with. Iwi Māori provide expertise in Cultural Impact Assessments to assist the court with any cultural effects attributable to the offending in prosecution cases. This approach aligns with the high-level governance partnership agreement with Mana Whenua, being Mana-to-Mana.  The CME function also aligns with ORC’s governance structure and partnership agreement with iwi Māori that is called Te Rōpū Taiao.

Compliance monitoring priorities were established within the ORC Compliance Plan 2023-2026, enabling ORC’s CME teams to focus on the activities and known issues that had the highest potential associated environmental risks and effects. The six priorities outlined below applied to the 2025/26 financial year and directed the CME function’s targets, work planning, risk assessment and deliverables.

### Priority 1: Reduce non-compliant discharges to improve freshwater quality

Poorly managed discharges affect the quality of water in our lakes, rivers and the coastal environment. Additionally, the 2020 NPS and NES for freshwater and Stock Exclusion Regulations have recently introduced new rules and regulations, which require a proactive and education-based approach to supporting consent holders with compliance.

### Priority 2: Proactive and integrated approach to monitoring large-scale activities

For larger-scale activities, monitoring reports provided by consent holders are reviewed. In circumstances where consent conditions are not met, the compliance team takes proactive approach to working with consent holders to achieve compliance.

### Priority 3: Monitor water takes and use to protect water quantity

Maintaining river flows and lake and aquifer levels in Otago's waterbodies is critical for freshwater health and working proactively with consent holders to maintain flows protects freshwater values.

### Priority 4: Monitor structures and works in and adjacent to freshwater

Monitoring Otago's wetlands is an important regional priority. Poorly designed structures and works in and near freshwater can affect the habitats of freshwater species and hydrological function. Additionally, the 2020 NPS and NES for freshwater have introduced new monitoring requirements and new rules.

### Priority 5: Reduce non-compliant air discharges to improve air quality

Non-compliant domestic discharges from inefficient domestic burning during winter months can affect health. Non-compliant industrial and rural air discharges which do not have a consent or do not meet consent conditions can have localised impacts on air quality.

### Priority 6: Monitor coastal structures and oil spill preparedness

Monitoring activities and structures in the coastal marine area and ensuring we can respond to incidents affecting the coast.

***Figure 4: The six priorities established within the ORC Compliance Plan 2023-2026 that governs and directs the focus of the CME function.***

# Highlights

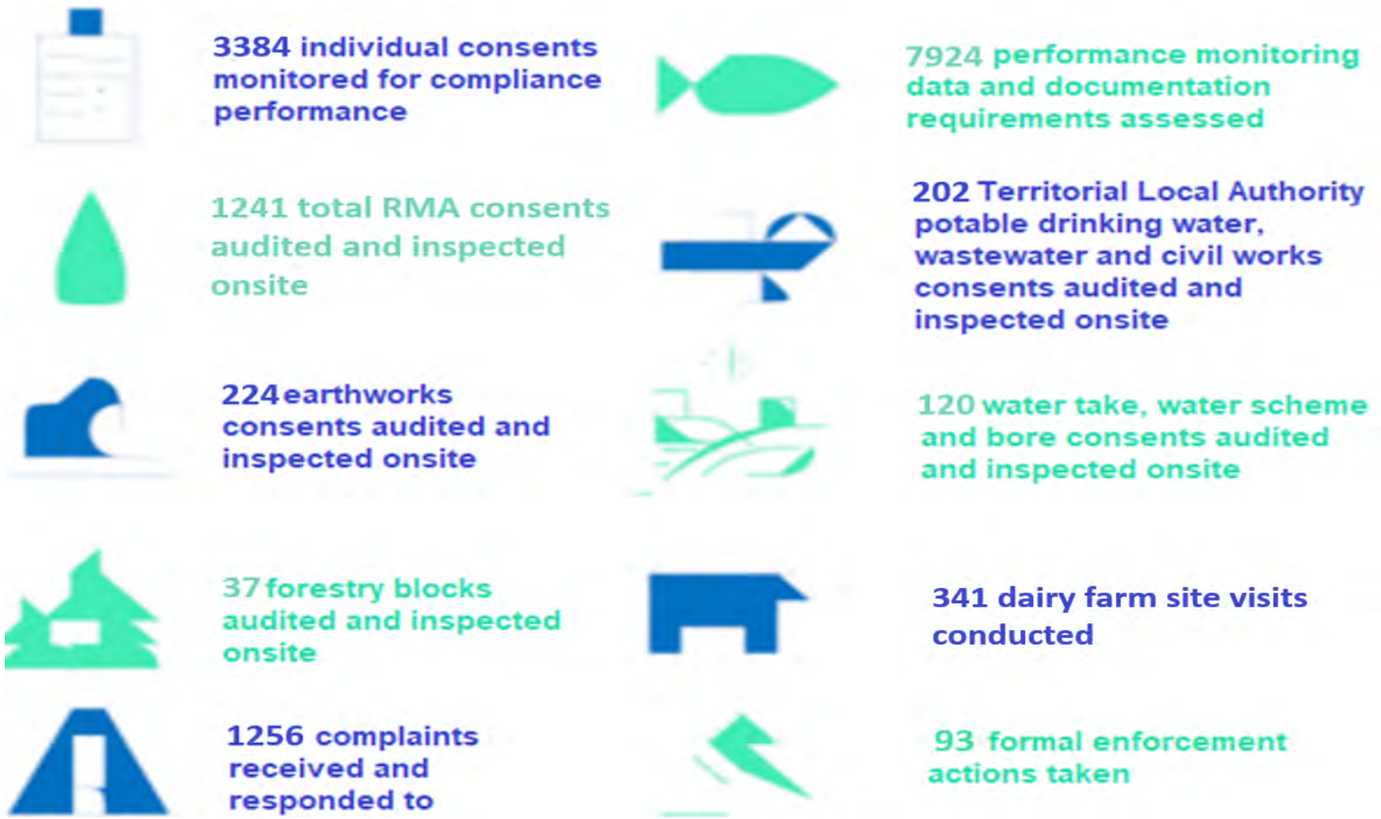



***Figure 5: Infographic providing the CME function's performance with numerous key performance indicators measured against the approved ORC Compliance Plan 2023-2026 and Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY.***

## Background

As of 14 August 2026, a total of 8,991 combined consents and permitted activities were within the ORC's regulatory database:

- 2,777 were assigned as Priority 1
- 2,190 were assigned as Priority 2
- 2,699 were assigned as Priority 3
- 634 were assigned as Priority 4
- 52 were assigned as Priority 5
- 639 were assigned as Priority 6

The Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY outlined the agreed targets across the CME function's responsibilities for the 2025/26 financial year. The targets of 7,250 planned performance monitoring assessments and 1,225 audits and inspections were established for the 2025/26 financial year.

Targets for audits and inspections numbers across each of the 6 priorities established for the 2025/26 financial year were:

- 446 audits and site inspections planned for Priority 1
- 483 audits and site inspections planned for Priority 2
- 226 audits and site inspections planned for Priority 3
- 25 audits and site inspections planned for Priority 4
- 25 audits and site inspections planned for Priority 5
- 20 audits and site inspections planned for Priority 6

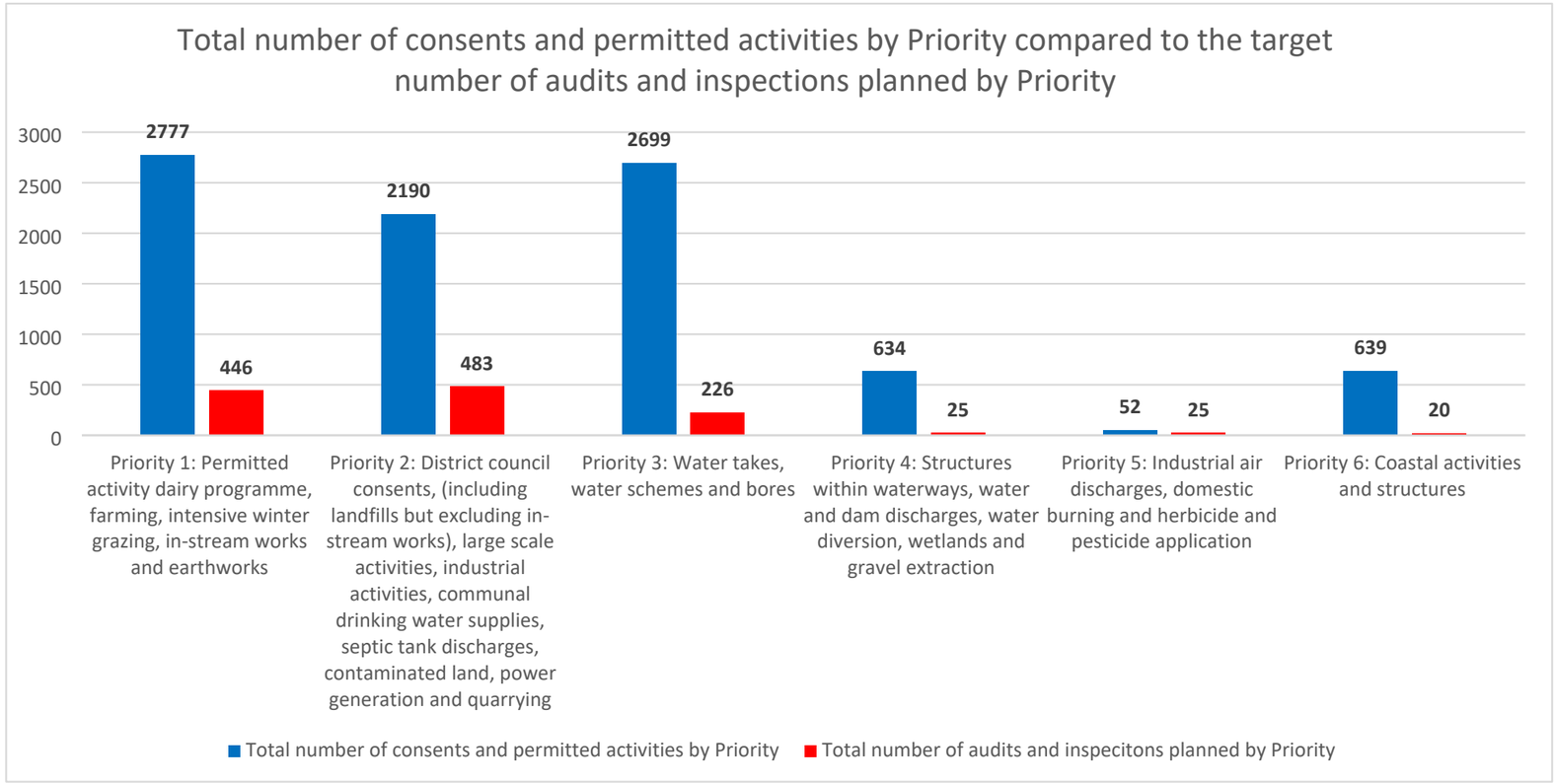



***Figure 6: Audit Targets by priority compared to the total number of consents and permitted activities within the ORC's regulatory database.***

When considering the 8,991 combined consents and permitted activities that were within the ORC's regulatory database, the largest portion of 1,505 consents were of the Discharge to Land Permit type that was comprised largely of earthworks land use discharges, septic tank discharges, contaminated land discharges, TLA wastewater discharges, dairy farm discharges, industrial wastewater discharges, intensive winter grazing discharges, landfill discharges and winery wastewater discharges.

1,456 consents were associated with bores throughout the region, signified by the Bore Construction Consent type. 1,349 of these bores were operated by private consent holders who largely used them for domestic, communal, stock water and irrigation purposes and to a lesser degree for dewatering or groundwater level monitoring. 54 bores were owned and exercised by industrial consent holders that used water largely for process and manufacturing requirements. 47 bores were owned by the five Territorial Local Authorities (TLAs) that used their bores largely to supply their communal drinking water networks with potable water.

1,446 consents were General/Structure Land Use. This consent type encompasses a wide variety of associated activities. Consented civil works activities such the disturbance of land or the construction, alteration and removal of structures within waterways such as culverts or crossings fall into this category. Other consented activities such as the construction of defences against water, the clearance of vegetation and accumulated sediment from waterways are also regarded as General/Structure Land Use Consents. Since 2021, 282 of the General/Structure Land Use Consents were granted to dairy farmers from the adoption of the dairy effluent and storage regional rules. These 282 consents were granted for the exercise of activities such as the construction, use and maintenance of animal effluent storage facilities, stockholding areas, calving pads, sludge beds and wintering barns.

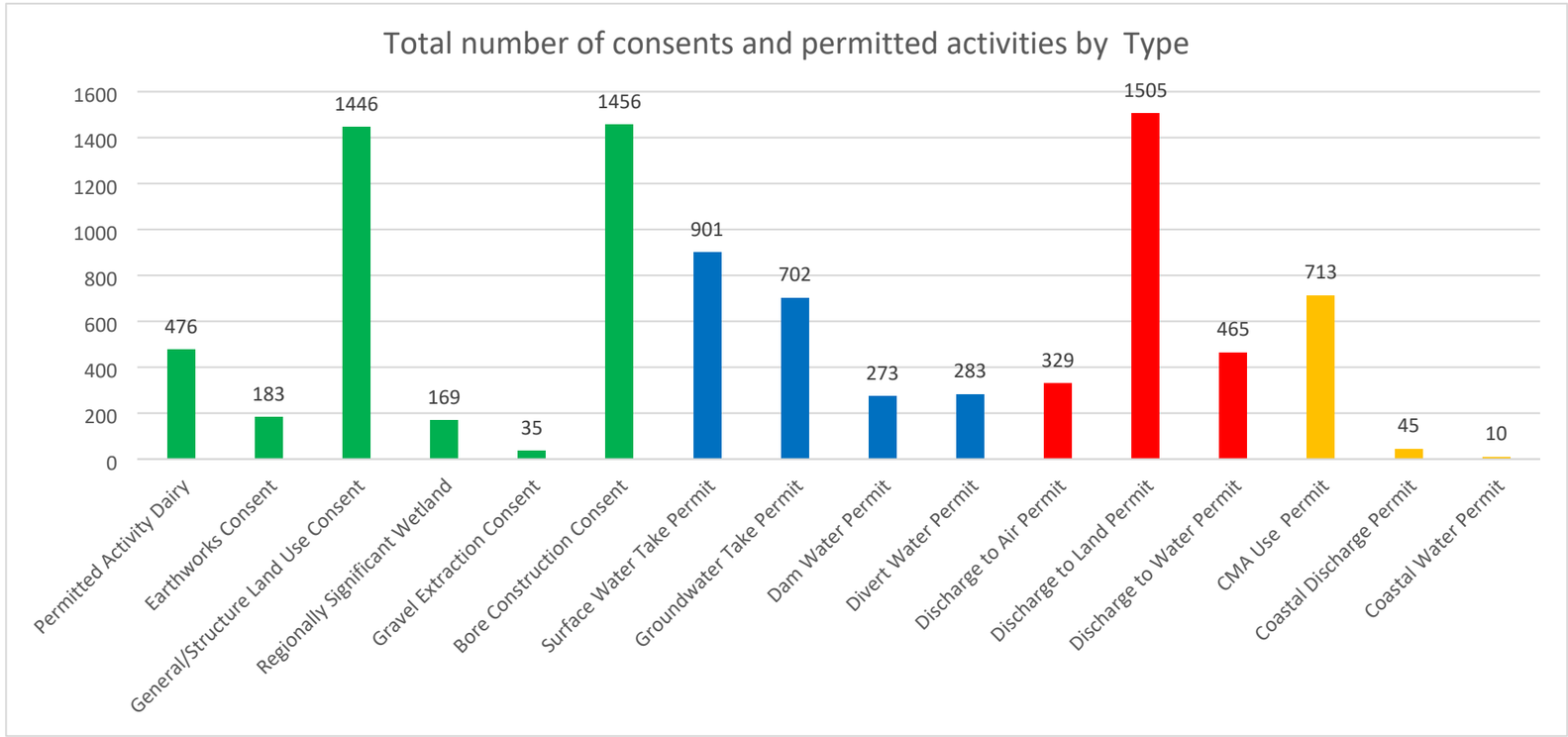



***Figure 7: The total number of consents and permitted activities that were within the ORC's regulatory database as of 14 August 2026 by Type.***

Each type has been ordered by colour to loosely indicate the section of the RMA 1991 the Type primarily relates to. The bar graph illustrates loosely that:

- 3,765 consents and permitted activities related to land-based activities as shown by the green-coloured bars.
- 2,159 consents related to activities related to water as shown by the blue-coloured bars.
- 2,299 consents related to activities related to discharges to the environment as shown by the red-coloured bars.
- 768 consents related to activities related to the coast as shown by the orange-coloured bars

## Compliance monitoring results

## Analysis of performance monitoring data and documentation under consent conditions

Most consent holders are required to provide ORC with performance monitoring returns as a requirement of their resource consents. Performance monitoring requirements are those specified in consent conditions and can include a variety of responsibilities such as the supply of discharge quality results, photographs of work, water meter returns, annual reports and management plans. Some consents require multiple submissions of performance monitoring per year in the case of monthly water quality results for example, while others may have no performance monitoring requirements at all.

During the 2025/26 financial year, 7,924 performance monitoring data and documentation requirements were received and assessed for compliance. After having planned to complete 7,250 performance monitoring assessments for the 2025/26 financial year, the 7,924 completed by the Compliance Support, Environmental Data, Coastal Compliance and Central Compliance Teams represents 109.3% of the targeted 7,250 planned performance monitoring assessments for the 2025/26 financial year.

| | July | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Planned performance monitoring assessed* | 700<br>882 | 700<br>717 | 700<br>829 | 700<br>717 | 700<br>713 | 500<br>566 | 500<br>548 | 550<br>442 | 550<br>584 | 550<br>529 | 550<br>710 | 550<br>687 | 7,250<br>7,924 |

***Figure 8: The number of assessed and graded monthly performance monitoring requirements completed by the CME function in 2025/26 financial year.***

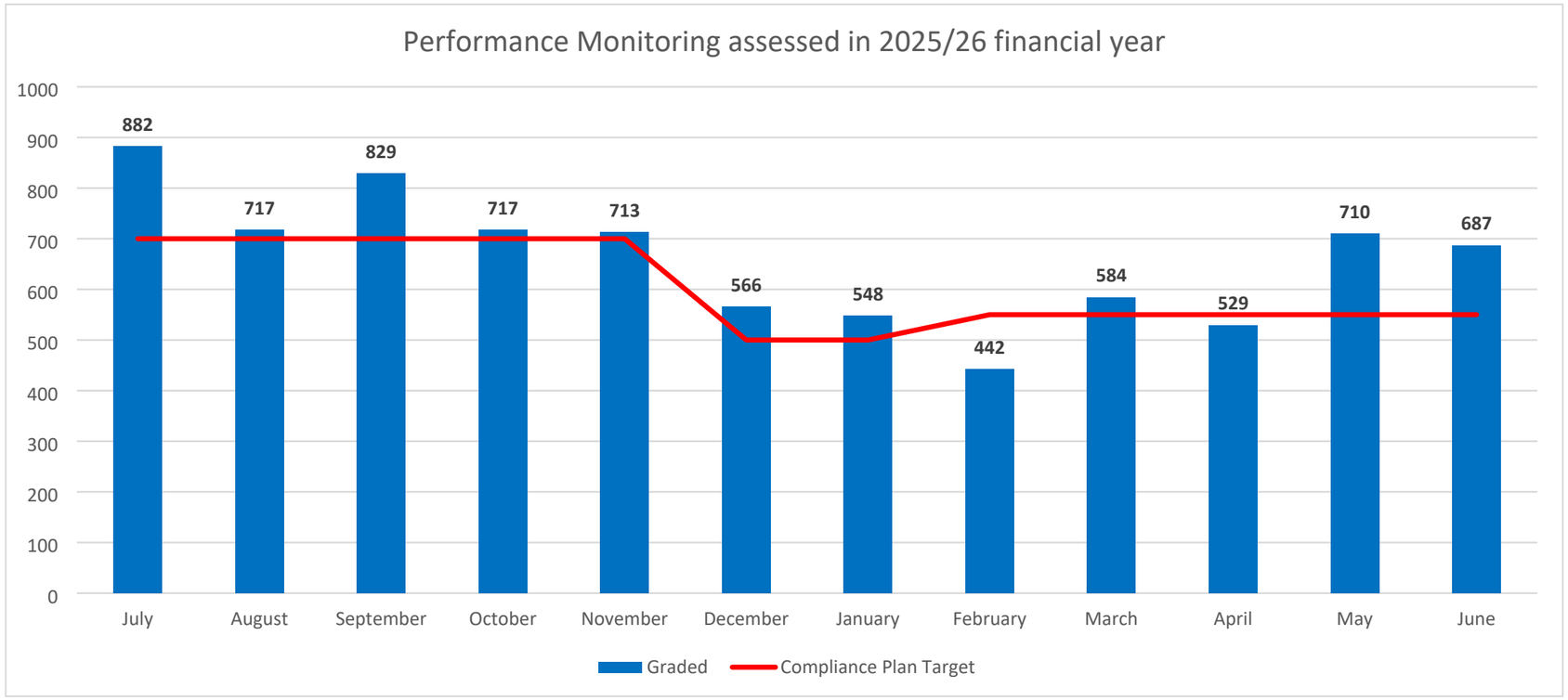



***Figure 9: Monthly number of performance monitoring assessments completed by the CME function in the 2025/26 financial year.***

The performance monitoring compliance gradings assessed during the 2025/26 financial year followed an expected distribution. Performance monitoring assessment results for the 2025/26 financial year showed that 87.4% were either in Full Compliance or Low Risk Non-Compliant due to issues that had no associated environmental effects. 3.2% were assessed as being Significantly Non-Compliant. All Significantly Non-Compliant performance monitoring assessments were followed up by staff, either appropriate action was taken in line with the ORC Compliance and Enforcement Policy 2021 or ORC Formal Warning Policy 2022, or investigations are still currently ongoing.

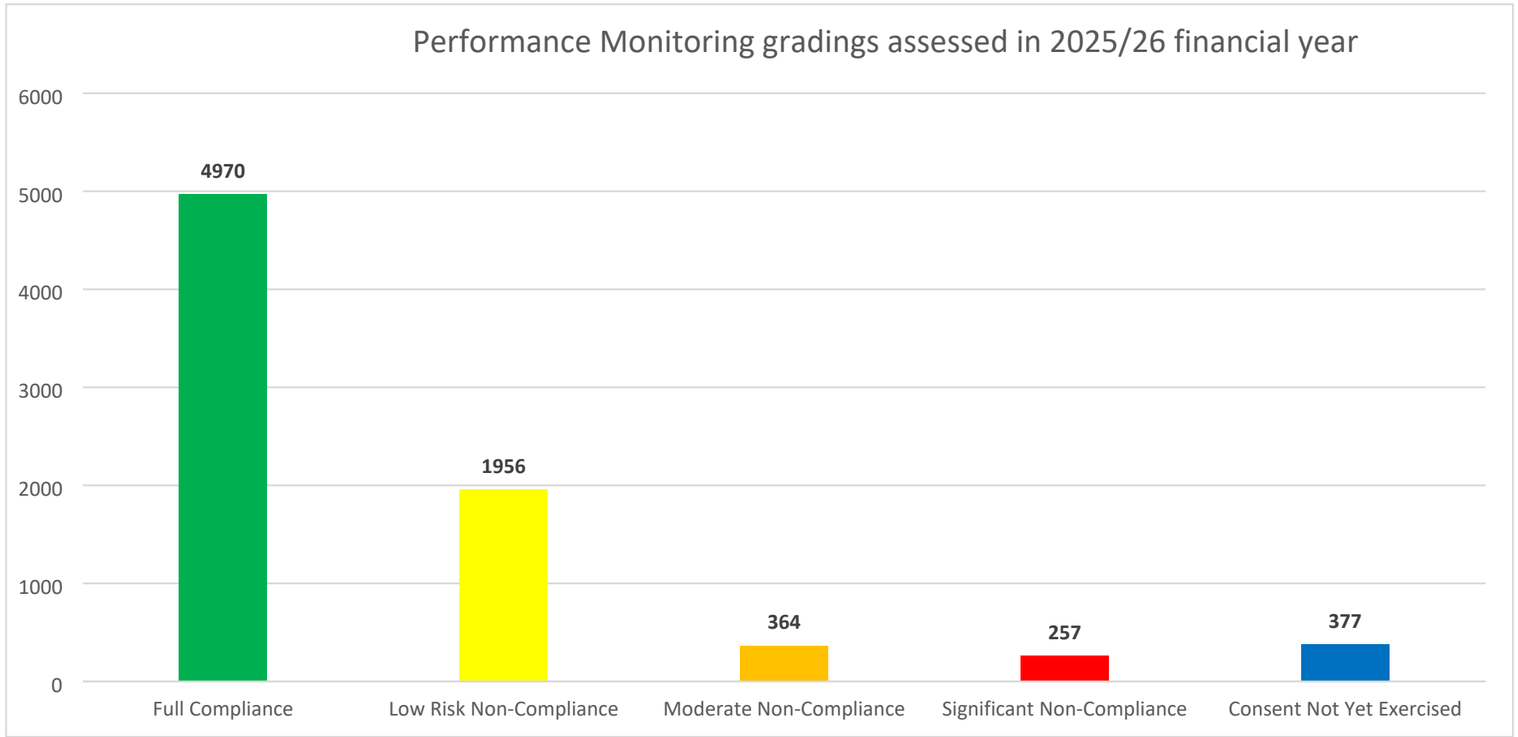



***Figure 10: Compliance results assessed for performance monitoring consent requirements during the 2025/26 financial year.***

During the 2025/26 financial year The Environmental Delivery Data and Systems Team worked closely with the Finance team to ensure all overdue audit and performance monitoring fees were investigated and followed up. The Team also started providing additional support to the Compliance Team with contaminated land management by assisting with the triaging of HAIL enquiries. Part of this work also involved updating the HAIL register and streamlining of HAIL processes and systems. Assessing and reporting upon the sampling from the Shotover Wastewater Treatment Plant was a significant piece of work for the Environmental Data Officers, and Compliance Support also worked closely with them on ensuring all performance monitoring was received quickly and accurately.

Continued communication and regular reminders provided to consent holders resulted in a marked reduction in the overdue performance monitoring backlog within ORC's regulatory database. 1,251 overdue performance monitoring requirements from previous financial years were followed up with and assessed during the 2025/26 financial year, reducing the number of overdue performance monitoring requirements from 3,101 to 1,850. The assessment and grading of the 1,251 overdue performance monitoring requirements represents 15.8% of the overall 7,924 performance monitoring assessments completed in the 2025/26 financial year.

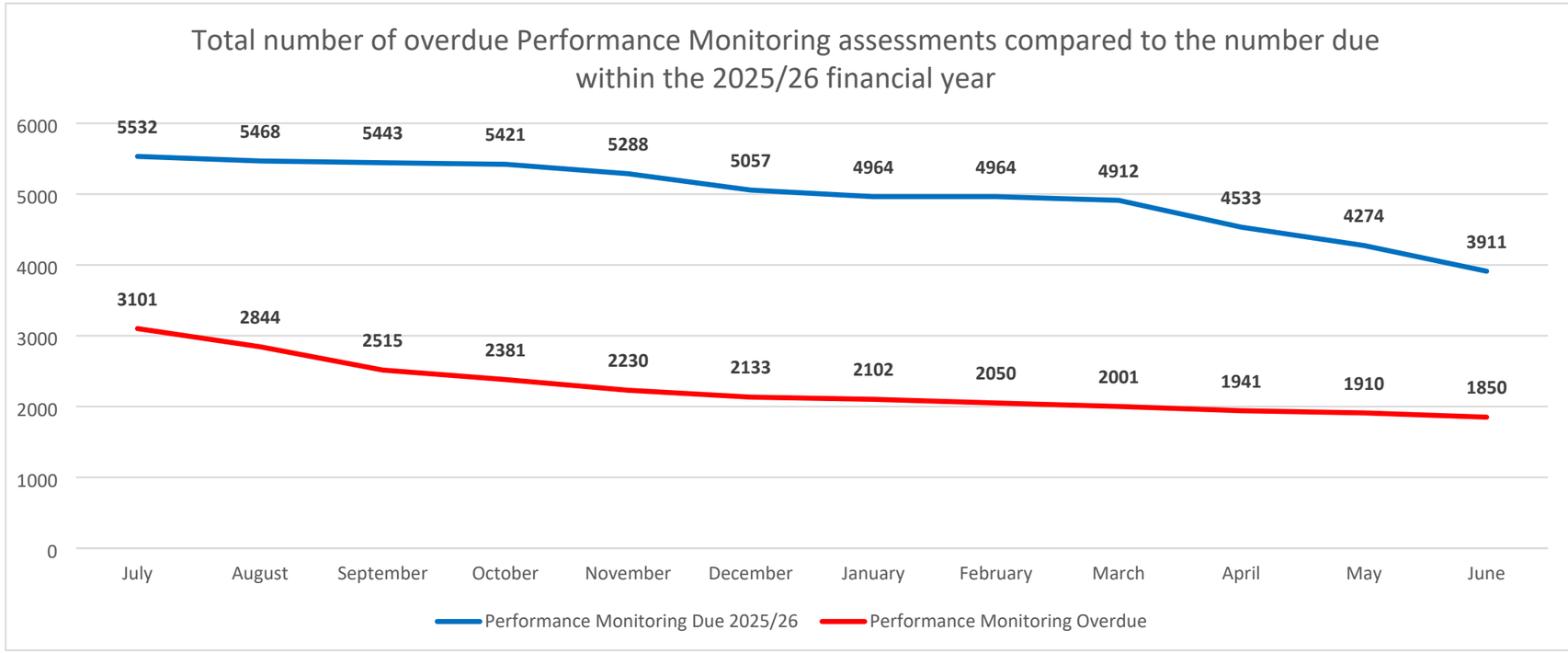



***Figure 11: Monthly number of performance monitoring assessments overdue compared to those that were due in the remainder of the 2025/26 financial year.***

During the 2025/26 financial year, the Environmental Delivery Data and Systems Team continued to play an important role within the CME function through the provision of timely, reliable, and accessible environmental data. Attention was given to supporting water management and monitoring projects during the drier summer months, including the monitoring of water use and compliance with minimum flow conditions. This year had a lower than normal number of low flows and compliance was good when they did occur. The team maintained an oversight of monitoring data from higher-risk activities, including large industrial sites and TLA-owned wastewater treatment plants, helping to ensure potential environmental risks were identified early and supported by robust information. Close collaboration with the Compliance Teams remained a key focus, alongside ongoing improvements to monitoring systems and processes that have enhanced the efficiency, consistency, and effectiveness of environmental reporting and decision-making.

The Environmental Delivery Data and Systems Team continued to provide data reviews to support consent audits and inspections, ensuring site audits were informed by reliable, up-to-date, quality-assured data. To date, 1,824 Aquarius dashboards and 6,831 charts have been created, improving visibility of consented data and enabling more efficient performance monitoring and auditing.

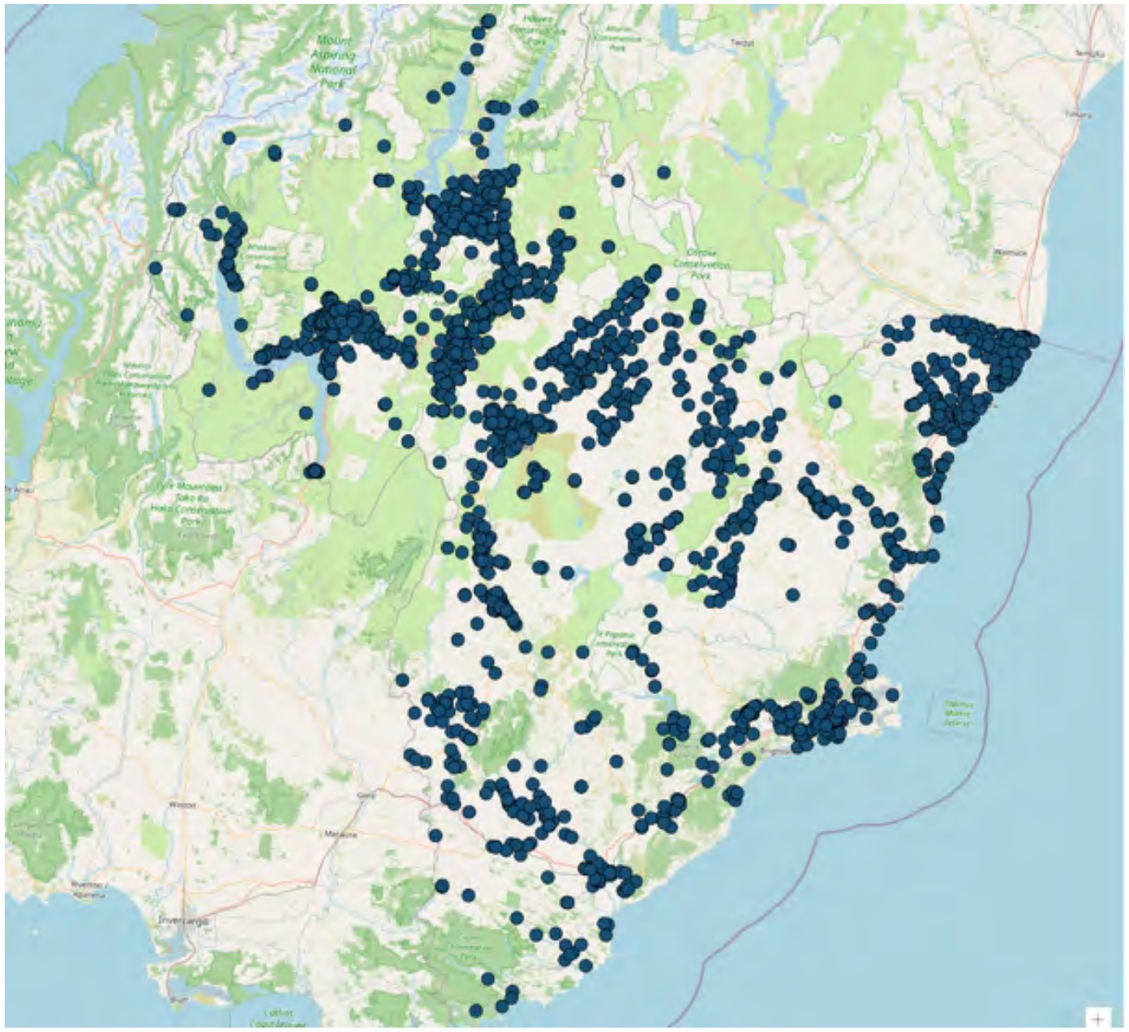



***Figure 12: Aquarius map view, illustrating the 2282 consent locations input that are associated with the 1,824 Aquarius dashboards.***

The Environmental Delivery Data and Systems Team also continued its commitment to improving transparency and public access to environmental information. Building on the publication of compliance monitoring data for the Shotover Wastewater Treatment Plant, both ORC and QLDC sampling results we made publicly available through online reporting tools. In addition, the team led the development of a public water abstraction monitoring tool for the Manuherikia Catchment, providing water users and the community with greater visibility of water use information and supporting more informed water management across the catchment.

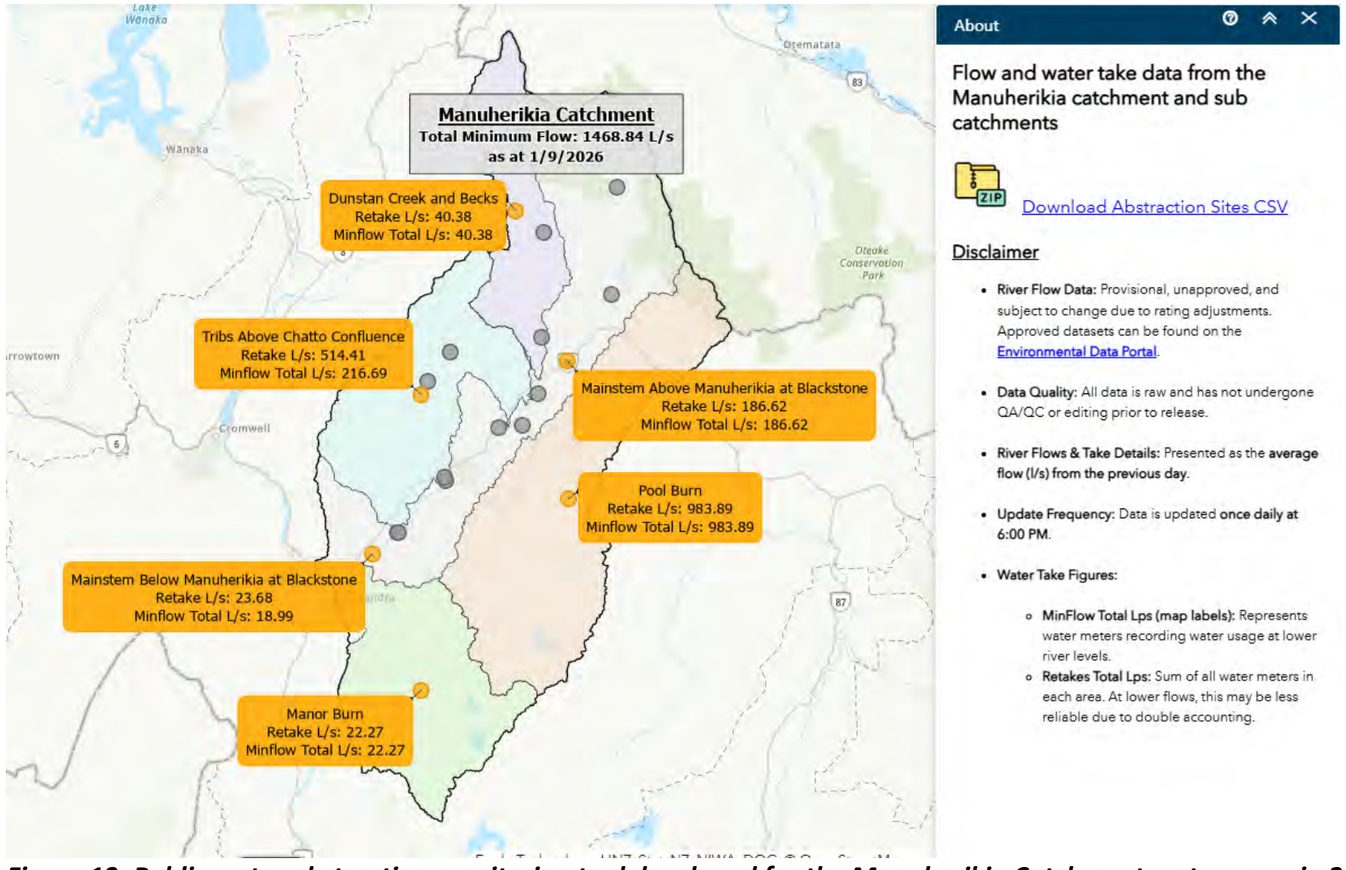



***Figure 13: Public water abstraction monitoring tool developed for the Manuherikia Catchment water users in 2025/26 financial year.***

## Site audits and inspections for resource consents and permitted activities

Common trends can be seen across the region that indicate the difference in the types of consented activities, that feed into the planned and completed site audits and inspections undertaken across the region by the Compliance Team.

The coastal districts of Waitaki, Clutha and Dunedin typically contain greater proportions of highly productive land, contributing to the completion of more Priority 1 site audits and inspections associated with farming and forestry activities. Most large-scale primary industrial consent holders such as abattoirs, milk processing factories and Port Otago Limited are also located within the coastal districts, contributing to an increased number of Priority 2 site audits and inspections completed on the Coast.

Queenstown and Wanaka had been two of the fastest growing towns in the nation during the 2025/26 financial year. The Priority 1 site audits and inspections completed in the Queenstown Lakes and Central Otago districts were typically dominated by earthworks monitoring, along with in-stream consented activities in other instances. Given that the Queenstown Lakes and Central Otago districts contain a large number of water schemes, water take and bore consents, the Central team members completed a larger number of Priority 3 site audits and inspections. The Central team members also completed a disproportionately large number of septic tanks and community-sized privately owned wastewater treatment plant audits and inspections under Priority 2.

Site audits and inspections of consents held by TLAs was also a key workstream. Site audits and inspections continued to be completed annually for wastewater treatment plants and once every second year at a minimum for water treatment plants. As a result, many of the Priority 2 site audits and inspections completed throughout the region were associated with TLA owned wastewater treatment plants and potable water treatment plants.

The CME teams continued to meet the targets set by Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY for the 2025/26 financial year. The effectiveness of work planning, training and the implementation of efficiency gains across the CME function led to 3,384 individual consents being monitored during the 2025/26 financial year, achieving 112.8% of the targeted 3,000 individual consents planned for monitoring. This monitoring may have included one or more examples of Performance Monitoring (desktop) and one or more site visits. So in some cases high risk or complicated consents and permitted activities will have been monitored multiple times across the year. Approximately 40% of the consents in Otago received some form of monitoring in 2025/26.

1,225 site audits and inspections were planned within the Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY. During the 2025/26 financial year, 1,477 total site audits and inspections were completed across both consented and permitted activities. The 2025/26 financial year saw a decrease in the number of completed permitted activity dairy and forestry inspections, with 199 on-site permitted activity dairy audits and 37 on-site permitted activity forestry audits completed respectively. The reduction in permitted activity dairy audits completed was associated with the transition of dairy farms into a consent based system. 1,241 on-site consent audits and inspections were completed, an increase compared to the 984 completed in the 2024/25 financial year. After having planned to complete 1,225 site audits and inspections, the total 1,477 site audits and inspections completed by the Coastal and Central Compliance Teams represents 120.6% of the targeted 1,225 planned site audits and inspections for the 2025/26 financial year.

| | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Audits/inspections* | 70<br>52 | 70<br>82 | 115<br>117 | 125<br>99 | 125<br>140 | 105<br>211 | 105<br>124 | 115<br>177 | 115<br>148 | 100<br>124 | 100<br>106 | 80<br>97 | 1,225<br>1,477 |

***Figure 14: The number of audits and inspections completed by the CME function in 2025/26 financial year.***

*Note: The total number of consents planned for monitoring (including grading of information, audits and inspections) in 2025/26 was 3,000. The CME function monitored and assessed a total of 3,384 consents during the 2025/26 financial year.

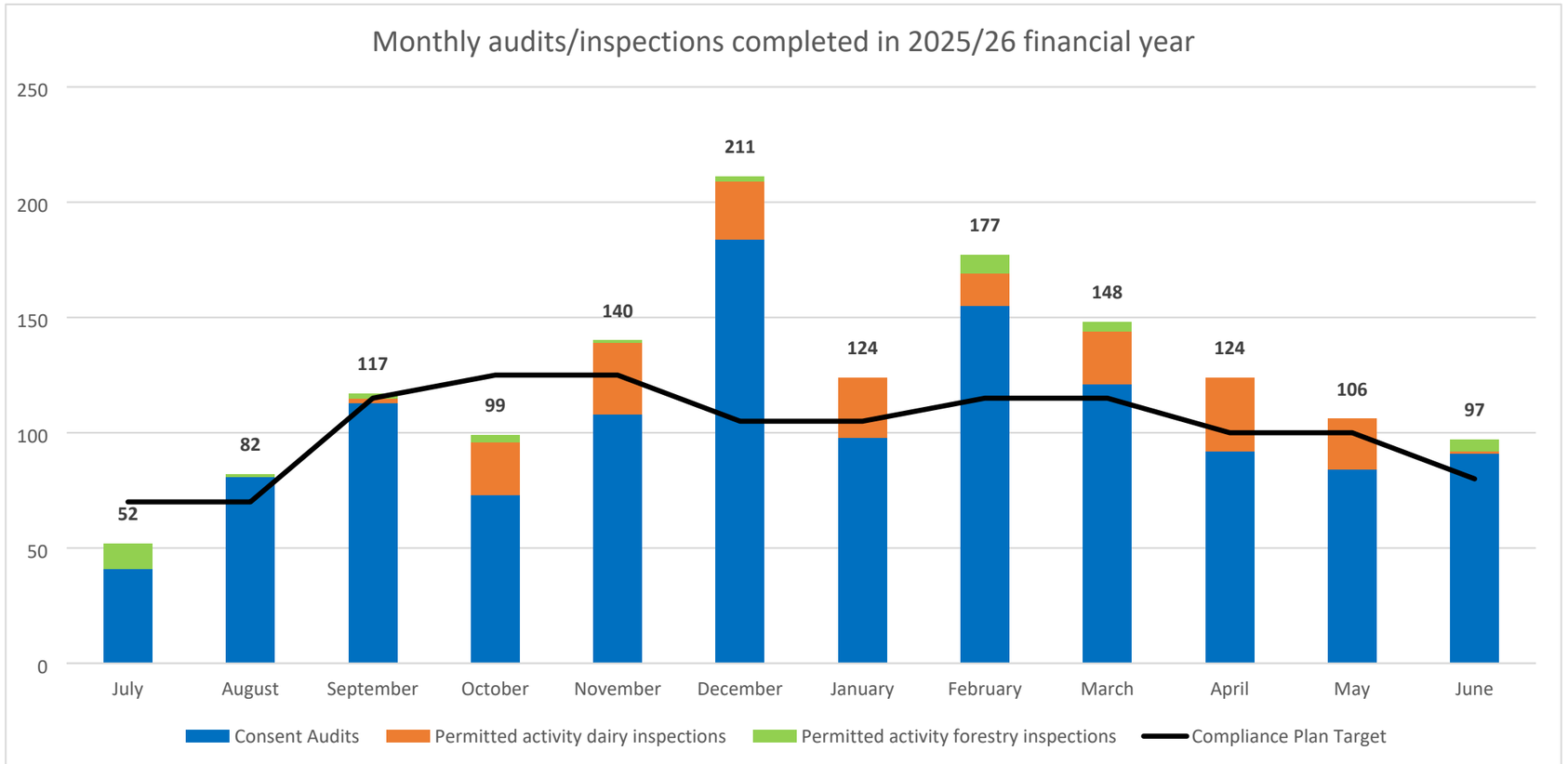



***Figure 15: Site audits and inspections completed for RMA consents and permitted activities by the Compliance Team each month during the 2025/26 financial year.***

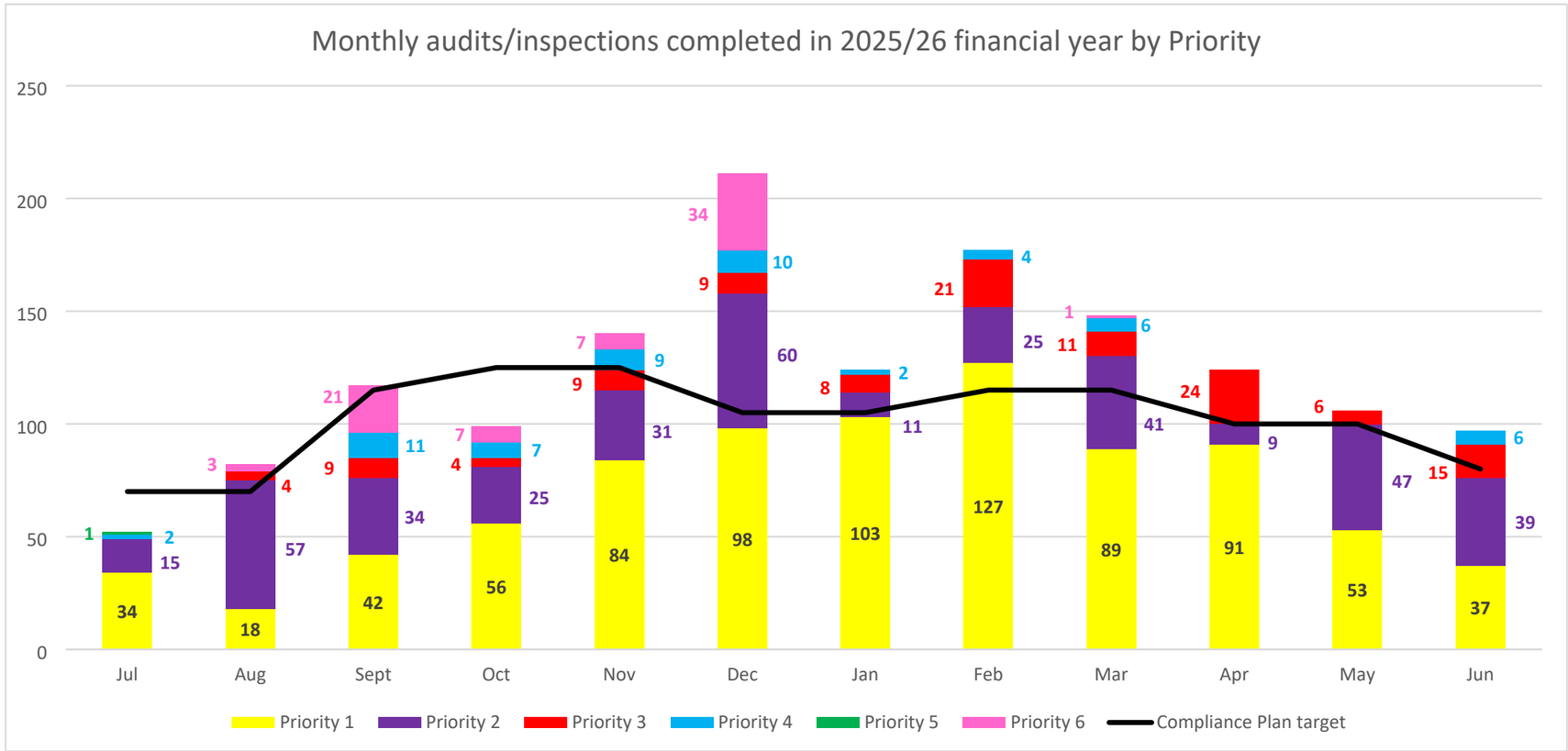



***Figure 16: Site audits and inspections completed for RMA consents and permitted activities by the Compliance Team each month during the 2025/26 financial year by Priority.***

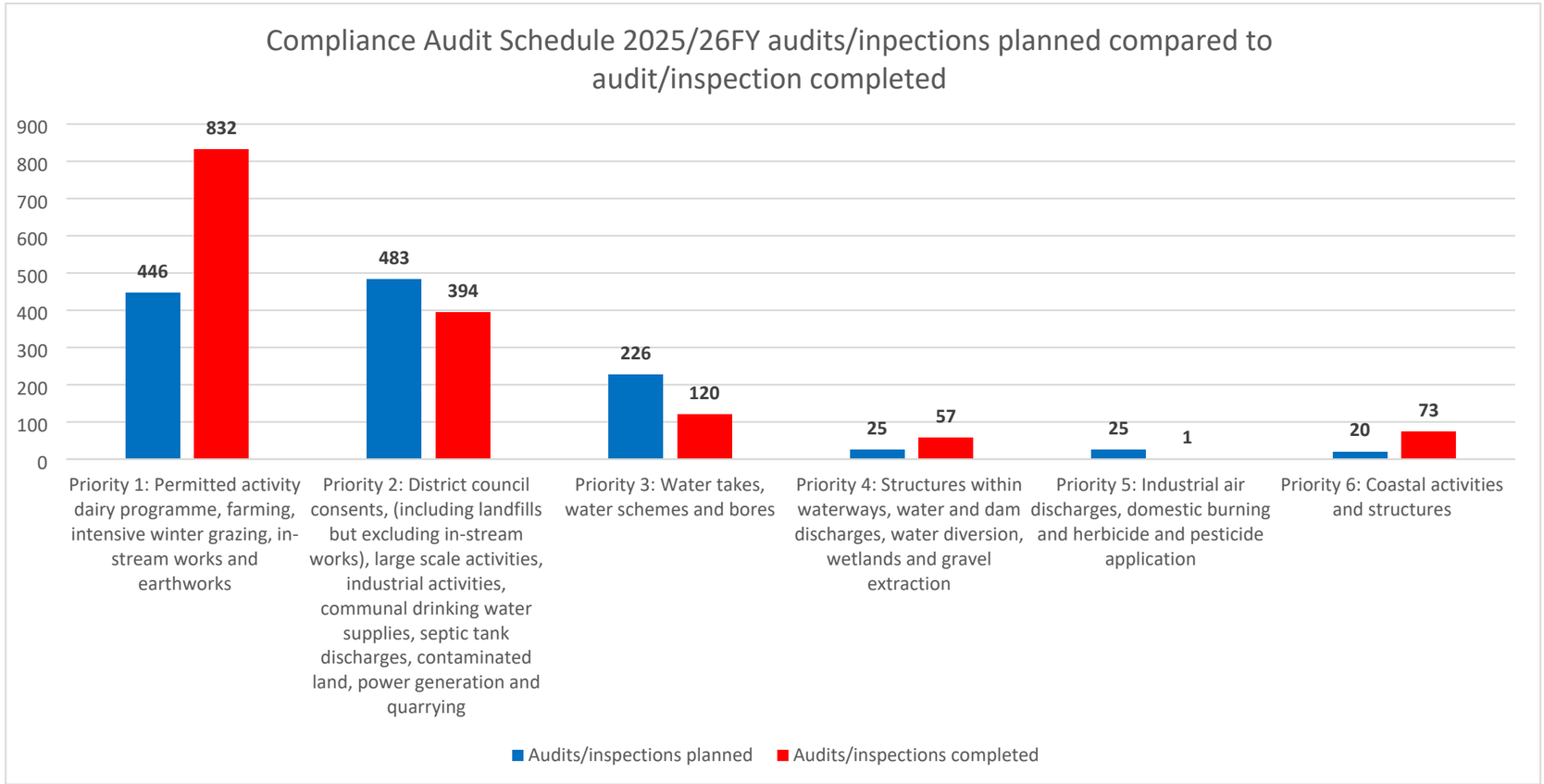
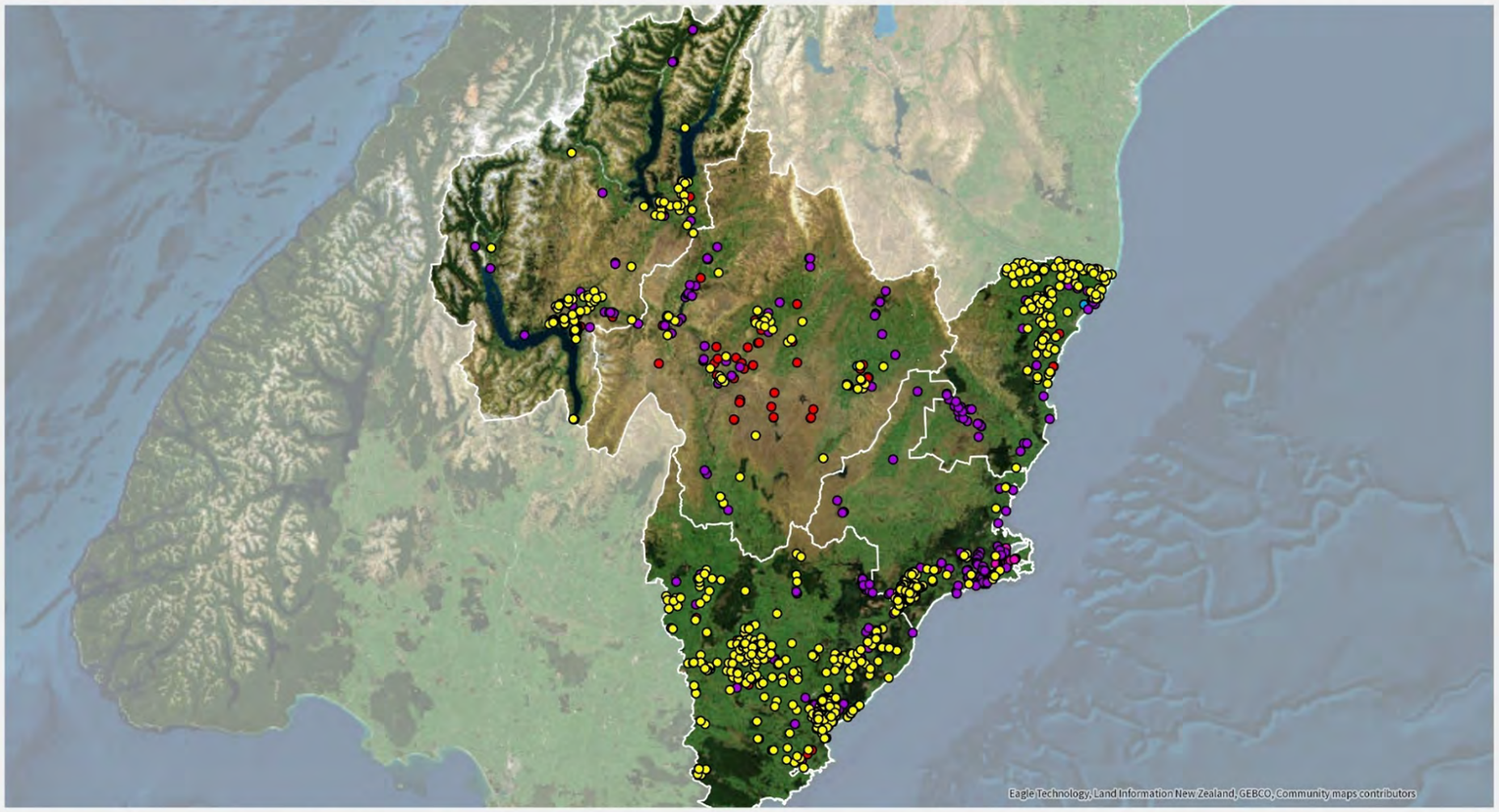



***Figure 17: Comparison between the number of audits planned in 2025/26 financial year and the number of audits completed by Priority.***

# Completed Audits by Priority

From 1 July 2025 to 30 June 2026

Otago Regional Council




1 2 3 4 5 6

0 20 40 80
Kilometres

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When considering the distribution of audits and inspections completed by the Compliance Team in the 2025/26 financial year by Type, the largest proportion of audits and inspections were undertaken on Discharge to Land Permits, General Structure Land Use Consents and Permitted Activity Dairy farms. All of these were largely associated with the auditing and inspections completed within the Priority 1 activities of dairy monitoring and residential earthworks monitoring.

The auditing and inspection of Consented Discharge to Air Permits, Discharge to Land Permits and Discharge to Water Permits comprised 38.1% of the overall audit and inspections completed by Type. This confirms the focus that was placed by the Compliance Teams on auditing the activities that are known to have the largest environmental effects when managed poorly, and when based on the Compliance Team's previous experience, precedence and annual risk assessment.

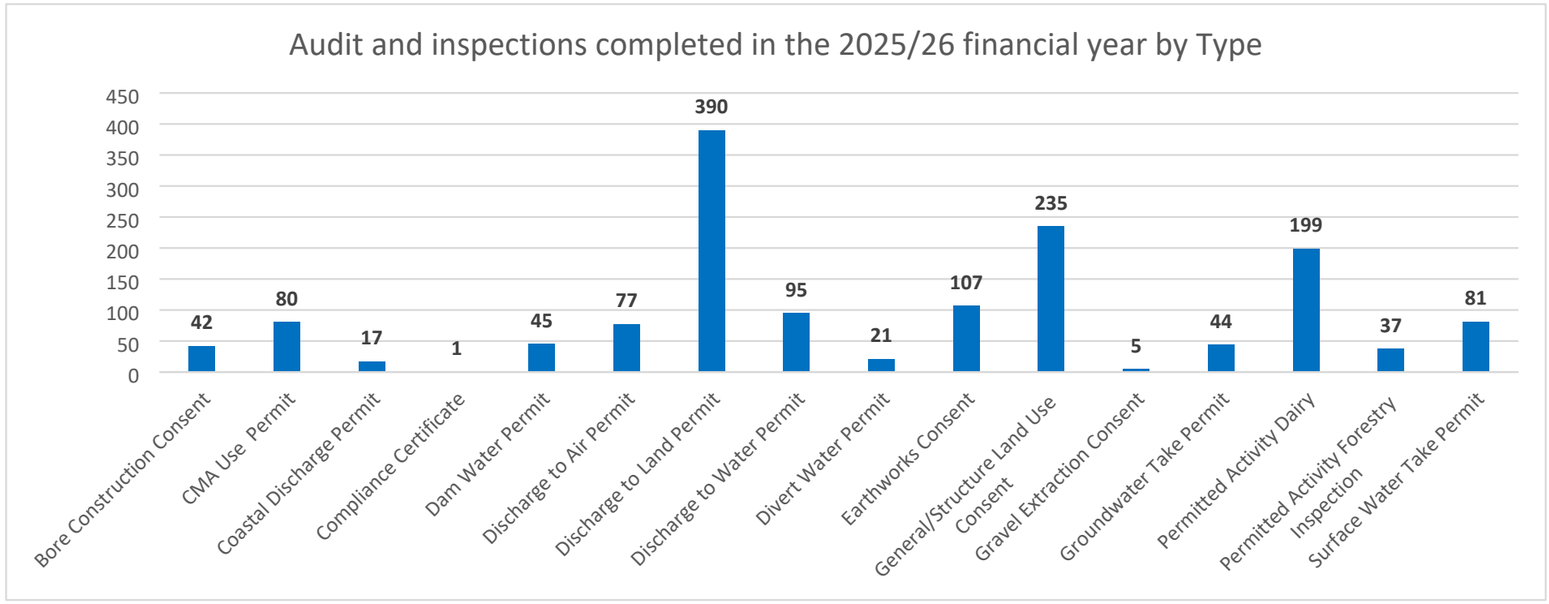
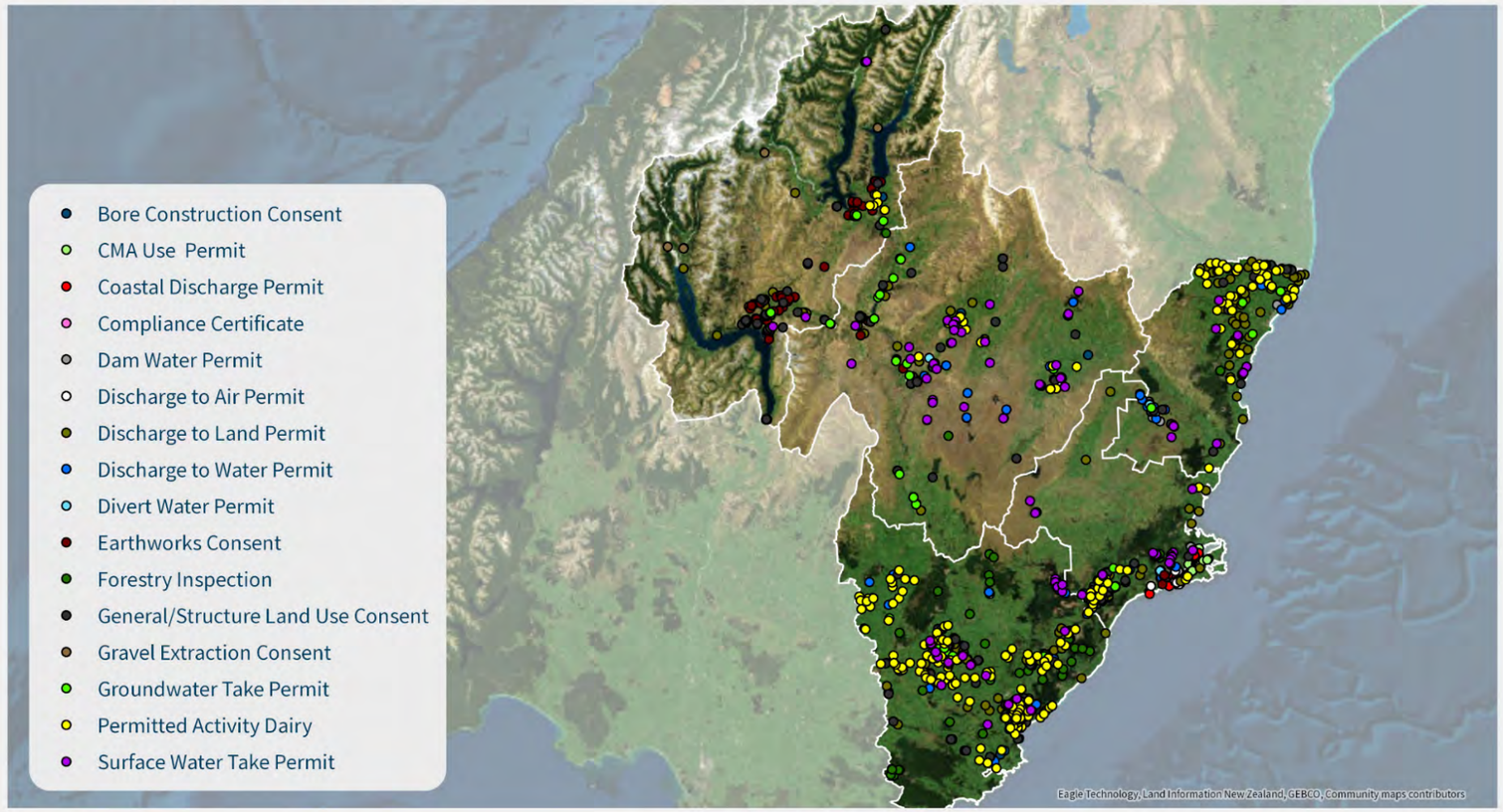



***Figure 18: The number of completed on-site audit and inspections completed in the 2025/26 financial year by Type.***

# Completed Audits by Type

From 1 July 2025 to 30 June 2026

Otago Regional Council




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# Compliance results from resource consent auditing

The Compliance Team completed 1,241 on-site compliance site audits and inspections of RMA resource consents during the 2025/26 financial year. 321 of these related to consents for dairy farm activities that largely replaced the permitted activity dairy inspections completed in previous years. The compliance grades assessed for the 2025/26 financial year showed that 82.5% of the consented site audits and inspections were either in Full Compliance or Low Risk Non-Compliant due to issues that had no associated environmental effects. 3.8% of the site audits and inspections were assessed as being Significantly Non-Compliant, an expected distribution but noted decrease from the previous year that contained a large number Significantly Non-Compliance grades associated with OceanaGold (New Zealand) Limited. Of the 47 Significantly Non-Compliant site audits and inspections, 36.2% related to three waters activities by TLAs. 19.1% related to privately-owned communal wastewater systems. 17.4% related to earthworks activities in the Queenstown Lakes and Central Otago districts. All Significantly Non-Compliant site audits and inspections were followed up by staff and appropriate action was taken in line with either the ORC Compliance and Enforcement Policy 2021 or ORC Formal Warning Policy 2022, or investigations are still currently ongoing.

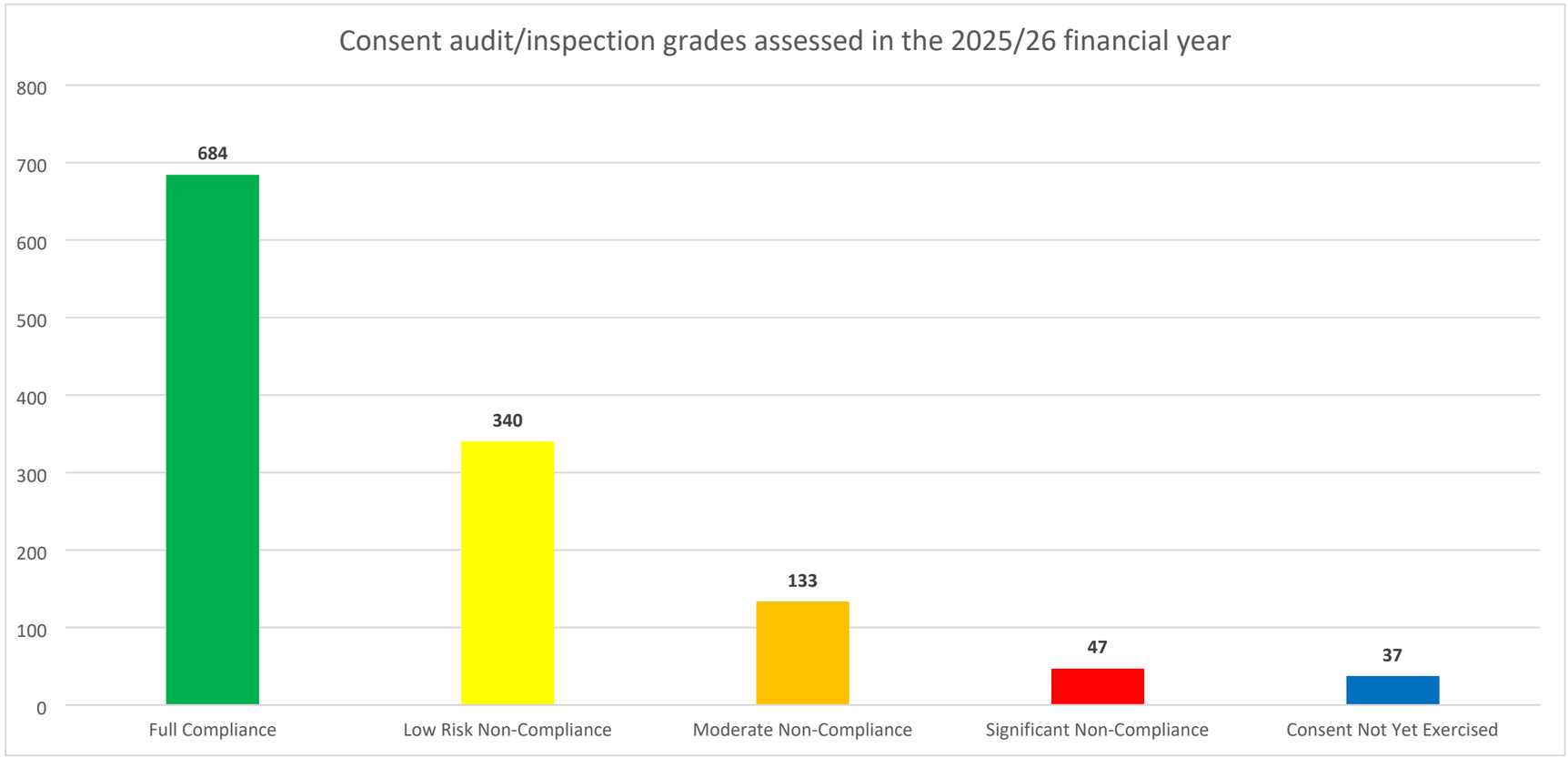
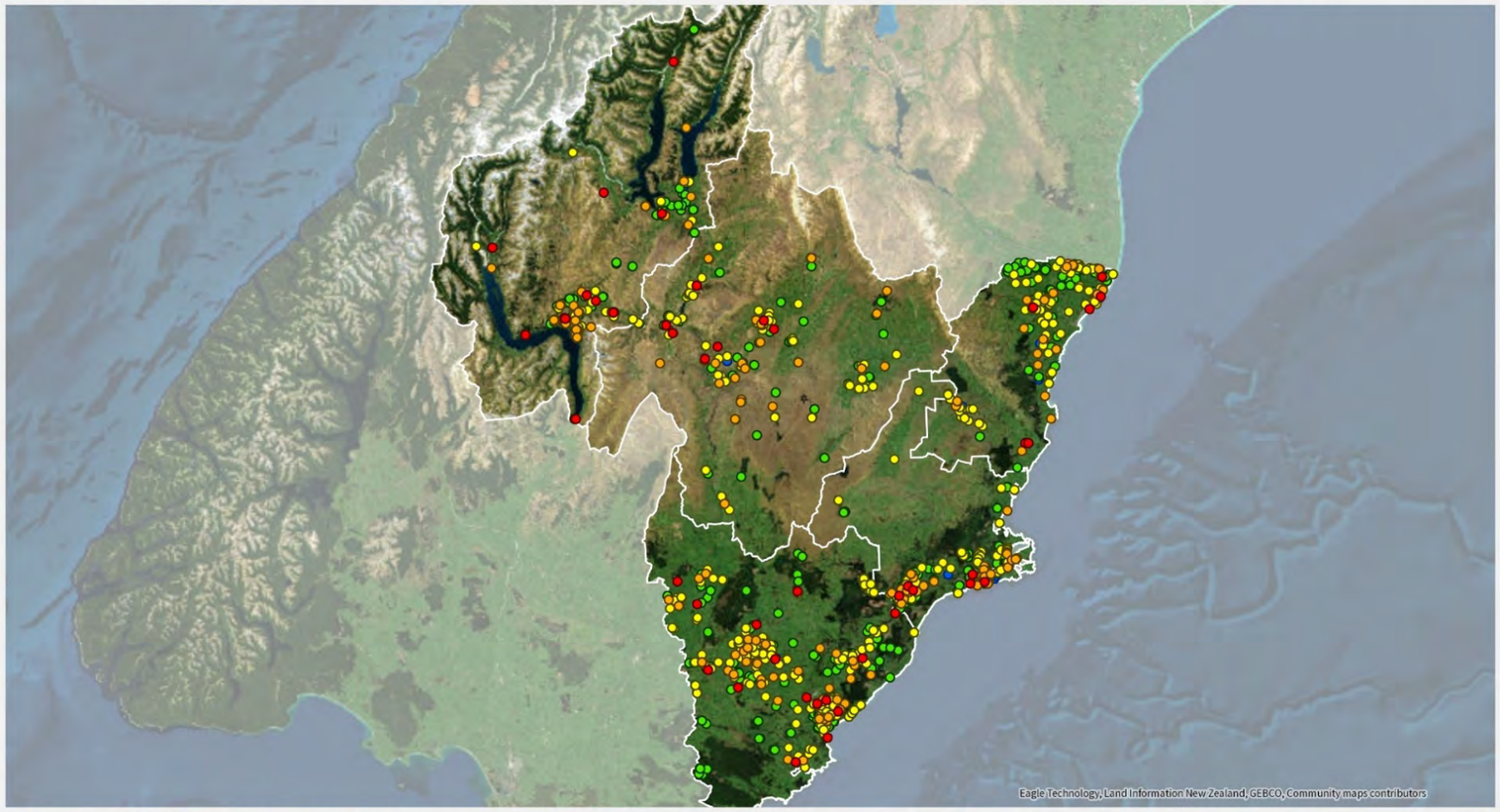



***Figure 19: Compliance grades assessed from consented site audits and inspections during the 2025/26 financial year.***

# Completed Audits by Audit Grade

From 1 July 2025 to 30 June 2026

Otago Regional Council




Consent Not Yet Exercised
Low Risk Non-Compliance
Significant Non-Compliance
Full Compliance
Moderate Non-Compliance

0 20 40 80
Kilometres

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# Activity summary: Residential earthworks monitoring

Consistent with the Compliance Plan 2023-2026, residential earthworks activities are identified as a Priority 1 activity due to the high actual and potential environmental risks they present. Poorly managed residential earthworks sites can result in a range of adverse environmental effects, including sediment discharges to water, dust nuisance, concrete wash discharges, fuel and chemical spills and the disturbance of sensitive waterways and wetlands. These risks can have immediate and cumulative effects on receiving environments. Monitoring residential earthworks activities often requires a combination of routine inspections, follow-up audits, and proactive site visits during rainfall events or following complaints.

Residential earthworks activities remained particularly prominent within the Queenstown Lakes and Central Otago Districts, driven by continued residential growth, subdivision development, infrastructure projects, and an increasing number of large-scale developments progressing through consenting pathways, including the fast-track process. The Queenstown Lakes District in particular, continued to generate a significant proportion of the region's residential earthworks monitoring workload. The scale and pace of development, combined with Otago's varied topography and climatic conditions, reinforced the need for proactive compliance monitoring to minimise the risk of off-site sediment discharges and other environmental effects.

During the 2025/26 financial year, the CME function continued to place a strong emphasis on education and industry engagement alongside regulatory monitoring. An updated Earthworks Guide was released during the 2025/26 financial year, including a new section focused on managing risks specific to Otago's environment, helping consent holders and contractors better understand and manage erosion and sediment control requirements. ORC staff also delivered contractor engagement sessions through ‘toolbox’ talks, and a ‘developers' workshop’ in Wānaka, promoting good practice, increasing awareness of consent requirements, and providing practical guidance on managing earthworks-related risks. This work supported the objectives of ORC's Compliance Plan 2023-2026 by encouraging proactive compliance, improving environmental performance, and reducing the likelihood of adverse effects occurring.

As of 14 August 2026, a total of 434 residential earthworks consents were current across the Otago region and required monitoring. 243 of these residential earthworks consents were located in the Queenstown Lakes district, corresponding to 56.0% of all residential earthworks consents. 224 residential earthworks site audits and inspections were completed during the 2025/26 financial year, an increase from the 132 residential earthworks site audits and inspections completed during the 2024/25 financial year.

Compliance results for the 2025/26 financial year showed that 83.5% of the residential earthworks site audits and inspections were either in Full Compliance or Low Risk Non-Compliant. 3.1% of the residential earthworks site audits and inspections were assessed as being Significantly Non-Compliant. All Significantly Non-Compliant site audits and inspections were followed up by staff and appropriate action was taken in line with either the ORC Compliance and Enforcement Policy 2021 or ORC Formal Warning Policy 2022, or investigations are still currently ongoing.

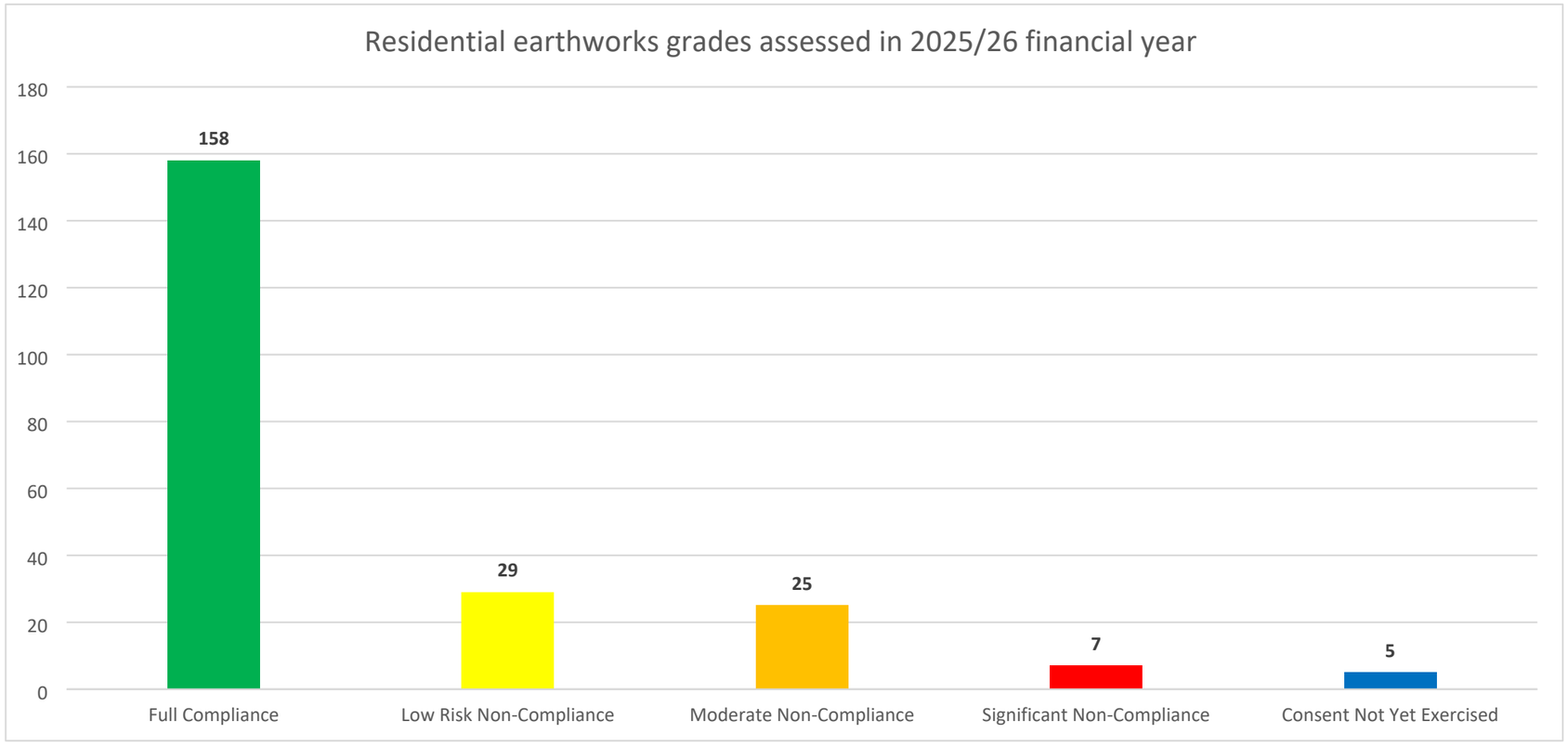



***Figure 20: Compliance grading results from residential earthworks audits during the 2025/26 financial year.***

# Activity summary: Contaminated land monitoring

The Selected Land Use Sites (SLUS) register is a database maintained by the ORC that records properties where activities on the Ministry for the Environment's Hazardous Activities and Industries List (HAIL) may or have occurred. The register was previously known as the HAIL Register but was renamed in mid-2026 for consistency with other councils and to better reflect its contents, as not every site listed is a confirmed HAIL site some are classified as unverified, some are verified non-HAIL, and others have been remediated.

Over the 2025/26 financial year, 159 sites were added to the SLUS Register. A total of 2,940 sites had been identified on the register at the end of the financial year, reflecting a 5.7% increase in the number of sites recorded compared to that at the end of 2024/25 financial year. 67.9% of the newly added HAIL sites were in Dunedin.

Over the 2025/26 financial year, a total of 288 contaminated land enquiries were responded to. The majority of these relate to the contamination status of a given piece of land, often associated with land sales. A significant amount of time was given to answering enquiries relating to the regulatory implications of particular classifications on the SLUS register and providing advice to TLAs and other organisations regarding matters such as proposed consent conditions.

Also relevant to the subject of contaminated land, a total of 70 audits were completed for activities undertaken on Selected Land Use Sites. 37 related to the auditing of TLA and privately owned landfills and closed landfills. 14 related to residential earthworks activities having been carried out on Selected Land Use Sites.

Compliance results for the 2025/26 financial year showed that 81.4% of all audits and inspections relating to contaminated land monitoring were either in Full Compliance or were Low Risk Non-Compliant. 1.4% of the contaminated land audits and inspections were assessed as being Significantly Non-Compliant. All Significantly Non-Compliant site audits and

inspections were followed up by staff and appropriate action was taken in line with either the ORC Compliance and Enforcement Policy 2021 or ORC Formal Warning Policy 2022, or investigations are still currently ongoing.

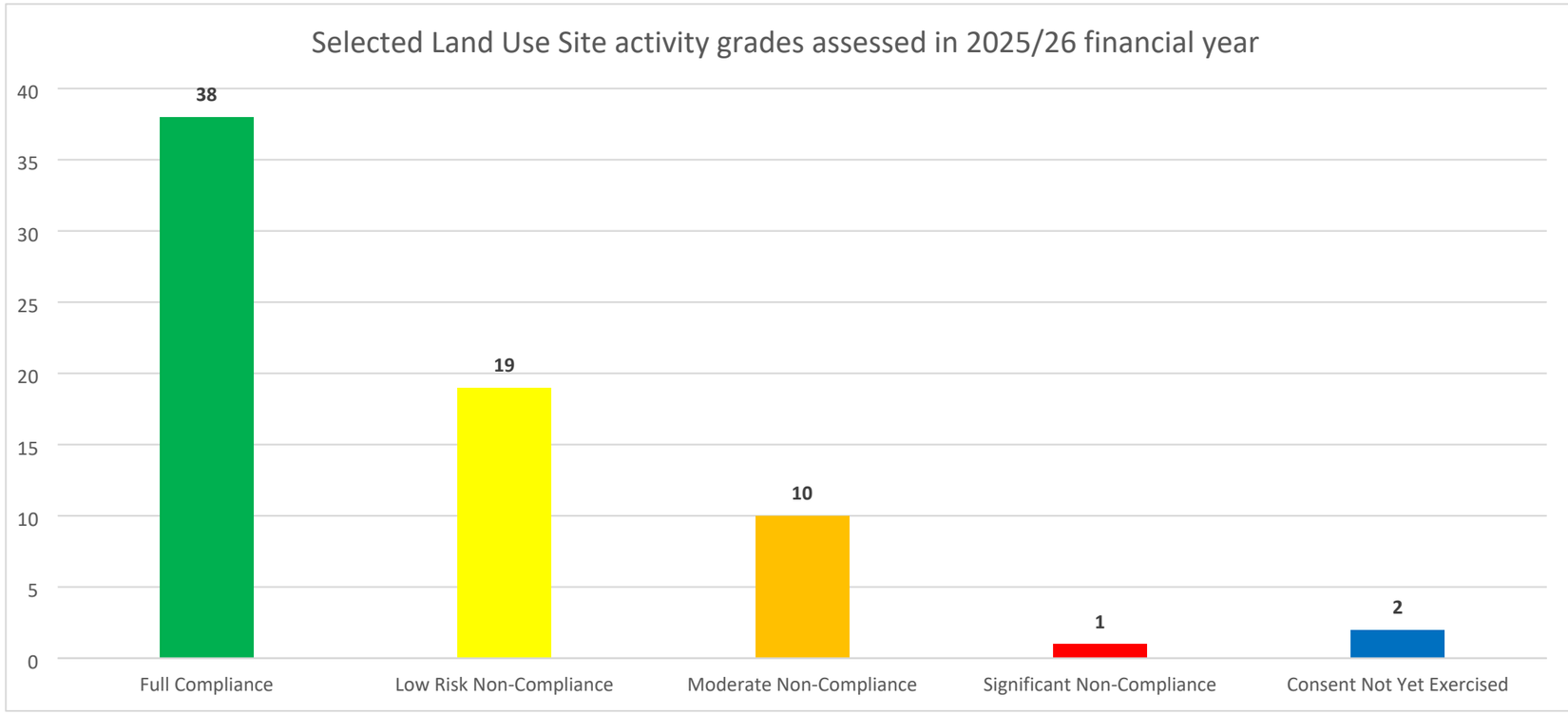



***Figure 21: Compliance grading results from the auditing of Selected Land Use Site activities during the 2025/26 financial year.***

## Compliance results from permitted activity dairy monitoring

In the 2025/26 financial year, the Compliance Team completed dairy farm site audits on all high-risk dairy farms, as well as all dairy farms that had not lodged a consent application by 1 October 2025 (as required by the Regional Plan Water). Follow up inspections were undertaken where required, after considering any environmental effects determined within the initial non-compliant inspection.

The 2025/26 financial year continued to mark the transitioning of dairy farm effluent discharge and land use activities from being permitted activities to consented activities. The dairy monitoring programme incorporated the monitoring of both consented farms and permitted activity farms that had not contained newly granted dairy and farm-related consents after the adoption of the dairy effluent and storage regional rules.

For dairy farms that contained newly granted dairy and farm-related consents, the conditions of the consents were all audited along with any additional permitted activity rules applicable to the dairy farm.. All consented discharge of liquid animal effluent and land use activities were considered under the consented portion of these audits. The permitted activity portion covered a wide range of permitted activities on farm, including the storage of liquid and solid effluent, silage stack and leachate management, farm waste stream management in landfills and offal pits, and the recording of locations of each of these activities on the property.

For dairy farms that did not contain newly granted dairy and farm-related consents, all dairy and farm related activities were audited in accordance with permitted activity rules. These audits were carried out in the same way as previously done in recent financial years and incorporated the monitoring of dairy farm effluent discharge and land use permitted activities. These audits were graded non-compliant and the dairy farmers were provided with education and the instruction to apply for required consents under the dairy effluent and storage regional rules. The third ‘4 E’s model’ of Educate was used

effectively to provide the regulated parties with information about what is required to become compliant, reiterating that the compliance requirement was overdue and that the onus lay with them to achieve compliance.

The Coastal Compliance and Central Compliance Teams conducted 341 dairy farm site visits in the 2025/26 financial year. Associated with the completion of 199 on-site permitted activity dairy site audits and 321 dairy and farm-related consents audits, totalling 520 combined permitted activity and consented dairy audits. Follow up inspections were undertaken where required, after considering any environmental effects determined within the initial non-compliant inspection.

The majority of the 199 permitted activity dairy audits were assessed as Fully Compliant or Low Risk Non-Compliant during the 2025/26 financial year. Compliance results for the 2025/26 financial year showed that 76.9% of the permitted activity dairy audits were either Full Compliance or Low Risk Non-Compliant. The compliance grading distribution is skewed in this instance with the number of Low-Risk Non-Compliance gradings exceeding the number of Fully Compliant gradings due to the large proportion of permitted activity dairy farms audited not having dairy-related RMA consents. 2.0% of the permitted activity dairy audits were assessed as being Significantly Non-Compliant. All Significantly Non-Compliant site audits and inspections were followed up by staff and appropriate action was taken in line with either the ORC Compliance and Enforcement Policy 2021 or ORC Formal Warning Policy 2022, or investigations are still currently ongoing.

There were a combined 520 permitted activity and dairy and farm-related consent audits completed that were associated with the 341 dairy farms inspected. 86.2% of the permitted activity and consented dairy audits were either in Full Compliance or Low Risk Non-Compliant. 1.2% of the permitted activity and consented dairy audits were assessed as being Significantly Non-Compliant.

The high proportion of fully compliant audits reflects the dairy sector's generally strong understanding of, and compliance with, regional rules. In general the sector has reacted well to recent rules changes.

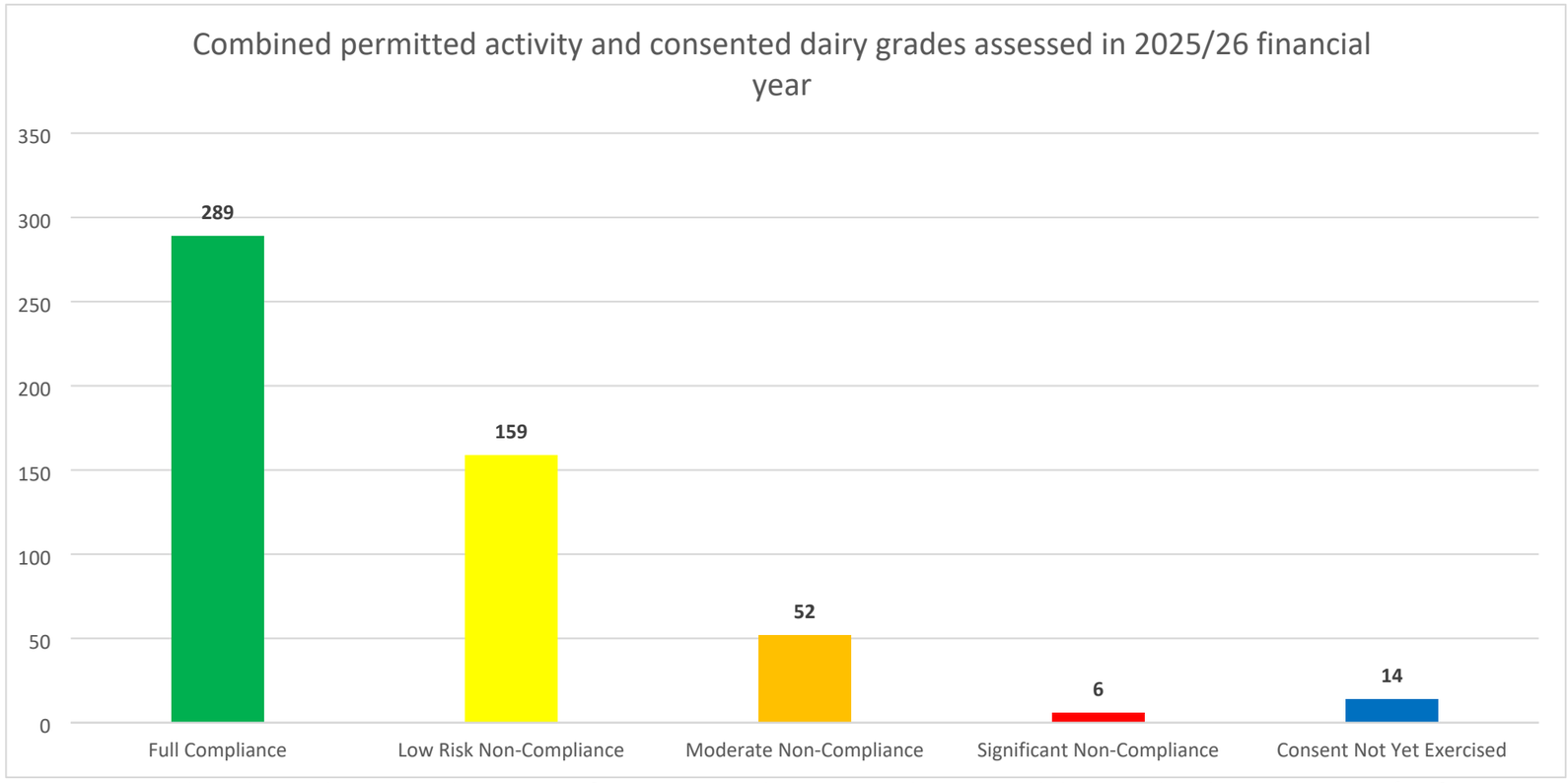



***Figure 22: Combined compliance grading results from permitted activity and consented dairy audits during the 2025/26 financial year.***

# Compliance results from permitted activity forestry monitoring

Forestry activities are identified as a Priority 1 focus area within the ORC Compliance Plan 2023-2026. This reflects the significant environmental risks associated with forestry operations, including sediment and slash affecting water quality, fish passage, and downstream infrastructure. To better target monitoring and site audits, the Compliance Team undertakes a risk assessment for each forestry notification received. This assessment considers factors such as the National Environmental Standards for Commercial Forestry (NES-CF) subpart activities being undertaken, the environmental sensitivity of the site, and the compliance history of the contractor.

A total of 274 NES-CF notifications were received* during the 2025/26 financial year, representing a 30% increase from the 210 notifications received in the 2024/25 financial year. The increase was largely driven by an increase of 166.6% in Harvesting notifications from the 2024/25 financial year that reflected the significant volume of salvage harvesting undertaken following the October 2025 storm event. Earthworks notifications also increased by 158.8% from the 2024/25 financial year, while Replanting notifications decreased 22.9% and Afforestation notifications decreased 37.4% from the 2024/25 financial year. River crossing and quarrying notifications remained relatively consistent between reporting periods. The overall 30% increase in notifications highlights the growth of forestry activities occurring across Otago in 2025/26 and the associated demand on compliance monitoring resources.

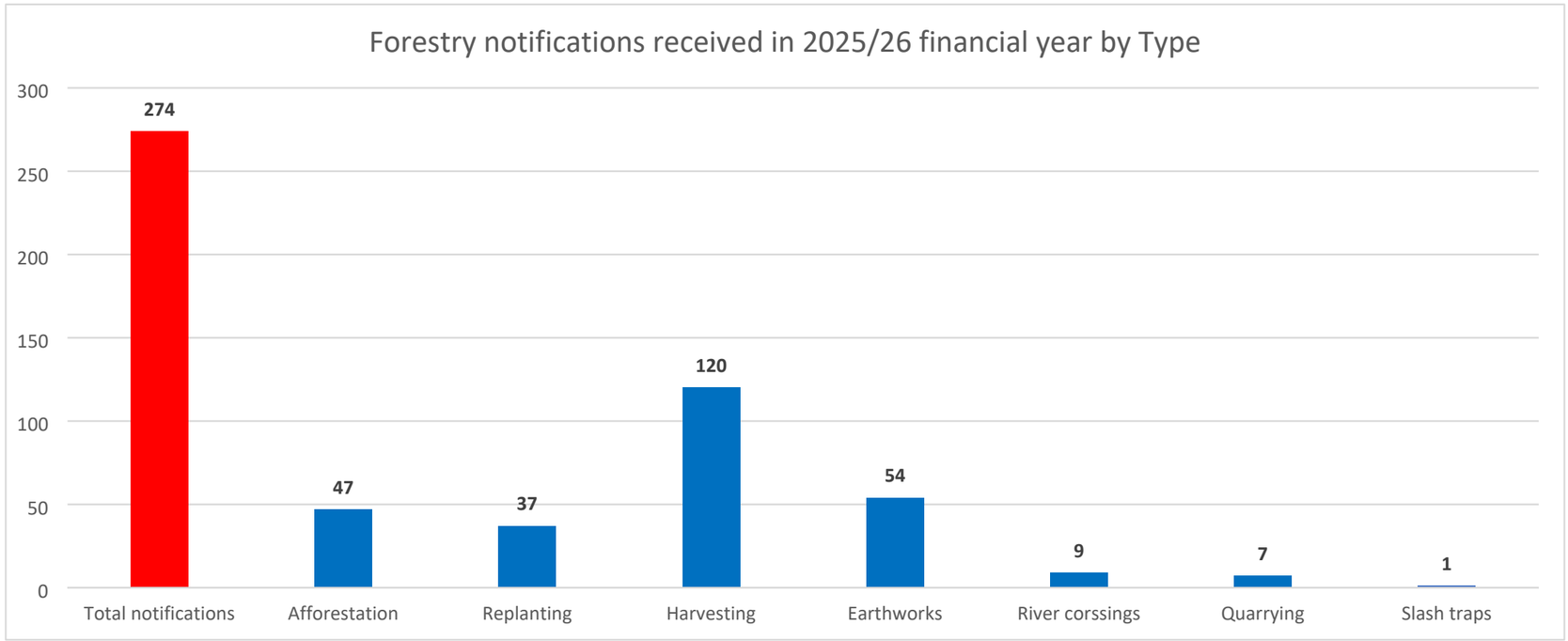



***Figure 23: Forestry activity notifications received in the 2025/26 financial year by Type.***

*Note: one NES-CF notification can contain the notification of multiple forestry activities, leading to the combined number of activities notified for not aligning with the Total Notifications figure reported.

**October 2025 Storm Event**

Large areas of Otago were affected by a severe windstorm in October 2025, resulting in extensive damage across the region. The forestry sector was particularly impacted, with thousands of hectares of commercial forest effected. South Otago experienced some of the most significant damage, with widespread windthrow and associated environmental risks requiring ongoing monitoring and management.

Following the storm event, ORC received 59 salvage harvest notifications. As a result, monitoring of salvage harvesting operations became a priority during the 2025/26 financial year, requiring significant compliance resources and taking precedence over the monitoring of other notified forestry activities. The increased focus on salvage operations was necessary to ensure that storm-damaged forests were managed in a manner that minimised environmental risks, including sediment discharge, slash mobilisation, and impacts on waterways and downstream infrastructure.

The industry at large responded exceptionally well to the storm event, effectively managing both the immediate damage and the associated salvage harvesting operations. Significant efforts were made to remove windthrown trees from waterways, reducing potential environmental risks and improving waterway resilience. In general, salvage operations were well managed, with sites left in a stable condition and appropriate measures implemented to minimise erosion, sediment discharge, and other adverse environmental effects.

A total of 39 forestry site audits were completed in the 2025/26 financial year, a decrease of 17.1% compared with the 47 audits completed in the 2024/25 financial year.

Despite the lower number of audits completed in the 2025/26 financial year, compliance outcomes improved significantly. Compliance results for the 2025/26 financial year showed that 91.9% of the forestry site audits were assessed as Fully Compliant, compared with 60% in the previous 2024/25 financial year. Low Risk Non-Compliance was recorded in one instances, corresponding to 2.7%. 5.4% of the forestry site visits were assessed as Moderate Non-Compliance. There were

no instances of Significant Non-Compliance were recorded during the year, representing a notable improvement from the 2024/25 financial year that included 4 Significant Non-Compliance gradings.

The high proportion of fully compliant audits reflects the forestry sector's generally strong understanding of, and compliance with, the requirements of the NES-CF. The improvement in compliance outcomes is also indicative of the positive environmental management practices observed across the sector, particularly during the challenging period of storm recovery and salvage harvesting operations following the October 2025 wind event.

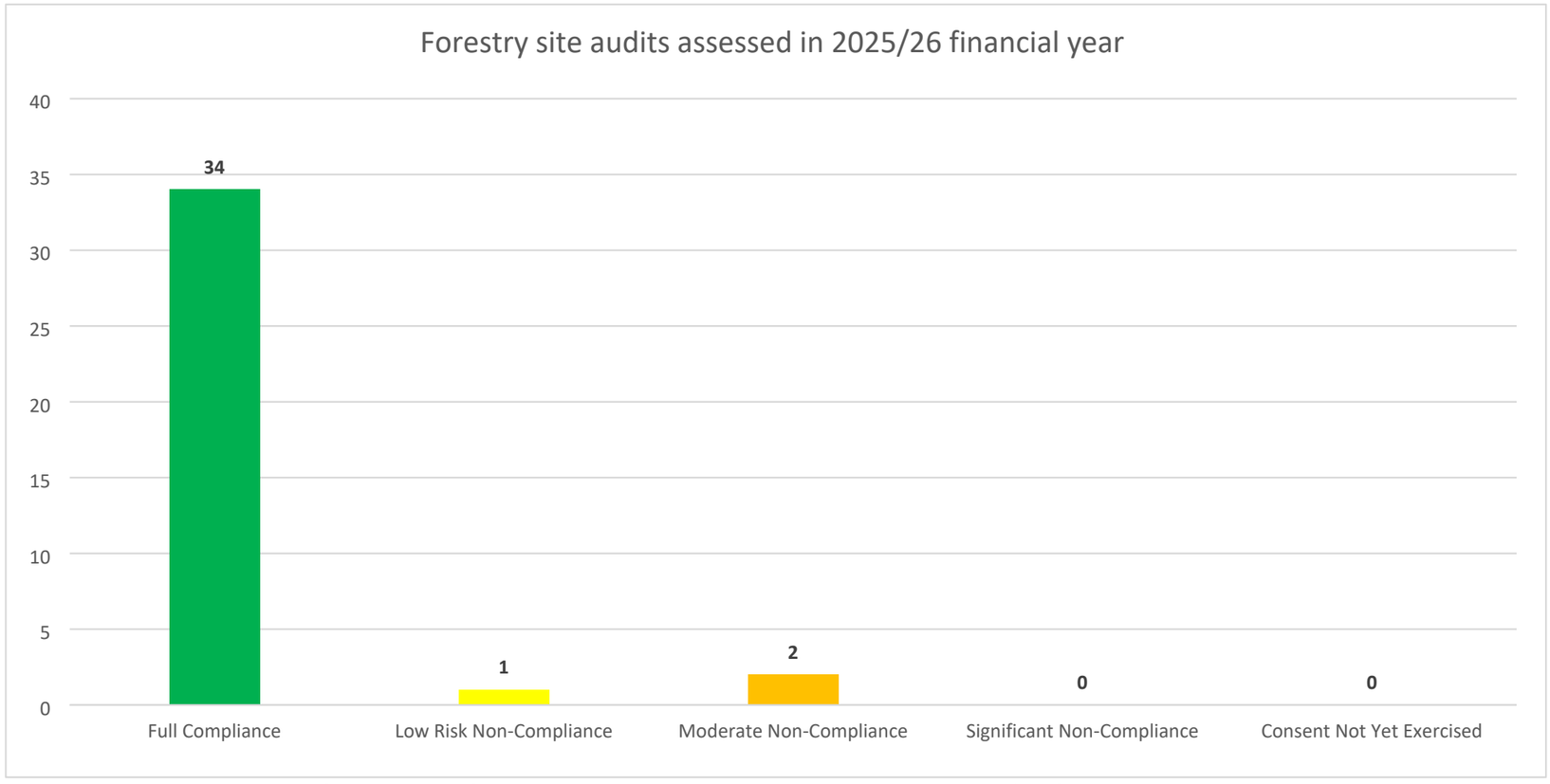



***Figure 24: Forestry audits of NES-CF notifications and subpart activities during the 2025/26 financial year.***

ORC's CME function continued to collaborate with Forestry New Zealand, MPI and industry representatives through forums such as the Southern Environmental Working Group and the Farm Forestry Association. These forums provide valuable opportunities to discuss emerging issues, share knowledge and best practice, and improve the consistent application of forestry regulations. Staff also maintain strong relationships with regional councils across New Zealand, enabling the sharing of compliance experiences, technical knowledge, and approaches to NES-CF implementation. This ongoing collaboration supports continuous improvement in both regulatory practice and environmental outcomes across the forestry sector.

## Overall compliance results of audits and inspections for resource consents and permitted activities

1,477 total site audits and inspections were completed across both consented and permitted activities. 783 of the total 1,477 site audits and inspections were graded as Full Compliance, representing 53.0% of all audits and inspections. Low Risk Non-Compliance was assessed and reported 429 instances, corresponding to 29.0% of all audits and inspections. 168 Moderate Non-Compliances were reported, corresponding to 11.4% of all audits and inspections. 51 Significant Non-Compliances were reported, corresponding to 3.5% of all audits and inspections. Lastly, the grading of Consent Not Yes Exercised was reported in 46 instances, representing 3.1%. All Significantly Non-Compliant site audits and inspections were followed up by staff and appropriate action was taken in line with either the ORC Compliance and Enforcement Policy 2021 or ORC Formal Warning Policy 2022, or investigations are still currently ongoing.

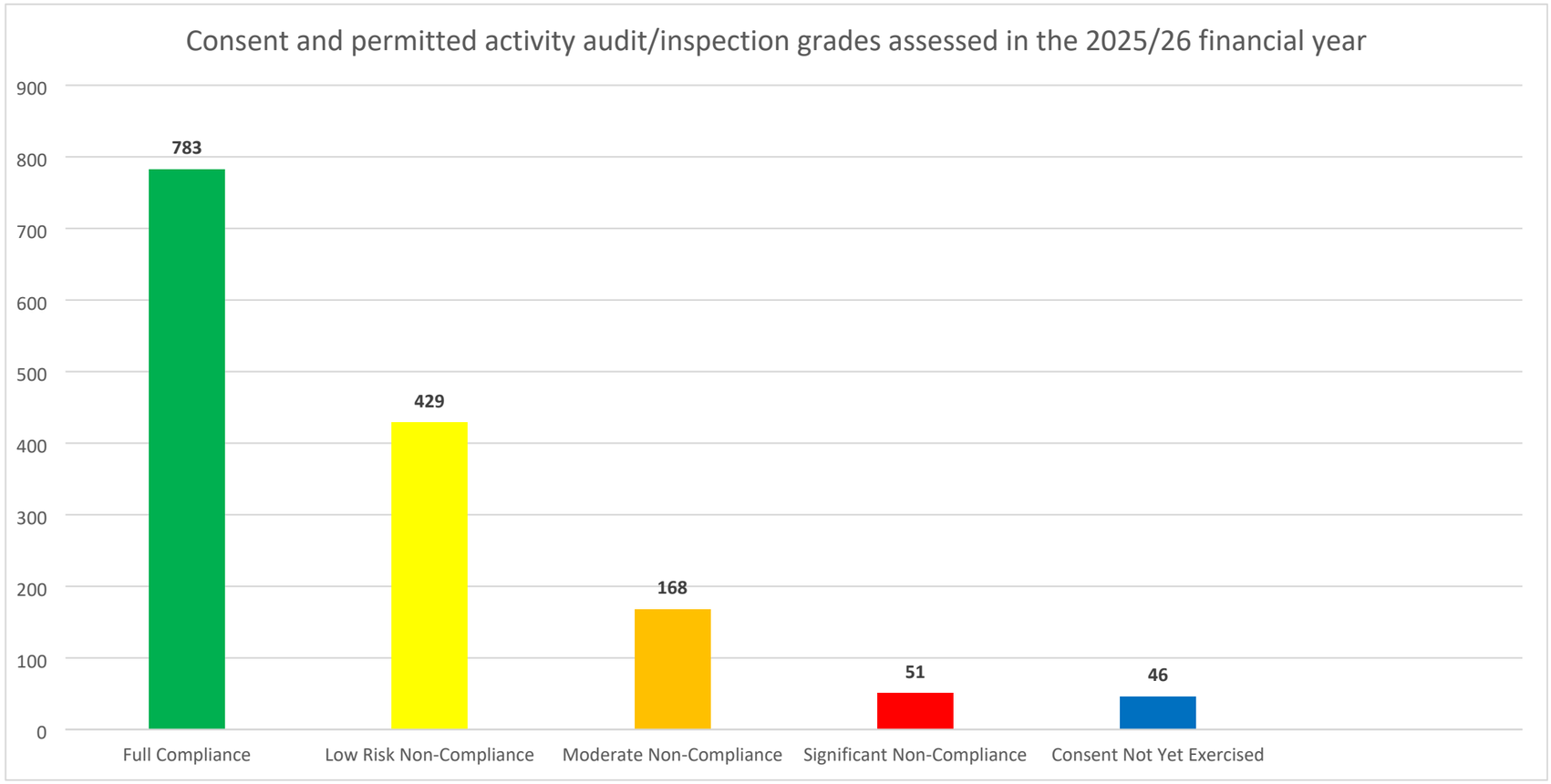



***Figure 25: Combined compliance grades assessed from consented and permitted activity site audits and inspections during the 2025/26 financial year.***

When considering the Significant Non-Compliance grades assessed and reported in the 2025/26 financial year, 27.5% of the 51 Significant Non-Compliance grades were associated with Priority 1 activities. 66.6% of the Significant Non-Compliance grades assessed and reported were associated with Priority 2 activities. 5.9% were associated with water permits and bore construction consented activities in Priority 3.

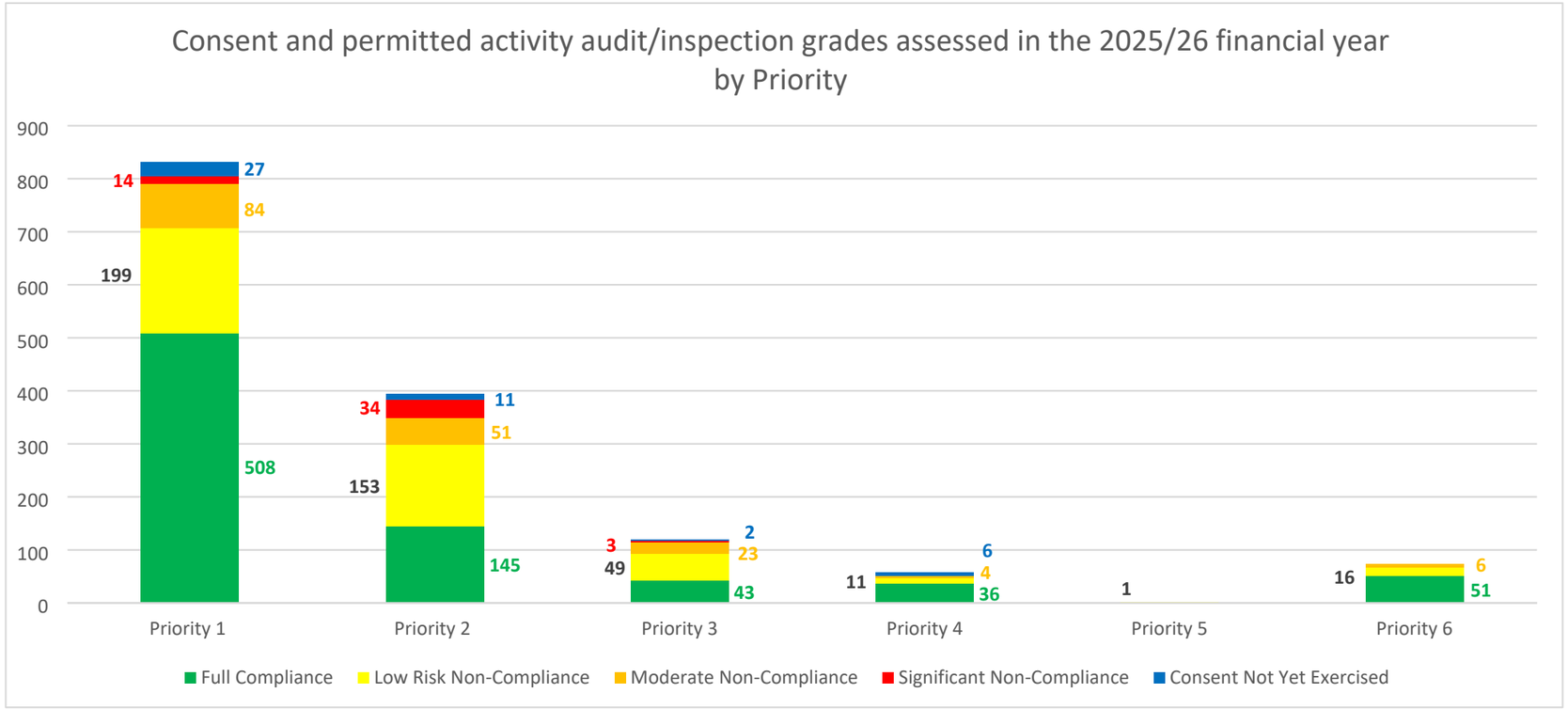



***Figure 26: Combined compliance grades assessed from consented and permitted activity site audits and inspections during the 2025/26 financial year by Priority.***

# Regional dams and dam safety

The ORC is required to perform a number and dam safety functions under the Building Act 2004 (BA 2004) in relation to dams and dam safety. A regional dam register is required to be held and maintained, serving as an inventory of all large dams operated in the region as a minimum. Dam owners who operate large dams, defined in the BA as being over both a 4-metre dam height and 20,000 cubic metre impounded volume, are required to meet the Building (Dam Safety) Regulations 2022 (Dam Safety Regs 2022). The Dam Safety Regs 2022 require that owners of large dams supply audited Dam Classification Certificates as a minimum, and Dam Safety Assurance Programmes and Annual Dam Compliance Certificates in instances where the unlikely failure of their dam is assessed as either having a high or medium potential impact.

As of 28 September 2026, 410 dams were on the regional dam register. 110 dams were regarded on the regional dam register as large dams under the BA 2004 and subsequently as classifiable dams under the Dam Safety Regs 2022. Of the 110 large dams, 90 Dam Classification Certificates were approved under the Dam Safety Regs 2022. Of these 90 certified large dams, 19 dams were recognised as having a high potential impact classification, while 17 are recognised as having a medium potential impact classification and 54 a low potential impact classification.

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# Pollution response

## Response to complaints and notifications of pollution or potential permitted activity rule breaches

The Investigations Team, part of the wider Compliance Team, is responsible for responding to reports of environmental incidents and suspected breaches of regional rules, as well as undertaking enforcement activities under the Resource Management Act (RMA) and Building Act. A Coastal and Central pollution hotline roster is also maintained and staffed by warranted members. The pollution hotline response has the primary purpose of triaging and responding to incidents that are received outside of standard business hours.

All incidents that require attendance are done with the primary focus of ceasing any resulting breach and effects on the environment. Secondary to this is confirming who caused the breach, what the breach is, where it occurred, when it occurred, how it occurred, and why it had occurred. Incident responders not only have the responsibility to instruct alleged offenders to cease any known breaches at the time of inspection but also to educate and raise awareness of the ORC and the regional rules irrespective of whether a breach had occurred or not.

During the 2025/26 financial year, the team dealt with a significant number of incidents across Otago, reflecting the breadth and complexity of environmental compliance issues within the region. Responders attended and assessed a variety of incidents, including fuel and oil spills; wastewater discharges; smoke and prohibited burning activities; sediment discharges; offensive odours; industrial contamination event and vehicles entering waterways. Where required, the team worked alongside emergency services and other agencies to coordinate response efforts and minimise adverse environmental effects.

To maintain readiness for significant marine pollution incidents, oil spill response exercises were undertaken in the 2025/26 financial year in Central Otago and on the coast. These exercises provided an opportunity to test response arrangements and evaluate the effectiveness of established Maritime New Zealand operational procedures.

The team continued to administer ORC's 24-hour environmental incident reporting service, which remained an important mechanism for members of the public to raise concerns about pollution and other environmental issues. Reports received through the hotline enabled prompt investigation of incidents and helped identify environmental risks at an early stage.

Responses to reported incidents were guided by the ORC Pollution Incident Response Procedure Manual. The manual sets out the process for managing notifications received through the pollution hotline and includes a triage framework that supports a consistent assessment of risk. This framework assists the Investigations Team in determining priorities and allocating resources according to the nature, severity, and potential environmental impact of each incident.

High demand from our communities for the pollution hotline service continued throughout the 2025/26 financial year. 1,256 complaints were submitted to the pollution hotline service over the 2025/26 financial year through either the 0800 freephone, pollution email address or online pollution notification form. After adjusting for multiple complaints that were associated with one reported incident, 933 individual incidents were associated with the 1,256 complaints reported through to the pollution hotline over the 2025/26 financial year. The number of complaints received throughout the 2025/26 financial year were 12.0% less than the 1,407 received in the previous 2024/25 financial year. The number of individual incidents in the 2025/26 financial year were 11.7% less than the 1,042 in the 2024/25 financial year.

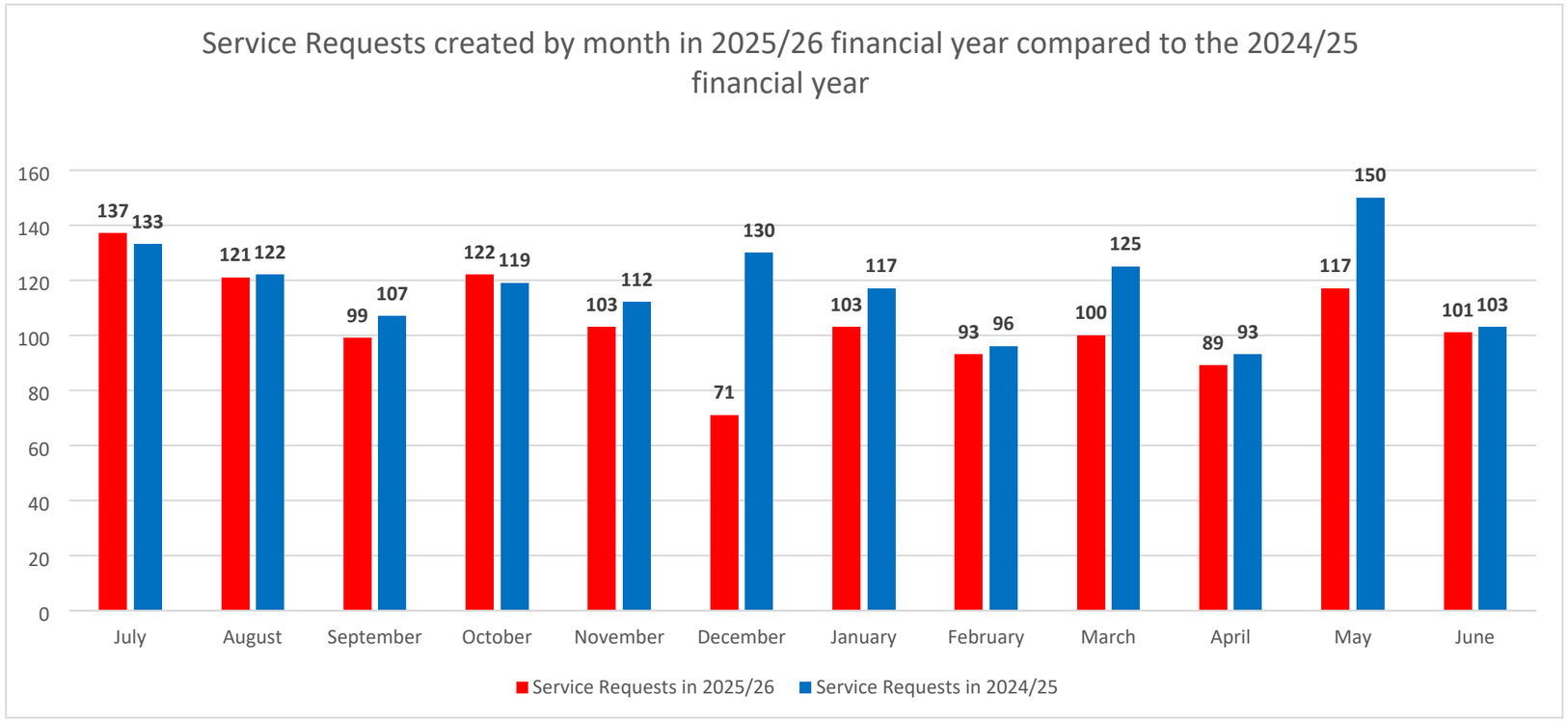



***Figure 27: Service Requests received by month in 2025/26 financial year compared to those received in 2024/25 financial year***

The most common complaints received within the 2025/26 financial year related to:

- Outdoor burning: 348
- Water pollution: 226
- Domestic chimney: 108
- Odour: 98

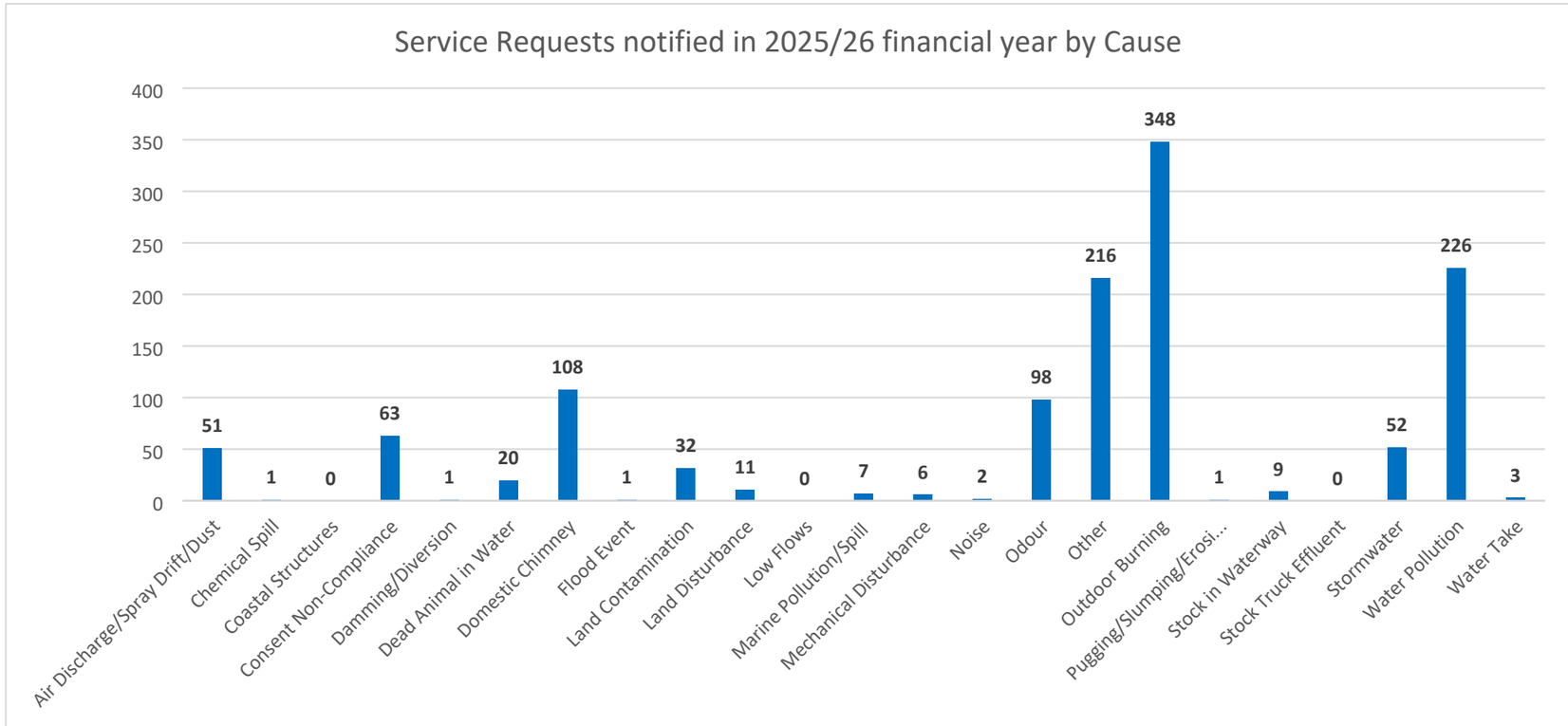



***Figure 28: Service Requests received in 2025/26 financial year by complaint Cause.***

Of the 933 individual confirmed incidents created during the 2025/26 financial year, on-site incident inspections were conducted for a total of 651 incidents after being risk-assessed and triaged, reflecting that a total of 69.8% of the incidents received during the 2025/26 financial year had been inspected. This is an increase from the 66.5% of incidents received during the 2024/25 financial year that had been inspected.

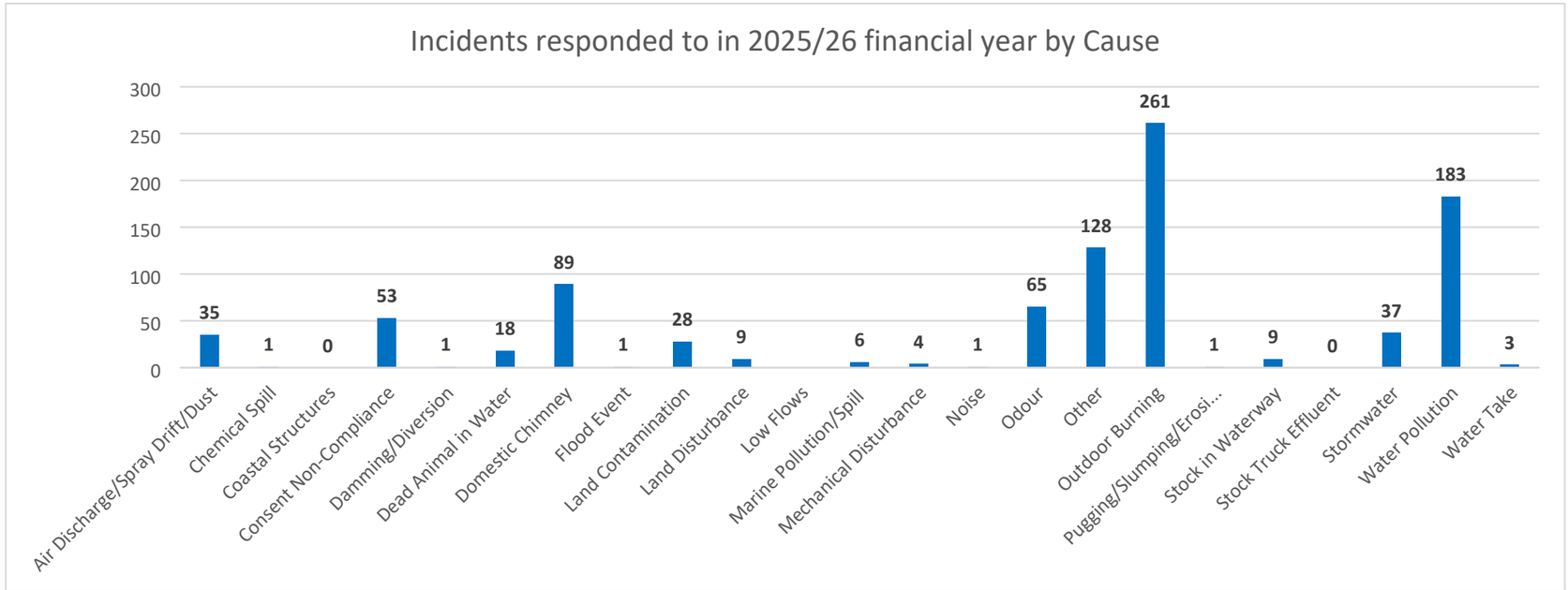



***Figure 29: Incidents created in 2025/26 financial year by incident Cause.***

# Formal enforcement action taken

The Compliance Team investigate instances of gross permitted activity breaches and Significant Non-Compliant breaches of consent conditions. During the 2025/26 financial year, the team issued 93 formal enforcement actions, a decrease of 25.6% from the 125 formal enforcement actions taken in the 2024/25 financial year. All enforcement actions were undertaken in line with the ORC RMA Compliance and Enforcement Policy 2021 and ORC Formal Warning Policy 2022.

Formal enforcement actions during the 2025/26 financial year included 3 formal warnings, 49 abatement notices and 40 infringement notices. 1 enforcement order was applied for through the Court. No prosecutions were concluded during the 2025/26 financial year, 2 prosecutions were commenced while an additional 3 earlier prosecutions were still in progress as at 30 June 2026. Of the 5 active prosecutions, 3 related to the discharge of wastewater, 1 related to non-compliant wetland activities or clearance and 1 related to non-compliant works in the bed of a river.

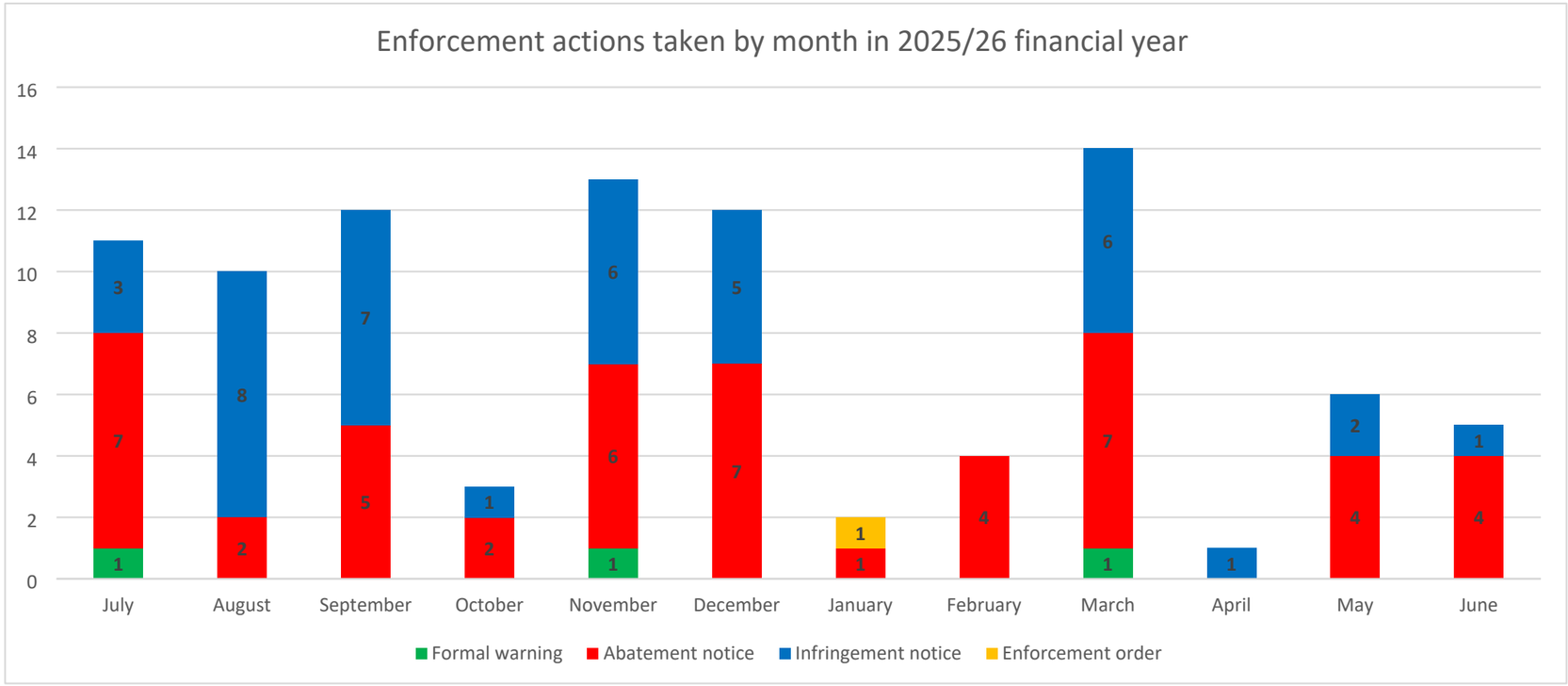



***Figure 30: Enforcement actions issued monthly in 2025/26 financial year by enforcement action Type.***

When considering the sections of the RMA 1991 that were found in breach across the 93 instances enforcement action taken during the 2025/26 financial year, 75.3% of all enforcement action was taken against breaches of Section 15 *Discharges of contaminants into the environment.* These Section 15 breaches were associated primarily with breaches of Otago Regional Council Air, Water and Waste Regional Plan permitted activity rules, along with Significant Non-Compliance gradings determined during the audit and inspection of Discharge Permits and dairy farm permitted activity monitoring.

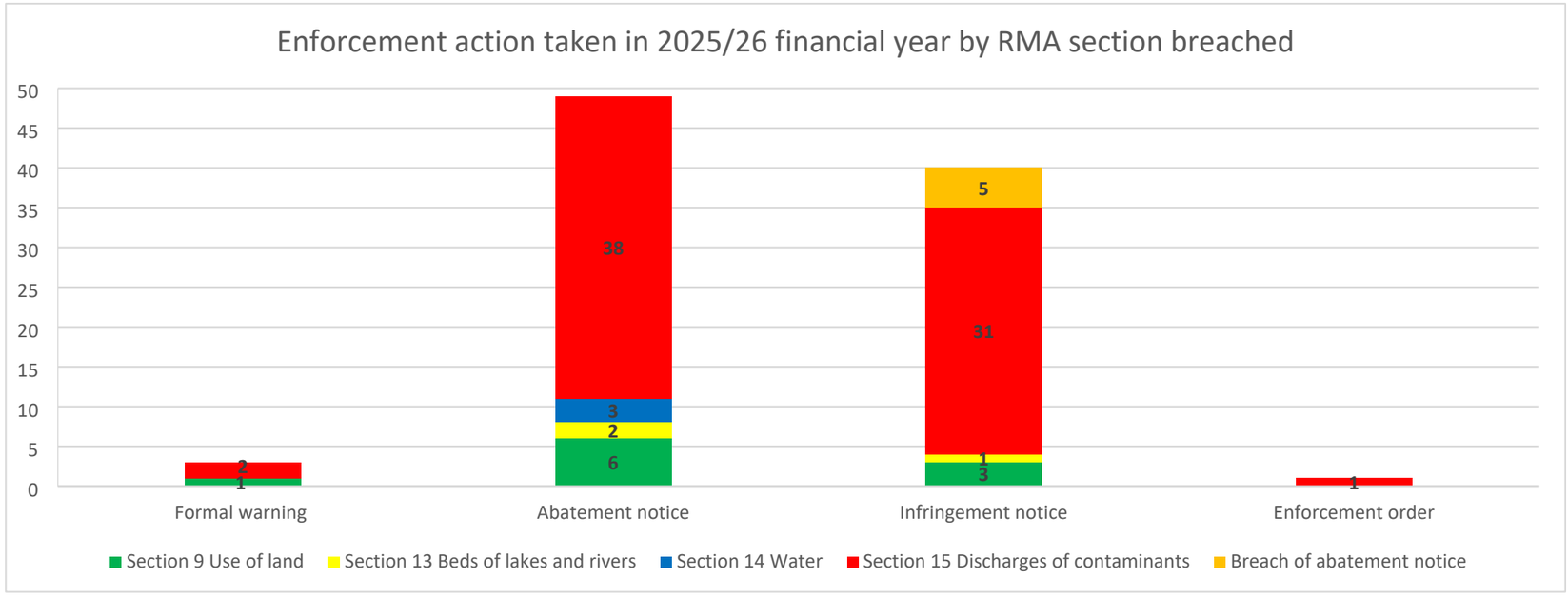



***Figure 31: Enforcement actions issued in 2025/26 financial year by RMA section breached.***

When considering the enforcement causes across the 93 instances that enforcement action had been taken in the 2025/26 financial year, 30.1% of enforcement action taken was against breaches of consent conditions. 30.1% of enforcement action was associated with the breaching of the ORC's Regional Air Plan outdoor burning rules. 14.0% of enforcement action taken was associated with the breach of discharge of contaminants into water rules from ORC's Regional Water Plan, captured by the *Water Pollution* cause type.

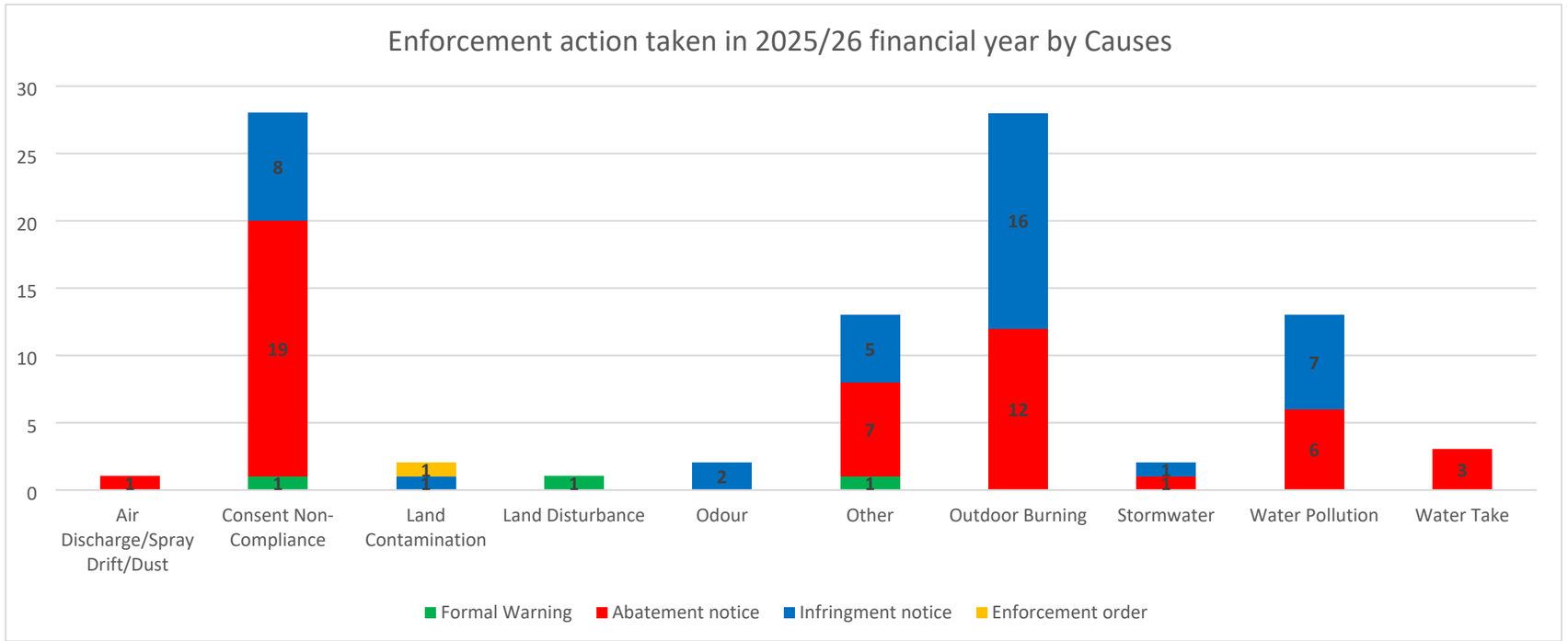



***Figure 32: Enforcement actions issued in 2025/26 financial year by enforcement Cause.***

## Five-year performance overview

The end of the 2025/26 financial year draws a close to the term of the previous Compliance Plan 2023-2026. Given this, a five-year performance overview has been included in this Compliance Annual Report to confirm the performance of the CME function against six of its major key performance indicators over the extended period. Note that the six priorities remained consistent and unchanged throughout the course of the previous five years captured. The CME function's compliance grading system, based on the Ministry for Environment 'Best Practice Guidelines for Compliance, Monitoring and Enforcement under the Resource Management Act 1991', also remained unchanged. This has resulted in a consistent five-year data set that did not require fitting or merging of alternate forms of discrete data. This consistency in data capture indicates the benefit of capturing good data and keeping it as unchanged as possible over the course of time.

The following graphs illustrate the performance of the CME function with six key performance indicators, these being:

(1) The number of performance monitoring assessments completed in the past five financial years by compliance grade.
(2) The number of completed consented and permitted activity audits and inspections in the past five financial years by Priority.
(3) The number of completed consented and permitted activity audits and inspections in the past five financial years by compliance grade.
(4) The number of pollution complaints notified in past five financial years by cause.
(5) The number of Incidents responded to in past five financial years by cause.
(6) The number of enforcement actions taken in the past five financial years by enforcement Type.

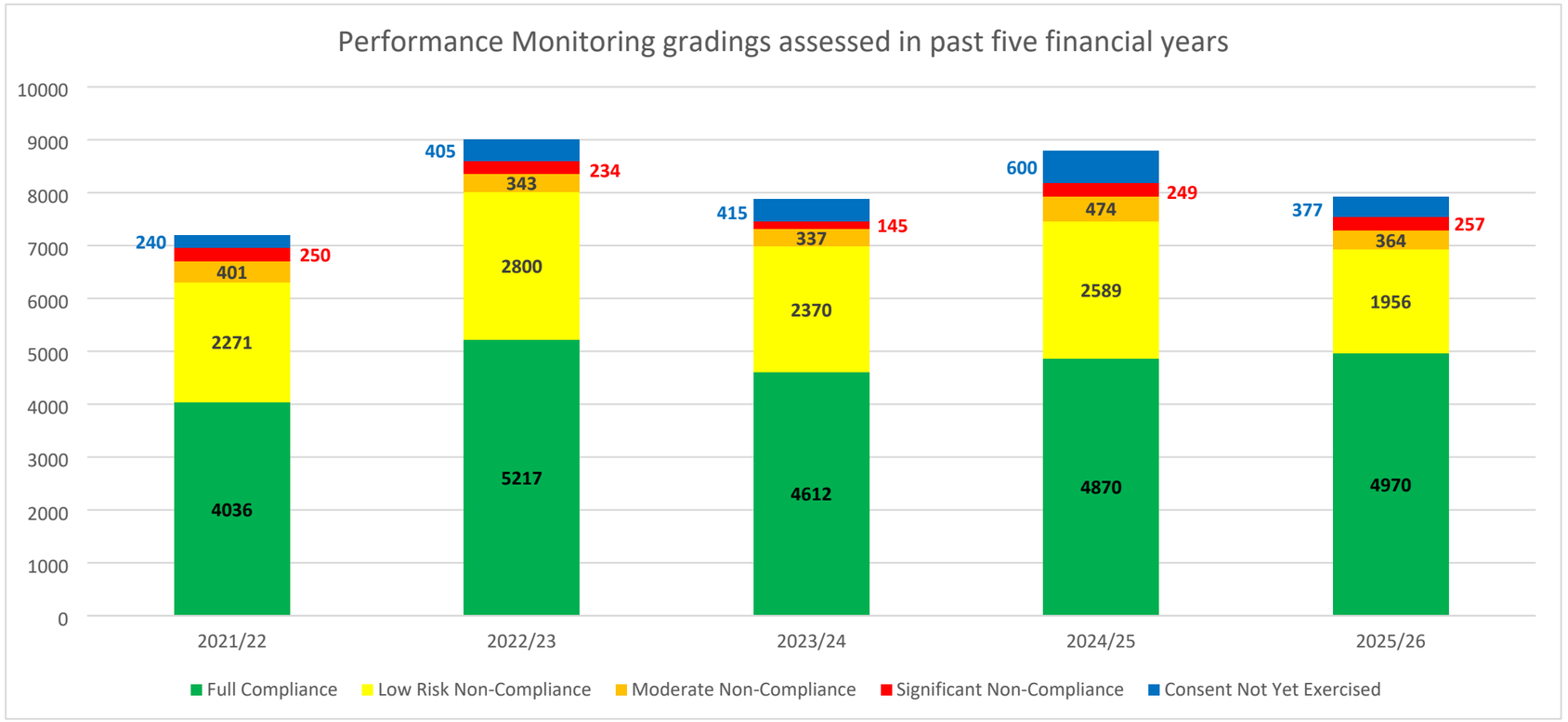



***Figure 33: Number of performance monitoring assessments completed in the past five financial years by compliance grade.***

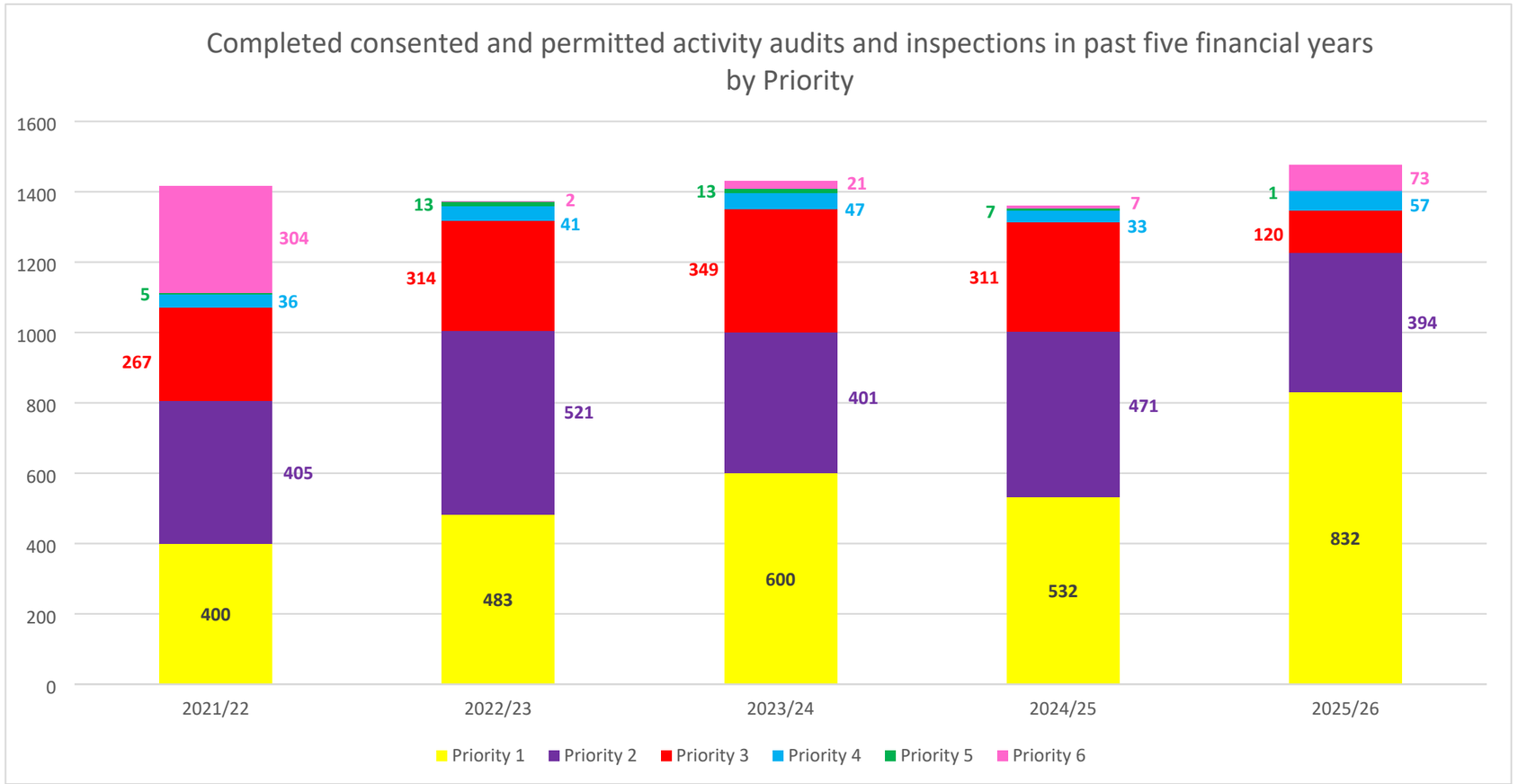



***Figure 34: Number of completed consented and permitted activity audits and inspections in the past five financial years by* Priority.**

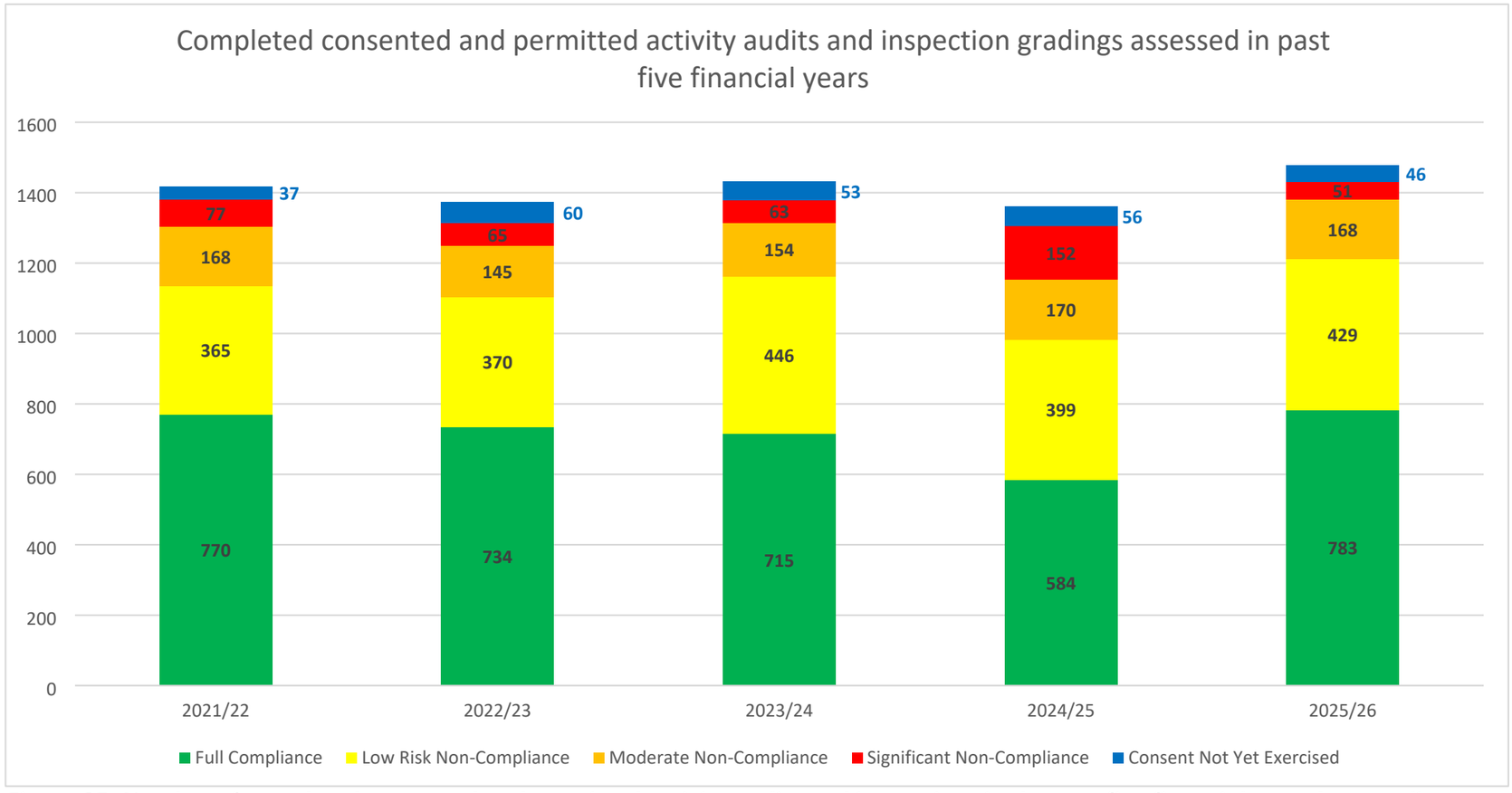



***Figure 35: Number of completed consented and permitted activity audits and inspections in the past five financial years by compliance grade.***

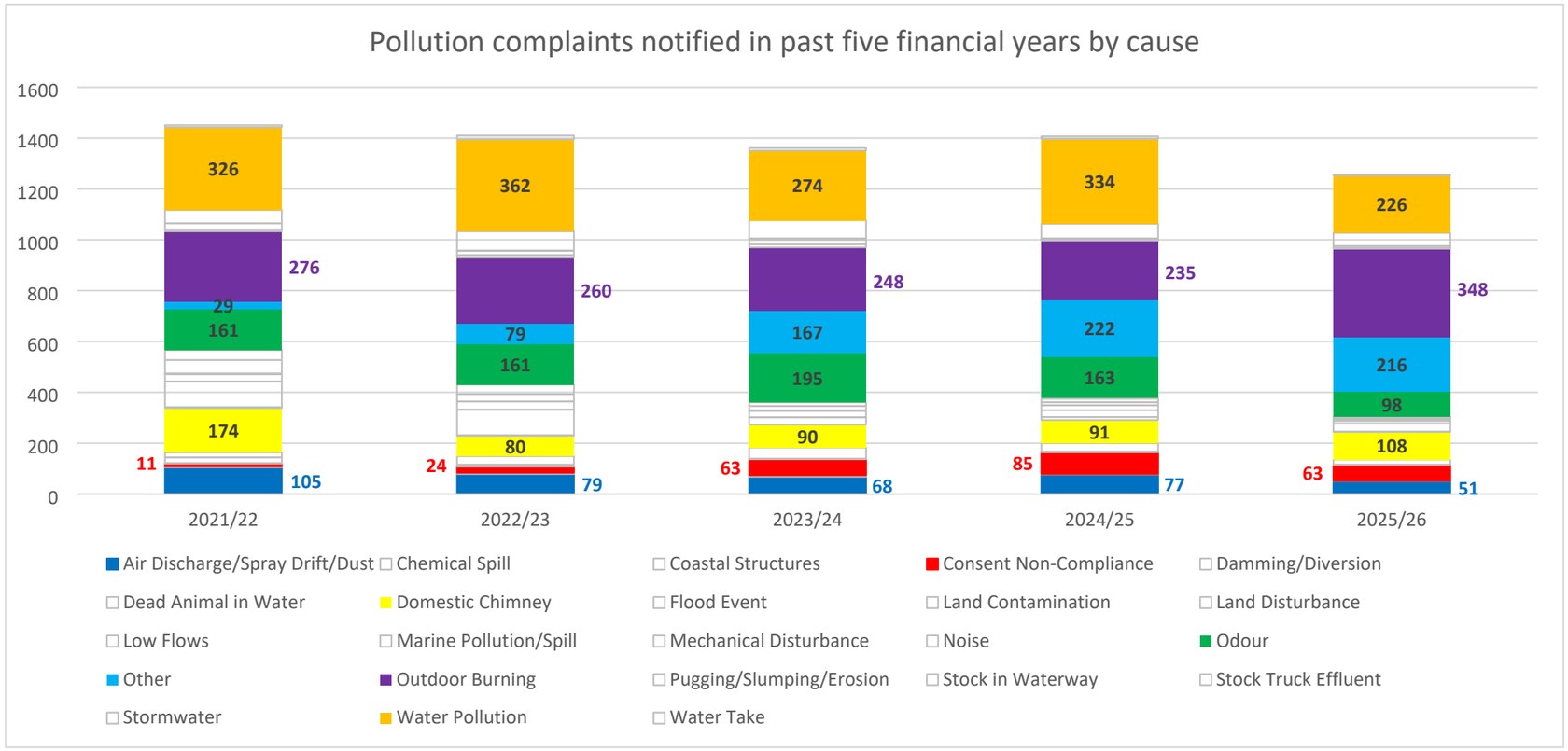



***Figure 36: Number of pollution complaints notified in past five financial years by pollution complaint cause.***

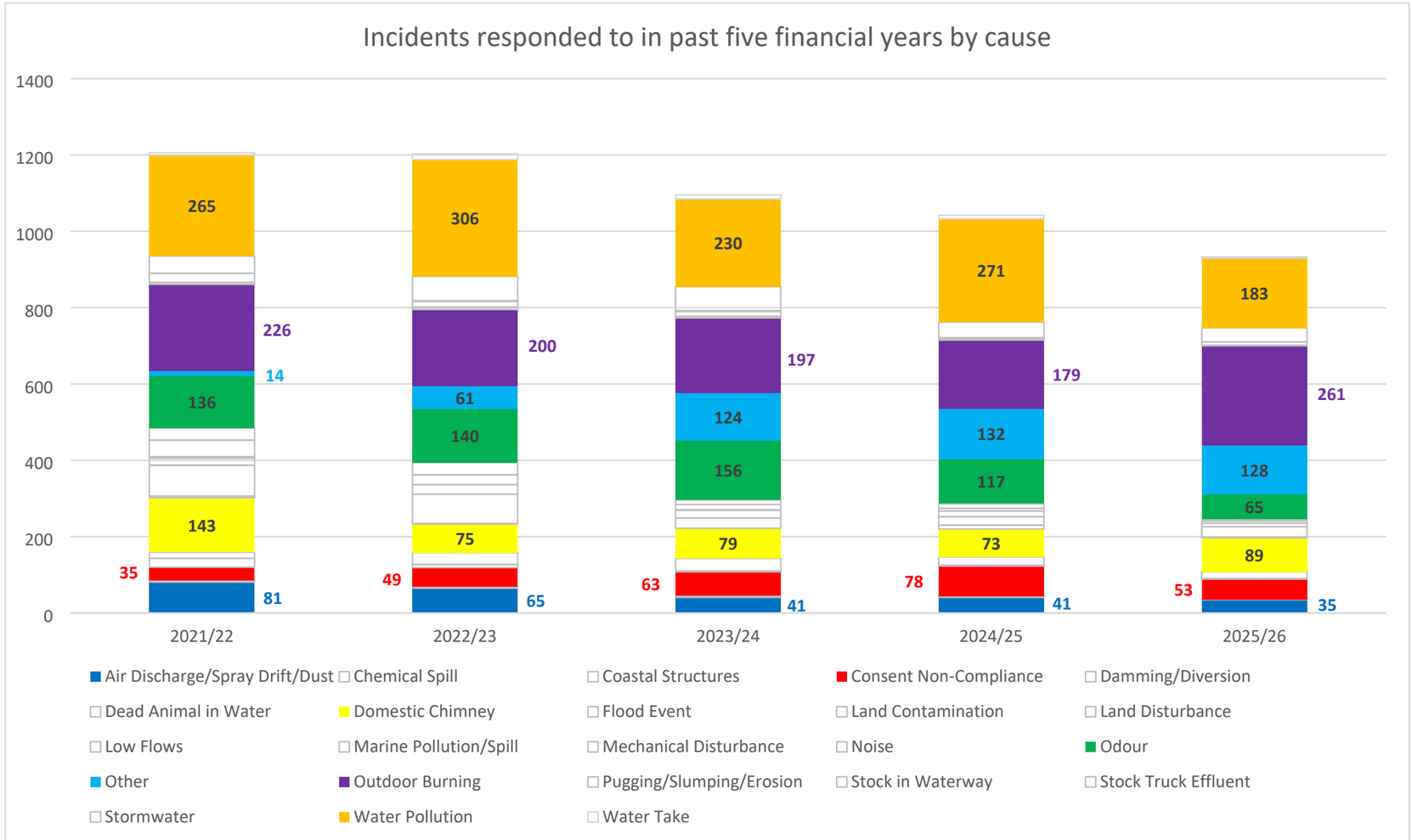



***Figure 37: Number of Incidents responded to in past five financial years by cause***

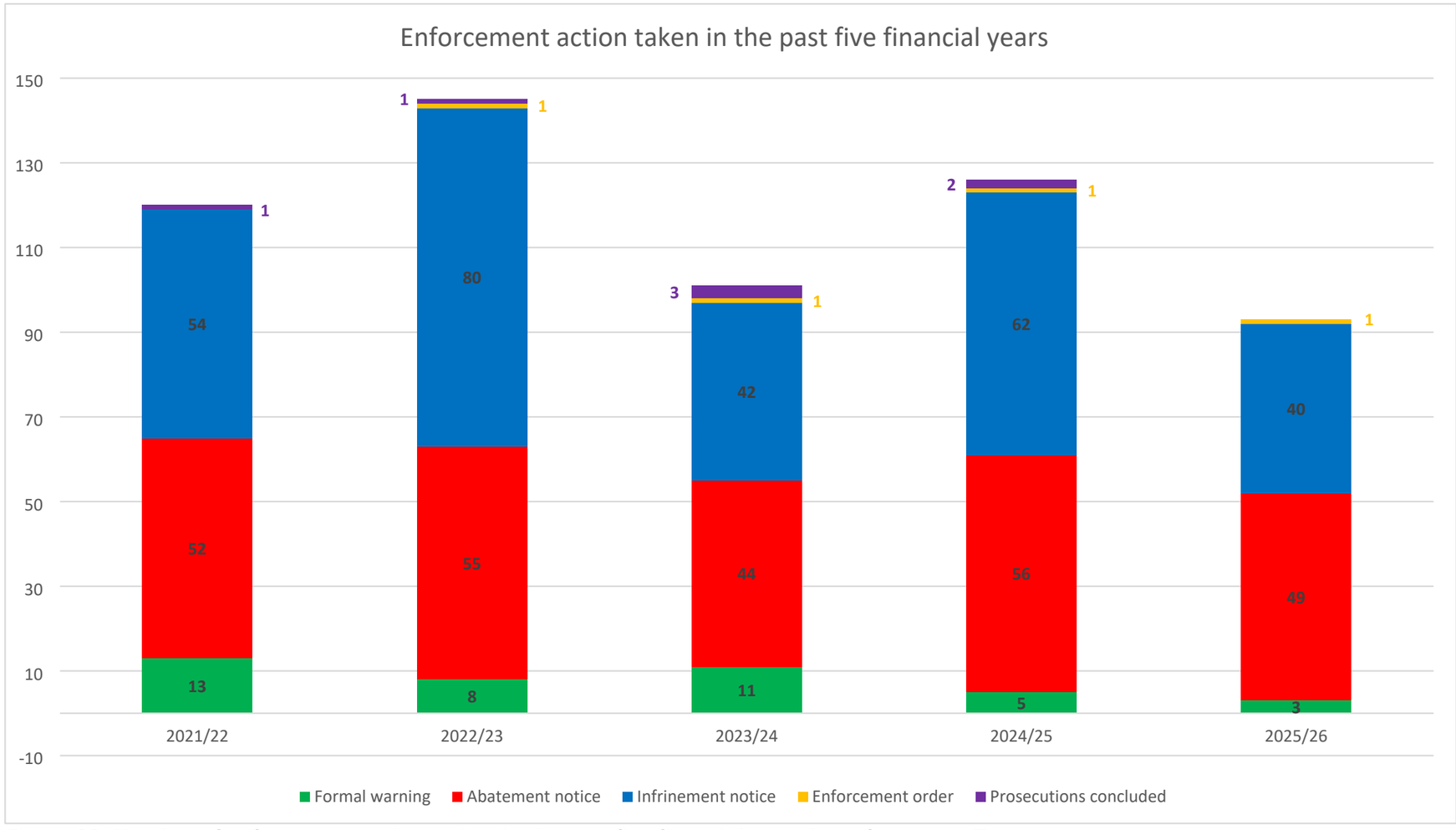



***Figure 38: Number of enforcement actions taken in the past five financial years by enforcement Type.***

## Conclusion

During the 2025/26 financial year, 7,924 consented performance monitoring requirements were received and assessed for compliance from consent holders. After having planned to complete 7,250 performance monitoring assessments in the 2025/26 financial year, the 7,924 completed represent 109.3% of the 7,250 planned performance monitoring assessments for the 2025/26 financial year.

1,225 site audits and inspections were planned within the Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY. During the 2025/26 financial year, 1,477 total site audits and inspections were completed across both consented and permitted activities. 1,241 on-site consent audits and inspections were completed. After having planned to complete 1,225 site audits and inspections, the 1,477 site audits and inspections completed by the Compliance Team represent 120.6% of the 1,225 planned site audits and inspections that were planned for the 2025/26 financial year.

1,256 service requests were submitted to the pollution hotline service over the 2025/26 financial year, a reduction of 12.0% from the previous 2024/25 financial year. After adjusting for multiple complaints that were associated with one reported incident, 933 individual incidents were associated with the 1,256 service requests reported through to the pollution hotline over the 2025/26 financial year. Of the 933 incidents created, incident inspections were conducted for a total of 651 incidents after risk-assessment and triage, reflecting that a total of 69.8% of the incidents received during the 2025/26 financial year had been inspected on-site.

During the 2025/26 financial year, the Compliance Team issued 93 formal enforcement actions, a decrease from 125 formal enforcement actions taken in the 2024/25 year. Formal enforcement actions during the 2025/26 financial year included 3 formal warnings, 49 abatement notices and 40 infringement notices. 1 enforcement order was applied through the court. No prosecutions were concluded during the 2025/26 financial year, while 5 prosecutions were still in progress.

The CME function continued to meet the targets set by Operational Compliance Audit and Performance Monitoring Schedule 2025-26FY for the 2025/26 financial year.

## 11.5. Issues and Opportunities for Managing the Otago Coast

| | |
|---|---|
| **Prepared for:** | Council |
| **Report No.** | P&P2609 |
| **Activity:** | Regional Planning |
| **Authors:** | James Adams (Senior Policy Analyst), Amy Young (Senior Policy Analyst) |
| **Endorsed by:** | Anita Dawe (General Manager Regional Planning and Transport) |
| **Date:** | 28 October 2026 |
| **Portfolio Leads:** | Cr Wilson and Cr Gillespie, Policy and Planning |

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### PURPOSE

[1] The purpose of this report is to provide Council with:

a. the *Otago Coast Engagement Report* which synthesises engagement feedback on Coastal Issues and Opportunities in Otago, and

b. the *Otago Coast Issues and Opportunities Report*, which summarises ORC's knowledge about issues affecting Otago's Coast, and identifies the opportunities for future management frameworks.

### EXECUTIVE SUMMARY

[2] The Otago Regional Council (ORC) has undertaken public and stakeholder engagement to improve understanding of the issues, values and opportunities associated with Otago's coastal environment. Feedback from surveys, workshops, public events and webinars has been synthesised in an *Otago Coast Engagement Report* and combined with existing council knowledge to produce the *Otago Coast Issues and Opportunities Report*. These reports are recommended by ORC staff as a foundation for future coastal management and planning.

[3] Engagement highlighted strong public appreciation for Otago's wildlife, habitats, natural character and recreational opportunities. Key concerns included biodiversity loss, coastal hazards and climate change, water quality, infrastructure, and maintaining public access. Participants also emphasised the importance of collaboration, stewardship, research, local knowledge and integrated management approaches.

[4] The *Otago Coast Issues and Opportunities Report* groups issues and opportunities under four themes: coastal management foundations, coastal uses and development, coastal features and characteristics, and Kāi Tahu values and relationships with the coast. Several key findings emerge: access to the coast is highly valued; active management will be required to maintain and enhance coastal values; and coastal issues are interconnected and must be addressed holistically. The report also identifies local issue hotspots, including erosion-prone areas, locations where access can be improved, and areas where biodiversity values and associated management challenges have been identified.

[5] This work has occurred during a period of significant resource management reform. While there remains uncertainty about future national direction, it is clear that management of the coastal marine area will need to be integrated with land use, freshwater, biodiversity, climate adaptation and community wellbeing. The report will support the development of a regional planning framework for managing the Otago coast by providing a consolidated understanding of the issues, opportunities and values associated with this environment and identifying the matters that a future framework will need to address.

[6] Adopting the *Otago Coast Engagement Report* and *Otago Coast Issues and Opportunities Report* would provide ORC with a robust knowledge base for future planning, including the development of the Regional Spatial Plan, Coastal Land Use Plan and Natural Environment Plan. It will also help to support the development of ORC's monitoring network, inform direct science and natural hazard studies and support other non-regulatory initiatives.

[7] Adopting these reports is a low-risk, "no regrets" step that recognises community contributions and provides a clear foundation for future coastal management, while retaining flexibility to respond to evolving legislative and policy settings. It does not commit ORC to any particular management response or future planning provisions. Rather, it recognises these reports as an agreed evidence base to inform future policy, planning and non-regulatory work programmes.

## RECOMMENDATION

*That the Council:*

1) ***Notes*** *this paper*
2) ***Adopts*** *the Otago Coast Engagement Report and Otago Coast Issues and Opportunities Report, as a foundation to inform future regulatory and non-regulatory coastal management.*

## BACKGROUND

### Context

[8] A review of the Regional Plan: Coast for Otago (Coast Plan) is identified as key work in the ORC's Long-Term Plan 2024-2034 (LTP), where the aim was to notify a new Regional Coast Plan by June 2028. However, since the LTP was adopted, the planning landscape has changed significantly.

[9] The Resource Management (Consenting and Other System Changes) Amendment Act 2025 brought in changes that resulted in councils pausing their work on Resource Management Act 1991 (RMA) plans. Furthermore, the recent enactment of the Planning Act and Natural Environment Act has introduced a new resource management system that will require the development of a regional combined plan that brings together a regional spatial plan, a natural environment plan, and land-use plans into one document.

[10] There remains considerable uncertainty about the legislative context and national policy direction that will shape the future regional framework for managing the coast. However, the issues and opportunities identified through this project demonstrate the close connections between the coastal marine area (CMA), the wider coastal environment, freshwater, land use, biodiversity and community wellbeing.[1] The reports provide a knowledge base on the values, issues, opportunities and aspirations associated with Otago's coast, which can be used to inform future council decision-making, planning processes and non-regulatory coastal management initiatives.

**Public and stakeholder engagement**

[11] In early 2026, staff developed a Discussion Document collating the ORC's current knowledge about coastal issues in Otago and identifying potential opportunities for future management. This document underpinned a programme of public and stakeholder engagement through July and August 2026, including an online survey, public drop-in sessions, an online webinar, and stakeholder workshops.

[12] The online survey ran from 13 July to 10 August 2026. A total of 163 unique responses were received, including 161 completed online and 2 completed in hard copy.

[13] Six public drop-in sessions were held in different locations along the Otago Coast during July and August 2026.[2] A total of 59 people attended these drop-in sessions.

[14] Two workshops were held on 16 and 20 July 2026 with organisations and groups with a particular interest in the coast. Representatives from 16 organisations took part in these workshops.

[15] The feedback from this engagement has been summarised in the *Otago Coast Engagement Report (Engagement Report)*, which also describes the engagement methodology in more detail. This information is attached to this report, see attached Otago Coast Engagement Summary.

**Mana whenua engagement**

[16] Kāi Tahu views and perspectives on coastal issues and opportunities were gathered through a separate process, whereby Aukaha Ltd engaged directly with Otago rūnaka on coastal issues and opportunities and provided ORC staff with the information thus gathered. These views and perspectives have been incorporated into the *Otago Coast Issues and Opportunities Report (Issues and Opportunities Report)*, discussed further below.

---

[1] Otago's CMA extends from the line of mean high-water springs (the highest line that regular high tides reach) to the outer limits of the territorial sea at 12 nautical miles (22.2 kilometres), from the Waitaki River in the north to Wallace Beach in the south. It includes the sea, the airspace above it, the seabed, and those parts of the foreshore covered and uncovered by the tide. The coastal environment includes the CMA, islands within the CMA and the area landward of the line of mean high-water springs. The landward extent of the coastal environment is determined by the natural and physical elements, features and processes set out in Policy 1(2) of the NZCPS.

[2] Drop-in session were held at Balclutha, Dunedin Central, St. Clair, Karitāne and Ōamaru, and online.

## DISCUSSION

### Key findings from engagement

[17] Discussions during engagement highlighted common public concerns and generated detailed feedback from people with specific interests. The topics most frequently discussed were public access, biodiversity, natural character, natural hazards and climate change, infrastructure, and water quality. Feedback was also received on topics such as aquaculture, heritage, biosecurity, and surf breaks.

[18] Public and stakeholder feedback demonstrated strong appreciation for Otago's wildlife, habitats and coastal ecosystems. There was also broad recognition that climate change will increasingly influence how the coast is managed.

[19] Participants frequently linked issues relating to access, biodiversity, infrastructure, natural hazards, water quality and coastal processes, recognising that actions in one area can influence outcomes elsewhere.

[20] Participants also identified several themes not clearly captured in the Discussion Document, particularly governance, stewardship, research, community knowledge, public participation and integrated management. This highlights the importance placed on collaboration, knowledge-sharing, and collective responsibility in achieving positive coastal management outcomes.

### Issues and Opportunities for Otago's coast

[21] Feedback from the engagement was combined with ORC's existing knowledge and with Aukaha input on Kāi Tahu views and perspectives relating to coastal management, to develop a second report that identifies the key issues facing Otago's coast and opportunities for future coastal management. This *Issues and Opportunities Report* is attached to this report as Attachment 2.

[22] Within this report, issues and opportunities have been grouped into four themes:

1. Coastal management foundations: Principles and approaches for effective coastal management;
2. Coastal uses and development: How people interact with, use and develop the coast;
3. Coastal features and characteristics: The natural landforms, habitats, and processes that shape the coastal environment; and,
4. Kāi Tahu values and relationship with the coast.

### Key findings from the Issues and Opportunities report

[23] Public access to the coast emerged as a key issue and opportunity. Participants identified a range of barriers to access, including private development, erosion, and the need to protect sensitive coastal environments. There was strong support for maintaining and enhancing access while balancing recreational, cultural, economic, and environmental values.

[24] Collaboration and adaptive management were identified as important opportunities to maintain and enhance coastal values. Stronger partnerships between councils, mana

whenua, government agencies, industry groups, community organisations and coastal users can improve the ability to respond to changing circumstances and emerging information. Improved monitoring, research, and information sharing were also identified as opportunities to support informed planning and responsive management.

[25] Feedback consistently highlighted the importance of managing the coast as part of a connected system rather than as a separate environment. An integrated approach to coastal management recognises the ki uta ki tai (mountains to sea) connection and acknowledges that activities occurring within inland catchments, rivers, estuaries, harbours and coastal waters influence the coast.

**Future use of the Issues and Opportunities Report**

[26] The *Issues and Opportunities Report* is an early step in reviewing Otago's coastal management framework and has been prepared during a period of significant national resource management reform. Under the Planning Act, ORC and the region's territorial authorities will be required to jointly prepare a Regional Spatial Plan. Under the Natural Environment Act, ORC will also be responsible for developing a Land Use Plan for the CMA and a Natural Environment Plan.

[27] As a result, the report is not intended to support a like-for-like replacement of the Coast Plan. Instead, it provides a foundation for future coastal management. This includes regional planning, the development of a new Regional Spatial Plan, and a combined Regional Natural Environment Plan and Land Use Plan for the coast. The findings will also inform a range of ORC workstreams, including science and natural hazard studies, education, monitoring and other non-regulatory initiatives that support the sustainable management of Otago's coastal environment.

**Out of scope issues**

[28] The engagement process identified issues that were relevant to ORC's wider functions, such as monitoring, consenting or compliance enforcement. This information has been provided to the relevant teams. Matters falling within the jurisdiction of territorial authorities have also been passed on as appropriate.

## OPTIONS

[29] Staff have identified the following options:

a. **Option 1 (preferred)**: Adopt the *Engagement Report* and *Issues and Opportunities Report* as a foundation for future coastal management, including plan development and work planning.

b. **Option 2**: Defer adoption of the *Engagement Report* and *Issues and Opportunities Report* until there is more clarity regarding the new planning regime (i.e. national policy direction and national standards).

[30] With the enactment of the Planning Act and Natural Environment Act, work on the Regional Spatial Plan and other aspects of the combined regional plan can commence. Adopting the reports (option 1) provides a robust knowledge base for progressing these processes.

[31] Option 1 carries relatively low risk, as the report simply identifies issues and opportunities, rather than proposing specific controls, policies or management responses. As such, Option 1 is a practical “no-regrets” approach that establishes a shared evidence base for future planning while retaining flexibility to respond to future legislative and policy direction.

[32] As national policy direction and national standards are developed under the new regime, additional information gaps may be identified, or more detailed feedback may be required on specific issues. Option 1 does not preclude further engagement or evidence gathering where this is considered necessary.

[33] The engagement process involved a significant investment of time and effort from Otago communities, stakeholders, and mana whenua. Adopting the report acknowledges those contributions and demonstrates Council's commitment to considering the views that have been shared. Not adopting the *Engagement Report* and *Issues and Opportunities Report* carries a reputational risk, as it may be perceived that time and effort given to the process by mana whenua and community members and stakeholders participating in the engagement process is not appropriately recognised.

## SUMMARY OF CONSIDERATIONS

### Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

**Partnerships**

ORC 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 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.

### Alignment with Central Government Legislation

This work aligns with relevant central government legislation. Specifically, it supports the transition towards and implementation of a new planning framework established by the new Planning and Natural Environment Acts.

### Alignment with Otago Regional Council Internal Policy

This work is consistent with relevant ORC policies, in particular He Mahi Rau Rika (see below).

### Financial Considerations

The budget for this work was approved through the 2024-2034 LTP as part of the Land and Water portfolio.

**Legal Compliance/Risk**
There is insignificant risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

**Reputational Risk**
No reputational risk is associated with adopting the *Engagement Report* and *Issues and Opportunities Report*.

**Climate Resilience**
Climate resilience and adaptation is a key issue and opportunity in coastal planning and has been addressed in the *Issues and Opportunities Report*.

**Carbon Emissions**
The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

**He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy**
This work is of HIGH significance as assessed against He Mahi Rau Rika.

**Engagement with Mana Whenua**
Mana Whenua have been engaged throughout the process though involvement of Aukaha staff.

**Stakeholder Engagement**
Stakeholder engagement has been carried out as described above and in the attached reports.

**Communications**
The decision will be communicated with the relevant audiences, including organisations and groups with a particular interest in the coast that participated in the workshops. A media release will be issued immediately following the Council meeting.

## NEXT STEPS

[34] If Option 1 is endorsed, the next steps are to make the Engagement Report and Issues and Opportunities Report publicly available on the ORC website and communicate their availability to workshop participants and other interested parties. A media release will be issued immediately following the Council meeting, and organisations and groups with a particular interest in the coast that participated in the workshops will be provided with the reports via email.

## ATTACHMENTS

1. Otago Coast Engagement Summary with appendices [**11.5.1** - 92 pages]

Otago Regional Council

# Otago Coast Engagement Report

## Summary of feedback on Issues and Opportunities for the Otago Coast

July–August 2026



## Acknowledgements

Otago Regional Council acknowledges all the community members and stakeholders who took part in the Otago Coast Issues and Opportunities engagement process.

ORC is grateful for all the feedback received through the survey, drop-in sessions, emails and discussions. It will inform a refreshed approach to coastal management in Otago across all of ORC's functions.



# Executive summary

In July and August 2026, the Otago Regional Council (ORC) undertook a programme of public and stakeholder engagement to better understand the issues, opportunities and values associated with Otago's coastal environment. Engagement included an online survey, public drop-in sessions, an online webinar, and stakeholder workshops. The purpose of the engagement was to test and expand upon the issues and opportunities identified in ORC's discussion document and to improve understanding of what Otago's communities care about in the coastal environment.

The engagement demonstrated a strong connection between Otago communities and their coast. Participants described the coast as important for wellbeing, community identity, and regional character. The coast was valued for natural scenery, wildlife, recreation, food gathering and cultural significance, with broad recognition of the need to accommodate access, infrastructure and other activities.

Prominent topics across the engagement included public access, biodiversity, natural character, natural hazards and climate change, infrastructure, and water quality. These were discussed across multiple engagement methods, locations and participant groups. Participants expressed strong appreciation for Otago's wildlife, habitats and coastal ecosystems. There was broad recognition that climate change will increasingly influence how the coast is managed.

More specialised themes, such as marine aquaculture, historic heritage, biosecurity and surf breaks, generated detailed feedback from people with particular interests, expertise or connections to specific places.

Participants tended to view coastal issues as interconnected. Rather than discussing issues as separate topics, participants frequently linked access, biodiversity, infrastructure, natural hazards, water quality and coastal processes, recognising that actions in one area can influence outcomes elsewhere.

Several themes emerged from the feedback that were not clearly captured within the discussion document. These included governance and coordination between organisations, education and stewardship, scientific research and monitoring, community knowledge, public participation and integrated catchment-to-coast management. These themes suggest that many participants view successful coastal management as depending not only on environmental management, but also on collaboration, knowledge-sharing and community involvement.

Overall, the engagement showed a desire among participants for the ORC to maintain a healthy, accessible and resilient coast that supports biodiversity, community wellbeing, recreation and economic activity, while ensuring that future management decisions are informed by good information, effective collaboration and a long-term perspective.

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# Introduction

## Purpose

1. This document summarises feedback from ORC's public engagement on coastal issues and opportunities in Otago undertaken between July and August 2026.

## Context

2. The operative Regional Plan: Coast was notified in 1994 and is increasingly outdated in the context of current legislation, national direction and contemporary coastal management practice. A review of the Coast Plan is identified as key work in ORC's Long-Term Plan 2024-2034 (LTP), where the aim was to notify a new Regional Coast Plan by June 2028.

3. Since the LTP was adopted, the planning landscape has changed significantly. The Resource Management (Consenting and Other System Changes) Amendment Act 2025 brought in changes that resulted in councils pausing their work on Resource Management Act 1991 (RMA) plans. Furthermore, the recent enactment of the Planning Act and Natural Environment Act has introduced a new resource management system that will require the development of a regional combined plan that brings together spatial planning, land-use plans and natural environment plans into one document.

4. While there remains considerable uncertainty about the legislative context and national policy direction that will shape the future regional framework for managing the coast, some matters are clear: a future management approach for the Coastal Marine Area (CMA) will need to be integrated with management of other resources and operate holistically.[1] ORC can use this period of transition to gather knowledge and build its understanding of the wider coastal environment, how people use it, and their aspirations for the future.[2] This information will help inform both future planning and policy development and broader non-regulatory actions that support the protection of important coastal values while enabling communities to continue using and enjoying the coast. Doing so will help ensure ORC is well prepared for the new planning system and future coastal management opportunities.

## Process

5. ORC reviewed existing information on coastal matters and developed a discussion document summarising issues and opportunities within Otago's coastal environment. This document informed a series of engagement events undertaken during July and August 2026:

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[1] Otago's CMA extends from the line of mean high-water springs (the highest line that regular high tides reach) to the outer limits of the territorial sea at 12 nautical miles (22.2 kilometres), from the Waitaki River in the north to Wallace Beach in the south. It includes the sea, the airspace above it, the seabed, and those parts of the foreshore covered and uncovered by the tide.

[2] The coastal environment includes the CMA, islands within the CMA and the area landward of the line of mean high-water springs. The landward extent of the coastal environment is determined by the natural and physical elements, features and processes set out in Policy 1(2) of the NZCPS.

a. An online survey,
b. Public drop-in sessions in Dunedin, Ōamaru, Balclutha and Karitāne,
c. An online webinar, and
d. Stakeholder workshops.

6. These events sought to gather community members' views on issues and opportunities and test the ideas presented in the discussion document to ensure ORC's understanding is aligned with what Otago people value. The feedback will inform a more comprehensive Issues and Opportunities report that, alongside a review of the management approach in the existing Regional Plan: Coast, will help prepare ORC to develop a new approach to coastal management under the new legislative framework.

### Kāi Tahu values and relationship with the coast

7. Kāi Tahu are mana whenua[3] in Otago. The coastal environment is particularly significant for Kāi Tahu in the southern South Island. Most of the permanent settlements were established on the coast, which had a bounty of kaimoana (seafood) resources. The coastal waters and processes were integral to the way of life tūpuna (ancestors) enjoyed, and the coastal environment continues to support significant mahika kai[4] resources.

8. Recognising the interconnection of the land and sea environments is consistent with the ki uta ki tai (mountains to the sea) philosophy.

9. Kāi Tahu are being engaged directly on how their values, interests and aspirations should be reflected in future coastal management. This engagement is occurring through a separate process and is therefore not reflected in this report.

## Methodology

### Survey and discussion paper

10. The discussion document and the survey formed the core of the engagement process. The discussion document set out ORC's understanding about coastal issues and opportunities in Otago, and the survey, framed around the topics outlined in the discussion document, sought feedback on those topics and tested whether ORC's understanding was accurate. The discussion document and survey also provided the basis for conversations and workshop activities at public drop-in sessions and stakeholder workshops.

[3] The authority exercised by an iwi or hapū in an identified area, and the people who hold that authority.

[4] Gathering of food and natural materials by Kāi Tahu whānui in accordance with tikaka, the places where those resources are gathered, and the work, methods and cultural activities involved in obtaining them.

## Discussion paper development

11. The discussion paper summarised the breadth of information ORC held about coastal issues prior to engagement, including monitoring data, scientific research, and specialist knowledge and experience from subject matter experts within ORC. It was integrated with the survey questions, discussed below, and made publicly available on ORC's website and in hard copy at in-person engagement events. The final discussion document is included at Appendix 1.

## Survey development

12. The survey was designed to provide flexibility in how people participated, recognising that respondents had different levels of experience, knowledge, and interest in Otago's coastal environment. The full text is included at Appendix 2.

13. The survey was implemented online on ORC's website, providing a streamlined user experience, and automating raw data collection. It was also available in hard copy on request and at in-person engagement events.

14. Participants were not required to answer every question, allowing them to focus on the topics they found most relevant. This approach helped reduce survey fatigue while enabling meaningful input on specialist topics such as biodiversity, aquaculture, biosecurity, natural hazards, historic heritage, and recreation. A combination of multiple-choice, rating scale, and open-ended questions was used to capture both broad community perspectives and more detailed local knowledge.

15. As a result, response numbers vary across the survey. Some questions recorded more responses than the total number of participants because respondents could select multiple answers, reflecting the range of values, concerns, and experiences associated with the coast. Other topic areas received fewer responses because participants could skip sections that were not relevant to their interests or expertise. Although response numbers provide an indication of the relative importance that respondents placed on different issues and values, they should be interpreted with caution. The approach was intended to capture both broad community views and more detailed feedback from people with specific knowledge or connections to coastal places and issues.

16. The survey ran from 13 July to 10 August 2026. A total of 163 unique responses were received, including 161 completed online and 2 completed in hard copy.

17. Most respondents lived in Dunedin (67%), with smaller proportions from North Otago (15%), Clutha (4%), Taieri (4%), and Central Otago (4%). The remaining respondents (7%) were primarily from other parts of Otago or represented national organisations.

18. Respondents were predominantly older adults. The largest age group was 50-64 years (35%), followed by 35-49 years (28%) and 65 years and over (23%). Younger respondents were less represented, with those aged 18-34 accounting for 12% of responses and those aged 0-17 accounting for 1%.

## Drop-in sessions

19. Community engagement was undertaken through six public sessions across Otago during July and August 2026. In-person drop-in sessions were held in:

    a. Balclutha at Te Pō o Mata-Au, on Tuesday 21 July from 3.00pm to 6.00pm

    b. Dunedin at Aonui on Thursday 23 July from 3.00pm to 6.00pm

    c. Dunedin at South Coast Board Riders Association rooms in St. Clair on Saturday 25 July from 10.00am to 1.00pm

    d. Karitāne at Puketeraki Marae on Tuesday 28 July from 3.00pm to 6.00pm

    e. Ōamaru at the Forrester Gallery on Wednesday 5 August from 4.00pm to 7.00pm

20. Alongside these in-person sessions, an online webinar and Q&A session was held on 3 August from 7.00pm to 8.30pm.

21. A total of 59 people attended the engagement sessions. Attendance ranged from 3 people at the online session to 14 people at the St Clair session. Mean attendance across all in-person sessions was 10.5 people. Attendance at evening sessions was highest during the first hour, while attendance at the St. Clair session was spread relatively evenly throughout the event.

22. The in-person engagement was designed to identify coastal management issues, opportunities, values, and priorities perceived by the broader community. A drop-in format was chosen to provide flexibility, allowing participants to attend at their convenience and contribute at a level that suited their interests. Sessions used facilitated discussion as the key feedback mechanism, supported by a community noticeboard and surveys. Feedback could be provided verbally, in writing, or electronically via tablets and QR codes, and all participants were encouraged to complete the survey.

23. A consistent approach was used across all in-person sessions to ensure feedback was collected in a comparable manner. Staff were briefed on the project's purpose, key discussion topics, and methods for recording information. Technical specialists, planning staff, and councillors attended sessions to answer questions, facilitate discussions, and support participants, while a dedicated host role welcomed newcomers, explained the purpose of the engagement, and directed participants to staff leading the facilitated discussions. This helped ensure feedback reflected community perspectives while maintaining consistency across locations.

24. Feedback was captured through survey responses, conversation notes, written comments, and mapped spatial information.

25. The online session adopted a more structured format, with a presentation delivered by staff explaining the purpose of the engagement and describing the issues and opportunities identified in the discussion document, followed by time for questions and discussion. Low attendance allowed for a more free-flowing discussion with participants than originally planned.

## Stakeholder feedback

26. ORC also undertook a targeted stakeholder engagement process to identify and refine key issues and opportunities relating to the management of the Otago coast. Two stakeholder workshops were held:

    a. 16 July 2026 with environmental and community organisations,

    b. 20 July 2026 with industry, infrastructure, and economic interest groups.

27. Stakeholders were invited based on their involvement in, knowledge of, or interest in coastal management matters. Both in-person and online participation options were provided. A list of organisations that were invited and participated in the workshops is included in Appendix 3. ORC invited 90 stakeholders to participate, of which 16 took part.

28. Facilitated breakout discussions were structured into two parts:

    a. reflections on the current management framework, and

    b. broader forward-looking discussion around the themes identified in the discussion document.

29. Participants were encouraged to identify current and emerging challenges, potential management responses, and opportunities to improve outcomes for the coast.

30. Feedback from the first breakout discussion is not included in this report, as it does not relate directly to issues and opportunities for the coast. Instead, this feedback will inform the Efficiency and Effectiveness review of the existing Coast Plan, which is currently underway.

31. Feedback from the workshops was captured by facilitators and collated to identify recurring themes, stakeholder concerns, areas of consensus, and opportunities for future action.

## Other feedback

32. ORC also received written feedback from three stakeholders. This has been incorporated into the stakeholder feedback sections of this report.

## Synthesis

33. Feedback from surveys, drop-in sessions, stakeholder workshops and written submissions was reviewed and analysed thematically. Responses were grouped according to the discussion document topics, and recurring themes, issues, opportunities and areas of concern were identified within each topic. The analysis considered both the frequency with which issues were raised and the depth of discussion they generated, recognising that specialist topics may attract fewer responses than issues of more general interest. Additional themes that did not fit within the discussion document structure were also identified and analysed separately.

34. Note that percentages are rounded to the nearest whole number in this document. This means that reported results may not always add to 100%.

## Out of Scope Feedback

35. Participants also raised matters that were outside the scope of this engagement. These include concerns about specific consents or compliance matters, as well as issues that fall within the responsibilities of other agencies, such as territorial authorities.

36. These matters are not addressed further in this report, but where appropriate, they will be passed on to relevant ORC staff or other agencies responsible.

## Limitations

37. This data should not be treated as representative of the Otago community as a whole, because:

    a. The number of participants was low compared to Otago's population (even if only coastal areas are considered),

    b. participants self-selected,

    c. there was not a representative level of diversity across participants, especially in terms of age, and

    d. A lot of survey respondents were from Dunedin so issues affecting Dunedin's harbour and urban coastlines may be more heavily represented in the data than issues affecting some other parts of the Otago coast.

38. What the data does provide is an indication of what was top of mind for those that participated. It gives us access to the expertise and experience of members of the public who were willing to give their time and expands our knowledge gathering beyond ORC-based sources. More broadly, the process has contributed to relationship and profile building for the ORC.

# Summary of feedback – discussion topics

## Public access

### Survey results

39. Public access to the coast was considered very important for 91% of respondents. Just over half reported experiencing restrictions on coastal access. The most commonly identified barrier was private development, followed by erosion and wildlife-related restrictions.

Access restrictions caused by structures, other users (including wildlife tourism operators), and steep dunes were mentioned less often.[5]

*"Access to nature, including our beaches, inlets and harbour [is] so important to people's sense of place, health and wellbeing and re-creation."*

*Survey respondent*

40. Respondents identified a range of opportunities to improve coastal access. Common suggestions included expanding access opportunities, improving connections between destinations, maintaining existing access routes, and achieving an appropriate balance between access and environmental protection. There was strong support for improved walking and cycling access, including the establishment of shared coastal pathways and trail connections, such as the Coastal Connection between Waikouaiti and Port Chalmers, and the proposed Dunedin-to-Ōamaru trail.

41. Improved access was sought around the Otago Peninsula, Otago Harbour, and parts of North Otago, including beaches, estuaries, and river mouths that are currently difficult to reach. Respondents also highlighted opportunities to improve pedestrian access around Otago Harbour, strengthen connections between the city and waterfront, provide additional public spaces, and increase recreation opportunities. Some suggested a pedestrian bridge linking the city and waterfront.

42. Many respondents emphasised the importance of keeping coastal areas publicly accessible and affordable for everyone. Access to the coast was seen as important for health and wellbeing, recreation, social connection, equity and sense of place. Maintaining existing access was also considered important, particularly where erosion is affecting roads, tracks, and access points.

43. A recurring theme was the need to balance public access and environmental protection. Respondents highlighted the importance of protecting hoiho and other sensitive wildlife, improving dog control, and carefully managing access in vulnerable areas. Support was expressed for restricting vehicle, motorbike, and dog access in some locations to reduce impacts on biodiversity and allow coastal habitats to recover. Other suggestions included additional picnic areas, public toilets, parking and boating facilities, viewing areas, and the repair or upgrade of existing infrastructure, roads and coastal amenities.

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[5] Access issues were raised across several locations, particularly on the Otago Peninsula, in North Otago, around Otago Harbour, and in the Catlins. Erosion-related access constraints were identified along parts of the Dunedin coast, including Brighton, St Clair, Tunnel Beach, and Boulder Beach (Otago Peninsula). Wildlife-related restrictions were most commonly associated with sea lions and access management at locations such as Boulder Beach (Otago Peninsula) and Tavora Reserve (near Palmerston). Access constraints associated with private land were also raised in parts of North Otago, the Otago Peninsula, Otago Harbour, and Chrystall's Beach (just north of Toko Mouth). Additional access comments referenced specific sites including Cargill's Castle, the Roman Baths quarry (Blackhead), and Kuri Bush (North of Taieri Mouth). Other issues raised included dog access restrictions, closed tracks, overcrowding at popular sites, wheelchair access ramps that are not fit for purpose, and temporary disruption from road works.

44. Views on vehicle use along the coast were mixed. Forty-six percent of respondents considered vehicle use to be a problem, while 33% did not and 21% were unsure. Concerns were raised across much of the coastline, particularly in North Otago, coastal Dunedin, and the Catlins and South Otago. Many respondents considered vehicle access unnecessary in some areas.

45. The main concerns about vehicle use related to impacts on wildlife, including penguins and other seabirds, seals, and sea lions, as well as damage to beaches, dunes, and other coastal environments. Safety, noise, and conflicts with other users were also commonly raised. Additional concerns included speeding on beaches, freedom camping, damage to planting and erosion-control works, parking pressures, limited enforcement of existing restrictions, and dogs that were accompanying vehicles then disturbing wildlife.

## Community drop-in and online sessions

46. Public access was one of the most consistently discussed themes across the engagement. Participants viewed access to the coast as a fundamental value that should be protected and enhanced. Access was described as not only the ability to physically reach the coast, but also the ability to experience, enjoy and connect with coastal environments. Participants frequently linked access to recreation, wellbeing, food gathering, tourism and appreciation of the natural environment.

> *"St Clair Beach gets used so much for just people parking to just look at the scene […]. Just to be able to see the sea counts for a lot."*
>
> *Online session participant*

47. Participants identified a wide range of features, facilities and opportunities that support access to the coast, including tracks, cycleways, roads, parking, public facilities and safe entry points to the water, such as boat ramps.

48. Concerns were raised about the loss of access over time through coastal erosion, inundation and, in the case of harbour users, sedimentation affecting navigation and mooring sites.

49. Access around Otago Harbour generated considerable discussion, with participants identifying barriers created by transport corridors, embankments, infrastructure and occupied coastal space. Accessibility for people with disabilities was also raised, including suggestions for beach-access wheelchairs, improved facilities and more mobility-friendly access points.

50. Vehicle access emerged as a recurring issue. Participants recognised that vehicles could support activities such as boat launching, hazard and emergency management, and, in some cases, access for people with limited mobility. However, many also expressed concern about the effects of vehicles on wildlife, dunes, estuaries and the experience of other beach

users.[6] Overall, participants sought a balance between practical access needs and environmental protection, public safety and enjoyment of the coast.

51. More broadly, access was consistently framed as supporting both community wellbeing and people's connection to the coast. Participants frequently linked access with understanding, appreciation and stewardship of coastal places and values.

## Stakeholder feedback

### *Environmental stakeholders and community groups*

52. Many participants supported public access to coastal areas, identifying it as a key enabler of recreational activities, wellbeing, tourism, and people's connection to the natural environment.[7] Coastal access trails were seen as particularly valuable, providing opportunities to enjoy and connect with the coastal environment, while also supporting community connections and a sense of place.

> *"[It is important to recognise] the importance of maintaining public access […] while ensuring that future development and activities are managed in a way that protects the natural character and wild qualities that make Otago's coastline such a special place […] Maintaining this balance will help ensure that people can continue to experience and enjoy the coastline while protecting the very qualities that make these places worth visiting."*
>
> *Workshop participant*

53. Participants recognised that access needs to be actively managed to balance public use with environmental protection. Key concerns included access restrictions associated with hard infrastructure, protected areas and reserves, and the impacts of vehicle access, including damage to dunes, vegetation, and wildlife. Suggested management measures included controlling vehicle access, applying temporary restrictions in sensitive areas, using permit systems where appropriate, and implementing rules and bylaws to protect threatened species. Education was also identified as an important tool to help people understand where access is appropriate and how recreational activities can occur while minimising environmental impacts.

54. Participants also noted that development or other changes to the coastal environment should not compromise coastal access values or diminish people's experience of accessing and enjoying the coastline. Well-designed and safe shared off-road trails along the coast were supported as a means of enabling active transport, strengthening connections between communities and the environment, and providing opportunities to support pest control and native habitat restoration initiatives.

### *Industry representatives and infrastructure providers*

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[6] Locations including Toko Mouth, Kakanui Estuary, Pūrākaunui and parts of the Catlins were identified as places where vehicle use was affecting wildlife, habitat or coastal amenity.

[7] New access opportunities for boating and rowing activities were identified on the Taiari/Taieri River (at Henley).

55. Participants considered public access to the coast important but acknowledged that restrictions may sometimes be necessary where justified. Some considered that public access across private farmland should not be forced but negotiated. Others noted that infrastructure can both constrain and improve access, with facilities such as ports requiring safety restrictions, while other features like tracks can enhance public access.

56. Participants emphasised the need for greater certainty for investors and providers of access infrastructure through better planning, including clear zoning, guidance relating to commercial access to the CMA, and reliable access arrangements where appropriate. Vehicle access was identified as an issue best managed through planning rules. Some participants noted that access for vehicles and machinery should be retained, where no practicable alternative exists, including for farming operations, infrastructure maintenance, flood protection, and erosion control.

57. Stakeholders also highlighted the importance of individual behaviour in influencing outcomes for coastal values, underscoring the importance of education about coastal access rights and responsibilities. Collaboration between coastal farmers, regulators, and the public was seen as important to address these issues.

## Occupying space

### Survey results

58. Survey respondents held mixed views about structures and activities occupying space in the coastal environment, including buildings, marinas, jetties, and ports. Many considered these structures were important to support how people use and enjoy the coast, although opinions often varied depending on the type of development. Respondents commonly highlighted their role in enabling boating, fishing, swimming, kayaking, rowing, and hunting.

59. Structures that support coastal recreation and access, including boat ramps, slipways, moorings, jetties, boatsheds, and wharves, were generally viewed positively. These were seen as improving access, enhancing safety, and supporting the launching and servicing of boats. Some respondents called for better management of moorings, while others raised concerns about a lack of marina facilities and long waiting lists for moorings in Otago Harbour. Coastal infrastructure was also recognised for its economic benefits, and some respondents noted that heritage structures contribute positively to the character of coastal areas. A small number further observed that certain structures can provide habitat for marine life. However, many emphasised that structures should be well maintained and should not restrict public access.

60. Respondents frequently commented on the effect of structures on coastal character and visual amenity. Historic boatsheds and heritage structures were generally viewed favourably, whereas marinas, seawalls, and industrial developments were often considered less appealing. Many expressed a preference for a more natural coastal environment, and some questioned the need for large marina developments.

*"Infrastructure like marinas commonly occupy sheltered locations exclusively and access other than on a commercial basis becomes impossible."*

*Survey respondent*

61. Environmental impacts were a recurring theme in the feedback. Respondents frequently raised concerns about habitat loss, wildlife disturbance, and pollution, particularly in relation to marinas, dredging, and major coastal works. Many also highlighted the importance of protecting native wildlife and natural habitats.

62. Some respondents felt there were too many structures in parts of the Otago Harbour, particularly where they restricted public access. Private structures and marinas were seen by some as limiting access to sheltered coastal areas, while others noted that certain structures appeared underutilised. Additional concerns related to, harbour management decisions, and the need for accurate records of mooring and boat ownership.

63. Overall, respondents were generally supportive of small-scale public access infrastructure, such as boat ramps, slipways, jetties, moorings, and wharves, while viewing marinas, large-scale industrial developments, and dredging activities less favourably. Many stressed that the economic benefits of structures, particularly ports and related infrastructure, should be carefully weighed against their environmental impacts. Additional comments included support for limiting the number of new structures, the importance of engagement with mana whenua, support for harbour development and hospitality activities, and feedback on specific development and redevelopment projects.

## Community drop-in and online sessions

64. Feedback on the occupation of coastal space centred on balancing the benefits of structures and exclusive uses with maintaining public access, recreation opportunities and the character of coastal environments.

65. Participants generally recognised that some activities require the exclusive occupation of coastal space. Ports, wharves, marinas, moorings, boatsheds, navigation infrastructure and boating facilities were seen as important assets that support the region's economy, recreation opportunities and cultural identity.

66. Participants involved in boating and harbour activities raised concerns about the way coastal space is allocated within Otago Harbour and Ōamaru Harbour. These discussions focused on conflicts between commercial and recreational uses, perceptions that some occupied areas limit public access, and concerns that harbour management needs to be more active in some areas to support access and use rights. One respondent expressed concern that responsibilities for harbour management were not clear.

67. Participants noted that the exclusive occupation of coastal space can affect public access to waterfront areas and harbour margins. Concerns focused on locations where port operations, transport infrastructure or other occupied areas were perceived to limit people's ability to reach or use parts of the coast. Several participants expressed a desire to see waterfront areas made more accessible to the public where operational requirements allow.

68. Fairness in the allocation of coastal space among different users was raised in relation to both Otago and Ōamaru Harbours. Participants questioned whether current arrangements adequately balance recreational, commercial and public interests. There was a perception that future conflicts could arise if demand for harbour space increases.

69. Some participants also highlighted examples where the occupation of coastal space supports valued community outcomes. Boatsheds were cited as structures that enable access to the water and contribute positively to local character. Likewise, wharves, jetties and boating facilities were often described as important community assets, provided they remain accessible and do not unnecessarily exclude other users.

### Stakeholder feedback

***Environmental stakeholders and community groups***

70. Participants emphasised the importance of ensuring appropriate monitoring and enforcement of coastal structures and activities. They also raised questions about the management of exclusive occupation of coastal space, including whether activities such as aquaculture and establishment of private coastal structures should contribute financially for their use of public coastal resources. Overall, feedback highlighted the need to balance community access and benefits with the allocation and management of limited coastal space.

***Industry representatives and infrastructure providers***

71. Like other participants, several attendees of the industry stakeholder and infrastructure provider workshop stressed the importance of appropriate monitoring and enforcement, noting that poor compliance can undermine confidence in the regulatory system and disadvantage operators who follow the rules. They also discussed broader approaches to managing coastal space, including the potential use of charges, credits, or offsetting mechanisms, and emphasised the need to consider cumulative effects and the wider public interest rather than focusing on individual activities. Some participants considered that existing lawful structures should retain ongoing occupation rights, with efforts focused on addressing abandoned and derelict structures. Overall, stakeholders supported a balanced approach that promotes investment and enterprise while maintaining healthy ecosystems and public access.

## Extraction and deposition of natural material

### Survey results

72. Responses on the extraction and deposition of natural material focused primarily on environmental impacts, although some respondents also identified opportunities to achieve environmental, community, or economic benefits where activities are carefully managed.

73. Respondents expressed concern about impacts on biodiversity, marine and seafloor habitats, fish and shellfish populations, native species, dunes, and natural sediment

processes. Activities such as sand mining, quarrying, dredging, material extraction, and sediment disposal were seen as potentially damaging these values.[8]

74. Concerns about the implications of extraction for coastal erosion and management were also raised frequently. Some respondents considered that extraction activities, combined with poor coastal development decisions, could worsen erosion, increasing the vulnerability of certain coastal areas, reducing natural coastal protection and exposing coastal rubbish dumps.[9] Concerns were raised that dredging activities, channel modifications, and erosion control structures may be influencing erosion patterns in some areas.[10] Others called for greater use of sand traps and stronger council accountability and oversight.

75. Extraction activities were also seen as affecting valued coastal features and character. Respondents noted that quarrying, material extraction, and sediment disposal can alter significant landscapes, coastal landforms, wild spaces, and surf breaks.[11] Broader concerns about pressure on coastal resources were also common, including overharvesting of shellfish, overfishing, pollution, and biodiversity loss.[12], Some respondents supported stronger restrictions on trawling and commercial fishing, along with improved compliance and enforcement.

76. While environmental concerns were common, respondents also identified opportunities associated with carefully managed extraction. Some supported the sustainable extraction of sand, shingle, seaweed, and kelp where environmental impacts can be minimised and community or economic benefits achieved. Interest was expressed in the beneficial use of harbour sediments and seaweed, particularly at Ōamaru Harbour, where naturally accumulated materials were seen as having potential for productive use, while also helping to manage harbour conditions. Kelp was highlighted as an underutilised resource with potential applications in food production, animal feed, bioplastics, alginate, and other industries. Some respondents acknowledged that dredging may be necessary and identified opportunities to improve how material is relocated, reused, and managed to achieve better environmental and community outcomes.[13]

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[8] These issues were raised in relation to Tomahawk Beach, Blackhead, Taiaroa Head, Ōamaru Harbour, the Warrington coast, and East Otago.

[9] These issues were raised in relation to the Otago coastline generally, as well as Tomahawk Beach, Waikouaiti/Post Office Creek.

[10] Concerns were raised about erosion at Te Rauone Beach (Otago Peninsula), with some respondents linking dredging, channel widening, and the construction of groynes to changes in erosion patterns.

11 Respondents identified various locations where quarrying, material extraction, and sediment disposal altered the coastal environment, including Blackhead (affecting the Roman Bath rock features), Taiaroa Head, and East Otago.

12 Specific concerns related to shellfish removal at Holmes Wharf (Ōamaru) and Kakanui.

13 Examples of locations where dredging and dredge spoil management were seen to be able to support the achievement of better environmental and community outcomes include Otago Harbour, Warrington, St Clair, and around the Aramoana Mole.

77. Similar themes emerged in relation to the deposition of material. Respondents most frequently raised concerns about impacts on marine ecosystems, native biodiversity, fish, birdlife, reefs, and seabed habitats arising from sediment deposition and relocation.[14]

> *"This [extraction of material from the Otago coast] can be done sustainably if managed properly. If not managed properly environmental damage can occur."*
>
> *Survey respondent*

78. Many respondents were also concerned that relocating or depositing material can alter sand movement, erosion patterns, drainage, and other natural coastal processes.[15] A small number also noted that inland activities, such as the damming of rivers, can influence coastal processes, reduce sediment supply to the coast and cause potential impacts on surf breaks, reef systems, and valued coastal environments.[16]

79. Planning and management emerged as another prominent theme. Respondents called for improved planning, monitoring, community engagement, and consultation with tangata whenua. Concerns were also expressed about the deposition of waste near the coast, particularly at Kaka Point, and the use of concrete rubble in the marine environment at Campbell Point (between Kaka point and Nugget point). Some respondents opposed the deposition of materials and other forms of artificial intervention more broadly, viewing them as costly, ineffective, or interfering with natural coastal processes.

80. Despite these concerns, respondents identified several potential opportunities associated with deposition activities. These included using deposited material to support erosion management, beach maintenance, and creation of bike trails. Some also considered that deposition of material provides opportunities to create or enhance habitat for fish and marine life, or support improved environmental or recreational outcomes.[17] Respondents further recognised that some dredging and sediment management is necessary and highlighted opportunities to improve the planning and delivery of these activities, particularly in Otago Harbour.

## Community drop-in and online sessions

81. Feedback on the extraction and deposition of natural materials focused on how these activities influence coastal processes, beach condition, navigation and ecological health. Participants discussed dredging, sediment disposal, river and catchment management, beach nourishment and erosion protection works, often linking these activities to long-term changes observed along the coast.

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14 These concerns were identified in relation to Tomahawk Lagoons, Te Rauone Beach (Otago Peninsula), Otago Harbour, and the North Coast.

15 These concerns were raised in relation to several locations, including Kaka Point, the Clutha River, and the North Coast.

16 Campbell Point (between Kaka Point and Nugget Point) on the northern edge of the Catlins and parts of the North Otago coast were identified as locations where inland river damming was perceived to be influencing coastal conditions.

17 Deposition was seen as providing opportunities to improve marine habitat conditions at Aramoana Spit, while also supporting environmental and recreational outcomes at Macandrew Bay and Harington Point (Otago Peninsula).

82. Dredging and the disposal of dredge spoil were mostly discussed in relation to harbour maintenance and navigation. While participants generally recognised the importance of dredging for maintaining ports and boating access, some questioned whether dredging and spoil disposal adequately account for broader effects on coastal processes, recreation and surf breaks. Concerns were also raised about historical reclamation activities and their ongoing influence on harbour conditions, including the reclamation at Back Beach (Port Chalmers), and continued accumulation of silt around nearby moorings.

83. Participants generally accepted the need for erosion protection works, such as rock armouring, seawalls and beach nourishment to help protect infrastructure, property and public access. However, views differed on the appropriate use of these measures, with some emphasising the need to understand potential downstream effects and ensure interventions work with natural coastal processes. Overall, feedback supported carefully considered intervention where there is a clear public benefit, while recognising the importance of maintaining the long-term health and functioning of coastal systems.

## Stakeholder feedback

***Environmental stakeholders and community groups***

84. Some raised concerns that the extraction and deposition of natural material can adversely affect coastal ecosystems, particularly in and around river mouths and estuaries, through the loss of productive habitats and impacts on benthic environments, coastal wetlands, lagoons, and swamps.[18]

85. The extraction and deposition of natural material was also seen by some to offer opportunities to enhance habitat, renourish beaches, and restore coastal environments. Some supported the rehabilitation of reclaimed land into coastal swamps and lagoons, improving biodiversity and ecosystem function. Others noted that these activities can also support public access and provide an alternative to hard coastal protection structures where appropriate.

***Industry representatives and infrastructure providers***

86. Participants highlighted that the extraction and deposition of material are necessary to support maritime activities and maintain essential coastal infrastructure, such as the Otago Harbour's navigation channels, noting that these activities are generally undertaken through consented processes. Concerns were raised about unconsented coastal protection works and their potential effects on coastal processes. Gravel and sediment management at river mouths was identified as important for land drainage and flood protection on coastal farmland. Support was expressed for beach replenishment and the deposition of material

[18] Hoopers Inlet on the Otago Peninsula was highlighted as an example where habitat values, including those supporting fish and shellfish populations, may be affected by this.

for erosion protection, and some suggested that the relatively low number of consents for sand removal may reflect barriers within the consent process rather than low demand.

## Coastal infrastructure including ports

### Survey results

87. Respondents identified roads, cycleways, public facilities, and seawalls as the most important infrastructure supporting use of the Otago coast. Navigation infrastructure and rail were considered less important. Other commonly mentioned infrastructure included car parks, toilets, taps and showers, walkways, and stairs, which were often associated with public facilities and access to the coast.

88. Respondents also raised a range of location-specific infrastructure issues and opportunities. Some identified opportunities to improve public access to and connectivity with Dunedin's harbourside area, including additional walkways and public spaces and stronger links between the harbour and city centre.[19] Several respondents noted that successful harbourfront redevelopment projects elsewhere could provide useful examples. A lack of marina facilities was also identified as an issue. In relation to Ōamaru Harbour, feedback focused primarily on governance and management issues. Participants suggested that ORC assume a greater management role, raised concerns about the treatment of berth holders and mooring owners, called for improved management of moorings and vessel ownership records, and supported the provision of alternative resting areas for seabirds, including dedicated pontoons.

> *"Trails make the coast more accessible for [the] people of Otago and tourism often by New Zealanders."*
>
> *Survey respondent*

89. Respondents expressed concern about a range of ways in which infrastructure can affect the coastal environment. Effects on wildlife and habitats, landscapes and seascapes, access to the coast, and coastal processes were commonly identified as concerns. Very few respondents indicated they had no concerns.

90. Additional concerns included the need for accessible trails, the view that a changing coastline may require less infrastructure in some areas, drainage infrastructure becoming blocked by sand, noise and unworkable regulatory requirements.

91. Respondents also supported maintaining and upgrading coastal amenities.[20] Some called for improved boating infrastructure but raised concerns that regulatory costs could make boatsheds unaffordable. Other comments related to the need to relocate existing sewage

[19] Respondents identified a pedestrian bridge connecting the waterfront and central city as an example of infrastructure that could improve access to and connectivity with Dunedin's harbourfront.

[20] A small number of respondents raised concerns about the condition of the St Clair Hot Saltwater Pool, suggesting that maintenance could be improved and proposing measures such as seasonal repainting, year-round operation, and additional wellness facilities.

treatment and disposal systems that are currently located near the coast although some respondents suggested that existing systems could be expanded rather than relocated.

92. Several responses emphasised the importance of designing infrastructure to work with, rather than against, natural coastal systems.

> *"Infrastructure needs to be designed around natural coastal systems rather than fighting them. In areas like South Dunedin, stormwater, groundwater, tidal influence, and harbour processes are interconnected. Poorly planned infrastructure can increase flood risk and environmental impacts, so solutions need to consider long-term resilience, including controlled drainage, tidal influences, and protection of natural systems."*
>
> *Survey respondent*

## Community drop-in and online sessions

93. Infrastructure was a dominant theme across drop-in session feedback. Participants highlighted the importance of infrastructure such as roads, seawalls, ports, wharves, cycleways, navigation infrastructure, harbour facilities, public toilets and boat ramps, recognising the role these assets play in enabling people to access and enjoy the coast, and sustain economic and recreational activities.

94. Participants generally valued existing facilities, particularly coastal cycleways, but noted that visitor numbers are increasing in some areas and that public facilities have not always kept pace with demand. Concerns were raised about ageing infrastructure assets, unclear maintenance responsibilities, harbour siltation affecting boating, and inadequate public facilities in popular locations. Participants were also concerned that existing infrastructure, particularly ageing stormwater and wastewater systems and coastal transport networks, is increasingly vulnerable to coastal erosion, flooding, sea-level rise, extreme weather events and other changing environmental conditions.

95. Several participants highlighted the need for future infrastructure planning to consider climate change, coastal hazards and water quality together, rather than treating them as separate issues. Overall, feedback suggested strong support for maintaining and upgrading infrastructure while ensuring it remains resilient, environmentally responsible, and able to meet the needs of future communities.

96. Support for harbour revitalisation, improved boating infrastructure, better public amenities and coastal resilience planning was widespread.

## Stakeholder feedback

### *Environmental stakeholders and community groups*

97. Participants stressed the importance of infrastructure and facilities that support recreation and public access, including boat ramps, wharves, filleting stations, washdown and discharge facilities, beach landing areas, search and rescue facilities, rubbish bins, and signage. Such infrastructure was seen as important for enabling public enjoyment of the coast and supporting commercial activities, such as fishing.

98. Some participants recognised growing pressures on coastal infrastructure arising from population growth across the region and land use change, and emphasised the need for proactive, long-term planning rather than reactive responses to emerging issues. The role of coastal infrastructure in erosion management was also recognised, and various participants emphasised the importance of enabling easy and timely maintenance and upgrades, noting that repair and replacement can be costly.

99. Opportunities were identified in emerging industries and technologies, including seaweed farming and offshore wind energy, which may require new types of coastal infrastructure. However, stakeholders also noted that these developments can create competing demands for coastal space and may generate conflicts between different users and values. Improved consenting processes were identified as a key opportunity to support effective infrastructure management.

***Industry representatives and infrastructure providers***

100. Participants noted that new activities within the CMA may create demand for new infrastructure and supporting facilities, some of which are land-based and have potential implications for landowners. They also supported the recognition and protection of significant infrastructure in the coastal environment, including infrastructure on land.

101. A key issue raised was the need to maintain and upgrade existing infrastructure. Stakeholders emphasised the importance of planning and regulatory frameworks that enable timely repairs, maintenance, and upgrades, particularly where coastal processes or protected areas, such as marine reserves, may affect infrastructure management. Some participants also expressed concern that planning frameworks do not always adequately recognise the importance of local infrastructure, with greater emphasis often placed on nationally or regionally significant infrastructure.

## Marine aquaculture

### Survey results

102. Respondents identified a range of opportunities for aquaculture in Otago. Many saw aquaculture as a growing industry that could create jobs, support local businesses, and contribute to the regional economy. Several respondents referred to existing aquaculture activities, Aquaculture Settlement Areas, and proposed marine farms when discussing future development opportunities.[21] Sustainable seafood production was seen as an opportunity to increase exports and attract investment.

> *"Aquaculture is a huge opportunity along the Otago coast. It needs to be further investigated"*
>
> *Survey respondent*

[21] An aquaculture settlement area is a space in the CMA officially declared under the Māori Commercial Aquaculture Claims Settlement Act 2004 (Settlement Act) for the purpose of aquaculture activities and aimed at facilitating Māori participation in aquaculture. These areas are part of the Crown's obligations to provide iwi with settlement assets.

103. Seaweed and kelp farming were frequently mentioned as having potential, with respondents noting possible benefits for employment, economic growth, climate change mitigation, and coastal erosion management.

104. There was particular support for offshore and lower-impact forms of aquaculture, including mussel and shellfish farming. Respondents also saw opportunities for aquaculture to support recreational and commercial fishing, tourism, local food production, and community wellbeing. Other opportunities included iwi-led aquaculture, research and education initiatives, innovation, and the development of new marine industries.[22].

105. At the same time, respondents identified several challenges. Common concerns related to potential impacts on fisheries and marine habitats and biodiversity, including shellfish, seabirds, dolphins, whales, and sea lions. Concerns were also raised about waste, seabed pollution, nutrient build-up, parasites, antibiotic use, and the increased risk of pest and disease spread.

106. Salmon farming attracted particular concern, especially in relation to environmental impacts and feed requirements. Respondents also noted that aquaculture could affect recreation, public access, surf breaks, and other coastal values.

> *"[Marine aquaculture] could be good, but environmental aspects and impacts need to be considered."*
>
> *Survey respondent*

107. Several practical challenges were identified, including rough sea conditions, large swells, equipment damage, water quality issues, and constraints related to suitable sites and supporting infrastructure. Respondents also highlighted challenges associated with consenting and planning processes, balancing competing coastal uses, and community opposition. Some emphasised the importance of recognising aquaculture as a legitimate use of the CMA and providing greater certainty for the industry.

108. Overall, respondents were generally supportive of aquaculture where it delivers economic and community benefits but stressed that development should only occur where environmental effects are well understood, appropriately managed, and carefully monitored.

### Community drop-in and online sessions

109. Most comments focused on how aquaculture should occur, rather than whether it should occur.

110. Feedback on marine aquaculture was generally supportive, provided environmental effects are appropriately managed and development occurs in suitable locations. Participants

[22] Some respondents also noted the role of the Kaitangata salmon hatchery in producing juvenile salmon

recognised the potential economic benefits of aquaculture, with several highlighting opportunities for innovation, and marine science research.

111. Participants emphasised that aquaculture development should not compromise the Otago Coast's distinctive environmental values. Concerns focused on nutrient enrichment, waste accumulation, disease transfer, biosecurity risks and impacts on marine ecosystems, and the potential for marine farms to alter the behaviour of marine mammals, fish and predators. Some participants expressed a preference for offshore aquaculture rather than development within enclosed harbours or bays, viewing this as a way to minimise impacts.

112. Overall, the feedback suggested a cautious but generally positive attitude towards aquaculture. The dominant message was that aquaculture could provide economic and community benefits for Otago, provided development is informed by science, carefully located, environmentally responsible and integrated with the broader values of the coastal environment.

## Stakeholder feedback

***Environmental stakeholders and community groups***

113. Environmental and community stakeholders identified a range of opportunities for marine aquaculture in Otago, including seaweed, shellfish, finfish and land-based aquaculture developments, and noted the potential for aquaculture to create jobs, support economic growth, and contribute to the restoration or enhancement of some fish species.

114. However, many also identified several challenges. These included potential effects on wild fish populations, disease and biosecurity risks, bycatch, and conflicts with recreational and commercial fishing activities. Concerns were about the infrastructure required to support aquaculture, the feasibility of offshore structures in the Southern Ocean, and potential effects on natural character and other coastal values. The need to allocate marine space appropriately was also highlighted, with spatial planning identified as an important opportunity to help manage competing demands and balance environmental, social, and economic interests. Concerns were also raised about the resilience of aquaculture infrastructure to increasingly frequent and severe storm events.

***Industry representatives and infrastructure providers***

115. Many noted that Otago's cooler waters may provide a competitive advantage as ocean temperatures rise elsewhere and recognised the potential for marine farming to support economic growth, generate employment, and create opportunities for related industries such as marine science, research, and hatchery development. They also identified the potential for aquaculture to support the restoration and enhancement of taonga species and wild fisheries.

116. Several challenges were identified, including mixed public views on aquaculture and uncertainty around consenting pathways and broader regulatory environment. Other constraints included technological and infrastructure requirements, such as the need for supporting land-based processing facilities.

117. Participants noted the importance of addressing visual effects (e.g. by locating infrastructure away from the shoreline), particularly in highly valued landscapes. Concerns were also raised about the risk of competition for coastal space with other activities, such as oil/gas exploration and offshore windfarms. The importance of providing a clear consenting pathway and spatially identifying appropriate areas in consultation with impacted landowners was emphasised. Overall, stakeholders highlighted the need to reduce regulatory barriers while ensuring marine aquaculture is developed in an environmentally sustainable way and maintains social license.

## Biodiversity

### Survey results

118. Respondents valued a wide range of coastal biodiversity attributes. Native wildlife, healthy ecosystems, marine habitats, native vegetation, estuaries, and dune habitats were all seen as important. Some also highlighted the value of non-native wildlife and recognised Otago as an area of high ecological importance.

119. Areas where biodiversity was perceived to be thriving were often associated to predator control, native planting, habitat restoration and management, restricted access, ecological monitoring, and long-term conservation efforts. Respondents frequently emphasised the need to balance public access and recreation with the protection of wildlife and natural habitats.

> *"[It is] important to educate people not to disturb wildlife and always keep dogs on a leash"*
>
> *Survey respondent*

120. In contrast, areas considered to be under threat were commonly associated with human disturbance, habitat loss, development, pollution, invasive species, erosion, and pressures from fishing and shellfish harvesting. Dogs, vehicles, dredging, bottom trawling, sediment runoff, and the loss of native vegetation were also identified as significant threats. Many respondents felt these pressures were contributing to widespread ecological decline across the coast. Various respondents called for stronger environmental protections, including marine reserves and restrictions on dogs, vehicles, and other activities in sensitive areas.

121. Biodiversity-related observations were raised across the coast, with the Otago Peninsula frequently identified as a biodiversity stronghold. Respondents also highlighted biodiversity

values and concerns around Ōamaru and other parts of North Otago, Otago Harbour and Aramoana, Dunedin's beaches and throughout the Catlins and South Otago. [23]

122. While many respondents supported continued habitat restoration and enhancement projects, including native planting, wetland and dune restoration, and artificial reef construction to support seaweed growth and marine life, respondents also emphasised the importance of safeguarding remaining native biodiversity, coastal habitats, and kelp forests, noting that damaged ecosystems can be difficult to restore.

123. Among species of concern, hoiho were by far the most frequently identified as declining or under threat. Respondents also raised concerns about shellfish populations, fish stocks, marine invertebrates, and the loss of native coastal vegetation. Some called for stronger compliance and enforcement of shellfish gathering rules, while others supported greater restrictions on trawling and commercial fishing.

124. Species most commonly identified as doing well included sea lions, fur seals, blue penguins, seabirds, dolphins, orca, whales, and birds such as kākā, bellbirds, and fantails that have benefited from habitat restoration initiatives. Respondents also supported improved protection and ongoing habitat management for native species, including the provision of safe resting areas for seabirds.

125. Overall, respondents raised a broad range of matters relating to coastal biodiversity. While many highlighted successful conservation and restoration efforts, there was a strong view that ongoing management is needed to address habitat loss, human disturbance, declining species, and cumulative environmental pressures. Many emphasised the importance of integrated management across land, freshwater, and marine environments to protect coastal biodiversity for future generations.

## Community drop-in and online sessions

126. Biodiversity was also a popular topic among drop-in session participants. Many spoke positively about local wildlife such as sea lions, whales, and spoonbills, while also discussing conflicts between wildlife habitat needs and other coastal uses and values,

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[23] The Otago Peninsula, particularly Taiaroa Head, Hoopers Inlet, Harwood, and Sandymount, was commonly identified as an area of high biodiversity value. Respondents reported healthy populations of seabirds, albatross, seals, sea lions, and penguins in these areas, often attributing these outcomes to restoration efforts, predator control, and managed access. However, hoiho, particularly around Sandfly Bay, were often identified as being under threat from human disturbance, dogs, habitat loss, invasive species, and fishing impacts.

In Ōamaru and North Otago, respondents noted positive outcomes for seabirds, seals, blue penguins, and coastal vegetation around Ōamaru Harbour and parts of the Kakanui coast, while also raising concerns about disturbance of bird nesting areas, invasive species, and pressures on shellfish and rock pool ecosystems.

Within Otago Harbour and Aramoana, healthy populations of shags, spoonbills, herons, seals, sea lions, dolphins, and orca were noted, alongside concerns regarding development, port activities, pollution, habitat degradation, declining fish abundance, and clam dredging.

Similar themes were raised elsewhere along the coast, including on Dunedin's ocean beaches and throughout the Catlins and South Otago, where respondents identified positive outcomes from restoration projects at locations such as Pūrākaunui, Long Beach, and Toko Creek, while also expressing concerns about invasive plants, plantation forestry, habitat loss, and declines in native coastal vegetation.

including infrastructure or public access. Encounters with native species were frequently described as one of the most important aspects of coastal experiences.

127. However, people also voiced concerns about invasive species in the coastal environment and the decline of species and habitats in some areas. Concerns identified by participants included reduced abundance of fish and shellfish, reductions in kelp forests, fewer penguins in some locations and loss of seabird foraging and nesting areas. These declines were attributed to a combination of overfishing, habitat loss, sedimentation, climate change, the spread of pests, disturbance by vehicles and dogs and broader ecosystem pressures.

128. Sea lions featured prominently in discussions. While increasing numbers were generally viewed positively, several participants noted increasing interactions between wildlife and people. Concerns included disturbances from dogs and vehicles, and visitors being unaware of how much distance should be maintained.

129. A strong message from participants was that education is critical. Many considered that increased understanding of marine ecosystems would result in greater support biodiversity protection.

## Stakeholder feedback

### *Environmental stakeholders and community groups*

130. Participants valued Otago's coast for its diversity of native species but recognised that biodiversity management should focus on maintaining resilient and functioning ecosystems, as achieving a completely pristine state may not be realistic.

131. Views on biodiversity trends were mixed. Some noted positive signs, including increasing sea lion and crayfish populations, thriving estuaries, and the persistence of seagrass and seaweed in some locations.[24] Others, however, described biodiversity to be in decline, or even in crisis. Declining populations of seabirds and migratory fish, blue and red cod and flounder, loss of native dune habitat and degradation of many coastal wetlands were highlighted as key issues.

132. Participants noted that biodiversity initiatives may not always be able to reverse biodiversity loss (e.g. marine reserve can cause fishing to move elsewhere) and that changing species distributions and environmental change can also influence biodiversity outcomes.

133. Stakeholders highlighted that significant knowledge gaps, particularly the lack of baseline data for benthic communities and ecosystem functioning, make it difficult to understand long-term trends. They stressed the need for better monitoring, cumulative effects assessments, and spatial planning to protect important habitats.

### *Industry representatives and infrastructure providers*

[24] Participants identified Tautuku, Waipati (near Cathedral Caves) and Blueskin Bay as healthy estuaries.

134. Biodiversity was seen as an indicator of environmental health with participants noting that Otago's coastal ecosystems support unique endemic and iconic species that contribute to the coast's biodiversity and create tourism opportunities. They identified some positive trends, including thriving marine ecosystems along parts of the coast and the persistence of seagrass in certain disturbed environments. Participants also stressed the importance of removing unnecessarily prescriptive consent requirements to better enable biodiversity enhancement and restoration activities. It was noted that work by farmers on the coast and in upstream catchments was making an important contribution to the biodiversity through dune restoration, waterway fencing, riparian planting, wetland creation, and pest control, which was seen as benefitting fish, shellfish and birds.

135. Areas of concern included declining biodiversity near some river mouths, with overfishing and harvesting identified as potential contributing factors. Monitoring and information gathering were considered essential to better understand biodiversity trends and support effective management.

## Coastal natural hazards and climate change

### Survey results

136. Respondents were most concerned about sea level rise, erosion, and flooding. Other commonly identified concerns included ocean warming, storms, ocean acidification, and the exposure of contaminated sites, while tsunamis were generally seen as a lower priority.

137. Concerns about erosion were concentrated along the Dunedin coast, although additional concerns were also raised in North Otago and elsewhere along the coast.[25] Respondents highlighted dune erosion, sediment movement, and the risk of tips and contaminated sites becoming exposed. Many also supported better monitoring, early intervention, improved management, and greater use of sand traps in erosion-prone areas.

138. Coastal hazards such as flooding, sea level rise and tsunamis were most often associated with low-lying coastal areas. Respondents called for proactive measures to reduce flood risk, and many considered sea level rise to be a long-term issue affecting much of the Otago coastline.[26]

139. Respondents generally viewed storm impacts as a concern across the entire coast, especially in low-lying and exposed areas. While concerns were widespread, the North Otago coast was mentioned particularly often.

*"Everywhere along the coast is vulnerable to storms"*

*Survey respondent*

[25] Most concerns about erosion along the Dunedin coast were concentrated around St Clair and St Kilda.

[26] Coastal settlements across North Otago, the Otago Peninsula, and parts of the Dunedin, such as South Dunedin and Ocean View, were frequently identified is being at risk of sea-level rise and flooding. Concerns about tsunami risk were typically associated with Dunedin's south coast, northern coastal settlements, the Ōamaru area, and other low-lying coastal locations.

140. Unlike other hazards, ocean warming and ocean acidification were generally viewed as coast-wide issues rather than problems being confined to specific locations.

141. The potential exposure of contaminated sites was another key concern. Respondents frequently referred to the historic landfills, dumps, and contaminated industrial sites that could be exposed by erosion, flooding, or sea level rise.[27] Concerns were also raised about contaminated water entering the marine environment, particularly near settlements and agricultural areas.

142. Many respondents supported nature-based solutions, including wetland restoration, improved stormwater management, and infrastructure that works with natural coastal processes. Others emphasised the need for long-term planning, resilience, and stewardship to help communities adapt to future coastal change. Some also identified the Coastal Connection shared pathway as a project that could contribute to coastal resilience.

### Community drop-in and online sessions

143. Hazard issues and erosion were a common topic of discussion and raised at most engagement locations.[28] Participants described seeing roads threatened by erosion, beaches narrowing, dunes disappearing and land being lost to the sea. Ongoing erosion was a particular issue in some areas, with perceived risks to coastal infrastructure and private property. Flooding was also a concern, with some participants considering that it was occurring more frequently.

144. Participants reported observing higher king tides, larger storm surges, and more frequent inundation than they remembered occurring in the past.

145. Opinions diverged on how adaptation should occur. Some participants advocated for hard protection structures, such as seawalls and rock armouring. Others urged councils to accept that some areas will need to adapt over time and supported more natural approaches to hazard management.

146. There was also strong interest in improving hazard information. Several participants questioned how sea-level rise projections should be interpreted, while others called for improved tsunami warning systems and clearer communication of coastal hazard risk.

147. Despite differing views on potential solutions, there was broad recognition that climate change will play an increasingly important role in shaping how the coast is managed.

### Stakeholder feedback

#### *Environmental stakeholders and community groups*

[27] Respondents frequently referred to the historic landfill beneath Kettle Park in St Clair/St Kilda,
[28] Locations identified as vulnerable to erosion and flooding included St Clair and St Kilda, South Dunedin, Beach Road south of Ōamaru, Shag Point, Nugget Point, Toko Mouth, Pounawea, Hinahina, Rātanui, Kaka Point, and sections of the Clutha Delta.

148. Stakeholders identified the impacts of flooding and climate change on coastal communities and marine ecosystems as key concerns. They recognised the growing pressure of more frequent and intense weather events on water quality, highlighting the potential effects of increased runoff and sedimentation on coastal habitats and ecosystems (e.g. kelp beds). Climate change was also identified as a challenge for fisheries, affecting species distribution and ecosystem dynamics.

149. Some emphasised the need for a long-term approach to managing natural hazards and climate change, including the use of best available information and consideration of managed retreat where appropriate. Others expressed concern about urban development and rural land-use intensification in hazard-prone areas, such as floodplains.

***Industry representatives and infrastructure providers***

150. Stakeholders identified coastal erosion, severe storms, high rainfall events, and sea-level rise as key natural hazard concerns. They emphasised the risks these hazards pose to coastal infrastructure, structures and farmland and the need to repair or restore these when damaged or undermined. They also highlighted that climate change, particularly rising sea temperatures, may alter species distributions and increase the risk of pests, predators, and invasive species. Reliable flood protection, land drainage and timely river and lagoon mouth openings were valued. Some participants expressed support for better hazard information and workable consenting pathways to enable the protection of productive land, existing lawful works and maintenance of existing structures.

## Water quality

### Survey results

151. Most respondents considered coastal water quality to be average, although perceptions varied across different locations and conditions. Relatively few respondents described it as either very poor or excellent.[29]

152. The most commonly identified causes of poor water quality were sewage and wastewater overflows, stormwater discharges, agricultural runoff, forestry-related sedimentation, landfill contamination, and industrial discharges. Wastewater overflows and stormwater discharges were of particular concern, especially during significant rainfall events.[30] Many respondents also called for stronger waste management practices to reduce pollution entering the marine environment.

153. Water quality issues were most often reported after storms and heavy rainfall and were commonly associated with river mouths, stormwater outlets, wastewater discharges, and

[29] Concerns about poor water quality were most frequently raised along the Dunedin coast, particularly around Tomahawk, St Clair, and St Kilda, where respondents referred to contamination events, stormwater discharges, algal blooms, and water quality issues in beaches and lagoons. Other commonly mentioned areas included Otago Harbour, Ōamaru Harbour, the Kakanui and Waianakarua Rivers, the Taiari/Taieri catchment, Kaikorai Estuary, and Blueskin Bay.

[30] Some respondents also raised concerns about proposed upgrades and relocation of sewage treatment and disposal systems at Waitati and Waikouaiti. Ongoing monitoring was considered important at Karitāne Bar and Doctors Point.

urban runoff rather than the open coast. Several participants considered ageing infrastructure to be increasingly vulnerable to flooding and climate change.

154. Water quality concerns were also linked to broader catchment management issues, with activities upstream affecting estuaries, beaches, shellfish gathering areas and aquatic ecosystems. Nutrient runoff, sedimentation, and the deposition of debris and litter transported from catchments were identified as factors affecting coastal water quality. Others noted that rural land holders and catchment groups in some catchments are actively taking steps to mitigate water quality risks associated with rural land uses.

155. Many respondents said poor water quality affects how they use the coast. Concerns included reduced opportunities for swimming, surfing, diving, and other recreational activities, particularly following heavy rainfall, sewage overflows, and contamination events. Water quality was also seen as affecting fishing, kaimoana gathering, and shellfish collection, with concerns about contamination and food safety.

*"Wastewater entering the ocean affects my ability to collect kaimoana and shellfish"*

*Survey respondent*

156. Broader environmental and health impacts were another common theme. Respondents were concerned about the effects of pollution on marine habitats, biodiversity, fish, birds, and marine mammals. Some also raised concerns about toilet waste in coastal areas used for freedom camping.[31]. Others highlighted the risk of illness from polluted water and contaminated seafood, as well as the impacts of beach closures following sewage contamination events.

157. While concerns about water quality were common, some respondents noted improvements in parts of Otago Harbour and St Clair compared with previous years.

## Community drop-in and online sessions

158. Otago's coastal water quality was generally viewed as good by participants attending the drop-in sessions, describing the region's beaches and marine waters as relatively clean compared to other parts of New Zealand or the world.

159. However, participants distinguished between open coastal waters and more sheltered environments like estuaries, harbours, and river mouths where contaminants, sediment and nutrients tend to accumulate.[32]

160. Participants also recognised opportunities for improvement. Catchment-based management, investment in stormwater and wastewater systems, increased monitoring, community education, and greater transparency around water quality information were suggested as ways to enhance public confidence and environmental outcomes.

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[31] Ocean View was mentioned as an example of a coastal area where concerns exist about toilet waste associated with freedom camping.

[32] Otago Harbour, Blueskin Bay, Kaikorai Estuary, Waihola, Catlins Lake and other sheltered coastal environments were identified as places where contaminants, sediment and nutrients may accumulate.

## Stakeholder feedback

### *Environmental stakeholders and community groups*

161. Participants identified coastal water quality as an important issue, noting that poor water quality can affect ecosystem health, human health and recreational use of the coast, limiting activities such as surfing. Concerns were also raised about the effects of declining water quality in catchments on downstream coastal environments.

162. Stakeholders identified a range of pressures on water quality, including stormwater and wastewater discharges and run-off, sedimentation from forestry, urban development, land-use practices, dams, and nutrient inputs. Concerns were particularly evident following periods of heavy rainfall. Participants also highlighted the impacts of heavy metals, pesticides, drugs, hormones, and other emerging pollutants entering coastal water. Pest animals, including deer and possums, were also identified as contributing to water quality degradation.

163. While some noted improvements in water quality in some areas, such as the Otago Harbour, there was concern that more frequent and intense storm events are increasing pressures by generating larger pulses of stormwater, wastewater and sediment inflows. Stakeholders emphasised the need to better understand and manage the cumulative effects of these pressures on coastal water quality.

### *Industry representatives and infrastructure providers*

164. Otago's coastal water quality was generally considered good, but some localised issues and pressures were identified. Specific concerns were raised about the water quality in parts of Otago Harbour, and the vulnerability of low-lying wastewater infrastructure and reliance on septic tank systems in some areas. Stormwater runoff, sedimentation, wastewater overflows, development pressures, biotoxins (including those used inland) and old landfills were identified as key factors affecting water quality.

165. Participants questioned whether enough information is available to fully understand coastal water quality trends, noting that monitoring is often focused on swimming sites and point-source discharges. Some stakeholders suggested that farming runoff was named as a prominent pressure without evidence-based attribution. Others considered that the Coast Plan framework should not manage freshwater inputs to the coast and that investment by catchment groups and farmers to reduce losses to water should be acknowledged. While poor water quality was not generally seen as limiting coastal use, stakeholders highlighted opportunities to improve water quality through investment in infrastructure and support for the adoption of new technologies.

## Historic heritage

### Survey results

166. Historic heritage was discussed less frequently than many other topics, with around 20 respondents providing feedback. However, those who did respond identified a wide range

of historic heritage values and identified several locations as having important historic and cultural values. Similar levels of support were given to places important to Māori, shipwrecks and maritime heritage, historic coastal areas, archaeological sites, and historic buildings and structures. [33]

167. Views on the protection of historic coastal heritage were mixed. Around 65% of respondents felt historic heritage is not adequately protected, while 35% considered existing protections to be sufficient.

*"[Historic heritage of the coast] has been allowed to deteriorate"*

*Survey respondent*

168. Those who felt protection was inadequate commonly raised concerns about a lack of protection, monitoring, and enforcement. Some felt that heritage features are being allowed to deteriorate over time, while others were concerned that fast-track development processes could place historic heritage at risk. A small number of respondents took the opposite view, suggesting that some heritage sites are already over-protected.

169. Overall, respondents who commented on historic heritage generally valued its cultural, archaeological, and maritime significance, but many expressed concerns that important heritage places may not be receiving sufficient protection or management.

## Community drop-in and online sessions

170. Historic heritage was not discussed extensively at drop-in sessions, although those participants who raised the topic often expressed strong attachment to both Māori and European heritage along the coast.

171. Feedback focused mainly on maritime heritage, including wharves, harbours, shipwrecks and coastal settlements.[34] Participants expressed concern about the impacts of coastal erosion and climate change on heritage assets and identified opportunities to improve interpretation, storytelling and public awareness of both Māori and European coastal heritage.

172. Several participants considered that existing heritage assets are not receiving sufficient protection or management at present.

## Stakeholder feedback

### *Environmental stakeholders and community groups*

[33] Shag Point, Otakou, Mapoutahi (Pūrūkaunui Bay), Whareakake, and Karitāne were often recognised for their Māori and archaeological significance. Respondents also highlighted Taiari/Taieri Mouth, the Ōamaru Historic Town Centre and Port and the Matanaka farm buildings. Important shipwreck and maritime heritage areas were identified between Port Chalmers and Aramoana, including areas offshore near the mole.

[34] Locations and features identified included Sumpter Wharf and Holmes Wharf in Ōamaru Harbour, the Aramoana shipwrecks, and heritage structures within coastal settlements.

173. Representatives of the heritage sector emphasised the importance of protecting the Otago coastal environment's diverse heritage values, including archaeological sites, wāhi tapu[35], wāhi tūpuna[36], historic structures, cultural landscapes, industrial heritage, and shipwrecks, which contribute significantly to community identity and sense of place. They advocated for the recognition and protection of both recorded and unrecorded heritage sites, proactive management of climate change risks, and the integration of heritage considerations into coastal development and climate adaptation planning.

> *"These [heritage] resources contribute significantly to the identity, history, and sense of place of coastal communities."*
>
> *Workshop participant*

## Natural character, features, landscapes and seascapes

### Survey results

174. Otago's natural character, features, landscapes, and seascapes were highly valued by respondents. Eighty-two percent rated them as very important, while a further 16% rated them as important. No respondents considered these values unimportant.

175. Respondents strongly supported protecting and preserving Otago's coastal environment. Some called for the creation of a wildlife haven and the reduction of human pressures on ecosystems, while others supported the restoration of wetlands, dunes, and other natural habitats. Several respondents also emphasised the need for planning and decision-making that prioritises positive environmental outcomes.

176. Overall, respondents viewed pollution and contamination as the greatest threat, followed by development and resource extraction, with climate change and land reclamation also emerging as significant concerns. Infrastructure and tourism and recreation pressures were identified as lesser, but still important, risks. Some noted that tourism values could be affected if unique wildlife and natural features decline, while others supported improving tourism infrastructure in ways that protect environmental values.

177. Overall, respondents highlighted the importance of balancing environmental protection with recreation, tourism, infrastructure, community wellbeing, and economic development, while maintaining the natural character of the Otago coast for future generations.

### Community drop-in and online sessions

178. The natural character of the coast was one of the strongest themes arising through the public sessions.

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[35]Sacred places with elevated mana and tapu due to their close association with atua (ancestors, gods, or supernatural beings with influence over a specific domain of the natural or spiritual world) and tūpuna (ancestors).

[36]Landscapes and places that embody the relationship of mana whenua and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taoka.

179. Participants often described Otago's coast as rugged, wild, open, scenic, peaceful and natural. The sense of remoteness and opportunity to experience nature without large numbers of people were frequently mentioned as defining qualities of the region's coastline.

180. Participants particularly valued sea views, undeveloped beaches, wildlife encounters, and the contrast between urban and remote coastal environments.[37]

181. Many participants expressed concern that these characteristics could be gradually eroded by inappropriate development, increasing visitor pressures, infrastructure expansion and the continued degradation of natural processes.

182. Changes to beaches were also commonly discussed. Participants noted apparent reductions in sand and increases in gravel along sections of the Clutha and Catlins coastline.[38] Some considered these changes evidence of broader shifts in sediment supply and coastal processes.

183. Others pointed to less obvious impacts on natural character. Lighting along parts of Otago Harbour, port infrastructure, quarry activities, and built structures were all identified as activities that can cumulatively alter how the coast looks and feels.

184. Overall, there was strong support for protecting highly natural coastal environments while maintaining opportunities for people to experience and enjoy them.

## Stakeholder feedback

***Environmental stakeholders and community groups***

185. Erosion was identified as a key risk to the coast's natural character. Participants expressed concerns that increased development, particularly hard infrastructure and structures, could further degrade natural character, natural features, landscapes, and seascapes. They also emphasised the importance of protecting these values from inappropriate development and environmental change, while highlighting opportunities for greater collaboration between government agencies to support more effective management of coastal natural character.

***Industry representatives and infrastructure providers***

186. Development and changing land use patterns were identified as key risks to the natural character of Otago's coast. While initiatives such as native planting were seen to provide opportunities to enhance natural character, stakeholders also acknowledged the potential for unintended consequences if these activities are not carefully managed.

187. Participants considered that Otago’s coast offers potential for further tourism growth but raised concerns about the risk of increased pressure on sensitive habitats and greater human interaction with wildlife. Building sustainability into business practices and

[37] The Catlins area was often cited as embodying these qualities.

[38] Reductions in sand and increases in gravel were observed around Toko Mouth and Kaka Point.

promoting responsible tourism were seen as important opportunities to protect and enhance the coast's natural character.

188. Some considered that spatial planning provides an opportunity to better manage activities that affect the coast's natural character, while others emphasised the need for planning frameworks that appropriately balance economic development with environmental protection.

189. It was noted that any re-assessment or extension of natural character or outstanding natural feature or landscape scheduling in district plans should use a transparent, published assessment methodology, undertaken at property scale and supported by ground-truthing and early landowner engagement. Participants also recognised the value of pastoral landscapes and the role of farming activity in maintaining valued landscapes. They considered that rules should focus on managing the specific values being protected, rather than creating unnecessary restrictions on farming.

> *"[We need to] recognise farming families as part of the coastal community and as active stewards of the coastal margin, rather than solely as a pressure on it."*
>
> *Survey respondent*

## Surf breaks

### Survey results

190. Respondents valued surf breaks for the quality of their waves, natural setting, and accessibility, with each attribute considered equally important. Some respondents also highlighted surfing's affordability, the strong sense of community it fosters, and the importance of recognising surfing as a valued coastal activity.

> *"[I value the] affordability of surfing [and] social aspect of surfing with friends"*
>
> *Survey respondent*

191. The most commonly identified threats to surf breaks were coastal development, poor water quality, and dredging or dumping activities. Some respondents called for an inventory of regionally significant surf breaks and stronger protection for these areas. Concerns about access to surf breaks were also raised, although less frequently.

192. Other perceived threats included natural hazards, sea level rise, and the broader impacts of climate change. Respondents also raised concerns about quarrying, mining, and material extraction, as well as the potential effects of aquaculture in swell-exposed areas and oil exploration.[39]

193. Specific concerns were raised about dredging at St Kilda and its potential effects on surf conditions, climate change impacts at St Clair Beach, and the Kaka Point Surf Life Saving

[39] Particular concerns about quarrying, mining, and material extraction were raised in relation to Blackhead.

Club redevelopment. A small number of respondents also identified increasing seal numbers as a safety concern.

> *"[Risks or threat to surf breaks include] developments that could impact on the waves. We need to protect important wave areas"*
>
> *Survey respondent*

## Community drop-in and online sessions

194. Surf breaks were primarily discussed by participants in Dunedin and along the south coast.

195. Feedback indicated that surf breaks are valued not only as recreation sites but also as part of Otago's identity and culture. Participants noted that surfing contributes to lifestyle, tourism and community wellbeing. Several respondents considered Otago's surfing resources to be an under-recognised economic opportunity.

196. The main concerns centred on activities that might alter beach morphology and wave characteristics. Dredging, spoil disposal, seawalls, groynes and other hard structures were commonly identified as potential threats.

197. Participants generally supported stronger recognition and protection of surf breaks as part of broader coastal planning.

## Stakeholder feedback

***Environmental stakeholders and community groups***

198. Stakeholders highlighted the recreational, cultural, economic and social value of Otago's surf breaks. They emphasised that they attract visitors and new residents, contribute to tourism, and provide opportunities for young people to connect with the outdoors.

199. Many supported promoting public access to surf breaks, but some considered that access needs to be managed appropriately to avoid undue pressure on the environment and loss of the overall surfing experience. There was also interest in learning from overseas experience and approaches to surf break management to help protect these valued coastal resources.

***Industry representatives and infrastructure providers***

200. Participants recognised the unique characteristics of Otago's surf breaks, including their diversity, proximity to population centres, beautiful natural setting, reliable surf conditions and accessibility. They recognised that various activities could influence surf breaks, both positively and negatively. Some considered that the changes to sediment movement that impact the quality of surf breaks may not always be caused by human activities, citing St Clair as a potential example. Others noted that coastal structures, such as groynes, can improve surfing conditions in some areas. Concerns were raised about landowner restrictions affecting access to certain surf breaks. It was noted that protection measures should focus on managing swell corridors and sediment processes that support surf breaks, rather than applying restrictions over surrounding farmland.

# Biosecurity

## Survey results

201. Although relatively few respondents commented on biosecurity, those who did generally expressed significant concern.[40] Recurring themes identified in the feedback on this topic include invasive species, disease risks, biosecurity protection, predator and pest control, biosecurity management, and pollution risks.

202. Concerns about invasive species focused primarily on Undaria, the most mentioned organism. Respondents were concerned about this and other invasive species spreading through vessels and ballast water discharges, and about weeds threatening sensitive coastal environments.[41].

203. Respondents also raised concerns about avian influenza and other diseases, particularly their potential impacts on hoiho and other seabirds, seals, and sea lions. Some called for stronger planning and preventative measures to reduce these risks.

> *"[It is] very hard to remove exotic species like Undaria once [they become] established."*
>
> *Survey respondent*

204. Concerns about predators affecting seabirds and penguins were also common, with calls for increased trapping and pest control, particularly along the Catlins coast.

205. Many respondents supported stronger biosecurity management. Suggestions included improved monitoring, greater collaboration between agencies, and increased funding to manage marine incursions and other biosecurity threats. Some respondents expressed concerns about vessel biosecurity practices being inadequate in some instances and identified opportunities to strengthen these.[42] However, a small number of respondents also noted that some biosecurity requirements for boats could be costly or open to misuse.

206. Respondents also raised concerns about pollution risks, including oil spills, contamination from ships and cruise ships, and other forms of vessel-related pollution.

207. Overall, respondents considered biosecurity an important issue for protecting Otago's coastal biodiversity and ecosystems, and generally supported stronger measures to prevent, monitor, and manage biosecurity threats.

## Community drop-in and online sessions

208. Feedback on biosecurity focused on the risk of marine pests and diseases being introduced or spread through shipping, recreational boating and future aquaculture activities. Participants identified species such as Exotic Caulerpa and Undaria as emerging concerns and generally supported stronger monitoring, surveillance and biosecurity controls. Several

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[40] Most respondents were very concerned about biosecurity, while no respondents indicated they were not concerned.

[41] The Aramoana Salt Marsh was identified as one sensitive coastal environment threatened by invasive weeds.

[42] Concerns about vessel biosecurity practices and invasive species were specifically raised in Ōamaru Harbour, while Port Otago was identified by one respondent as having strong biosecurity standards.

contributors also highlighted opportunities to involve recreational divers, coastal users and community networks in early detection and reporting of marine pests.

209. Although biosecurity was discussed less frequently than topics such as biodiversity, public access or natural hazards, those who raised the issue generally expressed concern about the potential consequences of marine pest incursions and disease outbreaks, including risks posed to native biodiversity, fisheries and recreational activities.

210. One participant noted that climate change and warming ocean temperatures may increase the likelihood of marine pests establishing in Otago's coastal environment, potentially placing additional pressure on already stressed ecosystems.

211. Participants highlighted opportunities to strengthen biosecurity through partnerships with recreational users and coastal communities. Local knowledge, citizen science and community-based reporting were seen as valuable tools for improving biosecurity surveillance and monitoring and supporting rapid responses to new incursions.

212. Biosecurity concerns were also closely linked to future development opportunities. Participants generally supported marine aquaculture and continued use of ports and harbours but emphasised the need for strong safeguards to manage biosecurity risks. Comments highlighted the importance of vessel hygiene, monitoring of aquaculture operations, and controls to reduce the spread of pests and diseases between regions.

213. Overall, feedback suggested a preference for a precautionary and proactive approach to biosecurity management, with participants supporting education, monitoring and other measures to prevent marine pests and diseases from becoming established and protect Otago's coastal ecosystems.

## Stakeholder feedback

### *Environmental stakeholders and community groups*

214. Many participants expressed concern about biosecurity risks in the coastal environment. Invasive species, particularly Undaria, were identified as a current issue, with concerns that climate change and ocean warming could increase the spread of invasive species and parasites.

215. Concerns were also raised about disease risks affecting coastal and marine species, including avian influenza, tuberculosis in seals and sea lions, and toxoplasmosis from cats affecting marine mammals. Increased naval traffic including, including cruise ships, tourism vessels, and international fishing boats, was identified as a potential pathway for introducing new pests and diseases. Aquaculture was also identified as a potential biosecurity risk.

### *Industry representatives and infrastructure providers*

216. Biosecurity threats from invasive species, such as Mediterranean fanworm, and golden clam, were identified as significant concerns. Some participants also noted opportunities to manage certain species through harvesting, particularly Undaria. Biosecurity risks

associated with vessel movements, including biofouling and ballast water discharge, were also highlighted, with stakeholders emphasising the importance of boat cleaning facilities to help prevent the spread of pests.

217. Participants also raised concerns about disease outbreaks, including the potential impacts of avian influenza on seabirds. They noted that climate change may exacerbate biosecurity challenges by increasing the frequency of algal blooms and affecting marine species.

218. One participant highlighted the importance of effective and timely biosecurity management noting that agencies responsible for marine biosecurity surveillance or response activities should arrange access across private farmland with landowners through pre-agreed protocols.

## Common values and important characteristics of Otago's coast

219. The above discussion addresses feedback on the topics identified in the discussion document. This part of the report explores the values that arose frequently across the survey, community engagement sessions, and stakeholder discussions, highlighting the characteristics of Otago's coast that people care about most.

220. Together, these values reflect the diverse ways people experience, use, and appreciate the coast, and help explain why its management is important to communities throughout the region.

### Getting to and around the coast

221. Responses collated through all engagement methods indicate that people frequently engage with the coast for a wide variety of reasons. This is reflected in the survey responses which shows that many people visit the coast regularly, with 33% percent of respondents visiting daily and 76% visiting at least once a week.[43]

222. Participants frequently emphasised the importance of being able to reach and experience the coast, valuing opportunities to enjoy the water, open spaces, fresh air, and recreational opportunities. People described walking, boating, fishing, diving, cycling, swimming or simply spending time near the water as important aspects of their connection with the coast. Access was valued not only for recreation and relaxation, but also for the opportunities it provides to connect with nature, spend time with friends and family. Many considered access to be fundamental to enjoying the coast and emphasised the importance of maintaining opportunities for present and future generations to experience it.

*"I'd love to feel that the beaches are protected long-term as walking and being around some of the more isolated Otago Beaches is something very special."*

*Survey respondent*

[43] A further 13% of respondents visited the coast monthly, 11% occasionally, and fewer than 1% visited rarely.

223. Participants viewed access broadly. It was not limited to physically reaching the shoreline, but also included access to coastal views, boat-launching facilities, coastal trails, safe parking, and other facilities. Several participants highlighted the importance of ensuring the coast remains accessible to people of all ages and abilities, including people with disabilities.

### Experiencing coastal wildlife and ecology

224. The opportunity to see wildlife its natural environment and experience healthy coastal ecosystems emerged repeatedly across the engagement. Participants frequently spoke about enjoying encounters with sea lions, seals, dolphins, birds and other marine life, and expressed appreciation for the biodiversity that makes the Otago coast distinctive.

225. Participants also demonstrated a strong attachment to coastal habitats, estuaries, kelp forests and shellfish beds.

226. Discussions about biodiversity were often framed around a desire to see ecosystems continue to thrive, with participants frequently describing the wildlife and natural systems they valued and wished to see protected.

*"There is such wonderful biodiversity on Otago coastline, restricted access by motorbikes, vehicles and dogs is needed to help the coastline recover."*

- *Survey respondent*

### Experiencing the coast's scenic beauty and peacefulness

227. Participants consistently valued the Otago coast for its natural character, scenic qualities and sense of place. Beaches, headlands, estuaries and harbour environments were often described as beautiful, rugged, peaceful and unique. Many highlighted the enjoyment of expansive coastal views, natural landscapes and places that feel relatively undeveloped.

228. Participants highlighted qualities such as solitude, tranquillity and the ability to experience the coast away from large numbers of people. The coast was valued not only for the activities it supports, but also for the opportunity to spend time in a natural environment and appreciate its landscapes and seascapes.

### Coastal recreation and enjoyment of the coast

229. Recreation was central to many people's experiences of the coast. Walking was the activity most frequently mentioned, but participants also spoke about fishing, boating, sailing, diving, surfing, cycling, horse riding, swimming, dog walking, wildlife watching and photography. Coastal cycleways and walkways were commonly identified as reasons for visiting. Among water-based activities, fishing, swimming, and surfing were the most popular. Kayaking and diving were also commonly undertaken. Other activities included sailing, paddle boarding, boogie/body boarding, and picnicking.

230. Several participants described activities they had undertaken for years, and in some cases across generations, highlighting the importance of the coast in their daily lives and family

traditions. Recreation was often linked to broader values such as wellbeing, freedom, relaxation, community connection and appreciation of the natural environment.

### Food gathering and fishing traditions

231. Participants often discussed fishing and gathering food. Recreational fishing, shellfish gathering, diving for pāua and gathering kaimoana were regularly mentioned throughout the discussions. For many, these activities were part of long-standing family traditions, local identity and a strong connection to place.

232. The ability to gather food from the coast was often valued both as a practical benefit and as an important cultural practice. Participants frequently linked the health of the coastal environment to their ability to continue these activities and pass them on to future generations.

## Recurring themes in coastal management

233. Alongside feedback on specific coastal values and issues, several other themes emerged across different engagement topics.

234. Participants emphasised the importance of collaboration, knowledge sharing, community involvement, and recognising the connections between different parts of the coastal system. Collectively, these themes suggest that many participants view effective coastal management as depending not only on action, including implementing regulation, but also on governance, stewardship, learning, and integrated decision-making.

### Learning, stewardship and community involvement

235. A notable value expressed across the engagement was the importance of understanding and caring for the coast. Participants repeatedly linked education, knowledge and direct experience with stewardship, often expressing the view that people are more likely to care for places they know and understand.

*"[An important topic that is missing is] properly informing the public (especially tourists) of beach decency like not leaving rubbish and respecting wildlife."*

*Survey respondent*

236. Many participants valued opportunities for people, particularly young people, to learn about the coast, engage with nature and develop a sense of responsibility for coastal environments. Participants also highlighted the importance of improving public understanding of coastal environments, the values they support and the issues they face. Environmental education, public awareness and stewardship were commonly identified as important tools for protecting and enhancing the coast.

237. Participants noted that opportunities exist to strengthen community involvement, improve interpretation and information-sharing, and encourage greater participation in caring for

coastal environments. Farmers noted that they are part of the coastal community and positive stewards of the coastal margin, rather than solely a pressure on it.

## Protecting coastal communities and places

238. Protection from hazards was discussed frequently, with participants expressing concern about coastal erosion, flooding, inundation and sea-level rise. The feedback illustrates the value people place on coastal communities, infrastructure, property and places. Participants discussed roads, settlements, wharves, recreational facilities and coastal access points that they considered worth protecting from coastal hazards. These discussions often reflected a desire to maintain the viability of coastal communities and retain the places and activities that people value.

239. Participants held differing views about how protection should occur, with some supporting interventions like seawalls and rock armouring and others emphasising adaptation and working with natural processes.

## Community wellbeing and identity

240. Many participants described the coast as contributing significantly to their wellbeing. Walking, spending time outdoors, watching wildlife and enjoying coastal landscapes were all associated with relaxation, health and quality of life. Some participants spoke directly about the coast being restorative or healing, while others described the importance of having places where people can gather, exercise, spend time with family or simply enjoy being outside. Participants often discussed values together, reflecting a broader appreciation of the coast as a place that contributes to the identity, wellbeing and quality of life of Otago communities.

241. The coast was also valued as a shared community space that brings people together. Community events, recreation clubs, volunteer groups and informal social interactions all contribute to people's connection with coastal places.

242. Participants valued the way these places connect communities with their history and contribute to the character of coastal areas and identity of coastal communities. For some, coastal heritage values were linked to personal or family history, while others highlighted opportunities to share stories and increase awareness of the region’s cultural and maritime past.

## Economic value

243. The importance of economic values emerged in discussions across several engagement topics. Participants recognised the contribution of ports, boating facilities and other coastal infrastructure to the regional economy, while also identifying opportunities associated with tourism, hospitality, and improved public access to coastal destinations. Support for initiatives such as coastal trails, waterfront redevelopment, and harbour revitalisation was often linked to their potential to attract visitors, support local businesses, and strengthen communities. Some feedback also recognised the importance of rural activities, particularly

faming, near the coast and their contribution to the economic resilience and wellbeing of local communities.

244. Participants also identified opportunities associated with emerging and future industries. Marine aquaculture was frequently discussed as an opportunity to diversify the regional economy, create employment and attract investment, particularly through seaweed, shellfish and offshore aquaculture developments. Others highlighted the economic contribution of recreation and nature-based tourism, noting that Otago's wildlife, surf breaks, landscapes and coastal experiences contribute to the region's attractiveness as a place to live, visit and invest.

245. Collectively, the feedback suggests that many participants view a healthy and well-managed coast not only as an environmental and community asset, but also as an important contributor to Otago's economy.

### Governance, coordination, and decision-making

246. Participants expressed uncertainty about the roles and responsibilities of the various agencies involved in coastal management and identified opportunities for improved coordination between councils, government agencies, corporate entities and community groups.

247. Feedback also highlighted the importance of fair consultation processes, transparent decision-making, clear communication and accessible information to support informed public participation. Participants emphasised the value of engagement processes that are accessible, understandable and connected to decision-making outcomes.

248. Concerns were raised about progressing coastal engagement and policy development work during a period of local government reorganisation and regulatory reform. The appropriateness of investing in these processes at this time was questioned, including a request that the process be paused.

### Knowledge, research and monitoring

249. A recurring theme across both engagement streams was the importance of knowledge, research and monitoring in supporting effective coastal management. Survey respondents highlighted the value of scientific research, long-term ecological monitoring and improved understanding of coastal processes, habitats and ecosystems. Participants in the drop-in sessions emphasised the contribution that local knowledge, community observations and user experience can make to understanding coastal change, biodiversity and biosecurity issues. Together, these comments suggest strong support for coastal management informed by both scientific evidence and community knowledge.

### Integrated and catchment-to-coast management

250. Participants frequently highlighted the need to recognise the connections between land, freshwater and coastal environments. Survey respondents emphasised the importance of a

catchment-to-coast approach, recognising that many coastal issues originate inland and that environmental outcomes are often shaped by activities occurring throughout the wider catchment.

*"Catchment-to-coast management should also be recognised. Many pressures affecting the coastal marine environment originate well inland."*

*Survey respondent*

251. It was suggested that future coastal planning should not be limited to the CMA but should apply across the wider environment that either influences coastal health and coastal values or where coastal influences can be felt. Participants also highlighted the importance of considering cumulative effects, where multiple small impacts combine over time to affect ecosystem health. These comments reinforce the interconnected nature of the issues raised throughout the engagement and the importance of integrated management approaches.

## Additional themes, issues and opportunities

252. Participants raised issues and opportunities that were not strongly represented elsewhere in the discussion document or did not fit neatly within the topics used in the engagement materials. While these matters were generally discussed less frequently than the core discussion topics, they provide additional insight into how people use, value, and wish to see the coast managed in the future.

### Land use, development and planning

253. Participants often raised matters concern land use planning and development in relation to broader coastal management issues. Feedback highlighted the impact that development patterns can have on coastal hazards, water quality, biodiversity, natural character, infrastructure demand, public access, and community wellbeing. Participants recognised that decisions about where and how development occurs can have long-term implications for the resilience and health of coastal environments and their communities.

254. Participants highlighted the need for more integrated planning approaches that consider the interactions between coastal processes, infrastructure, environmental values, and future growth. Some expressed concern about development occurring in hazard-prone areas, while others identified opportunities to improve access to the coast, strengthen connections between communities and coastal areas, and support economic development through initiatives such as waterfront revitalisation, coastal trails, tourism infrastructure, aquaculture, and harbour development.

255. Participants also identified spatial planning as a potential tool for managing competing demands on the coast. References to spatial planning arose in discussions about aquaculture, infrastructure, biodiversity, natural character and coastal space allocation. These comments suggest support for approaches that proactively identify suitable locations for activities, manage conflicts between coastal uses and values, and provide greater

certainty for communities, infrastructure providers, and investors while protecting important environmental and cultural values.

256. Finally, many participants emphasised the need to establish planning frameworks that provide easy pathways for maintenance activities or repairs associated with established land uses (e.g. repairs to flood protection infrastructure) or routine activities associated with anticipated land uses (e.g. permitted pathways for routine farming activities).

## Other matters raised

257. Additional issues or opportunities raised during the feedback include water safety, renewable energy opportunities, and marine carbon removal technologies. While these topics did not emerge as major themes, they may represent emerging issues, opportunities or areas of interest that warrant further consideration in future planning and management discussions.

258. Some participants also raised doubts about science relating to climate change and sea level rise. This value suggests that there may be value in providing more accessible scientific evidence regarding climate change and its effects on Otago's Coast.

259. These matters are not addressed further in this report, but where appropriate, they will be passed on to relevant ORC staff or other agencies responsible.

# Conclusion

260. This engagement has provided valuable feedback on ORC's discussion document and wider issues and opportunities relating to coastal management in Otago. Participants brought a range of perspectives, interests and expertise, and several themes emerged consistently across the engagement.

261. The most prominent topics for comment were public access, biodiversity, natural hazards and climate change, natural character, features and landscapes, infrastructure, and water quality. More specialised themes were discussed in greater depth by smaller numbers of participants, including occupying space, marine aquaculture, historic heritage, biosecurity and surf breaks.

262. This should not be interpreted as a measure of the importance of individual issues, or the need for management intervention. Rather, it reflects the prominence of themes within the engagement process, based on the frequency, breadth and depth of discussion across participants and locations. Some topics may have been discussed by fewer participants because they are relevant to a narrower range of places, people, or situations, rather than because they are less significant.

263. Participants expressed a strong desire to protect the environmental qualities that make the Otago coast distinctive. At the same time, people recognised the importance of maintaining access, supporting community wellbeing, enabling recreation and sustaining the infrastructure and economic activities that many coastal communities rely upon. Across many topics, participants sought a balance between protection and use, expressing a desire

for management approaches that allow people to continue enjoying the coast while safeguarding the natural systems that support it.

264. Participants tended to view coastal issues as interconnected. Access, biodiversity, infrastructure, natural hazards, water quality and coastal processes were frequently discussed together, rather than as separate management issues. Participants often recognised that decisions in one area can influence outcomes elsewhere, and many highlighted the importance of integrated approaches that consider the wider coastal system, including its connections with freshwater and land environments.

265. The engagement also highlighted the importance of governance, stewardship, education, research and community involvement. People asked for meaningful opportunities to participate in decision-making and stronger collaboration between organisations and communities. Several saw successful coastal management as depending not only on environmental management, but also on effective communication, knowledge-sharing and long-term stewardship.

266. The feedback provides a strong foundation for understanding the values, issues and opportunities for Otago's coastal environment. More broadly, it demonstrates a shared commitment to ensuring that the Otago coast remains healthy, accessible, resilient and valued by future generations. This is a promising foundation for ORC or its successor entity to develop an effective management framework for the Coastal environment under the new resource management regime.

# Appendix 1. Discussion document

Otago Regional Council

Have your say!

# Otago's coast

## Issues and opportunities

Discussion Document 2026



**Have your say!**

**Attend a drop-in session**
(find session details
on page 24)
**or go online at**
orc.govt.nz/otagocoast

**Survey closes 10 August 2026**

Got questions?

Email **policy@orc.govt.nz**

Phone **0800 474 082**

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# Introduction

**Otago Regional Council (ORC) is responsible for managing how natural resources are used, protected, and improved in Otago's coastal marine area (CMA), as well as activities and resources outside this area that may affect coastal values and the wellbeing of coastal communities.**

We are currently considering how the CMA should be managed in the future. We're keen to learn how people connect with the coast, and what they enjoy, value and are concerned about.

Your insights into the coastal places and issues that matter to you will help guide future decisions about how these areas are cared for.

By sharing your views, you'll help shape plans that protect and enhance the coast. The Otago coast is a special place, valued for its natural beauty, wildlife, cultural and historic sites, and the many ways people use and enjoy it.

From beaches and cliffs to harbours and wetlands, it supports local communities, recreation, tourism, fishing and important infrastructure like ports and transport networks.

Together, these features all play a big role in shaping Otago's identity and contribute to the wellbeing of residents and visitors.



*Erosion, Ōamaru*



*Port Chalmers*



*Shellfish, Te Hakapupu / Pleasant River*



*Tautuku Bay from Florence Hill Lookout, The Catlins*

# Otago's coast

**Otago's coastal marine area extends from the line of mean high water springs (the highest line that regular high tides reach) to the outer limits of the territorial sea at 12 nautical miles (22.2 kilometres), from the Waitaki River in the north to Wallace Beach in the south.** It includes the sea, the airspace above it, the seabed and those parts of the foreshore covered and uncovered by the tide.

## Coastal marine area

Otago Regional Council's coastal area of responsibility




Information on this map may not be used for the purposes of any legal disputes. The user should independently verify the accuracy of any information before taking any action in reliance upon it.
This map was generated for A4 printing on 24/06/2026 at the scale of 1:1,000,000.

# Who is responsible for coastal management?

**Looking after the coast involves many different laws, plans and organisations, which can make it complex.**

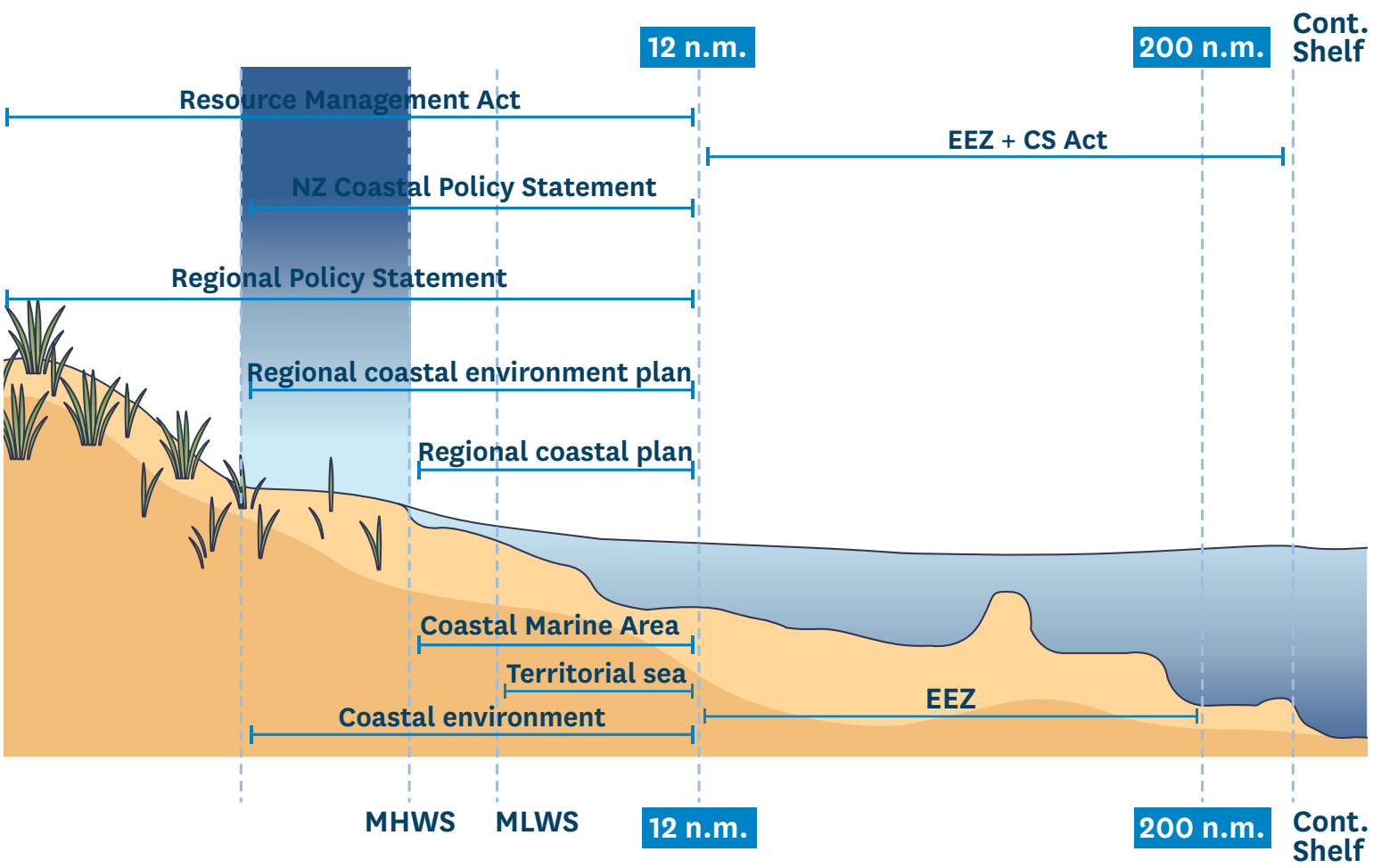
Regional councils manage the use and protection of natural resources in the coastal marine area, including coastal water quality, natural hazards, structures and coastal biodiversity and ecosystems.

They also manage freshwater and some land-use activities, recognising that what happens on land can affect the coast.

District and city councils manage how nearby land is used and developed. Central government agencies also have roles, such as protecting conservation areas, managing fisheries, ensuring maritime safety and safeguarding heritage.

Regional councils can manage the effects of fisheries, but fishing resources are controlled by the Fisheries Act 1996.

## RMA coastal management jurisdictions




**Key**

**MHWS** = Mean High Water Springs
**MLWS** = Mean Low Water Springs
**EEZ** = Exclusive Economic Zone
**Cont. Shelf** = Continental Shelf

**EEZ + CS Act** = Exclusive Economic Zone + Continental Shelf (Economic Effects) Act 2012
**n.m.** = nautical miles

Source: Department of Conservation

# Kāi Tahu values and relationship with the coast

## Kāi Tahu have a close, enduring connection to the Otago coast.

This connection comes from whakapapa (ancestral links), mātauraka (knowledge and understanding) and pūrākau (traditional stories), and continues today through activities like mahika kai (food gathering) and kaitiakitaka (guardianship).

Kāi Tahu are traditionally coastal people, with settlements along the shore and inland areas used seasonally for gathering food.

Over time, especially after land sales in the 1800s, access to inland areas declined, making coastal resources even more important for sustaining communities and cultural practices.

The mana whenua authority that hapū and whānau hold in relation to coastal land is accompanied by mana moana authority in the adjoining coastal waters.

These responsibilities include caring for the environment, helping guide decisions about how coastal areas are used and ensuring there are enough healthy resources to support manaakitaka (hospitality and care for others).

While some areas are formally recognised for customary fishing, this does not always ensure abundant resources, especially when pollution, habitat damage or poor management affect the coast.

In addition, barriers such as complex regulations and climate risks can make it harder for Kāi Tahu to live on and use ancestral lands.

Supporting Kāi Tahu leadership, recognising their knowledge and authority, and protecting coastal ecosystems will help restore and strengthen these important relationships for current and future generations.

# What is the consultation about?

## We have identified a number of issues and opportunities based on our current knowledge of the coast.

This discussion paper outlines the main issues and opportunities for the Otago coast we have identified so far. We are now seeking feedback to ensure they reflect what matters most to the people in Otago, and if we've missed anything.

Please comment on any issues and/or opportunities you consider relevant and let us know if you think we've missed something.

Your feedback will help shape future coastal management, ensuring the Otago coast is safeguarded and resilient for current and future generations.

**If you would like more information, go to orc.govt.nz/otagocoast**

In this discussion document, we have included the questions we are asking so you can give them some thought as you read through each topic. You can answer these questions at **orc.govt.nz/otagocoast**

# Initial questions

**Question 1:** What do you value most about the coast and marine area?

- Nature and scenery
- Open spaces and fresh air
- Recreation activities
- Access to the water
- Local culture
- Historic heritage
- Jobs
- Tourism
- Protection from natural hazards
- Food gathering
- Unsure/don't know
- Other

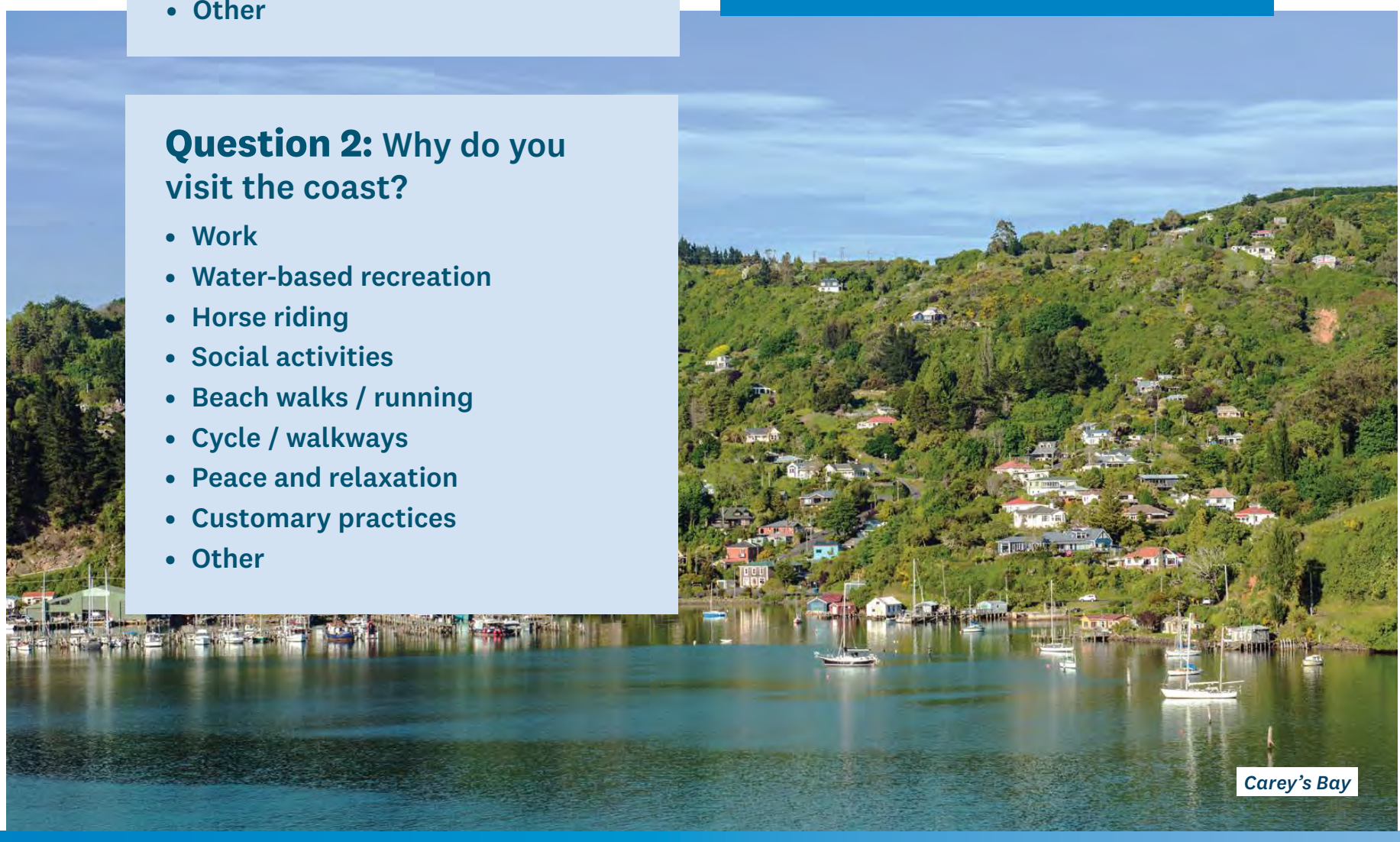
**Question 2:** Why do you visit the coast?

- Work
- Water-based recreation
- Horse riding
- Social activities
- Beach walks / running
- Cycle / walkways
- Peace and relaxation
- Customary practices
- Other

**Question 3:** How often do you visit Otago's coastal areas (e.g. beaches, estuaries)?

- Never
- Rarely (once or twice a year)
- Occasionally (less than once a month)
- Monthly
- Weekly
- Daily

Answer these questions at **orc.govt.nz/otagocoast**



*Carey's Bay*

# Topics covered

**ORC has identified the following topics to represent the range of values, issues and opportunities present in Otago's coastal areas.**

We would like to understand what is important to you and whether we have missed anything.

development



climate change



Public access



Water quality



Occupying space



Historic heritage



Taking and depositing natural material



Natural character, features, landscapes and seascapes



Infrastructure, including ports



Surf breaks



Marine aquaculture



Biosecurity



Biodiversity



# Land use and urban development

**Otago's coastal settlements and urban areas provide opportunities to support thriving communities, such as transport routes, harbours, employment and recreation, while maintaining the environmental, cultural and landscape values that make the coast distinctive.**

Managing future growth and development in a coordinated way can help strengthen community wellbeing, improve resilience, support economic development, and enhance connections between people and the coast.

Coastal settlements support a wide range of opportunities through economic activities and connections people have to the coast and its values.

Economically, the coast supports activities such as ports, tourism, recreation, hospitality, marine industries, fisheries and aquaculture-related services.

Appropriate urban development can help provide the infrastructure, services and workforce needed to support these activities while ensuring that growth occurs in a way that recognises environmental and cultural values.

Our coastal towns and communities each have distinct histories, landscapes, cultural values and relationships with the sea.

New development and redevelopment create opportunities to reinforce these characteristics, celebrate local identity, and maintain the qualities that make individual coastal places unique. This can contribute to a stronger sense of place for residents and visitors and help retain the diversity of Otago's coastal communities.

Thoughtfully planned development can improve public access to coastal environments, create new recreational opportunities, support active transport networks, and enhance community wellbeing. Coastal settlements can be designed to celebrate local character and strengthen people's connection to the coast.

Urban development can be used to create attractive, compact and connected coastal communities that make efficient use of land and infrastructure while protecting important coastal values.

Good urban design can enhance public access, improve amenity, strengthen community identity and support vibrant coastal towns.



*Ōamaru looking towards South Hill*

# Public access

**Public access to the coast is highly valued and plays an important role in supporting quality of life and community wellbeing.**

Not all the coast is able to be accessed at all times by the public. Access to coastal open space can be constrained by structures, natural barriers or occupation by other users. In some locations, restrictions on access may be necessary to protect coastal values or address health and safety concerns.

Careful management is required to ensure that access to the coast is provided, especially in locations that have increasing visitor numbers or in places where access could disturb sensitive wildlife.

Vehicle access to the coast is sometimes required for boat launching, access to public facilities or for the operation of existing commercial activities. However, vehicle use can harm wildlife, destroy dunes, weaken natural coastal defences, and reduce safety and enjoyment for others.

There may be areas and times where it is appropriate for recreational vehicle use on beaches, as long as the likelihood of damage or harm is avoided, or can be suitably managed.

In Dunedin city, driving or parking on beaches is prohibited except for launching or retrieving boats or in emergencies.

In Clutha District, driving on beaches is restricted except in emergencies. Waitaki has a bylaw making it an offence to cause damage to a public place, which includes parks, reserves and beaches.

**Answer these questions at orc.govt.nz/otagocoast**

**Question 4:** On a scale of 1–5, how important is access to the coast for you?

**Question 5:** Have you ever experienced restrictions to access to the coast?

- Yes
- No

**If yes to the above question:** What prevented you from accessing the coast? Where?

- Erosion
- Structures
- Steep dunes
- Wildlife
- Private development
- Other users
- Other

**Question 6:** If there are any areas along the coast where public access could be improved, please tell us where.

**Question 7:** Do you consider vehicle use to be a problem along the Otago coast? If so, where?

- No
- Yes
- Unsure / don't know

**If yes to the above question:** What concerns do you have about vehicle use on beaches and in coastal areas?

- Disturbing wildlife
- Damage to dunes
- Safety of other users
- Enjoyment of other users
- No concerns
- Other
- Unsure / don't know

# Occupying space

## The ability to use coastal space is important to Otago communities.

Many activities in the coastal marine area (CMA) are temporary, and have no or only minor effects, but others, such as ports, marinas, aquaculture and certain recreational or cultural activities, need to occupy coastal space to function.

These activities can support local jobs, provide recreation opportunities and help communities connect with the coast. Structures such as boatsheds, boat ramps, marinas and port facilities can play an important role in recreation and regional development.

At the same time, exclusive or long-term occupation of the CMA can affect the natural character of the coast, limit public access and change how people experience coastal areas.

Structures and activities can disturb seabed habitats, alter natural coastal processes and reduce water quality through shading, sediment disturbance or contaminants.

As the CMA is public space, exclusive occupation needs to be managed to provide a balance between private use and public access and enjoyment.

Conflicts can occur when recreational, cultural, commercial and industrial activities compete for the same coastal space, affecting safety, enjoyment or economic value for different users.

**Question 8: What are your views on the impacts of structures and activities that require exclusive occupation in the coastal environment (e.g. buildings, marinas, jetties, ports)?**

- **No particular views**
- **They support how people use and enjoy the coast**
- **They fit well within the coastal environment**
- **They help with access or safety**
- **They change the look of the coast**
- **They affect how I use or enjoy the coast**
- **They affect the natural environment**
- **There are too many in some places**
- **They can limit access to the coast**
- **It depends on what the structure is**
- **Other**
- **Unsure / don't know**

**Answer this question at orc.govt.nz/otagocoast**



*Otago Peninsula*

# Taking and depositing natural material

**Taking (extraction) and deposition of material in the coastal environment can bring both benefits and environmental pressures.**

Removing sand, shingle, shell or other natural material from the seabed or foreshore can support construction, coastal protection works, and harbour operations, which contribute to local economies and community infrastructure.

For example, dredging improves navigation and port efficiency which supports economic growth and development. It can also help control coastal erosion through beach nourishment and reduce flood risk.

In addition, some of these materials are finite, and their removal can disturb coastal ecosystems, reduce water quality and change natural sediment movement. This may affect shoreline stability, marine habitats and species that rely on the seabed for feeding or breeding.

Extraction can also disturb cultural or archaeological sites and alter the seabed in ways that affect navigation.

Depositing material, such as sand or gravel, can also have positive and negative effects. It is often used to replenish eroded beaches, support erosion protection or provide a controlled way to dispose of dredged material.

Reclamation creates new land along the coast for things such as ports, roads and marinas. It can improve public access and support local economies by providing more usable coastal land.

At the same time, deposition of material can smother seabed habitats, create sediment plumes that reduce water clarity, and affect fish and shellfish. It can also change natural sediment patterns and, if the material contains contaminants, reduce water quality.

**Question 9:** What do you see as the issues and/or opportunities regarding the extraction of material from the Otago coast?

**Question 10:** What do you see as the issues and/or opportunities regarding the deposition of material within the Otago coast?

**Answer these questions at orc.govt.nz/otagocoast**



*Blackhead Beach*

# Infrastructure, including ports



**Some infrastructure needs to be located within the coastal environment, and this provides benefits to the people, communities and the regional economy of Otago.**

This includes public assets such as walkways, roads and recreation facilities, as well as commercial infrastructure such as ports, marinas and tourism spaces.

Port Otago and its associated transport networks play a key role in regional and national trade, supporting economic growth and connectivity.

However, infrastructure and port activities can also create challenges for the coastal environment. Structures such as seawalls, bridges and wharves can alter natural coastal processes — for example, sediment movement, tidal flows and wave patterns — sometimes leading to habitat loss and reduced water quality.

They can also interfere with the safe and efficient operation of important infrastructure. This can increase maintenance costs and the risk of damage or failure.

Infrastructure can also limit public access to coastal areas and contribute to risks such as the establishment of marine pests and contaminated runoff.

Careful planning is therefore needed to balance the benefits of coastal infrastructure with the need to protect environmental, cultural and community values.

**Question 11: What infrastructure helps you when using Otago's coast?**

- Roads
- Rail
- Ports
- Navigation infrastructure
- Seawalls
- Walkways and cycleways
- Public facilities
- Other
- Unsure / don't know

**Question 12: What concerns, if any, do you have about how infrastructure affects the coastal environment?**

- No concerns
- Changes to coastal processes
- Impacts on landscapes and seascapes
- Impacts on wildlife and habitats
- Access to the coast
- Other
- Unsure / don't know

**Answer these questions at orc.govt.nz/otagocoast**

# Marine aquaculture



**Marine aquaculture involves farming fish, shellfish and seaweed. It occurs either inshore, in coastal waters influenced by tides, or offshore in the open ocean.**

Inshore aquaculture is well established in Aotearoa New Zealand, while offshore aquaculture is still developing. Recent proposals for offshore salmon farming in Otago highlight a potential opportunity for our regional economy.

Aquaculture brings jobs and economic benefits, and it also creates challenges. It can affect water quality, disturb the seabed and impact marine life, for example, animals getting tangled in equipment.

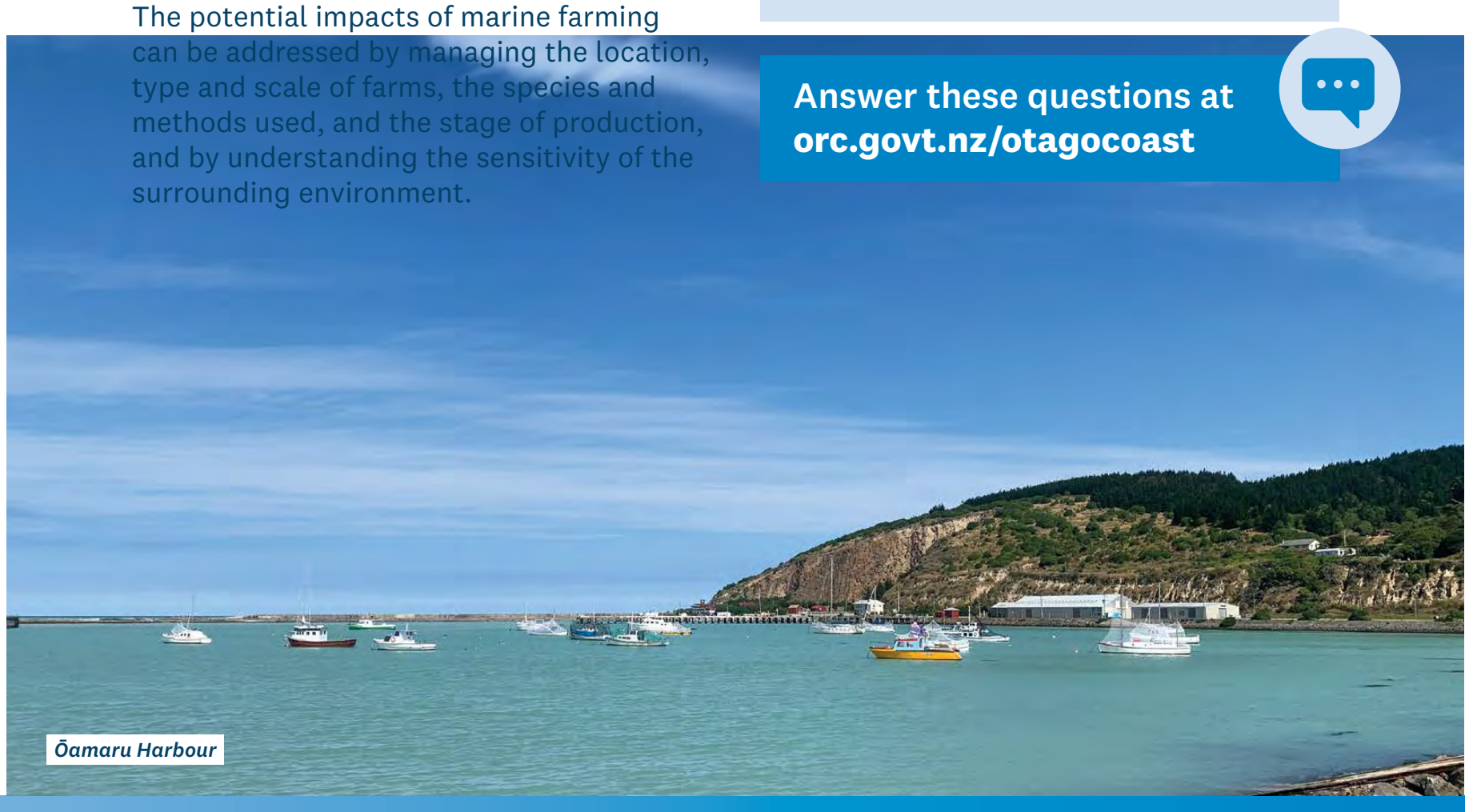
Waste from marine farms can add nutrients to the water, which the environment may not always be able to handle. Marine farms also take up coastal space, which can limit other users' access to the coast. While farms can attract fish, they can also increase the risk of diseases or parasites spreading to wild fish.

The potential impacts of marine farming can be addressed by managing the location, type and scale of farms, the species and methods used, and the stage of production, and by understanding the sensitivity of the surrounding environment.

**Question 13: What are your views on the opportunities that aquaculture in Otago can bring?**

**Question 14: What are your views on the challenges that aquaculture in Otago can bring?**

**Answer these questions at orc.govt.nz/otagocoast**



*Ōamaru Harbour*

# Biodiversity

**Coastal biodiversity includes the plants, animals and habitats found in the sea and along the coast, such as saltmarshes, sand dunes and the land next to the shore.**

It includes species such as tuna/eels that migrate between freshwater and coastal waters, and penguins and marine mammals that depend on both the sea and coastal land margins.

Otago's coast has a remarkable diversity of habitats and species, making its coastal systems unique.

However, coastal habitats and wildlife are under pressure. Structures and activities such as reclamation, drainage and removing sand can damage or destroy habitats, limit food availability to wildlife and disrupt animals' movement.

Pollution from land and vessels can wash into the sea, bringing contaminants, chemicals and nutrients that harm water quality and smother habitats. Rubbish and plastics can also harm wildlife.

Measures to protect biodiversity from structures and activities can lead to an increase of social, cultural, economic, recreational and ecological values.



**Question 15: What do you value about Otago's coastal biodiversity?**

- **Healthy ecosystems**
- **Dune habitats**
- **Estuary habitats**
- **Marine habitats**
- **Native wildlife**
- **Native vegetation**
- **Other**

**Question 16: Based on your observations, where on the coast are plants and animals thriving or doing well, and why?**

**Question 17: Based on your observations, where on the coast are plants and animals under threat or declining, and why?**

**Answer these questions at orc.govt.nz/otagocoast**

# Natural hazards and climate change

**The natural dynamic coastal processes that support coastal values are also responsible for processes such as erosion and flooding that pose hazards to wellbeing.**

These natural hazards will likely worsen due to climate change. The impacts of these risks could have serious consequences for water quality, biodiversity, human health and cultural values, while insufficient or inappropriate mitigation options can themselves disrupt coastal processes.

In addition, existing coastal structures and human activities, such as seawalls, transport infrastructure, sediment extraction and river damming, can exacerbate natural hazards by altering sediment movement and coastal dynamics.

Reliance on hard protection structures can further compound the problem by limiting the coast's ability to adapt naturally, often creating unintended environmental impacts and long-term management challenges.

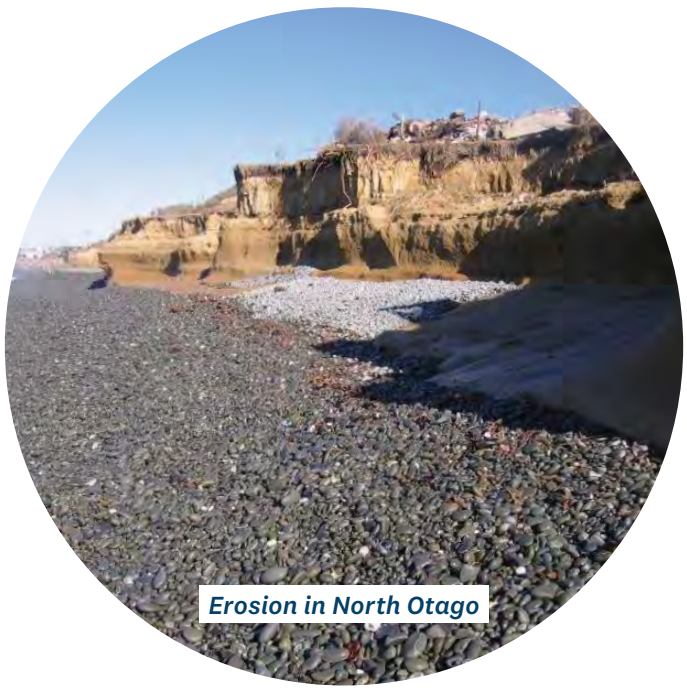
We have the opportunity as a community to continue working to better understand these changes and risks so that information can inform effective planning responses for our use of the coast.

This in turn will identify and support adaptation to meet future challenges and let us continue to enjoy the many experiences our coastal areas offer.

**Question 18: What coastal hazards are you concerned about in Otago? Where?**

- Erosion
- Flooding
- Sea level rise
- Storms
- Tsunami
- Ocean warming
- Ocean becoming more acidic
- Exposing contaminated sites
- Other
- Unsure / don't know

**Answer this question at orc.govt.nz/otagocoast**



*Erosion in North Otago*

# Water quality

**Good coastal water quality keeps the estuaries and seas around our coast healthy, makes it safe for people to swim and play, supports jobs and tourism, provides ecosystem services, and protects food sources such as shellfish.**

However, many activities can affect water quality. Runoff from farms, forests and towns can carry nutrients, bacteria, sediment, plastics and other contaminants into the sea.

Activities in the sea, such as shipping, aquaculture and dredging, can also add pollution or stir up contaminated sediment. These pressures can cause problems such as algae blooms, low oxygen, cloudy water and damaged habitats, which can harm marine life.

Most of Otago's open coast has good water quality because waves and currents keep the water moving, but sheltered places, such as estuaries, harbour edges, and river mouths, are more at risk, as contaminants can build up there.

With better awareness of how human activity is impacting our coast, and efforts to reduce these impacts, we can protect and enhance human health, recreation, fisheries and cultural practices.

**Question 19:** On a scale of 1–5, rate the water quality along the coast.

**Question 20:** How does water quality impact on your use of the coast?

**Question 21:** Where on the coast have you noticed water quality to be poor?

**Answer these questions at orc.govt.nz/otagocoast**



*Otago Harbour*

# Historic heritage

## Historic heritage helps people understand and appreciate Aotearoa New Zealand's history and cultures.

The Otago coastal marine area and wider coastal environment contain a large concentration of historic heritage. This reflects the coast's long-standing Māori occupation, early European settlement, and the economic and strategic importance of coastal settlements.

Historic heritage sites are often visited by tourists and locals for their cultural and heritage values and can also be a focal point for recreational activities, such as diving at shipwreck sites.

There are many coastal settlements in Otago that have historic waterfront areas: for example, Ōamaru has Aotearoa New Zealand's only surviving authentic Victorian/Edwardian deepwater port.

This port enhances the experience in the Ōamaru historic precinct and provides opportunities for the local economy in the form of tourism and recreation.

Coastal development, earthworks, dredging and other activities can damage or destroy heritage sites, reduce their historical value or disturb previously unknown archaeological sites.

Coastal erosion and climate change-related hazards also pose risks, particularly to archaeological sites. In some cases, protecting coastal heritage may require public access to be restricted.

**Question 22: What historic places along the coast are important to you?**

- Archaeological sites
- Historic buildings or structures
- Shipwrecks or old boats
- Places important to Māori
- Historic coastal areas
- I am not aware of any
- Other

**Question 23: Do you think that the historic heritage of the coast is adequately protected?**

- Yes
- No

**If no to the above question: Why do you think the historic heritage of the coast is not adequately protected?**

**Answer these questions at orc.govt.nz/otagocoast**



*Kākā Point Lighthouse*

# Natural character, features, landscapes and seascapes

**Natural character refers to how natural a place looks and feels.**

Natural features, landscapes and seascapes are the visible elements, such as landforms and scenic views. The Otago coast has a diverse range of high scenic values which contribute to the local economy by attracting visitors and tourism.

The natural character of these locations is sought after for residential and urban development. Carefully planned development will ensure that impacts such as increased development on landscapes and seascapes with high value are protected.

Natural character can be impacted by climate change, storms and erosion. Places valued for their scenic or cultural importance need to be managed carefully, as more people visit and new facilities are built. Over time, these pressures can reduce the quality, naturalness, and cultural and visual values of Otago's coastal environments.

Coastal natural character includes the land and sea and the natural processes that shape them, such as the rise and fall of tides, sediment movement, and the formation and functioning of estuaries, lagoons, beaches, dune systems, sand bars, sand spits and surf breaks.

The natural character of the coast can be affected by the modification of natural systems by structures, reclamation, or the infilling and drainage of low-lying coastal areas, including estuaries.

Many industries rely on areas with high natural character, as coastal areas that are less modified support more resilient habitats that support resource use.

**Question 24:** On a scale of 1–5, how important to you are Otago's natural character, features, landscapes and seascapes.

**Question 25:** What do you consider to be the greatest risks or threat to Otago's natural character, features, landscapes and seascapes?

- Infrastructure
- Tourism and recreation pressure
- More development or structures along the coast
- Resource use
- Pollution or contamination
- Climate change
- Infill or reclamation of land
- Other
- Unsure / don't know

**Answer these questions at orc.govt.nz/otagocoast**



*Moeraki Boulders*

# Surf breaks

**Surf breaks are an important component of coastal natural character and a valued recreational resource for New Zealanders and attracting international visitors.**

They are also culturally important, as Otago's iwi have a strong knowledge of and connection to all processes within coastal environments and the values they support.

Otago has four surf breaks of national importance: the Spit, Karitāne, Whareakeake and Papatowai.

Their integrity, accessibility and enjoyment are vulnerable to adverse effects from activities and development on land and within the coastal marine area. Structures such as seawalls, groynes and offshore installations can interfere with waves by blocking or changing swell patterns and sediment movement.

Activities such as dredging and sand extraction can alter the shape of the seabed, which is critical for good surf. Land-based development can also reduce water quality through runoff and pollution, making access to surf breaks more difficult and potentially damaging their reputation.

Together, these pressures can diminish the recreational, cultural and economic value of these important coastal features.

**Question 26: What do you value about surf breaks in Otago?**

- Quality of waves
- Natural setting
- Accessibility
- Other

**Question 27: What do you consider to be a risk or threat to surf breaks, if any?**

- Coastal development, such as structures and infrastructure
- Natural hazards
- Sea level rise
- Access
- Water quality
- Dredging/dumping of spoil
- Other
- Unsure / don't know

**Answer these questions at orc.govt.nz/otagocoast**



# Biosecurity

**Otago's coastal environment is vulnerable to biosecurity risks from invasive pests and diseases.**

Activities such as shipping, boating, fishing, dredging and aquaculture can carry and spread unwanted species.

Coastal structures, such as marinas and seawalls, can also help these pests establish and spread, while climate change and already stressed environments make it easier for them to take hold and outcompete native species.

Effective biosecurity management helps to protect the coast's biodiversity and ecosystems and the customary, recreational and commercial activities in this environment.

However, once introduced, marine pests can be difficult or impossible to remove. Therefore, timely prevention and early management of biosecurity risks is often critical in the management of marine pests.

While the current coastal planning framework for Otago does not provide a quick pathway for implementing biosecurity measures in response to marine pest incursions, a future planning system provides an opportunity to enable more effective biosecurity management in Otago's coast.

However, care needs to be taken to ensure a more agile response framework does not create unanticipated adverse impacts on the health of our coast.

Discharges associated with biosecurity measures, such as the application of herbicide or pesticide to control invasive marine pests, can have unintended adverse impacts on marine life and surrounding ecosystems. For example, these herbicides or pesticides can harm non-target species, reduce water quality through the decay of treated organisms, and affect sensitive habitats or species through toxicity or disturbance.

**Question 28:** On a scale of 1–5, how concerned are you about biosecurity in the coastal area?

**Answer this question at orc.govt.nz/otagocoast**



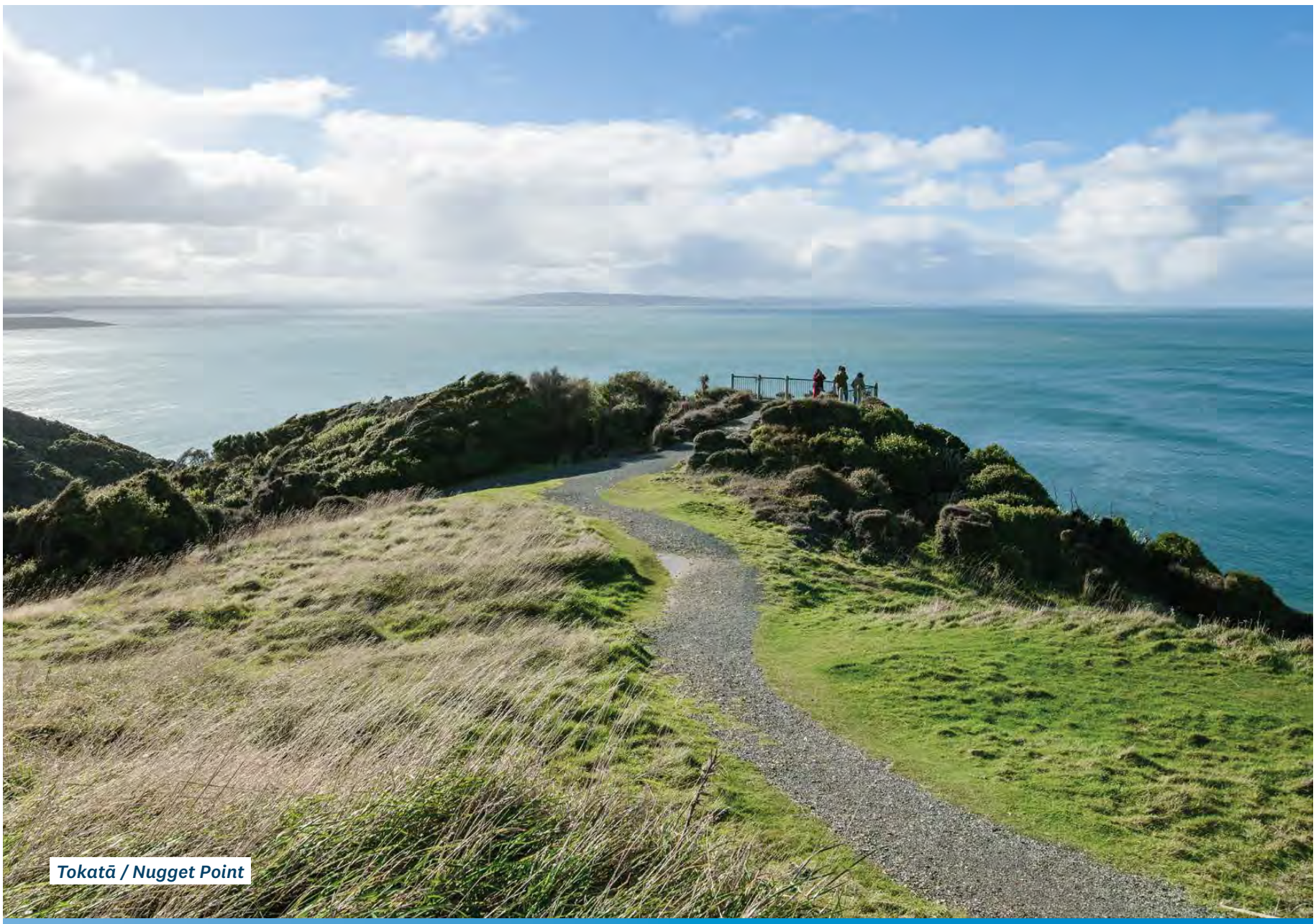
# Summary questions

**Question 29:** Are all the topics listed on page 9 relevant?

- Yes, they all feel relevant
- No, some are not relevant
- Some important issues are missing
- Not sure / don't know

**Question 30:** Is there anything else you would like to share about the issues and opportunities for the Otago coast?

Answer these questions at **orc.govt.nz/otagocoast**



*Tokatā / Nugget Point*

# Next steps

## What are we going to do with this information?

Once we have all the feedback collated, it will give us a better understanding of those matters relevant to spatial planning and management of the Otago coast.

The feedback will be incorporated into an Issues and Opportunities Report and will inform further consideration on the management of coastal issues in Otago.

This report and a summary of the feedback received will be made available on the ORC website before the end of this year.

The current Regional Plan: Coast was prepared under the Resource Management Act 1991 and remains the operative planning framework for managing activities in the coastal marine area (CMA).

However, this work is taking place during a period of significant national resource management reform. As a result, the process is not expected to simply lead to a like-for-like replacement 'Coast Plan'.

Instead, the coastal issues, values and management responses identified through this process will help inform how coastal management is carried forward into the new resource management system.

## Timeline

**13 July**
**Start of engagement**

→

**10 August**
**End of feedback**

→

**October**
**Report on feedback to Council**

**Report on feedback will be available on our website following Council approval:**

**orc.govt.nz/otagocoast**

# Drop-in sessions

**Drop by at any time during an in-person session or tune in for a presentation and Q&A online and let us know what you think about Otago's coast. Survey closes 10 August 2026.**

| Drop-in locations | Date | Time |
|---|---|---|
| **Balclutha:** Te Pou Ō Mata-Au \| Clutha District War Memorial & Community Centre, 6 Clyde St | Tues, 21 July | 3-6pm |
| **Dunedin:** ORC Aonui Foyer, 180 High St | Thurs, 23 July | 3-6pm |
| **Dunedin:** South Coast Boardriders Association, 1 Esplanade, St Clair | Sat, 25 July | 10am-1pm |
| **Karitāne:** Puketeraki Marae, 520 Apes Rd | Tues, 28 July | 3-6pm |
| **Ōamaru:** Forrester Gallery, 9 Thames St | Wed, 5 August | 4-7pm |
| **Online: orc.govt.nz/coastonline** | Mon, 3 August | 7-8.30pm |

## Have your say!

**Attend a drop-in session or go online at**
orc.govt.nz/otagocoast

**Survey closes 10 August 2026**

Got questions? Email **policy@orc.govt.nz**
or phone **0800 474 082**



*Sandfly Bay, Otago Peninsula*

# Appendix 2. Coast survey questions



# Otago's coast

## Issues and opportunities

Otago Regional Council

# Feedback form 2026

**You do not have to answer all the questions — you can choose to only give feedback on the topics you are interested in.**

**Need more space for writing?** Find extra lines on **page 12** or attach lined paper

## Initial questions

**1. What do you value most about the coast and marine area?** *(Select all that apply)*

- ◯ Nature and scenery (e.g. views, beaches, wildlife)
- ◯ Open spaces and fresh air
- ◯ Recreation activities
- ◯ Access to the water
- ◯ Local culture
- ◯ Historic heritage
- ◯ Jobs
- ◯ Tourism
- ◯ Protection from natural hazards
- ◯ Food gathering
- ◯ Unsure / don't know
- ◯ Other (please specify) _____

_____

_____

## Initial questions cont . . .

**2. Why do you visit the coast?** *(Select all that apply)*

- ◯ Work (e.g. tourism / commercial fishing)
- ◯ Water-based recreation e.g. fishing, boating, swimming, surfing — please specify what water-based recreational activities you do on the coast _____
- ◯ Horse riding
- ◯ Social activities (e.g. meeting others, picnicking, relaxing)
- ◯ Beach walks / running
- ◯ Cycle / walkways
- ◯ Peace and relaxation
- ◯ Customary practices
- ◯ Other (please specify) _____

**3. How often do you visit Otago's coastal areas (e.g. beaches, estuaries)?**

- ◯ Never
- ◯ Rarely (once or twice a year)
- ◯ Occasionally (less than once a month)
- ◯ Monthly
- ◯ Weekly
- ◯ Daily

## Public access — If not applicable, go to question 8

**4. On a scale of 1–5, how important is access to the coast for you — 1 being 'Not important' and 5 being 'Very important'?**

◯ 1 ◯ 2 ◯ 3 ◯ 4 ◯ 5

Not important — Very important

Continued on next page

# Public access cont . . .

**5. Have you ever experienced restrictions to access to the coast?**

◯ Yes ◯ No

**IF YES,** what prevented you from accessing the coast? *(Select all that apply and tell us where)*

◯ Erosion _____

◯ Structures _____

◯ Steep dunes _____

◯ Wildlife _____

◯ Private development _____

◯ Other users _____

◯ Other (please specify) _____

**Need more space? Go to page 12**

**6. If there are any areas along the coast where public access could be improved, please tell us where.**

_____

_____

_____

**7. Do you consider vehicle use to be a problem along the Otago coast? If so, where?**

◯ Yes ◯ No ◯ Unsure / don't know

**IF YES,** please say where _____

**IF YES,** what concerns do you have about vehicle use on beaches and in coastal areas? *(Select all that apply)*

◯ Disturbing wildlife

◯ Damage to dunes

◯ Safety of other users

◯ Enjoyment of other users

◯ No concerns

◯ Other (please specify) _____

◯ Unsure / don't know

## Occupying space — If not applicable, go to question 9

**8. What are your views on the impacts of structures and activities that require exclusive occupation in the coastal environment (e.g. buildings, marinas, jetties, ports)?** *(Select all that apply and tell us why you think that)*

- ◯ No particular views
- ◯ They support how people use and enjoy the coast _____
- ◯ They fit well within the coastal environment _____
- ◯ They help with access or safety _____
- ◯ They change the look of the coast _____
- ◯ They affect how I use or enjoy the coast _____
- ◯ They affect the natural environment _____
- ◯ There are too many in some places _____
- ◯ They can limit access to the coast _____
- ◯ It depends on what the structure is _____
- ◯ Other (please specify) _____
- ◯ Unsure / don't know

**Need more space? Go to page 12**

## Taking and depositing natural material

— If not applicable, go to question 11

**9. What do you see as the issues and/or opportunities regarding the extraction of material from the Otago coast?**

_____

_____

_____

_____

**10. What do you see as the issues and/or opportunities regarding the deposition of material within the Otago coast?**

_____

_____

_____

_____

_____

## Infrastructure, including ports

— If not applicable, go to question 13

**11. What infrastructure helps you when using Otago's coast?** *(Select all that apply)*

- ◯ Roads
- ◯ Rail
- ◯ Ports
- ◯ Navigation infrastructure
- ◯ Seawalls
- ◯ Walkways and cycleways
- ◯ Public facilities (e.g. marinas and waterfront event spaces)
- ◯ Other (please specify) _____
- ◯ Unsure / don't know

## Infrastructure, including ports cont . . .

**12. What concerns, if any, do you have about how infrastructure affects the coastal environment?** *(Select all that apply)*

- ◯ No concerns
- ◯ Changes to coastal processes
- ◯ Impacts on landscapes and seascapes
- ◯ Impacts on wildlife and habitats
- ◯ Access to the coast
- ◯ Other (please specify) _____
- ◯ Unsure / don't know

## Marine aquaculture — If not applicable, go to question 15

**13. What are your views on the opportunities that aquaculture in Otago can bring?**

_____

_____

_____

_____

_____

_____

**14. What are your views on the challenges that aquaculture in Otago can bring?**

_____

_____

_____

_____

_____

_____

_____

## Biodiversity — If not applicable, go to question 18

**15. What do you value about Otago's coastal biodiversity?** *(Select all that apply)*

- ◯ Healthy ecosystems
- ◯ Dune habitats
- ◯ Estuary habitats
- ◯ Marine habitats (e.g. rock pools, seagrass, kelp forests, etc.)
- ◯ Native wildlife
- ◯ Native vegetation
- ◯ Other (please specify) _____

**16. Based on your observations, where on the coast are plants and animals thriving or doing well, and why?** *(Please name specific places and species if you can)*

_____

_____

_____

_____

_____

_____

**17. Based on your observations, where on the coast are plants and animals under threat or declining, and why?** *(Please name specific places and species if you can)*

_____

_____

_____

_____

_____

_____

## Natural hazards and climate change

**— If not applicable, go to question 19**

**18. What coastal hazards are you concerned about in Otago?**
*(Select all that apply and state where on the coast this is a concern)*

- ◯ Erosion _____
- ◯ Flooding _____
- ◯ Sea level rise _____
- ◯ Storms _____
- ◯ Tsunami _____
- ◯ Ocean warming _____
- ◯ Ocean becoming more acidic _____
- ◯ Exposing contaminated sites _____
- ◯ Other (please specify) _____
- ◯ Unsure / don't know

**Need more space? Go to page 12**

## Water quality — If not applicable, go to question 22

**19. On a scale of 1–5, rate the water quality along the coast — 1 being 'Poor' and 5 being 'Excellent'.**

◯ 1 ◯ 2 ◯ 3 ◯ 4 ◯ 5

**Poor** **Excellent**

**20. How does water quality impact on your use of the coast?**

_____

_____

_____

**21. Where on the coast have you noticed water quality to be poor?**
*(Please name specific places)*

_____

_____

_____

**Need more space? Go to page 12**

## Historic heritage — If not applicable, go to question 24

**22. What historic places along the coast are important to you?**
*(Select all that apply and if possible, name them and their location)*

- ◯ Archaeological sites (e.g. middens, early settlements) _____
- ◯ Historic buildings or structures (e.g. historic wharves, boat sheds and jetties)
- ◯ Shipwrecks or old boats
- ◯ Places important to Māori (e.g. wāhi tapu) _____
- ◯ Historic coastal areas (e.g. old harbours or settlements) _____
- ◯ I am not aware of any
- ◯ Other (please specify) _____

**Need more space? Go to page 12**

**23. Do you think that the historic heritage of the coast is adequately protected?**

- ◯ Yes
- ◯ No (please explain) _____

**Need more space? Go to page 12**

## Natural character, features, landscapes and seascapes

— If not applicable, go to question 26

**24. On a scale of 1–5, how important to you are Otago's natural character, features, landscapes and seascapes** — 1 being 'Not important' and 5 being 'Very important'?

◯ 1 ◯ 2 ◯ 3 ◯ 4 ◯ 5

Not important — Very important

**25. What do you consider to be the greatest risks or threats to Otago's natural character, features, landscapes and seascapes?** *(Select all that apply)*

- ◯ Infrastructure (e.g. bridges, jetties, reclamations, flood protection works)
- ◯ Tourism and recreation pressure
- ◯ More development or structures along the coast
- ◯ Resource use (e.g. sand or gravel extraction)
- ◯ Pollution or contamination
- ◯ Climate change
- ◯ Infill or reclamation of land
- ◯ Other (please specify) _____
- ◯ Unsure / don't know

## Surf breaks — If not applicable, go to question 28

**26. What do you value about surf breaks in Otago?** *(Select all that apply)*

- ◯ Quality of waves
- ◯ Natural setting
- ◯ Accessibility
- ◯ Other (please specify) _____

**27. What do you consider to be a risk or threat to surf breaks, if any?**
*(Select all that apply)*

- ◯ Coastal development such as structures and infrastructure
- ◯ Natural hazards
- ◯ Sea level rise
- ◯ Access
- ◯ Water quality
- ◯ Dredging/dumping of spoil
- ◯ Other (please specify) _____
- ◯ Unsure / don't know

## Biosecurity — If not applicable, go to question 29

**28. On a scale of 1–5, how concerned are you about biosecurity in the coastal area — 1 being 'Not concerned' and 5 being 'Very concerned'?**

○ 1 ○ 2 ○ 3 ○ 4 ○ 5

Not concerned Very concerned

Please explain your level of concern: _____

_____

_____

## Summary questions

**29. Are all the topics listed relevant?**

○ Yes, they all feel relevant

○ No, some are not relevant (please specify what topics and why) _____

_____

_____

_____

○ Some important topics are missing (please specify what topics are missing and why they are important) _____

_____

_____

_____

○ Not sure / don't know

Need more space? Go to page 12

**30. Is there anything else you would like to share about the issues and opportunities for the Otago coast? If so, please tell us below.**

_____

_____

_____

_____

# About you

**Why we are asking these questions.** We want to understand if we have captured feedback from a wide range of people at different stages in their life. People's experiences with the coast vary over time. So please feel free to add this to your answers. The more information we have about what is happening on our coast and how people use it, the better informed we will be when moving into the next phase.

### 31. In what part of Otago do you live?

- ◯ Central Otago
- ◯ Dunedin
- ◯ North Otago
- ◯ Taiari/Taieri
- ◯ Clutha
- ◯ Other _____

### 32. What age bracket do you belong to?

- ◯ 0–17
- ◯ 18–34
- ◯ 35–49
- ◯ 50–64
- ◯ 65+

## Need more space? — Please use the question number as a reference

_____

_____

_____

_____

_____

_____

_____

_____

_____

More space over the page

## Thank you for your feedback

**Please return this completed feedback form before 10 August:**

**by post:** Otago Regional Council, Private Bag 1954, Dunedin 9054

**email:** policy@orc.govt.nz

**or drop it to one of our offices:**

**Dunedin —** Aonui, 180 High St

**Queenstown —** Ground Floor, Alta House, Terrace Junction, 1092 Frankton Rd, Frankton

**For more information, go to orc.govt.nz/otagocoast**

Got questions? Email **policy@orc.govt.nz**
or phone **0800 474 082**

# Appendix 3. List of key stakeholders

## Stakeholders contacted and attending workshops

- 90 separate stakeholders were invited to attend workshops.
- 16 separate stakeholders attended workshops.
- 2 stakeholders attended both workshops.
- Several stakeholders sent more than 1 representative.

| Sector | Stakeholders invited | Attended workshop |
|---|---|---|
| Community and environmental interest groups | Aroha Kaikorai Valley | |
| | Catlins CAP Delivery Group | 16th July |
| | Coastal Otago Catchments | |
| | Coastguard Dunedin | |
| | Dunedin and Coast CAP chairs | |
| | East Otago Catchment Group | |
| | Environmental Defence Society | |
| | Forest and Bird , Dunedin Branch | |
| | Lawrence-Tuapeka Community Board | |
| | Mosgiel Taieri Community Board | |
| | New Zealand Sea Lion Trust | |
| | NOSLaM - North Otago Sustainable Land Management | |
| | Ōamaru Penguins | |
| | Otago Catchments | 16th July |
| | Otago Peninsula Community Board | |
| | Otago Peninsula Trust | |
| | Saddle Hill Community Board | |
| | Taiari/Taieri Integrated Catchment Group | |
| | Waihemo Community Board | |
| | Waikouaiti Community Board | |
| | West Harbour Community Board | |
| | West Otago Community Board | |
| | Yellow Eyed Penguin Trust | |
| Customary resources | East Otago Taiāpure Committee | |
| Economic interest groups and industries | Business South | |
| | Federated Farmers | 20th July |
| | Fishing industry | |
| | Harbour Fish | |
| | Nash and Ross | |
| | Otago Rock Lobster Association | |
| | Paua Industry Council | |
| | Port Otago | 20th July |
| | Seafood New Zealand | 20th July |
| | Southern Clams | 20th July |
| | Southern Wood Council | 20th July |
| Government agencies | Department of Conservation | 16th July |

| Sector | Stakeholders invited | Attended workshop |
|---|---|---|
| | Environmental Protection Agency | |
| | Land Information New Zealand | |
| | Maritime NZ | |
| | Ministry for Primary Industries | 16th July, 20th July |
| | Ministry for the Environment | |
| | Ministry of Business, Innovation & Employment | |
| | NZ Defence Force | |
| | Pouhere Taonga Heritage New Zealand, Otago Southland Area | 16th July |
| Infrastructure providers | Aurora | 20th July |
| | Contact Energy | |
| | Kiwi rail | |
| | Network Waitaki | |
| | Powernet | |
| | Transpower | |
| | Waka Kotahi | |
| Local authorities | Clutha District Council | |
| | Dunedin City Council | |
| | Environment Canterbury | |
| | Environment Southland | |
| | Waitaki District Council | |
| Recreational users | Brighton Surf Life Saving Club | |
| | Broad Bay Boating Club | 16th July |
| | Dive Otago | |
| | Esplanade Surf School | |
| | Fire in Ice Outrigger Canoe Club | |
| | Fish Mainland & Tautuku Fishing Club | 16th July |
| | Herenga a Nuku Aotearoa, Outdoor Access Commission | |
| | Kaka Point Surf Life Saving Club | |
| | Macandrew Bay Boating Club | |
| | Otago Rowing Association (ORA) | 16th July |
| | Otago Rowing Club | |
| | Otago Student Spearfishing & Hunting Club | |
| | Otago University Rowing Club (OURC) | |
| | Otago Yacht Club | |
| | Otago Yachting Association | |
| | Ōtepoti Dragons Dragon boating club | |
| | Port Chalmers Yacht Club | |
| | Ravensbourne Boating Club | |
| | South Coast Board Riders Association | |
| | South Island Surfing Association (SISA) | |
| | St Clair Surf Life Saving Club | |
| | St Kilda Surf Life Saving Club | |
| | Warrington Surf Life Saving Club | |

| Sector | Stakeholders invited | Attended workshop |
|---|---|---|
| Science and Research | MBIE-funded Centre of Research Excellence Coastal People Southern Skies | |
| | NIWA (climate change) | |
| | University of Otago: Marine Science | |
| Tourism | Clearwater wildlife tours | |
| | Karitane Māori Tours | |
| | Moeraki Boulders | |
| | Monarch Cruises | |
| | OPERA – Otago Peninsula Eco Restoration Alliance | 20th July |
| | Port 2 port water taxi | |
| | Royal Albatross Colony | 16th July, 20th July |
| | Tourism Dunedin/Enterprise Dunedin | |

Otago Regional Council

# Otago Coast Issues and Opportunities Report



October 2026

# Executive Summary

1. The Otago coast is a significant environmental, cultural, recreational and economic asset. Stretching from the Waitaki River mouth to Wallace Beach in the Catlins, it supports diverse ecosystems, coastal communities, tourism, recreation, fisheries, port operations, cultural heritage and customary activities. It is central to the identity and wellbeing of Otago communities and holds deep significance for Kāi Tahu as mana whenua and mana moana (customary authority relating to the coastal marine area).

2. This report has been prepared to inform the development of Otago's future coastal planning framework under the new resource management system, while also helping to guide complementary non-regulatory actions and initiatives. Drawing on technical studies, mana whenua input and community and stakeholder engagement, it identifies the key issues and opportunities facing the coast.

3. The findings indicate that the Otago coast is facing a range of complex and interrelated challenges. Biodiversity loss, degradation of coastal habitats, pressures on wildlife, declining water quality, biosecurity threats, and the effects of climate change and coastal hazards are affecting the health and resilience of coastal environments. At the same time, growth, development, and increasing demand for coastal space create challenges in balancing environmental protection with social, cultural, recreational, and economic aspirations. The report also identifies information gaps and uncertainty that can make decision-making more difficult.

4. Despite these challenges, the coast presents significant opportunities. These include strengthening integrated coastal management and recognition of Kāi Tahu values, customary relationships, and mana moana within coastal management, restoring coastal ecosystems, improving public access and recreation opportunities, increasing resilience to climate change and coastal hazards, and supporting sustainable economic activities such as tourism, fisheries, aquaculture, and port operations. Opportunities also exist to improve monitoring and research, support adaptive management, and encourage greater stewardship and community involvement in caring for the coast.

5. A consistent theme throughout the report is the importance of a holistic and integrated *ki uta ki tai* (mountains to sea) approach that recognises the connections between land, freshwater and coastal environments. Many coastal issues, including biodiversity decline, water quality, biosecurity, coastal hazards and climate change, are interconnected, while others originate beyond the coastal marine area. Therefore, these issues require coordinated responses across agencies, communities and sectors. Achieving positive outcomes for the coast will therefore depend on integrated and collaborative approaches that recognise these interconnections.

6. Overall, the report concludes that Otago's coast faces increasing environmental and development pressures, but also significant opportunities. The new planning framework provides an opportunity to establish a more integrated, adaptive and collaborative approach to coastal management in Otago.  Future planning should seek to protect and

enhance coastal ecosystems and biodiversity, improve resilience to future change, recognise and provide for Kāi Tahu values and interests, support public access and enjoyment of the coast, and enable the sustainable use and development of coastal resources. In doing so, it can help ensure that the distinctive environmental, cultural, social, and economic values of the Otago coast are maintained and enhanced for present and future generations.

7. Drawing on the key issues and opportunities identified in this report, the future coastal planning framework should seek to:

- Adopt a *ki uta ki tai* (mountains to sea) approach to integrated management.
- Strengthen recognition of Kāi Tahu values, mana moana (customary authority relating to the coastal marine area) and mahika kai.
- Improve resilience to climate change and coastal hazards.
- Protect and restore biodiversity and coastal ecosystems.
- Support adaptive management through monitoring and research.
- Maintain public access while protecting sensitive environments.
- Enable sustainable economic development.
- Strengthen marine biosecurity management.
- Protect natural character, landscapes, surf breaks and historic heritage.
- Promote nature-based solutions and collaborative stewardship.

# Overview of Otago's Coastal Issues and Opportunities

## Coastal management foundations: Principles and approaches for effective coastal management

## Integrated management

### Issue

- IM-I1: Fragmented management approaches can make it difficult to effectively address interconnected coastal issues

### Opportunity

- IM-O1: Integrated management can improve outcomes for coastal communities and environments

## Using regulatory and non-regulatory tools

### Issue

- RNR-I1: Regulation is not always effective and not always the best approach in addressing coastal issues

### Opportunity

- RNR-O1: Non-regulatory tools can support positive coastal outcomes

## Collaboration and adaptive management

### Issue

- CAM-I1: Many coastal issues require coordinated action across organisations, communities and resource users.

### Opportunity

- CAM-O1: Collaboration and adaptive management can improve coastal outcomes

## Knowledge, monitoring and understanding coastal environments

### Issue

- KM-I1: Uncertainty and information gaps can make it difficult to understand and manage coastal issues

### Opportunity

- KM-O1: Increased investment in monitoring and research can improve understanding of coastal environments

# Coastal uses and development: How people interact with, use and develop the coast.

## Building well-functioning coastal communities

### Opportunities

- CC-I1: Coastal land use and urban development can strengthen connections between people and the coast
- CC-O1: Coastal land use and urban development support economic development

## Public access

### Issues

- PA-I1: Access to the coastal environment can be limited by structures and physical barriers.
- PA-I2: Public access may need to be managed to protect coastal values and public health and safety
- PA-I3: Vehicle use in the coastal environment can damage natural and cultural values, reduce resilience to coastal hazards, and affect the safety or enjoyment of others.

### Opportunity

- PA-O1: Improving access and connections can increase use and enjoyment of the coast.

## Occupying space

### Issue

- OS-I1: Exclusive occupation of the coastal marine area can limit public use of coastal space and create conflict between activities.

### Opportunity

- OS-O1: Providing for activities and structures in the coast can contribute to social, cultural or cultural economic benefits

## Removal and deposition of natural material

### Issues

- RD-I1: Removing natural materials can have adverse effects on the coastal environment
- RD-I2: Deposition of material on the seabed and foreshore can have adverse effects on the coastal environment.

### Opportunity

- RD-O1: Removal and deposition of coastal natural material can bring benefits to people and communities.

# Coastal infrastructure

## Issues

- INF-I1: Inappropriate use and development can compromise the performance of regionally and nationally significant coastal infrastructure.
- INF-I2: Coastal infrastructure can have adverse effects on coastal processes, values, and activities
- INF-I3: Coastal infrastructure is vulnerable to coastal processes

## Opportunities

- INF-O1: Coastal infrastructure supports recreation, tourism and community wellbeing.
- INF-O2: Future infrastructure development provides an opportunity to reduce environmental impacts and improve resiliency

# Commercial ports

## Issues

- CP-I1: Commercial port activities can have an adverse impact on coastal processes and values.
- CP-I2: Activities in the coastal environment can adversely affect the efficient and safe operation of commercial port activities.
- CP-I3: Commercial port activities can have adverse effects on public access and recreational activities.

## Opportunity

- CP-O1: Recognise the national and regional significance of Port Otago.

# Marine aquaculture

## Issues

- AQ-I1: Marine aquaculture can have adverse effects on the marine environment.
- AQ-I2: Marine aquaculture can conflict with other activities, uses and values associated with coastal space.

## Opportunities

- AQ-O1: Marine aquaculture can support economic development and contribute to the social, economic and cultural well-being of communities in Otago.
- AQ-O2: Marine aquaculture can have positive impacts on biodiversity.

# Biosecurity

## Issues

- BS-I1: Activities in or near the Coastal Marine Area can increase the risk of invasive pests and disease spreading in Otago's coastal environment.
- BS-I2: Responding to marine pest incursions may create adverse effects on the marine environment

### Opportunity

- BS-O1: Coastal planning and cross-agency collaboration can improve biosecurity management

## Coastal features and characteristics: The natural landforms, habitats, and processes that shape the coastal environment

## Biodiversity

### Issue

- BD-I1: Coastal biodiversity is under threat from a wide range of human activities.

### Opportunity

- BD-O1: Land use and urban development can create opportunities to enhance biodiversity with designs that restore or enhance coastal ecosystems

## Coastal natural hazards and climate change

### Issues

- CH-I1: Coastal hazards can negatively affect communities, infrastructure, historic heritage and the environment.
- CH-I2: Structures and other activities in the coastal marine area can exacerbate natural hazards
- CH-I3: Reliance on hard protection structures to manage coastal hazards can have adverse effects.
- CH-I4: Shoreline erosion is exposing contaminated sites in the coastal environment

### Opportunity

- CH-O1: The effects of coastal natural hazards are managed to support resilient communities

## Water quality

### Issue

- WQ-I1: Activities undertaken on land, in freshwater and in the coastal marine area can have adverse effects on coastal water quality.

### Opportunity

- WQ-O1: Managing water quality through integrated management

## Historic Heritage

### Issue

- HH-I1: Inappropriate subdivision, use, and development in the coastal environment can cause adverse effects on historic heritage.

# Natural character and outstanding natural features and landscapes

## Issues

- NC-I1: Natural character of the coastal environment can be affected by the modification of natural systems and processes including exclusive occupation.
- NC-I2: Outstanding natural features, landscapes and seascapes within the coastal environment can be affected by changes in the type or intensity of activities on land and in the marine area

# Surf breaks

## Issue

- SB-I1: The use and enjoyment of surf breaks can be impacted by activities on land and in the coastal marine area.

## Opportunity

- SB-O1: Improved management and access to Otago's surf breaks can support economic, recreational and community benefits

# Kāi Tahu values and relationship with the coast

# Mana motuhake

## Issue

- KT-I1: The ability of Kāi Tahu mana whenua to exercise rakatirataka, manaakitaka and kaitiakitaka can be hampered by a lack of recognition of mana moana.

## Opportunity:

- KT-O1: Mana whenua-led environmental management and improved involvement of mana whenua in decision-making would support the relationship of Kāi Tahu to the coast and contribute to positive environmental outcomes.

# Mauri

## Issue:

- KT-I2: Degradation of the coastal environment, including wāhi tūpuna, wāhi tapu, taoka and mahika kai, has negative impacts on the connection of Kāi Tahu to the coast.

## Opportunity:

- KT-O2: Use of mātauraka alongside other science programmes can improve the health of the coastal environment and restore the mauri of valued places.

# Mahika kai

## Issue:

- KT-I3: Lack of recognition for customary fisheries and degradation of the coastal environment has limited the ability of Kāi Tahu to manage and use these resources

### Opportunity:

- KT-O3: Active mana whenua leadership in management of the coastal environment provides the opportunity to restore mahika kai and ensure mahika kai species and habitats are resilient to climate change.

## Ahi kā

### Issue:

- KT-I4: The ability for Kāi Tahu to live on and use native reserves and Māori land has been impeded by institutional and regulatory barriers.

### Opportunity:

- KT-I4: Improved infrastructure connections and removal of barriers to land development would support reconnection of Kāi Tahu whānau to the coastal environment and enhance opportunities for mana whenua to work with neighbouring communities to achieve environmental outcomes.

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# Introduction

10. The Otago Regional Council (ORC) is responsible for managing Otago's Coastal Marine Area (CMA) under the Resource Management Act 1991 (RMA) and will retain this responsibility under the Natural Environment Act 2026 and Planning Act 2026.[1] The Regional Plan: Coast for Otago (Coast Plan) currently supports ORC in carrying out this role. However, under the new legislative framework the Coast Plan will be replaced with a new natural environment plan and land-use plan for the coast.

# Purpose of this report

11. The purpose of this report is to identify the key issues and opportunities relevant to the Otago coast. This will inform how coastal management is carried forward within the new resource management system.

12. This Issues and Opportunities Report is an early step in reviewing Otago's coastal management framework. It has been prepared during a period of significant national resource management reform. As a result, its findings are not intended to support a like-for-like replacement of the Coast Plan. Instead, they will provide a foundation for future regional planning, including the development of a new regional spatial plan, and a combined regional natural environment plan and land use plan, while also helping to guide complementary non-regulatory actions and initiatives.

# Overview of report structure

13. This report examines the key issues and opportunities facing the Otago coast across four broad themes.

## Coastal management foundations: Principles and approaches for effective coastal management.

14. This theme includes well-functioning coastal communities, information and understanding of coastal environments, integrated management, the use of regulatory and non-regulatory tools, and collaboration and adaptive management. These matters underpin effective management across all other themes and recognise that many coastal issues are complex and interconnected, often requiring coordinated responses across sectors, agencies and communities.

## Coastal uses and development: How people interact with, use and develop the coast.

15. This theme includes land use and urban development, public access, structures and activities that occupy coastal space, the extraction or deposition of natural materials, coastal infrastructure, commercial ports, marine aquaculture, and biosecurity.

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[1] Under section 228 of the Natural Environment Act 2026 and section 217 of the Planning Act 2026, regional councils retain responsibility for managing the coastal marine area.

## Coastal features and characteristics: The natural landforms, habitats, and processes that shape the coastal environment

16. This theme encompasses the natural, cultural and physical characteristics that contribute to the distinctive qualities of the Otago coast, including biodiversity, water quality, historic heritage, natural character, landscapes and seascapes and surf breaks. Coastal natural hazards and climate change are also included because they influence how the coast behaves and changes over time.

## Kāi Tahu values and relationship with the coast

17. This theme explores the relationship of Kāi Tahu with the coastal environment in Otago. It highlights the importance of mana moana (customary authority relating to the CMA), mahika kai (practices, knowledge, and activities related to food gathering), and the ability of Kāi Tahu to act as kaitiaki (guardian, trustee). The relationship of Kāi Tahu with the coastal environment in Otago, and associated customary fisheries and aquaculture interests, is recognised in Treaty settlement legislation and must be considered in resource management planning.[2]

18. While the report is organised around these four themes, many themes overlap. Where appropriate, cross-references have been included to direct readers to related issues or opportunities discussed elsewhere in the report.

# Scope of report

19. Regional councils are responsible for enabling, regulating and managing the use, protection and enhancement of the natural environment within their region, including managing the CMA and the effects of activities on its resources and values.[3] Within this role, ORC manages a range of activities in the CMA including the occupation of coastal space, disturbance of the seabed, reclamation, structures such as wharves and seawalls, and the deposition and removal of natural materials like sand and shingle.

20. Appendix A outlines the activities that ORC can manage under the RMA and its successor, the Natural Environment Act, and those activities that fall outside the scope of its statutory responsibilities.

21. While the primary focus of this report is the CMA, activities occurring on the landward side of the Mean High Water Springs (MHWS), the highest line that regular high tides reach, can also impact on coastal processes, values and wellbeing of its coastal communities. Some of these activities, such as land use activities outside the CMA that result in contaminants being discharged to coastal waters, fall within the responsibilities of regional councils.

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[2] Section 6(e) of the Resource Management Act 1991 requires that "the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wahi tapu, and other taonga, " is recognised and provided for, while section 8 requires that the principles of the Treaty of Waitangi are taken into account. The Natural Environment Act that replaces the Resource Management Act 1991 also recognises Treaty settlement obligations in section 8.

[3] Section 30 of the Resource Management Act 1991 and Section 228 of the Natural Environment Act 2026.

Others are managed by different agencies. For example, the provision and operation of public toilets and management vehicle access to the coast are generally the responsibility of territorial authorities.

22. Feedback from the community also highlighted that the provision of amenities on the landward side of MHWS influences how people access and use the coast. Understanding their environmental footprint and how their location and design can influence people's use and enjoyment of the coast, can help inform decisions about coastal management.

23. For these reasons, the scope of this report extends beyond the CMA and the statutory responsibilities of regional councils where this is necessary to understand the issues and opportunities affecting the Otago coast.

## Inputs in the development of this report

24. Many of the issues and opportunities discussed in this report were identified through a review of existing reports on the Otago coast, alongside findings from technical studies undertaken by ORC and other agencies.[4]

25. Mana whenua perspectives have been incorporated through the work of Aukaha Ltd, who engaged with Otago rūnaka to identify their values and concerns.[5] The Kāi Tahu issues and values identified in this report have been derived from engagement with rūnaka, the Kāi Tahu ki Otago Natural Resource Management Plan 2005, Te Tangi a Tauira – The Cry of the People is the Ngāi Tahu ki Murihiku Natural Resource and Environmental Iwi Management Plan 2008 and Resource Management Issues of Importance to Iwi described in the Otago Regional Policy Statement 2021 (ORPS).

26. To inform this report ORC sought feedback from the public and stakeholders on coastal management issues and opportunities through a combination of online and in-person engagement. An online survey and supporting discussion document were developed to seek views on various coastal management topics. The discussion document presented a draft set of issues and opportunities to support discussion and gather feedback. Community members were invited to attend public drop-in sessions, while stakeholders participated in workshops focused on specific topics. These engagement activities were undertaken between 13 July and 10 August 2026 and helped inform the findings of this report. A more detailed summary of the engagement process and feedback received is provided in the *Otago Coast Engagement Report. Summary of Feedback on Issues and Opportunities for the Otago Coast, July-August 2026* (ORC, October 2026)

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[4] Te Awa Ōtākou Issues & Opportunities Report, (2025); Giles, H. Pisces Consulting Limited (2026) Information and advice for managing the effects of marine aquaculture in the Otago region.(2025)

[5] The term mana whenua refers to the iwi or hapū that hold customary authority and responsibilities within a particular area through ancestral occupation and whakapapa connections. The term Rūnaka refers to the representative governing body of a Kāi Tahu community, responsible for matters relating to its people, resources, and area of interest.

# Spatial extent of the Otago coast

27. Otago's CMA extends from the line of MHWS to the outer limits of the territorial sea at 12 nautical miles (22.2 kilometres), from the Waitaki River in the north to Wallace Beach in the south (See **Figure 1** Northern Otago and **Figure 2** Southern Otago). It includes the sea, the airspace above it, the seabed, and those parts of the foreshore covered and uncovered by the tide.






*Figure 1: Spatial extent of the Otago coastal Marine Area (Northern Otago)*




*Figure 2: Spatial extent of the Otago coastal Marine Area (Southern Otago)*

# Key features and values of the Otago coast

28. The Otago coast is one of New Zealand's most striking and diverse coastal landscapes, where dramatic natural features create a strong sense of place. The sweeping beaches, rugged cliffs and volcanic landforms that now form the Otago Harbour, create a coastline rich in wildlife habitats and offer a unique mix of natural and historic heritage, cultural significance, and recreational opportunities, that support community wellbeing and regional prosperity. Otago's 480-kilometre-long coastline ranges from the gravel beaches of the Waitaki River fan in the north to the forested, rugged Catlins coastline in the south.

## Coastal rivers, wetlands and beaches

29. Major rivers, like the Waitaki and Clutha/Mata-Au, along with many smaller rivers, flow into the coast, creating estuarine wetlands that support significant wildlife. These rivers also supply sediments to many beaches of the eastern South Island.

30. Coastal wetlands are often connected to forested catchments that extend to the sea. These continuous land–sea ecosystems are now a rare feature on the New Zealand mainland, where coastal forest connections have largely been lost. In recent times, much of the coastline has been observed to be slowly retreating at varying rates[6] due to a combination of climate change and natural coastal processes, although some small areas are advancing.

31. Beaches such as St Clair, Brighton, and Kākā Point provide opportunities for swimming and beach activities, including surfing. The Otago Harbour is a hub for rowing, sailing, and inshore fishing. Aramoana, Karitāne and Taieri Mouth are popular for surfcasting and small-boat fishing, and Port Chalmers and Careys Bay provide sheltered launching.

## Coastal settlements and infrastructure

32. The main urban coastal centres in Otago are Ōamaru and Dunedin, and there are numerous smaller townships and settlements distributed along the coastline. Kākanui and Hampden are well-known holiday destinations, while Moeraki is a prominent fishing village with a jetty and boat-launching facilities.

33. Although numerous coastal structures are present along the Otago coastline, most are concentrated within Otago Harbour, reflecting the significant recreational and commercial shipping demands of Dunedin, Otago's largest city. In contrast, smaller coastal communities typically have limited infrastructure, often consisting of only a wharf or a rocky seawall. Otago Harbour also accommodates the region's principal commercial port, Port Otago, which serves as the primary cargo port for the lower South Island. Port Chalmers provides access for large cruise vessels, while Dunedin wharf provides access for smaller vessels.

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[6] National Institute of Water & Atmospheric Research Ltd (NIWA) Waitaki district coastal hazards report, 2018035CH (March 2019) and MacDonald, K, Jacobs New Zealand Limited (July 2021), Molyneux Bay and Clutha Delta morphology investigation

34. North of Otago Harbour, coastal settlements include Waikōuaiti, Karitāne, Sea Cliff, Warrington, Waitati, Pūrākanui, Osborne, Long Beach, and Aramoana. Around Otago Harbour are the settlements of Portobello, Harwood, St Leonards, and Port Chalmers. To the south of Dunedin City, coastal communities include Brighton, Ocean View, Westwood, and Taieri Mouth.

## Significance to Kāi Tahu

35. The coastal environment is particularly significant for Kāi Tahu. Most permanent Kāi Tahu settlements in Otago were established on the coast, where winters were milder, and kaimoana (seafood) resources abundant. Today, Kāi Tahu communities are still based around ancestral marae at Moeraki, Karitāne and Ōtākou, with significant tracts of Māori land also located in other coastal areas such as Pūrākaunui, Taieri Mouth, Kaka Point and Tautuku. The coastal waters and processes were integral to the way of life tūpuna (ancestors) enjoyed, and the coastal environment continues to support significant mahika kai resources. [7] The coastal waters are also the receiving environment for fresh water, gravels and sediment from the land, which sustain natural processes and the domain of Takaroa[8], the atua (god) associated with the oceans and seas and their ecosystems.

## Recreational, economic and wider community values

36. The coast is important for wellbeing, community identity, and regional character. It is a place where fishing, food gathering, and everyday enjoyment are woven into community life. Beaches shape the region's summer culture and provide spaces for relaxation and active recreation such as boating and surfing. The coastal environment also underpins economic activity, supporting tourism, fisheries, aquaculture, and port-related transport and trade. Coastal properties are highly valued for their outlook and lifestyle appeal, reflecting the strong connection people have with this unique environment.

## Marine life and coastal ecosystems

37. The Otago coast supports rich marine life. It is home to a number of iconic species, such as toroa/northern royal albatross, kororā/little blue penguin and hoiho/yellow-eyed penguin.  Kekeno/New Zealand fur seals commonly haul out on Otago's rocky coasts, while whakahao/New Zealand sea lion can be found on many sandy beaches. More than 80 protected areas lie along the landward edge of Otago's coastline, ranging from scenic, recreational, and historical reserves to wildlife and bird sanctuaries. Most are managed by the Department of Conservation (DOC), with others are managed by territorial authorities.[9] Our healthy coastal systems also act as natural buffers, helping communities adapt to extreme weather and rising sea levels.

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[7] Gathering of food and natural materials by Kāi Tahu whānui in accordance with tikaka, the places where those resources are gathered, and the work, methods and cultural activities involved in obtaining them.
[8] Atua of the sea and fish, he was one of the offspring of Rangi-nui and Papa-tū-ā-nuku and fled to the sea when his parents were separated. Sometimes known as Tangaroa-whaiariki.
[9] The territorial authorities within the Otago Region with a border to the coast are the Waitaki District Council, Dunedin City Council and Clutha District Council.

38. Otago has one established taiāpure, the East Otago Taiāpure, one established mātaitai, the Ōtākou Mātaitai Reserve, and one proposed mātaitai.[10] [11] Taiāpure and mātaitai are fisheries management tools that allow tangata whenua to protect and sustain traditional fishing grounds using their own knowledge and practices. Taiāpure provide for local management in areas of special customary significance, while mātaitai recognise traditional food-gathering areas and prohibit commercial fishing.[12]

39. In addition to customary fisheries management areas, a network of five new marine reserves, known as Te Au Roa o Te Rakihouia, came into effect in July 2026. These reserves aim to protect special and unique marine habitats and marine life along the Otago coast. Together they cover 308 square kilometres or four per cent of the Otago CMA.[13] Six Aquaculture Settlement Areas have also recently been established in Otago. [14] These are specific coastal areas set aside for iwi as part of the Māori Commercial Aquaculture Settlement.[15] They are not marine reserves or protected areas, but areas where iwi have the right to develop aquaculture.

40. The Otago coast supports a diverse range of natural, cultural, recreational and economic values that contribute significantly to community wellbeing, identity and regional prosperity. Understanding these values provides important context for the issues and opportunities identified in this report. As Otago's population and economy continue to grow, increasing pressure is likely to be placed on these values over time, reinforcing the importance of effective and sustainable coastal management.

[10] Otago Regional Council, Ministry for Primary Industries (2016, August) 'Ōtākou Mātaitai Reserve' Retrieved from https://www.orc.govt.nz/media/r2akxnaw/otakou-mataitai-reserve-2016.pdf

[11] Ellison, M (2025, June) 'Puketeraki' Mātaitai Application' Retrieved from https://www.mpi.govt.nz/consultations/application-for-puketeraki-mataitai-reserve-east-otago

[12] Te Tiaki Mahinga Kai, 2026 "'rea Management Tools (AMTs)' Retrieved fromhttps://www.mahingakai.org.nz/resources/what-are-amts/

[13]Department of Conservation (2026)'New marine reserves for the southeast of the South Island' retrieved from https://www.doc.govt.nz/news/media-releases/2026-media-releases/new-name-for-otagos-marine-reserve-network/

[14] Minister of Oceans and Fisheries (October 2024)' Notice Declaring Aquaculture Settlement Areas in the Otago Region for the Purposes of the Māori Commercial Aquaculture Claims Settlement Act 2004' (Notice No. MPI 1869)

[15] The Māori Commercial Aquaculture Settlement is a Treaty settlement that recognises Māori interests in the development of New Zealand's aquaculture industry, such as marine farming of mussels, salmon, and oysters. It is implemented through the Māori Commercial Aquaculture Claims Settlement Act 2004, which provides for the full and final settlement of Māori commercial aquaculture claims arising since 21 September 1992.

# Otago's Coastal Issues and Opportunities

## Coastal management foundations: Principles and approaches for effective coastal management

42. Several recurring themes emerged during the preparation of this report and the associated community engagement process. These themes influence many of the issues and opportunities identified elsewhere in this report and are important considerations for future coastal management. They often involve challenges arising from the interactions between environmental, social, cultural and economic factors, or opportunities that depend on coordinated responses across different sectors and agencies.

43. The following sections discuss the key issues and opportunities associated with these cross-cutting themes.

## Integrated management

### Issue IM-I1: Fragmented management approaches can make it difficult to effectively address interconnected coastal issues

44. Many of the issues discussed throughout this report reflect the interconnected nature of our environment. Activities undertaken on land, in freshwater environments, and in the CMA can influence one another and have impacts beyond their immediate location.

45. Historically, resource management has often separated responsibility for different parts of the natural environment. Under the RMA, coastal, freshwater, land use and other resource management issues have frequently been addressed through separate planning instruments and management frameworks and multiple regulatory authorities. These approaches have not always supported an integrated approach to the management of activities and their receiving environments.

### Opportunity IM-O1: Integrated management can improve outcomes for coastal communities and environments

46. Community and stakeholder engagement consistently highlighted the importance of managing the coast as part of a connected system rather than as separate environments. An integrated approach to coastal management recognises the ki uta ki tai (mountains to sea) connection and acknowledges that activities occurring within inland catchments, rivers, estuaries, harbours and coastal waters influence coastal health.

47. Integrated management provides an opportunity to better align decision-making across land, freshwater and coastal environments, improve consideration of cumulative effects and support more coordinated responses to issues. As pressures on the coast continue to increase, integrated management is likely to become increasingly important for maintaining coastal values while supporting resilient communities and sustainable economic activity.

# Using regulatory and non-regulatory tools

## Issue RNR – I1: Regulation is not always effective and not always the best approach in addressing coastal issues

48. While regulatory tools play an important role in managing activities and environmental effects, regulation may not always be the most effective way to address complex coastal issues or achieve positive long-term outcomes.

49. Community and stakeholder engagement highlighted that many coastal issues are also influenced by public awareness, individual behaviour, access to information and community stewardship. Examples discussed throughout this report include interactions with wildlife, marine biosecurity, vehicle use on beaches and public access. In many cases, participants recognised that positive outcomes depend not only on rules and enforcement, but also on people understanding the values being protected.

## Opportunity RNR-O1: Non-regulatory tools can support positive coastal outcomes

50. Feedback received during engagement identified opportunities to complement regulatory approaches with education, research, monitoring, stewardship and community involvement.

51. Education and information sharing were frequently identified as tools for improving awareness of coastal values, responsible recreation, wildlife protection and biosecurity risks. Improved awareness and understanding of coastal values, pressures and management responses can also encourage better stewardship and support positive environmental outcomes.

52. A range of national and international programmes help build understanding of the relationship between people and the marine environment. For example, NIWA's marine monitoring and research programmes contribute to knowledge of New Zealand's coastal and marine environments, while the Intergovernmental Oceanographic Commission (IOC) of UNESCO's Ocean Literacy Programme promotes understanding of the ocean's influence on humanity and humanity's influence on the ocean.[16] These initiatives demonstrate the important role that education and knowledge sharing can play in supporting informed decision-making and responsible environmental stewardship.

53. Community-led initiatives, including biodiversity restoration, predator control, native planting and stewardship programmes, were also recognised as important ways of improving environmental outcomes while strengthening people's connection to the coast. However, restoration or enhancement initiatives may not always be able to reverse

[16] https://oceanliteracy.unesco.org/about The Ocean Literacy programme of IOC of UNESCO fosters global understanding of the ocean's influence on humanity and humanity's influence on the ocean. NIWA https://niwa.co.nz/oceans?pt=10#filters

biodiversity loss due to factors such as changing species distributions and environmental change.

54. Together, regulatory and non-regulatory tools provide complementary approaches to coastal management and can support healthy coastal environments, resilient communities and shared stewardship of the Otago coast.

# Collaboration and adaptive management

## Issue CAM-I1: Many coastal issues require coordinated action across organisations, communities and resource users

55. The Otago coast is used, valued and managed by a wide range of organisations, communities and individuals. Regional councils, territorial authorities, mana whenua, government agencies, industry groups, community organisations, landowners and coastal users all have roles and responsibilities that influence coastal outcomes. As a result, many of the issues identified throughout this report cannot be effectively addressed by any single organisation acting alone.

56. Participants frequently identified the need for better coordination between agencies and stronger engagement with communities and mana whenua. Issues such as biodiversity protection, biosecurity, coastal hazards, public access, infrastructure planning and the management of recreational and commercial activities often involve multiple organisations, competing interests and interconnected values.

## Opportunity CAM-O1: Collaboration and adaptive management can improve coastal outcomes

57. Community and stakeholder engagement identified opportunities for stronger partnerships between councils, mana whenua, government agencies, industry groups, community organisations and coastal users.

58. Coastal environments are dynamic and continually changing. Management approaches need to respond to changing circumstances to remain effective in the long term.

59. Adaptive management provides an opportunity to respond to changing circumstances and new information as it becomes available. Monitoring, evaluation and periodic review can help ensure management responses remain effective and responsive to changing conditions. Together, collaboration, stewardship and adaptive management can support resilient communities, healthy ecosystems and the sustainable use of coastal resources over the long term.

60. Adaptive management approaches will be required in the new natural environment plan where environmental effects are uncertain. This includes activities such as marine aquaculture and marine primary production, where monitoring and adaptive responses may be required to manage potential effects on indigenous biodiversity.

# Knowledge, monitoring and understanding coastal environments

## Issue KM-I1: Uncertainty and information gaps can make it difficult to understand and manage coastal issues

61. Robust information and a sound understanding of coastal environments supports effective decision-making. While a significant amount of information exists about the Otago coast, knowledge gaps remain in relation to topics such as biodiversity, coastal processes, water quality, cumulative effects, historic heritage and the condition and functioning of marine ecosystems.

62. The scale and diversity of the Otago coast, together with competing priorities and resource constraints, can limit the ability to undertake comprehensive monitoring across all coastal environments. As a result, information is often unevenly distributed across locations and topics, and information gaps remain for some parts of the coast. Stakeholders highlighted that limitations in baseline information and long-term monitoring can make it difficult to identify trends, understand environmental change and assess cumulative effects.

63. Examples identified throughout this report include the lack of baseline data on benthic communities, uncertainty regarding the condition of marine ecosystems, the cumulative effects of activities on coastal biodiversity and water quality and the effects of climate change and sea-level rise on coastal processes and hazards.

64. Information about historic sites and archaeological sites are held by different agencies.[17] There is currently no single, comprehensive and up-to-date record of historic heritage and archaeological sites within the Otago CMA. This creates challenges for effective management of historic heritage and increases the risk that unidentified sites may be inadvertently damaged.

## Opportunity KM-O1: Increased investment in monitoring and research can improve understanding of coastal environments

65. Community and stakeholder engagement identified opportunities to improve monitoring, research, and information sharing. Improved understanding of the coastal environment, the activities occurring within it, and their effects can support more informed planning and management decisions.

66. Investment in monitoring, research and information management can improve understanding of coastal processes, biodiversity, water quality, natural hazards, heritage values and cumulative effects. Better information can help identify emerging issues, measure environmental change over time and improve understanding of how activities on land, in freshwater and within the CMA interact with each another.

[17] These include Heritage New Zealand, Pouhere Taonga and the New Zealand Archaeological Association's ArchSite database, which is updated periodically.

67. While uncertainty will always remain, ongoing monitoring and research can improve understanding of the coast and support more informed decision-making.

# Coastal uses and development: How people interact with, use and develop the coast.

68. The ability to access, use and develop the natural and physical resources of the coast is essential for the social, cultural, and economic well-being of the Otago communities. The CMA supports a variety of activities. Some of these, such as the development and expansion of coastal settlements, have long-lasting effects on the coastal environment. Others, such as the passage of vessels, are temporary in nature or have no or only minor environmental effects.

## Building well-functioning coastal communities

69. The Otago coast contains a diverse network of settlements, urban areas and rural communities that rely on the coastal environment for recreation, employment, infrastructure, tourism, cultural identity and community wellbeing. Community and stakeholder engagement consistently highlighted the importance of maintaining vibrant and resilient coastal communities and strengthening people's connection to the coast.

### Opportunity CC-O1: Coastal land use and urban development can strengthen connections between people and the coast

70. Otago's coastal towns and communities each have distinct histories, landscapes, cultural values and relationships with the sea. Feedback from the public identified opportunities to strengthen these connections through additional coastal amenities, improved walking and cycling connections, public spaces and enhancements to existing infrastructure. Participants also emphasised the importance of ensuring people can continue to enjoy the coast.

71. Development of coastal land can reinforce these characteristics, celebrate local identity and maintain the qualities that make individual coastal places unique. Thoughtfully planned development can improve public access to coastal environments, create new recreational opportunities, support active transport networks, and enhance community wellbeing. This can contribute to a stronger sense of place for residents and visitors and help retain the diversity of Otago's coastal communities.

### Opportunity CC-O2: Coastal land use and urban development support economic development

72. Coastal urban settlements and coastal rural areas contribute to the region's economy by supporting a wide range of activities, including ports, tourism, recreation, hospitality, marine industries, fisheries and aquaculture-related services. Appropriate urban development and land use can create attractive, compact, and connected coastal communities that make efficient use of land and infrastructure and help provide the services and workforce needed to support these activities while recognising environmental, cultural and landscape values.

73. The requirements to develop a regional spatial plan and a land use plan for the CMA under the Planning Act 2026 provides an opportunity to better coordinate future growth,

infrastructure investment and land use planning within coastal communities.[18] This includes identifying opportunities to improve access and connections, planning for population growth, and reducing exposure to coastal hazards and climate change risks. Integrating these considerations into long-term planning can help create resilient coastal communities that continue to support both economic activity and community wellbeing.

74. Many of the issues and opportunities discussed throughout this report influence the ability of coastal communities to support economic activity. Maintaining public access, providing supporting infrastructure and managing coastal hazards all contribute to the long-term prosperity and resilience of coastal communities. Future planning and investment decisions provide opportunities to support thriving communities while maintaining the values that make the Otago coast distinctive.

## Public access

75. The ability to access and enjoy the coast is an important contributor to people's quality of life and community well-being.[19] Public access to the coast was consistently identified through community and stakeholder engagement as a fundamental value that should be protected and enhanced. Participants highlighted its importance for health and wellbeing, recreation, social connection, equity, and sense of place.

76. Access encompasses not only the ability to reach the coast, but also opportunities to view, experience and enjoy coastal environments. Stakeholder feedback generally supported public access to coastal areas, (including, in some circumstances vehicle access), viewing it as a key enabler of recreational activities, wellbeing, tourism, and people's connection to the natural environment. Coastal access trails also provide opportunities for people to enjoy and connect with the coastal environment.

77. Public access to the coast relies on the provision of adequate infrastructure, such as signage, tracks and cycleways, roads, parking areas, boat ramps, harbour access, navigation routes, public facilities and safe access points to the water.

[18] The Planning Act 2026, s72 and s98

[19] Section 4(2)(e)(i)-(ii) of the Marine and Coastal Area (Takutai Moana) Act 2011 recognises, through the protection of public rights of access, navigation, and fishing, the importance of the common marine and coastal area for its intrinsic worth; and for the benefit, use, and enjoyment of the public of New Zealand.

## Issue PA-I1: Access to the coastal environment can be limited by structures and physical barriers.

78. Public access to and along the coast can be constrained by both natural coastal processes and human activities. Concerns were raised in the public drop-in sessions about the loss of access over time through coastal erosion, inundation and, for harbour users, sedimentation affecting navigation and mooring sites. Loss of sand can further restrict access to the coast. Well-known examples include St Clair Beach, Ocean Beach and St Kilda Beach in Dunedin, where sand loss has occurred due to a combination of a high energy coastline and modifications to natural coastal processes, such as the St Clair Seawall.[20] Erosion-related access issues were also identified through engagement along other parts of the Dunedin coast, including Brighton, Tunnel Beach, and Boulder Beach.

79. Loss of access can also be caused by 'coastal squeeze', which occurs when rising sea levels cause coastal habitats and shorelines to naturally migrate inland, but this movement is constrained by fixed infrastructure such as roads, seawalls, buildings, or other development. As a result, beaches and coastal habitats can be progressively reduced and access to and along the coast may become more difficult, especially at high tides as there is little or no beach left to walk on. *(see the Coastal natural hazards and climate change section of this report for more detail)*.

80. Other barriers that impede access to the coast include roadworks, closed tracks and wheelchair access ramps not fit for purpose, and private boat sheds and jetties. Structures, such as roads with steep embankments also prevent physical access to coastal water, although they may provide viewing opportunities to the coast from the road or footpath and often connect coastal settlements with each other.

81. Modified coastlines and steep dune systems and coastal bluffs can create unsafe or impassible conditions for people wanting to access the coast. For example, dune systems that have been modified by planting marram grass for dune stabilisation, often have steeper or higher slopes than dunes dominated by native species. These altered dune systems can make access to the coast more difficult.

## Issue PA-I2: Public access may need to be managed to protect coastal values and public health and safety

82. Many coastal wildlife habitats, including those of endangered species such as the whakahao/New Zealand sea lion and hoiho/yellow-eyed penguin, occur in areas that are also popular for recreation and tourism.[21] For example, whakahao/New Zealand sea lions are regularly found on popular swimming beaches, and there is a high concentration of

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[20] Tonkin and Taylor Limited, June 2011'Ocean Beach Domain Reserve Management Plan Coastal issues and options', Dunedin City Council retrieved from https://ref.coastalrestorationtrust.org.nz/site/assets/files/8633/ocean-beach-coastal-issues-and-options-report.pdf

[21] Department of Conservation (2026) 'A strategy to support the health of Hoiho/Yellow-eyed penguin' retrieved from https://www.doc.govt.nz/nature/native-animals/birds/birds-a-z/penguins/yellow-eyed-penguin-hoiho/a-strategy-to-support-the-health-of-hoiho/

breeding sites along the Otago Peninsula.[22] Community feedback identified some areas where access was restricted to protect wildlife, particularly whakahao/New Zealand sea lion.

83. Engagement feedback frequently described encounters with native species as one of the most valued aspects of the coastal experience. However, increasing numbers of domestic and international visitors place pressure on sensitive environments, especially at hoiho/yellow-eyed penguin and whakahao/New Zealand sea lion breeding sites.[23] Visitors are often unaware of appropriate tikaka (the customary system of values and practices developed by Māori communities and individuals) and behaviour around endangered species. [24] As a result, tourism and recreational uses need to be managed to ensure activities do not threaten coastal values. Site-specific management responses, including closures or guided-only access, may be required to protect the most vulnerable species and habitats.[25]

84. Participants generally recognised that public access should be actively managed to achieve an appropriate balance between public enjoyment, environmental protection and public health and safety. However, some noted that restrictions for dogs on beaches or in sensitive areas limits the available options for dog walking along the coast.

85. Coastal rehabilitation works, such as dune restoration, may also require temporary access restrictions to allow works to be undertaken or sites to recover. Where clear formal access is not provided, people may create multiple informal pathways, which can damage sensitive coastal habitats, destabilise dunes, and contribute to the degradation of indigenous vegetation and ecosystems.

86. Some coastal activities, such as marine aquaculture, marina and port operations and sand mining, may involve use of machinery, vessel movements, or operational hazards that require access restrictions for health and safety reasons. Similarly, access may also be restricted because of safety concerns associated with infrastructure or utilities such as roading and rail networks. In such instances, access may need to be temporarily or

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[22] DOC provides an interactive web map that shows the predicted suitable sites for whakahao/New Zealand sea lion breeding colonies on mainland New Zealand and potential surrounding human interaction areas on land. Department of Conservation (2026)' Predicted suitable sites for NZ sea lions' retrieved from https://www.doc.govt.nz/nature/native-animals/marine-mammals/seals/new-zealand-sea-lion/predicted-suitable-sites/

[23] Department of Conservation (2026) 'A strategy to support the health of Hoiho/Yellow-eyed penguin' retrieved from https://www.doc.govt.nz/nature/native-animals/birds/birds-a-z/penguins/yellow-eyed-penguin-hoiho/a-strategy-to-support-the-health-of-hoiho/

[24] DOC has developed a wildlife care code for Dunedin, which recommends that you stay 20m away from sea lions and other seals and 50m away from penguins. Department of Conservation(2018) 'Dunedin wildlife care code' retrieved from https://dunedinhost.co.nz/wp-content/uploads/2018/12/Dunedin-Wildlife-Care-Code-AO-Poster-1.pdf

[25] Te Rūnanga o Ngāi Tahu, Department of Conservation, Yellow-eyed Penguin Trust and Fisheries New Zealand (2019) 'Te Kaweka Takohaka mō te Hoiho 2019-2029'. Retrieved from https://www.doc.govt.nz/globalassets/documents/conservation/native-animals/birds/sea-and-shore/te-kaweka-takohaka-mo-te-hoiho-2020.pdf

permanently restricted. Public access may also need to be restricted temporarily because of weather events destabilising coastlines, leaving debris on beaches or creating water quality hazards.

87. Overall, participants expressed support for management measures such as controlling vehicle access, applying temporary restrictions in sensitive areas, using permit systems where appropriate, and implementing rules and bylaws to protect threatened species. Education was identified as an important tool to help people understand where access is appropriate and how recreational activities can occur while minimising environmental impacts.

## Issue PA-I3: Vehicle use in the coastal environment can damage natural and cultural values, reduce resilience to coastal hazards, and affect the safety or enjoyment of others.

88. People use vehicles on beaches for a variety of reasons, including launching a boat, reaching a favourite fishing spot, or driving on hard sand. Vehicle access is also important for emergency services, surf lifesaving operations, and construction or maintenance activities undertaken along the coast.

89. However, vehicle use can damage coastal ecosystems and dunes, disturb wildlife, and degrade shellfish beds and bird nesting areas. Vehicles on beaches can also damage sites important to mana whenua and historic places, weaken natural coastal defences and reduce the safety and enjoyment of other beach users.

90. Views on vehicle use along the coast were mixed. Forty-six percent of survey respondents considered vehicle use to be a problem, while 33% did not and 21% were unsure. Concerns were raised across much of the coast, particularly in North Otago, Dunedin's coastal areas, and the Catlins and South Otago.

91. The most commonly identified concerns about vehicle use related to impacts on wildlife, including birds, penguins, seals, and sea lions, as well as damage to beaches, dunes, and other coastal environments. Safety, noise, and conflicts with other users were also commonly raised. Many respondents considered vehicle access unnecessary in some areas. Additional concerns included speeding on beaches, freedom camping, damage to planting and erosion-control works, parking pressures and limited enforcement.

92. Locations including Toko Mouth, Kākanui Estuary, Pūrākaunui and parts of the Catlins were identified in the public drop-in sessions as places where vehicle use was affecting wildlife, habitat or coastal amenity. Overall, feedback reflected a desire to balance practical access needs with environmental protection, public safety and enjoyment of the coast.

93. District and city councils play an important role in managing vehicle use on beaches and within the coastal environment through bylaws and reserve management plans.[26]

94. While many respondents suggested that vehicle access was best managed through planning rules or access controls, some stakeholders highlighted that user behaviour can have greater impacts than the activities themselves, underscoring the importance of education about coastal access rights and responsibilities.

## Opportunity PA-O1: Improving access and connections can increase use and enjoyment of the coast.

95. Many participants in the community and stakeholder engagement emphasised the importance of keeping coastal areas publicly accessible and ensuring people can continue to enjoy the coast at little or no cost. Importance was placed on retaining existing access where erosion is affecting roads, tracks, and access points.

96. Participants identified a range of opportunities to improve coastal access, including expanding access opportunities and improving connections between destinations. There was strong support for improved walking and cycling access, including shared coastal pathways and trail connections such as the Coastal Connection Trail, a partially built cycle and walking trail north of Dunedin, and the potential for a Dunedin-to-Ōamaru Trail.[27]

97. Accessibility for people with disabilities was also raised in the community drop-in sessions. Suggestions to improve access included beach-access wheelchairs, improved facilities and more mobility-friendly access points.

98. Participants identified various locations where access could be improved, particularly on the Otago Peninsula and around the Otago Harbour, in North Otago, and in the Catlins. Participants also wanted to see improvement of access to beaches, estuaries, surf breaks and river mouths that are currently difficult to reach. They highlighted opportunities to improve pedestrian access around Otago Harbour, strengthen connections between the Dunedin city centre and waterfront, provide additional public spaces, and increase

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[26] Dunedin City Council does not permit driving or parking on beaches except for launching or retrieving boats or in emergencies, because of concerns about environmental damage and conflicts with other users. Dunedin City Council (2026) 'Driving on the beach' retrieved from https://www.dunedin.govt.nz/community-facilities/parks-and-reserves/driving-on-the-beach;.
Waitaki District Council does not have specific rules that ban or restrict driving on beaches, but its Roading Bylaw makes it an offence to cause damage to a "public place," which includes parks, reserves, and beaches. Waitaki District Council (2020), Roading Bylaw 2020, Clause 4.7 https://www.waitaki.govt.nz/files/assets/public/v/1/files/our-council/policies-and-bylaws/bylaws/roading-bylaw-2020-traffic.pdf
Clutha District Council restricts driving on beaches, including prohibiting driving on dunes, above the high-water mark (except in emergencies), and in ways that endanger people, plants, or native animals Clutha District Council (2023) Vehicles on Beaches Bylaw https://www.cluthadc.govt.nz/repository/libraries/id:2c0gik8bh17q9s5atec4/hierarchy/Documents/Vehicles%20on%20beaches%20bylaw/Vehicles%20on%20Beaches%20Bylaw%202023.pdf

[27] Dunedin Tracks and Trails are a community group fundraising to build cycleway connections north of Dunedin *(https://www.dunedintracksandtrails.nz/coastal-connection)*

recreational opportunities. Some suggested a pedestrian bridge linking the city and waterfront. New access opportunities for boating and rowing activities were also identified on the Taiari/Taieri River at Henley.

## Occupying space

99. Exclusive occupation of the CMA occurs when an activity or structure uses coastal space on land or sea to the exclusion of others. Under current legislation, no one may occupy the CMA unless allowed by a regional coastal plan or a resource consent.[28] A review of ORC's consents database shows that 82% of current coastal consents are for occupation of the CMA. The most common consent types are for moorings (30%), boat sheds (20%) and boat ramps (20%).[29] Coastal permits can authorise occupation of a specified area of coastal space, but only to the extent authorised by the permit and for the duration of its term.

### Issue OS-I1: Exclusive occupation of the coastal marine area can limit public use of coastal space and create conflict between activities.

100. Access to the coast is important to the Otago community and, because the CMA is public space, exclusive occupation needs to be managed to achieve an appropriate balance between private and public use. Feedback from the community and stakeholders recognised the need for structures in the CMA and generally supported those that provide recreational, community or economic benefits. Respondents also emphasised the importance of ensuring that the public can continue to use structures like wharves and jetties, and occupation of coastal space does not unnecessarily prevent people from enjoying the coast.

101. Conflicts can arise when several activities want to use the same coastal space or rely on the same resources. Recreational uses like boating, fishing, swimming, surfing, and driving on beaches often occur in the same places as commercial activities such as aquaculture, port operations, and tourism. In these circumstances, activities can reduce one another's safety, enjoyment, or economic value. Considering how different coastal values and competing uses interact can improve the management of coastal space and the benefits people derive from the coastal environment.

102. Feedback also identified concerns about how coastal space is allocated in parts of the Otago Harbour and Ōamaru Harbour, particularly in relation to moorings and other structures that occupy public coastal space. Some participants questioned whether current arrangements appropriately balance recreational, commercial and public interests. Others questioned whether owners of private coastal structures should make a financial contribution for that use.

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[28] Resource Management Act 1991, s12

[29] SLR Consulting New Zealand Limited (December 2025) 'Coastal Consent Data Monitoring Review'

## Opportunity OS-O2: Providing for activities and structures in the coast can contribute to social, cultural or cultural economic benefits

103. Activities and structures in the CMA can provide for a variety of recreational, commercial or industrial purposes. Some recreational events or cultural activities may require short-term exclusive occupation that temporarily restricts public access, such as regattas or fireworks displays. Construction and maintenance work may also require temporary structures or exclusion zones for operational and safety reasons.

104. Structures such as boat ramps, slipways, jetties and wharves provide access to and support recreational use of the coast. Other structures, such as coastal infrastructure, boatsheds, marinas and port facilities play an important role in recreation and economic development. Heritage structures and historic boatsheds can also contribute to the character of the coast.

105. While feedback from community and stakeholder engagement indicated mixed views on structures and activities occupying coastal space, respondents were generally positive about structures that provide access to the coast, recreational opportunities and wider community benefits or heritage value, such as historic boatsheds. Respondents also identified opportunities for more moorings, particularly in Otago Harbour, and other public facilities such as filleting tables. Infrastructure that contributes to economic benefits were generally viewed favourably, provided an appropriate balance is maintained between of exclusive occupation of the coastal space and public access.

# Removal and deposition of natural material

106. Under current legislation, activities that may disturb the foreshore or seabed are restricted. These activities generally require a resource consent unless they are permitted in a regional plan or national environmental standard.[30]

## Issue RD-I1: Removing natural materials can have adverse effects on the coastal environment.

107. Extraction of material from the seabed and foreshore provides economic opportunities but also carries environmental risks. A review of ORC's consents database shows that the most common reason for removing sand or shingle in Otago is dredging associated with the Ōamaru and Dunedin harbours, with only one consent for sand removal for flood protection and commercial use. Responses from the community and stakeholders generally recognised that dredging is necessary for harbour maintenance and navigation, but it needs to be carefully managed to avoid adverse effects on coastal processes, beach condition, including surf breaks, and the ecological health of the harbour.

108. Extraction of material from the CMA can significantly alter natural coastal processes and impact on cultural and heritage values. Environmental effects associated with extraction were a common theme in community and stakeholder feedback, with several locations

[30] Resource Management Act 1991, s12; Natural Environment Act 2026, s21

specifically mentioned, including Tomahawk Beach, Te Rauone Beach and Blackhead. Therefore, allocation of coastal resources, such as sand and shingle, must be carefully managed to avoid adverse impacts on the coastal environment. *(See the Coastal natural hazards and climate change, Biodiversity, Historic heritage, and Kāi tahu values sections of this report for more detail)*.

## Issue RD-I2: Deposition of material on the seabed and foreshore can have adverse effects on the coastal environment.

109. Deposition of material in Otago is mostly undertaken for beach replenishment and disposal of dredged material. A review of ORC's consents database shows that the most common reason for the deposition of material in the CMA is erosion protection, followed by beach replenishment and deposition of dredged material.

110. Deposition of material on the seabed and foreshore can disturb coastal and marine environments. When sediment or other material is placed on the seabed, it can smother habitats, and create sediment plumes that reduce clarity, clog the feeding structures of filter-feeding species, and affect fish behaviour. Deposition can also alter natural sediment movement, potentially causing erosion or changes to currents and wave patterns. If the material contains contaminants, it may degrade water quality and harm marine life.

111. Responses from the community and stakeholders reinforced concerns about the environmental impacts of altering the foreshore and seabed on biodiversity, marine habitats and fish and shellfish populations. Respondents were also concerned that relocating or depositing material can alter sand movement, erosion patterns, drainage, and other natural coastal processes.

112. Reclamation can physically bury the seabed or foreshore and alter natural shorelines. It can have adverse effects on natural coastal processes, natural character, amenity values, and sites of significance to Māori. Concerns were raised in community feedback about historic reclamation activities and their ongoing influence on harbour conditions, citing the example of Back Beach in Port Chalmers and the continuing accumulation of silt around nearby moorings.

113. Some respondents also raised concerns that alteration of the foreshore and seabed can adversely affect coastal ecosystems. Deposition or extraction of material can degrade productive habitats and impact benthic environments, coastal wetlands, lagoons, and swamps in and around river mouths and estuaries. Hoopers Inlet on the Otago Peninsula was highlighted as an example.

## Opportunity RD-O1: Removal and deposition of coastal natural material can bring benefits to people and communities.

114. Sand, shingle, gravel, shell and other material are removed from the CMA for a range of purposes, including construction, coastal management (particularly flood control, sediment management and beach replenishment) and dredging activities. Dredging can improve navigation safety and port efficiency, contributing to economic growth and development. Depositing material such as dredged sediment, sand, gravel, or

construction fill onto the seabed or foreshore can rebuild eroded beaches, dunes, or foreshore areas and help protect coastal communities from storm surges, sea-level rise, and wave damage. During the community and stakeholder engagement, there was some recognition of the need for erosion protection works such as rock armouring, seawalls and beach renourishment to help protect infrastructure, property and public access. Feedback generally supported carefully considered intervention where there is clear public benefit, recognising the importance of maintaining long term functioning of natural coastal processes.

115. Reclamation can create new land along the coast for activities such as ports, roads, and marinas. It can improve public access and support local economies by providing additional usable coastal land.

116. Responses from the community and stakeholders identified opportunities associated with carefully managed extraction. Some supported the sustainable use of sand, shingle, seaweed, and kelp where environmental impacts can be minimised and community or economic benefits achieved. Kelp was highlighted as an underutilised resource with potential applications in food production, animal feed, bioplastics, alginate, and other industries. Positive feedback was provided for locations where deposited sand was considered to have improved environmental or recreational conditions, including Macandrew Bay and Harrington Point. Suggestions included using deposited materials to create or restore coastal habitats, as well as beach replenishment. Gravel and sediment management at river mouths was identified as important for land drainage and flood protection on coastal farmland.

## Coastal infrastructure

117. Otago's coast contains many infrastructure assets, some of which are regionally or nationally significant.[31] Regionally significant infrastructure is essential to a specific area, such as an arterial road or a shipping channel and navigational aid, and its failure would have significant consequences for the people, economy, or services in that region. Nationally significant infrastructure, by contrast, is important to the whole country, such as state highways or commercial ports, and disruption to these assets can have impacts felt across New Zealand.

118. Some types of regionally and nationally significant infrastructure must be in the CMA to meet their functional and operational needs.[32] For example, port facilities and navigation infrastructure, such as beacons and lighthouses, need to be on or near the coast, close to shipping routes. Similarly, coastal protection and hazard management structures, such as

[31] The Otago Regional Policy Statement 2021 defines regionally and nationally significant infrastructure. It includes the Port of Otago, New Zealand's railway network and other associated infrastructure.

[32] Under Standard 14 of the National Planning Standards 2019, operational needs means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical or operational characteristics or constraints; functional needs means the need for a proposal or activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment.

seawalls and breakwaters, are essential in some areas, as they protect communities from waves and storm surges.

119. Coastal infrastructure can unlock economic potential, enhance connectivity and strengthen the resilience of coastal communities. At the same time, its development, operation and maintenance can create challenges for the management of the coastal environment.

## Issue INF-I1: Inappropriate use and development can compromise the performance of regionally and nationally significant coastal infrastructure.

120. Certain activities in the coastal environment can affect the efficient and safe operation of coastal infrastructure. Private structures such as boats sheds, slipways, and jetties built for tourism or recreational use need to be appropriately located and maintained to ensure they do not compromise the integrity or functioning of important infrastructure. Residential, commercial, or industrial development near infrastructure in the CMA can also constrain operational flexibility for infrastructure providers.

121. Human activities that disturb or alter foreshore or seabed conditions can increase the vulnerability of regionally and nationally significant infrastructure. For example, coastal reclamation or the construction of structures too close to coastal protection works can change how waves and sediment move, increasing the likelihood of damage to these structures or undermining the stability of infrastructure such as wharves or coastal protection works. Other marine activities, such as anchoring or mooring outside designated areas, can interfere with navigation infrastructure, while contaminant discharges and the dumping of waste may cause corrosion, fouling or deterioration of infrastructure assets.

122. Regionally and nationally significant infrastructure is essential for the safety, wellbeing and resilience of coastal communities and the functioning of the economy. Ensuring this infrastructure is appropriately safeguarded from the impacts of other activities in the CMA helps maintain its efficient, safe, and reliable operation over the long term. This can reduce maintenance and replacement costs, extend asset lifespan, and enhance the overall performance of critical infrastructure, while reducing the likelihood of asset failure.

## Issue INF-I2: Coastal infrastructure can have adverse effects on coastal processes, values, and activities

123. Infrastructure within the CMA can occupy coastal space, influence coastal processes, affect natural character, landscape and wider amenity values and limit opportunities for other activities to occur. For example, marinas, moorings and stormwater or wastewater outfalls can have visual effects or may create conflicts with recreation, customary activities and other uses of the coastal environment. Similarly, culverts or bridges crossing coastal inlets can alter tidal flows by narrowing channels, changing current speeds, affecting sediment deposition and reducing tidal flushing.

124. These potential effects of coastal infrastructure on coastal processes, values and activities were also raised by community members and stakeholders during the preparation of this report.



*Figure 3: Coastal erosion, Ōamaru*

## Issue INF-I3: Coastal infrastructure is vulnerable to coastal processes

125. Infrastructure located in the coastal environment is inherently exposed to coastal processes. Climate change, sea level rise and more frequent severe weather events increase the exposure of many coastal infrastructure assets to these processes, increasing the risk of damage, disruption, and failure. while coastal flooding, rising groundwater, coastal erosion (**Figure 3**) and shoreline change are placing additional pressure on them.[33]

## Opportunity INF-O1: Coastal infrastructure supports recreation, tourism and community wellbeing

126. Coastal infrastructure can help communities and visitors access, use and enjoy the coastal environment. Infrastructure can support a wide range of recreational, social, cultural and economic activities while influencing how people interact with and move through coastal areas. *(See the Public access section of this report for more detail).*

127. Marinas, jetties and boat launching facilities enable access to coastal waters and support boating and water-based recreation. Waterfront public spaces and event areas can create focal points for community activities, tourism, and use of the coast. Destination

[33] Ministry for the Environment (2024) Coastal hazards and climate change guidance. Wellington: Ministry for the Environment.

infrastructure, such as promenades or viewing platforms, can increase the attractiveness of coastal areas and support local economies.

128. Opportunities also exist to make better use of existing infrastructure and urban areas by encouraging development that is well-connected to transport networks, services, community facilities and employment opportunities. Coordinated infrastructure planning and carefully designed infrastructure upgrades can help reduce pressure on sensitive coastal environments, improve infrastructure efficiency, and support more sustainable patterns of development.

129. The opportunity to develop coastal infrastructure that strengthens people's connection with the coast was reflected in community and stakeholder feedback gathered during the preparation of this report. Harbourside precincts in Dunedin and Ōamaru were identified as areas where additional infrastructure could enhance how people interact with and enjoy the coast. New and emerging activities in the coastal environment can also create demand for supporting infrastructure and facilities, both within the CMA and on land. Where appropriately located and designed, such infrastructure can broaden the range of recreational opportunities, support economic activity, and contribute to community wellbeing. Overall, coastal infrastructure can help realise the social, cultural and economic benefits of the coastal environment, while supporting a diverse range of coastal experiences.

## Opportunity INF-O2: Future infrastructure development provides an opportunity to reduce environmental impacts and improve resiliency

130. Tensions often exist between allowing natural coastal processes to occur, protecting existing development through engineering and hazard mitigation works, and enabling new development and activities. The cost of maintaining, upgrading, replacing or protecting coastal infrastructure is likely to increase over time as the effects of climate change and coastal hazards become more apparent. In some locations, this may affect the long-time viability of coastal infrastructure and activities and communities it supports, potentially requiring adaptation or relocation

131. The feedback collected highlighted the importance of long-term resilience of coastal infrastructure when designing, planning and upgrading infrastructure. Participants emphasised that, where practicable, infrastructure should work with coastal processes and systems rather than against them, while also reducing the impacts on infrastructure on the coastal environment. For example, more nature based coastal infrastructure could be utilised such as artificial reefs and coastal planting to minimise impacts of coastal erosion and storm surges rather than hard engineering infrastructure such as sea walls, break waters and armouring.

# Commercial ports

132. Commercial ports are essential infrastructure that support local, regional and national economies, and play an important role in New Zealand's domestic and international transport networks. They have a functional and operational need to be located on the coast and have specific needs such as deep-water access, secure storage areas, and efficient transport links for road and rail.

## Issue CP-I1: Commercial port activities can have an adverse impact on coastal processes and values.

133. Commercial port activities that are recognised as national or regional infrastructure need to be protected to maintain effective and safe operation. Commercial ports are large, complex operations, which need to be carefully managed, to ensure adverse effects on the coastal environment are appropriately addressed.

134. Port operations involve the handling, storage, and transfer of fuels, lubricants, and other hazardous materials, which can harm marine life and pollute coastal waters if not appropriately managed. Stormwater runoff from port yards, log storage areas, container terminals, and disturbed sediments from dredging and other port activities can have adverse effects on coastal habitats, disturb the seabed, and affect natural coastal processes.

135. Heavy machinery, container handling, and 24-hour operations generate noise, dust, artificial lighting, and emissions from ships and vehicles, affecting wildlife and communities. Exotic marine organisms can be introduced through ballast water discharges or biofouling on ship hulls. Once established, these species can outcompete native organisms and disrupt existing ecosystems.

136. Feedback from the community and stakeholders recognised the importance of Port Otago and associated infrastructure but emphasised that the economic benefits of structures including ports and associated infrastructure need to be carefully weighed against their environmental impacts.

## Issue CP-I2: Activities in the coastal environment can adversely affect the efficient and safe operation of commercial port activities.

137. The Otago coast and harbour offer important commercial and recreational opportunities for local communities, including commercial and recreational fishing, wildlife tourism operations, and recreational boating. People also like living in this area because of its scenic beauty.

138. Residential, commercial, or industrial development near the port can create reverse-sensitivity issues that constrain Port Otago's operational flexibility. For example, increased residential density near the port can lead to more complaints about noise, lighting, and heavy vehicle movements, which may require additional mitigation. The location of Port Otago near the township of Port Chalmers has already placed limitations on the ability of the port to expand.

139. The presence of other activities in the coastal environment, such as water-based recreation or commercial activities, can compromise the efficient and safe operation of commercial port activities. Management of these activities is required to ensure that they do not adversely affect the efficient and safe operation of Port Otago. For example, private structures such as boats sheds, slipways, and jetties built to support commercial tourism operators or recreational activities need to be appropriately located and properly maintained to avoid them compromising the operation of the port. Navigational and safety conflicts can arise when recreational crafts operate within or cross commercial shipping lanes. Effective management of these surrounding activities is therefore important to ensure the ongoing safe and efficient operation of Port Otago.

## Issue CP-I3: Commercial port activities can have adverse effects on public access and recreational activities.

140. Operation and development of port activities can affect surrounding areas and have impacts on local communities and other users. Because the Port operates in close proximity to established neighbourhoods, there is potential for operational activities to have an impact on the surrounding area, if not carefully managed.

141. Recreational users of the harbour, including boaties, rowers, and fishers, may be affected by the wake and wave action generated by large vessel movements. Dredging can disturb fish habitats, indirectly influencing recreational fishing quality. The large scale of the port operation also restricts waterfront access for the community.

142. Community and stakeholder respondents generally recognised that Port activities and infrastructure are important, but some respondents considered that there are locations where these activities limit access to the waterfront. Several respondents expressed a desire to see greater access to waterfront areas where operational and safety requirements allow.

## Opportunity CP-I4: Recognise the national and regional significance of Port Otago.

143. Port Otago is an important regional asset that provides economic, social, and transport benefits to the Otago region. As the primary export port for the lower South Island, it enables regional industries to access national and international markets. Its deep-water harbour, established infrastructure, and ability to accommodate large commercial vessels and cruise ships provide opportunities for continued trade, tourism, and economic development. The ORPS recognises Port Otago as nationally and regionally significant infrastructure which needs to be provided for.

144. Port Otago plays an important role in community life in Port Chalmers. The Port provides benefits through employment, community facilities such as the Port Chalmers Maritime Museum, and support for community initiatives. Feedback from the community and stakeholders generally acknowledged that the Port and associated infrastructure are important contributors to the region’s economy and the well-being of local communities.

## Marine aquaculture

145. Marine aquaculture involves the cultivation or farming of marine organisms in seawater. There are two main types: inshore aquaculture, which occurs in coastal waters influenced by tides, and offshore aquaculture, which takes place in the open ocean. Currently there are no commercial marine aquaculture activities occurring in Otago, although there are some research activities and some proposals in development. [34] [35] [36]

146. The New Zealand government has set an ambitious target to support the growth of the marine aquaculture industry from NZ$760 million in annual revenue to NZ$3 billion by 2035. The *New Zealand Aquaculture Development Plan 2025–2030* outlines strategies to achieve this, focusing on expanding production, diversifying species, and streamlining regulatory processes.[37]

147. New Zealand's inshore aquaculture sector is well established, with key species currently farmed including green-lipped mussels, Pacific oysters and king (Chinook) salmon. These species are typically grown in sheltered bays, harbours, and inlets such as the Marlborough Sounds, Tasman and Golden Bay, Northland, Stewart Island, and the Coromandel Peninsula. Many inshore areas are approaching capacity. New Zealand is actively developing its offshore aquaculture sector, which offers potential for larger-scale salmon and mussel production.

148. Climate change presents significant challenges for the marine aquaculture industry. Many aquaculture species in other parts of the country, are experiencing rising sea temperatures, more frequent marine heatwaves, lower oxygen levels and increased disease pressure.[38] In regions like Marlborough and Canterbury, marine heatwaves and warmer summers are starting to impact on salmon farms.[39] Shellfish populations in the

[34] There are locations in the coastal marine area where commercial harvesting of shellfish is undertaken, these activities are regulated by quotas by the Ministry of Fisheries and are not considered to be marine aquaculture activities.

[35] For example, see Lewis, J, Otago Daily Times (11 December 2021) 'Aquaculture farm experimental' retrieved from https://www.odt.co.nz/news/dunedin/campus/aquaculture-farm-experimental

[36] For example, see Project East proposal to establish and operate two open-ocean salmon farms to the northeast of Otago Harbour, comprising up to approximately 20 circular floating pen structures and a centralised barge for every 10 pens.

[37] Ministry for Oceans and Fisheries, (December 2024) 'New Zealand Aquaculture Development Plan 2025–2030', retrieved from https://www.beehive.govt.nz/sites/default/files/2025-03/NZ%20Aquaculture%20Development%20Plan%202025-2030.pdf

[38] Ministry for Primary Industries (2023), State of Knowledge: Climate Change and New Zealand's Seafood Sector, Ministry. Retrieved from https://www.mpi.govt.nz/dmsdocument/56242-Climate-change-and-NZs-seafood-sector-2023

[39] Cardwell, H, RNZ, (5 July 2022) 'Marine heatwaves: How is aquaculture adapting to climate change?' Retrieved from https://www.rnz.co.nz/news/national/470344/marine-heatwaves-how-is-aquaculture-adapting-to-climate-change?utm_source=copilot.com | RNZ News

upper North Island, Marlborough and Nelson are also under pressure during heatwave years.[40] These trends suggest increasing challenges for traditional aquaculture regions.

## Issue AQ-I1: Marine aquaculture can have adverse effects on the marine environment.

149. Aquaculture can have adverse effects on the marine environment and must be managed carefully. Different types of aquaculture, such as finfish, mussel, and seaweed farming, can affect the marine environment in different ways. Potential impacts include changes to the seabed or coastal water quality or impacts on plants and animals that live in the water column. Some types of marine aquaculture also pose risks to marine biodiversity through wildlife entanglement. A key concern is that nutrient release from aquaculture may exceed the environment's ability to process these nutrients without adverse effects.

150. Community and stakeholder engagement identified concerns about the potential adverse effects of aquaculture on the marine environment, and how aquaculture may impact wild fisheries and the behaviour of marine mammals and predators. Marine farms need to be appropriately located, and their environmental effects need to be well understood, appropriately managed, and carefully monitored.

151. While aquaculture can have positive impacts on fish stocks and recreational, customary and commercial fisheries, it can also increase the risk of disease and parasite transfer from farmed to wild populations. These risks need to be managed through appropriate biosecurity practices and monitoring. The degree of risk that marine farming poses to coastal values and ecology depends on a range of factors, including the type, scale, and intensity of the farming operation, the species being farmed, the cultivation method and the stage of production (e.g., spat vs grow-out). It also depends on the sensitivity of the receiving environment, which may be affected by various human activities and natural processes.[41]

## Issue AQ-I2: Marine aquaculture can conflict with other activities, uses and values associated with coastal space.

152. Marine farms require a range of in-water structures, such as fish cages or pens, longlines, ropes, and racks for shellfish and seaweed, along with floats, buoys, anchors, moorings, and nets to support, secure, and mark the farm. These structures occupy coastal space and can conflict with other activities, uses and values. In addition, land-based facilities,

[40] Cawthron Institute (July 2021) Case Study: Climate change and shellfish aquaculture. Retrieved from https://www.cawthron.org.nz/research/climate-change-shellfish-aquaculture/?utm_source=copilot.com

[41] Giles, H, Pisces Consulting Limited for Otago Regional Council (2026) Information and advice for managing the effects of marine aquaculture in the Otago region

such as offices, equipment storage and processing areas, are also needed to carry out operational, administrative, and biosecurity tasks.[42]

153. The occupation of coastal space by aquaculture can limit or exclude other uses, including recreational activities such as boating or angling, public and cultural access and conservation initiatives. Land-based facilities associated with aquaculture can also restrict access to the coast or the use of coastal space for other users.

154. Aquaculture in certain locations can affect Kāi Tahu cultural relationships with the coast, as some parts of the coast hold significant cultural value to Kāi Tahu and may not be considered appropriate for aquaculture development.

## Opportunity AQ-O1: Marine aquaculture can support economic development and contribute to the social, economic and cultural well-being of communities in Otago

155. Marine aquaculture can support economic development and contribute to the social, and cultural well-being of communities in Otago. It can create employment opportunities, attract investment, support marine research and innovation, and contribute to infrastructure and services that support coastal communities. Marine aquaculture may also provide opportunities for iwi economic development, including within aquaculture settlement areas.

156. Recent proposals for offshore salmon farming in Otago highlight this potential. Otago's coast and offshore waters are generally considered to have high-quality coastal conditions, good water quality and deep, well-flushed, high-energy waters, suitable for future marine aquaculture development.[43] [44]

157. Activities associated with marine aquaculture could help diversify Otago's coastal economy and support the development of specialised marine industries. Stakeholders and the wider community identified the potential to develop a distinctive aquaculture industry in Otago, including seaweed and kelp production. These activities could support innovation, research partnerships and value-added processing opportunities linked to the marine economy.

158. Legislation and national policy direction, such as the New Zealand Coastal Policy Statement 2010 (NZCPS), require regional councils to provide for aquaculture in appropriate areas in the coastal environment, including provision for iwi aquaculture

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[42] National Institute of Water & Atmospheric Research Ltd(NIWA) (2026) 'Aquaculture activities' Retrieved from https://niwa.co.nz/freshwater/kaitiaki-tools/what-proposed-activity-or-industry/aquaculture-and-customary-fisheries/aquaculture-activities#:~:text=Fish%20farming,appropriate%20stocking%20densities%20and%20feeding.

[43] SLR Consulting New Zealand Limited for Otago Regional Council (December 2025) Coastal Consent Data Monitoring Review Technical Advice for the Otago coastal Plan Review

[44] The New Zealand Coastal Policy Statement 2010 recognises the need for high water quality for aquaculture activities, and that aquaculture can make a significant potential contribution to the economic and cultural well-being of people and communities

within aquaculture settlement areas. [45] [46] Currently, Otago has no specific regional planning framework for managing marine aquaculture. While this does not prevent aquaculture development, it creates a more complex and uncertain regulatory environment for assessing new proposals for aquaculture and their impacts on the marine environment and other coastal values.[47]

159. Community and stakeholder views gathered while preparing this report were generally supportive of the opportunities associated with marine aquaculture where it provides economic and community benefits and environmental effect are appropriately managed.

### Opportunity AQ-O2: Marine aquaculture can have positive impacts on biodiversity

160. Marine farms can increase local fish abundance, as wild fish are often attracted to marine farm structures that provide surfaces where food sources, such as algae and small organisms, can grow. Cages, ropes and lines also offer protection from predators and shelter from currents.

## Biosecurity

161. Biosecurity is the protection of the environment from biological threats. It involves preventing unwanted organisms from damaging the economy, natural biodiversity, or public health.[48] Invasive organisms and diseases pose a significant threat to Otago's unique coastal environment, its diverse cultural, economic, recreational and ecological values, and the many activities taking place in this environment. These organisms can include non-native species, pests, and pathogens that are introduced either accidentally or deliberately.

162. Regional councils have a mandate under Part 2 of the Biosecurity Act 1993 to provide regional leadership in activities that prevent, reduce, or eliminate adverse effects from harmful species present within their region. ORC holds this role in the region.

163. Otago's coastal environment is particularly vulnerable to biosecurity risks due to the wide range of activities occurring within it, including commercial shipping, recreational boating, commercial and recreational fishing, and dredging, as well as the interconnected nature of marine ecosystems. Community and stakeholder engagement reinforced this concern, with participants frequently identifying the spread of Undaria (**Figure 4**), Mediterranean fanworm, golden clam, avian influenza, and other pests and diseases as

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[45] Policy 8 of the New Zealand Coastal Policy Statement 2010 requires regional councils to proactively plan for aquaculture and identify appropriate places for it in the coastal environment, as these activities have a functional need to be located there

[46] Māori Commercial Aquaculture Claims Settlement Act 2004.

[47] Otago Regional Policy Statement, Coastal Environment-Policy12 – Aquaculture provides for the development and operation of aquaculture activities taking into account policies CE-P4 to CE-P13. Coastal Environment Method-M4 requires council to amend and maintain its regional plans to identify areas that may be appropriate for aquaculture.

[48] New Zealand Biosecurity Institute 'What is Biosecurity?' Retrieved from https://www.biosecurity.org.nz/about-us/what-is-biosecurity/

significant risks because of their potential impacts on Otago's biodiversity and iconic species, including hoiho/yellow-eyed penguin and other seabirds, Kekeno/New Zealand fur seals and whakahao/New Zealand sea lion.

## Issue BS-I1: Activities in or near the Coastal Marine Area can increase the risk of invasive pests and disease spreading in Otago's coastal environment

164. Activities and structures in the CMA can spread or harbour marine pest species, exacerbating the threat to Otago's coastal environment and marine biodiversity. The discharge of ballast water, and biofouling removed from vessel hulls can introduce or spread pest species. Coastal structures such as marinas, wharves, jetties, pilings, moorings and seawalls, particularly in sheltered, high-traffic areas, can act as artificial "stepping stones" that allow pest species to establish and spread. Similarly, aquaculture activities, including the use of equipment and structures and the movement of stock and vessels between sites, can spread unwanted species. Commercial shipping, fishing vessels, and recreational boats can also carry organisms on hulls, anchors, and equipment, spreading them between ports or moorings.[49] Even fishing and diving gear can transfer unwanted species between locations if not properly cleaned.

165. Climate change is expected to further increase the threat from invasive pests and diseases.[50] Rising ocean temperatures in Otago's marine environment may favour species that prefer warmer waters, increasing the likelihood of invasions by new pest species. In addition, changes to coastal habitats caused by human activities, such as coastal development, reclamation, sediment disturbance and nutrient enrichment from discharges, can create favourable conditions for exotic species, including pests. Coastal habitats that are already under pressure from human activities are often less resilient and therefore more vulnerable to invasion, with cumulative effects increasing this risk. In these modified environments, pest species can establish more easily and spread more rapidly, outcompeting native species in a similar way to terrestrial pests.

166. Once established, pest species can have wide-ranging and long-lasting effects on Otago's CMA. They can displace or outcompete native species for food and habitat and alter habitats in ways that reduce their suitability for native species. As a result, they pose a significant threat to marine biodiversity and unique coastal ecosystems.

167. The spread of pests can also result in the loss of important ecosystem services, such as food production or coastal protection, and can have ongoing economic impacts on local industries and communities. For example, invasive weeds can replace native coastal vegetation that is more effective in stabilising sediment, leading to increased erosion and less natural buffering from waves and storms. This can, in turn, require greater investment in engineered solutions to manage coastal hazards. Invasive weeds can also degrade

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[49] All vessels that enter New Zealand territory after a voyage outside of New Zealand's territory must meet the Craft Risk Management Standard for Vessels in accordance with the Biosecurity Act 1993 which includes standards for biofouling.

[50] Tonkin Taylor, prepared for Otago Regional Council, (2021)'Otago Climate Change Risk Assessment 2021'

nursery habitats for fish and shellfish, reducing the productivity of local fisheries. In addition, pests can contaminate boats, equipment and coastal structures, increasing the costs associated with maintenance, cleaning and efforts to prevent their spread.

## Issue BS-I2: Responding to marine pest incursions may create adverse effects on the marine environment

168. The current coastal planning framework for Otago does not provide guidance on implementing biosecurity measures in response to marine pest incursions. While the development of a new planning framework offers an opportunity to address this gap, care needs to be taken to ensure a more agile response framework does not create unanticipated adverse impacts on the health of our coast. Discharges associated with biosecurity measures, such as the application of herbicide or pesticide to control invasive marine pests, can have unintended adverse impacts on marine life and surrounding ecosystems. For example, these substances can harm non-target species, reduce water quality through the decay of treated organisms, and affect sensitive habitats or species through toxicity or disturbance.



*Figure4:Herbicide treatments used to control invasive seaweeds like Undaria have raised concerns about impacts on nearby native algae and invertebrates.*

## Opportunity BS-O1: Coastal planning and cross-agency collaboration can improve biosecurity management

169. Effective biosecurity management helps to protect the coast's biodiversity and ecosystems, and the customary, recreational and commercial activities that depend on them, from marine pest incursions. Once introduced, marine pests can be difficult or impossible to remove. Early detection and rapid intervention are critical to containing new infestations before they become established and start spreading to other areas, where they are more difficult to control. It also reduces the economic burden associated with large-scale pest management.

170. The development of a future planning system provides an opportunity to enable more effective biosecurity management across Otago's coast by providing for the infrastructure and facilities that are needed to manage biosecurity risks in the marine environment. For example, facilities needed for cleaning boat hulls and containing the discharges associated with the cleaning of biofouling.

171. The stakeholder and community feedback also identified an opportunity to improve the monitoring and surveillance of biosecurity threats in the marine environment through partnerships with other government agencies, mana whenua, industry, recreational users and coastal communities. Local knowledge, mātauraka Māori (Māori knowledge), citizen science and community-based reporting could play an important role in strengthening biosecurity surveillance, monitoring and awareness and support the development of rapid responses to marine pest incursions.

# Coastal features and characteristics: The natural landforms, habitats, and processes that shape the coastal environment.

## Biodiversity

173. Coastal biodiversity includes the species and habitats found in marine environments and the land-sea interface, including salt marshes, dune systems and coastal margins. It also includes species that rely on different habitat types, such as tuna (eels), which migrate between freshwater and coastal waters, and penguins and marine mammals that depend on both the sea, and coastal land margins.

174. Otago's coast has a remarkable diversity of habitats, including harbours, lagoons and estuaries, sandy beaches, extensive kelp forests, a narrow continental shelf and deep-sea canyons. These habitats support both native and non-native wildlife. Some iconic species, such as toroa/northern royal albatross, hoiho/yellow-eyed penguin, whakahao/New Zealand sea lion and tutumairekurai/ Hector's dolphin, are found here. In addition, the Otago coast supports a wide range of less well-known but ecologically vital species, including shellfish such as cockles, pipi, and tuatua; fish species such as flounder, blue cod, and sprat; seabirds such as gulls, terns, and shags; and various benthic invertebrate species that form the base of coastal food webs. Together, these species contribute to the functioning and resilience of our coastal ecosystems.

175. Healthy ecosystems contain a diverse range of species that have evolved over time to survive in particular habitats. The combination of these habitats and the species that live within them is what makes Otago's coastal systems unique. Each species plays an important role in keeping our environment healthy and relies on others for its survival. The Otago Peninsula, particularly Taiaroa Head, Hoopers Inlet, Harwood, and Sandymount, were identified in community engagement as areas with high biodiversity values and ecological importance, supporting healthy populations of seabirds, albatross, seals, sea lions, and penguins. Participants also noted thriving estuaries such as Tautuku, Waipati and Blueskin Bay, and the persistence of seagrass and seaweed in some locations. Within Otago Harbour and Aramoana, respondents observed healthy populations of shags, spoonbills, herons, seals, sea lions, dolphins, and orca. Respondents also reported positive outcomes for seabirds, seals, blue penguins, and coastal vegetation around Ōamaru Harbour and parts of the Kākanui coast. However, many respondents considered hoiho/yellow-eyed penguin, especially around Sandfly Bay, to be under threat from human disturbance, dogs, habitat loss, invasive species, and fishing impacts.

## Issue BD-I1: Coastal biodiversity is under threat from a wide range of human activities.

176. Coastal biodiversity is under threat from a wide range of land-based and marine activities. Without adequate protection, biodiversity can decline across many interconnected environments, such as estuaries and rivers. Declining biodiversity can lead to loss of social, cultural, economic, recreational and ecological values.

177. Human-induced pressures on coastal biodiversity include physical modification of the coast, such as the construction of sea walls and other hard structures. The extraction or deposition of materials, including dredging, sand removal or deposition of dredge spoil, can also modify habitats, as can fishing methods, such as trawling, that disturb the benthic habitat.

178. Community and stakeholder engagement identified concerns about the impacts of development, port activities, pollution, habitat degradation and dredging on fish and shellfish abundance, rock pool ecosystems, kelp forests, and seabird habitat. These activities have interconnected and cumulative impacts on coastal biodiversity through physical modification of habitats or direct impacts on indigenous species. For example, reclamation in Otago Harbour, drainage and reclamation of salt marshes and estuaries, and the artificial opening of lagoons have contributed to habitat loss across the region. Even where habitats remain, they can become degraded through reduced flushing, introduction of exotic species and increased sedimentation.

179. Direct modification of benthic habitat through the placement of structures can disrupt marine food webs and affect the viability of threatened and sensitive coastal ecosystems. Physical barriers can impede fish migration between marine and freshwater habitats and disrupt natural lifecycle processes such as spawning. Hard structures such as sea walls can also cause scouring and erosion, leading to loss of dune systems and other adverse effects on coastal habitats.

180. Activities occurring within coastal or inland catchments can also affect coastal biodiversity. The presence of stock in estuarine and other coastal habitats can cause vegetation loss through grazing, pugging or trampling. Changes to the movement of freshwater, sediment and nutrients from land use activities can alter species composition and habitat conditions. For example, changes in freshwater inflows and loss of estuarine buffers can impact salinity levels, while increased sediment loads can smother habitats such as kelp forests and pāua beds. Elevated nutrient levels can also contribute to nuisance algal growth, reducing habitat quality and biodiversity. Reduced salinity in

estuarine environments can cause stress to marine organisms adapted to saline conditions, while prolonged exposure to freshwater can cause marsh grasses to die off. [51] [52]

181. Other human activities can also disturb wildlife and alter ecosystem functioning. Vehicles and people in sensitive coastal habitats can disturb wildlife, while noise from activities such as commercial tourism, shipping, naval sonar and oil exploration can adversely impact on marine mammals and other marine species. [53] [54] Noise from marine activities can interfere with navigation, communication and feeding, while also causing stress and behaviour changes. Some stakeholders also identified overfishing and seafood harvesting as potential factors contributing to biodiversity decline, particularly near some river mouths. These pressures can be further compounded by disruptions to predator-prey relationships and the harvesting of species, which can destabilise populations and alter ecosystem functioning.

182. Feedback from public and stakeholder engagement frequently emphasised the need to balance public access and recreation with the protection of wildlife and natural habitats. Participants supported restricting vehicle, motorbike, and dog access in some locations to reduce impacts on biodiversity and allow coastal habitats to recover. Some called for stronger environmental protections, including more marine reserves and taiāpure, to help protect vulnerable habitats and species.

## Opportunity BD-O1: Land use and urban development can enhance biodiversity through designs that restore or enhance coastal ecosystems

183. Coastal biodiversity is important because biodiverse environments are generally more resilient to environmental change and are likely to sustain a greater abundance and diversity of animals and plants than modified environments.

184. Healthy, viable, resilient ecosystems that support high biodiversity also contribute to social, cultural, economic and recreational values by supporting food security and sustainable fisheries, providing for coastal protection and climate resilience, generating tourism opportunities and enabling Kāi Tahu mana whenua to exercise rakatirataka (mana, authority), manaakitaka (the process of showing respect, generosity and care for others) and kaitiakitaka (guardianship, stewardship).

185. Protecting and restoring dunes, wetlands, estuaries, coastal vegetation and ecological corridors can help improve biodiversity, support water quality, strengthen natural coastal processes and contribute to community amenity. Integrating environmental

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[51] Smyth, A. R., Laughinghouse, H.D., Reynolds, L.K., Camp, E.V., and Havens, K. (April 2024) ‘Climate Change: Effects on Salinity in Florida’s Estuaries and Responses of Oysters, Seagrass, and Other Animal and Plant Life.’

[52] Queensland Government (July 2026) ‘Wetland Info- Salinity (Water)’ retrieved from https://wetlandinfo.detsi.qld.gov.au/wetlands/ecology/components/water-chemical/salinity-water/

[53] Hoshino,M. (2014) The Effects of Noise Pollution on Marine Mammals, University of Otago

[54] Marine Biodiversity & Sustainability Learning Center (July 2026) ‘Understanding Marine Noise Pollution: Sources and Scale’ retrieved from https://www.marinebiodiversity.ca/the-oceans-silent-crisis-how-noise-pollution-is-destroying-marine-life/

enhancement into urban development can deliver benefits for both people and ecosystems. Increased biodiversity was often linked to predator control, native planting, habitat restoration, restricted access, ecological monitoring, and long-term conservation efforts. There is potential for land use activities and urban development along the coast to incorporate environmental enhancement into their design and ongoing use.

## Coastal natural hazards and climate change

186. Otago's coastline is exposed to a range of coastal natural hazards due to its dynamic environment and interaction between land and sea. Coastal hazards include erosion, inundation, vertical land movement, groundwater table rise, tsunami, sea-level rise, warmer oceans, and ocean acidification. Parts of the Otago coastline have experienced noticeable erosion in recent decades.[55]

187. Feedback from the public on erosion impacts was focused on the Dunedin coast, particularly at St Clair and St Kilda, with additional concerns raised in North Otago, and elsewhere along the coast including Toko Mouth, Kaka Point and Pounawea. Feedback also highlighted the potential exposure of old rubbish dump sites as an issue. Some pointed to erosion at Te Rauone Beach and suggested that dredging, channel widening in the Otago Harbour, and groynes may be affecting erosion patterns. Many people supported better monitoring, early intervention, improved management, and greater use of sand traps in erosion-prone areas.

188. Flooding and sea level rise were most often associated with South Dunedin and other low-lying coastal areas. Respondents called for proactive measures to reduce flood risk, particularly in South Dunedin and Ocean View. Risks were also identified in coastal settlements across North Otago, the Otago Peninsula, and other parts of the Dunedin coast. Many considered sea level rise to be a long-term issue affecting much of the Otago coastline. Respondents generally viewed storm impacts as a concern across the entire coast, especially in low-lying and exposed areas. Concerns about tsunami hazards focused on Dunedin's south coast, northern coastal settlements, the Ōamaru area, and other low-lying coastal locations.

[55] Two recent studies investigated coastal changes in Otago. One study focused on the Waitaki coastline, while the second one investigated changes to the lower Clutha coastline. These studies show how the coastline has eroded and changed in the past and estimate the future rate of erosion. Historical erosion rates and sea level rise estimates have been used to project the position of the shoreline in the future. National Institute of Water & Atmospheric Research Ltd (NIWA) Waitaki district coastal hazards report, 2018035CH (March 2019) and MacDonald, K, Jacobs New Zealand Limited(July 2021), Molyneux Bay and Clutha Delta morphology investigation

## Issue CH-I1: Coastal hazards can negatively impact communities, infrastructure, historic heritage and the environment.

189. Climate change is increasing the intensity and frequency of coastal hazards. While climate change and sea level rise are not expected to create new types of hazards, they are changing the nature, magnitude, frequency and extent of their impacts.[56]

190. Increased coastal hazards and climate change exposure gives rise to a wide variety of impacts, including accelerated erosion, land instability, habitat loss, loss of coastal extent and public access, flooding of coastal communities and saline intrusion.

191. Coastal erosion caused by increased wave energy and inundation can also threaten heritage sites or sites of cultural significance located in the coastal environment *(See the Historic heritage section for more details).*

192. Stakeholders identified coastal erosion, severe storms, high rainfall events, and sea-level rise as key natural hazard concerns, emphasising the risks these hazards pose to coastal infrastructure and structures and the need to repair these when damaged or undermined. Stakeholders also identified the impacts of flooding and climate change on coastal communities and marine ecosystems as key concerns. They recognised the growing pressure of more frequent and intense weather events on water quality through increased runoff and sedimentation, with potential impacts on coastal habitats such as kelp beds. Climate change, particularly rising sea temperatures, was also identified as a challenge for fisheries through its influence on species distribution and ecosystem dynamics.

193. Additionally, planning and decision-making needs to consider land-based hazards, such as landslides, which can cause sediment or debris to enter the coastal marine area.

## Issue CH-I2: Structures and other activities in the coastal marine area can exacerbate natural hazards

194. Access to and along the coast has resulted in the development of road and rail infrastructure in the CMA. While these structures are often vulnerable to natural hazards, they can also exacerbate them by impacting on natural coastal processes, such as sediment accumulation and deflection of wave energy.

195. Loss of sediment supply can also exacerbate erosion. Activities like sand extraction can disrupt the balance between erosion and deposition and cause sediment loss, particularly where sediment supply is already limited. The damming of large river systems, such as the Clutha River/Mata-Au and Waitaki River, traps sediment behind dams that would otherwise reach the coast, leading to potential wide-scale sediment deficits and increased erosion along the coast.

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[56] Ministry for the Environment (2024) Ngā pūmete takutai me te ārahitanga huringa āhuarangi, Coastal Hazards and climate change guidance, p24 Retrieved from http://environment.govt.nz/assets/publications/Coastal-hazards-and-climate-change-guidance-2024-ME-1805.pdf

196. Jetties and sea walls can change natural sediment movement along the coast and affect tidal flows, degrading habitats in estuaries, harbours and salt marshes. An example is the rail and cycle causeway along the western edge of the Otago Harbour in Dunedin, where restricted tidal exchange has caused muddy conditions and nuisance algae growth in enclosed bays. Remediation work at such sites includes widening culverts to improve tidal flushing.

## Issue CH-I3: Reliance on hard protection structures to manage coastal hazards can have adverse effects.

197. Protection of property and access along the coast is often achieved using hard protection structures such as seawalls (**Figure 5**), rock revetments, groynes and breakwaters. These approaches are often favoured over natural defences due to constraints on resources and space. Nature-based approaches, such as beach renourishment, can involve higher upfront costs, require ongoing maintenance, and may take longer to deliver benefits than hard protection structures, especially in areas with high sediment deficit.[57] Their effectiveness can also be more difficult to quantify, which can limit their consideration in cost-benefit analyses. In addition, landowners often prioritise protecting their existing assets over providing space for nature-based solutions.



*Figure 5: Privately constructed seawalls along Kaika Beach, north of Dunedin.*

198. Coastal "hardening", or the construction of engineered coastal protection structures, such as seawalls, is expected to increase by between 49 and 76 percent in New Zealand over the next 17 years.[58] However, hard protection structures can limit the ability of

[57] Sánchez-Arcilla, A., Cáceres, I., LeRoux , X., Hinkel, J., Schuerch, M., Nicholls, R.J., Otero, dM., Staneva, J., deVries, M,. Pernice,U., Briere, C., Caiola, N., Gracia, V., Ibáñez, C., Torresan,S. December 2022) 'Nature Based Solutions, Vol 2, Barriers and enablers for upscaling coastal restoration', Retrieved from https://www.sciencedirect.com/science/article/pii/S2772411522000246

[58] Ministry for the Environment (2025) 'Our Marine Environment 2025 Tō Tātou Taiao Moana, Our coasts and estuaries are affected by a changing ocean' Retrieved from https://environment.govt.nz/publications/our-marine-environment-2025/our-coasts-and-estuaries-are-affected-by-a-changing-ocean/

intertidal areas from migrating inland in response to sea-level rise. This process, known as coastal squeeze, can result in degradation and loss of habitat.[59] [60] These effects are often most pronounced in highly modified salt marshes and estuaries located in close proximity to urban areas.[61]

199. Many respondents expressed support for nature-based solutions to erosion and inundation, including wetland restoration, improved stormwater management, and infrastructure that works with natural coastal processes. Others emphasised the need for long-term planning, resilience, and stewardship to help communities adapt to future coastal change.

## Issue CH-I4: Shoreline erosion is exposing contaminated sites in the coastal environment

200. The ORC maintains a register of sites, often referred to as Hazardous Activities and Industries List (HAIL) sites, where there is either confirmed soil contamination or a high likelihood of contamination resulting from previous hazardous activities.[62] DoC also maintains records of contaminated sites located on public conservation land and within the CMA.[63]

201. These records indicate that various sites near the Otago coastline were historically used for the disposal of municipal and hazardous waste or other activities that could lead to soil contamination.[64] Many of these contaminated sites are now vulnerable to coastal erosion, increasing the risk that contaminated material may be exposed and released into the environment.

202. An example is the former landfill below Kettle Park adjacent to Middle Beach in Dunedin, operated between 1900 and 1950 and capped a decade later. It contains an estimated 300,000m$^3$ of waste, including asbestos, cyanide and heavy metals. [65] Erosion of the dune

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[59] Mangan S, Bryan KR, Thrush SF, Gladstone-Gallagher RV, Lohrer AM, & Pilditch CA. (2020). Shady business: The darkening of estuaries constrains benthic ecosystem function. *Marine Ecology Progress Series, 647*, 33–48. https://doi.org/10.3354/meps13410

[60] An example of coastal squeeze can be seen at St Clair Beach in Dunedin or at Kaika Beach north of Dunedin, where the construction of a seawalls has contributed to beach loss, causing the shoreline to become narrower.

[61] Rullens V, Mangan S, Stephenson F, Clark DE, Bulmer RH, Berthelsen A, … & Pilditch CA. (2022). Understanding the consequences of sea level rise: The ecological implications of losing intertidal habitat. *New Zealand Journal of Marine and Freshwater Research, 56*(3), 353–370. https://doi.org/10.1080/00288330.2022.2086587

[62] Otago Regional Council, (2026) Selected Land Use Sites (SLUS) Register, Retrieved from https://www.orc.govt.nz/environment/waste/contaminated-land/#selected-land-use-sites-slus-register

[63] Department of Conservation (2025) , 'Contaminated sites management, Contaminated sites programme priority list' Retrieved from https://www.doc.govt.nz/globalassets/documents/about-doc/role/managing-conservation/contaminated-site-management/contaminated-sites-programme-priority-list.pdf

[64] Morris, C (5 April 2019) Otago Daily Times, 'Many Otago landfills at risk from erosion' Retrieved from https://www.odt.co.nz/news/dunedin/many-otago-landfills-risk-erosion

[65] McNelly, H (25 August 2025) Stuff, 'The former dump at risk of coastal exposure' retrieved from https://www.stuff.co.nz/nz-news/360799708/former-dump-risk-coastal-exposure

face that once protected this landfill has exposed the fill materials[66] and modelling predicts that without intervention, large quantities of contaminated waste material could be released into the environment over the next 100 years.[67]

203. Respondents also highlighted the potential exposure of contaminated sites as a concern. They frequently referred to the historic landfill beneath Kettle Park in St Clair and St Kilda, along with other landfills, dumps, and contaminated industrial sites that may be vulnerable to erosion, flooding, or sea level rise. Concerns were also raised about contaminated water entering the marine environment, particularly near settlements and agricultural areas.

204. The erosion of contaminated sites and release of hazardous substances and contaminants into the coastal environment can degrade water quality degradation and cause harm to human health and coastal ecosystems. Large volumes of waste entering the CMA can also impact recreation, natural character and mana whenua values.

## Opportunity CH-O1: The effects of coastal natural hazards are managed to support resilient communities

205. Future planning and development provide opportunities to improve the long-term resilience of coastal settlements, infrastructure and community assets. Considering changing coastal conditions and natural hazards when making land-use and investment decisions can help ensure that communities remain safe, functional and adaptable over time. Integrating hazard information into growth planning can also support more informed decision-making and reduce future costs associated with maintaining or relocating infrastructure and development.

206. Feedback from the community emphasised the importance of using the best available information and considering managed retreat where appropriate to reduce exposure in high-risk areas. However, views differed on how to best adapt to coastal hazards. Some participants advocated for hard protection structures such as seawalls and rock armouring. Others supported nature-based solutions and accepted that some areas will need to adapt over time. Respondents also highlighted the importance of improving hazard information, including enhanced tsunami warning systems and clearer communication of sea level rise risks. Despite differing views on solutions, there was broad recognition that climate change will increasingly shape how the coast is managed.

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[66] Tonkin and Taylor Limited, (August 2025) Kettle Park Landfill, Assessment of remedial options, Dunedin City Council, August 2025 p8 Retrieved from https://infocouncil.dunedin.govt.nz/Open/2025/08/CNL_20250826_ATT_3120_EXCLUDED.HTM#PDF3_ATTACHMENT_27140_1

[67] Tonkin and Taylor Limited, (August 2025) Kettle Park Landfill, Assessment of remedial options, Dunedin City Council, August 2025 p8 Retrieved from https://infocouncil.dunedin.govt.nz/Open/2025/08/CNL_20250826_ATT_3120_EXCLUDED.HTM#PDF3_ATTACHMENT_27140_1

# Water quality

207. Coastal water quality is important to the people of Otago because it influences how they experience and use the coast. Clean coastal water provides opportunities for swimming, surfing, diving, fishing and other recreational activities. Good coastal water quality is also essential for protecting marine ecosystems and wildlife. In addition, it can strengthen local economies through activities such as aquaculture and tourism, while helping to sustain food resources such as shellfish.

## Issue WQ-I1: Activities undertaken on land, in freshwater and in the coastal marine area can have adverse effects on coastal water quality.

208. A wide range of activities on land and in the sea can put pressure on coastal water quality.[68]

209. Urban areas are located along much of Otago's coastline, with the largest centres, Dunedin and Ōamaru, established around their harbours. Urban land uses can affect water quality through treated and untreated wastewater, which can add nutrients and harmful bacteria to harbours, estuaries, and coastal waters. Stormwater runoff from roads, car parks, and rooftops can carry sediment, heavy metals, oil, rubbish, and bacteria into waterways and the coast.[69] Stormwater and wastewater, including septic tanks, were commonly identified through community and stakeholder engagement as causes for concern in relation to coastal water quality, particularly after storms or periods of heavy rainfall.

210. Rural land uses, such as farming and forestry, are common in many coastal areas and inland catchments that drain to the coast. Runoff from farming and forestry can transport nutrients, such as nitrogen and phosphorus, along with sediment, through rivers and streams into coastal water, degrading water quality, reducing water clarity and smothering habitats in estuaries and coastal waters.[70] Although these issues were commonly identified through community and stakeholder engagement as matters of concern, participants also recognised the efforts being made by many landholders and catchment groups to improve water quality outcomes and reduce the effects of nutrient, sediment, and contaminant runoff.

211. Activities undertaken at sea can also affect water quality. Discharges from boats, along with maintenance activities such as hull cleaning, can release contaminants into the marine environment. Work in ports and marinas can stir up seabed sediments, which may

[68] Ministry for the Environment & Stats NZ (2025). New Zealand's Environmental Reporting Series: Our environment 2025 | Tō tātou taiao
[69] Otago Regional Council (2025) Te Awa Ōtākou Issues & Opportunities Report
[70] Ministry for the Environment & Stats NZ (2025). New Zealand's Environmental Reporting Series: Our environment 2025 | Tō tātou taiao

contain harmful chemicals.[71] Aquaculture can also contribute waste, including uneaten feed, fish waste, shells, and other material that can spread into surrounding waters.[72]



*Figure 6: The Jane Marie, a fishing vessel that ran aground in Ōamaru Harbour in 2017 carrying about 500 litres of fuel. Despite concerns over the risk of fuel spillage, fuel tanks were able to be isolated and no impact on wildlife was reported. Right – Marine spill exercise in the Otago Harbour.*

212. Declining coastal water quality not only affects marine life. Human health, local economies, and cultural practices such as mahika kai, and Kāi Tahu's relationship with the coastal environment can also be adversely affected when water is unsafe for swimming or gathering seafood. High nutrient levels can lead to algal blooms, especially in estuaries. These blooms can reduce oxygen in the water, kill marine life, and sometimes produce toxins that can harm people through the consumption of contaminated shellfish.

213. Community and stakeholder perception of Otago's water quality ranges from average to good, suggesting that experiences vary depending on location and conditions. Much of Otago's open coastline has relatively good water quality due to strong wave action and water movement. However, some areas are more vulnerable than others. Estuaries, harbour margins, and river mouths can be particularly affected because contaminants can accumulate there, and flushing is often limited.

214. Community and stakeholder engagement identified a number of areas where water quality is perceived to be a concern, such as Kaikorai Estuary, Blueskin Bay, Catlins Lake, and the Kākanui, Taiari/Taieri, and Waianakarua River mouths. Respondents also mentioned Tomahawk, St Clair and St Kilda beaches, along with Otago and Ōamaru harbours. Otago harbour (Te Awa Ōtākou), in particular, has a legacy of contaminants that have accumulated in harbour sediments and that can be released back into the water column if these sediments are disturbed. This may pose risks to water quality, marine life,

[71] https://environment.govt.nz/publications/our-marine-environment-2019/issue-3-our-activities-at-sea-are-affecting-the-marine-environment/

[72] Giles, H. Pisces Consulting Limited, (2026) 'Information and advice for managing the effects of marine aquaculture in the Otago region.

and potentially human health.[73] However, some respondents indicated that they have observed improvements in the harbour and at St Clair Beach compared with previous years.

215. Monitoring of water quality along the Otago coast is currently focused on a limited number of indicators and locations. It mainly focuses on swimming sites, alongside measures of habitat condition and key stressors such as sediment levels, muddy seabed extent, algal growth, and changes in kelp forests. Community and stakeholder feedback suggested that improved monitoring, information sharing, and education could enhance public awareness and support better environmental outcomes.

## Opportunity WQ-O1: Managing water quality through integrated management

216. Managing water quality in an integrated manner was a recurring theme in the community and stakeholder feedback. As discussed above, many participants recognised that activities within inland catchments can affect the CMA, particularly estuaries, harbours and beaches near river mouths. As a result, many identified opportunities for catchment-based management, particularly in relation to discharges from wastewater and stormwater management systems, as well as the effects of rural land uses.

217. An integrated, ki uta ki tai (from mountains to sea) approach recognises the interconnected nature of land, freshwater, and coastal systems, and acknowledges actions in one part of the environment can affect other parts of the system. *(See Integrated management section and Appendix A for more details)*

## Historic Heritage

218. Historic heritage includes sites and places with archaeological, architectural, cultural, historic, scientific, and technological qualities, such as historic buildings, areas, archaeological sites and sites of significance to Māori, including wāhi tapu (sacred site or sacred place).[74] These places and features help people understand and connect with their history and culture, while also providing a sense of identity and belonging. It also supports education and can contribute to local economies by attracting visitors, supporting heritage and cultural tourism, and creating opportunities for local businesses.

219. The Otago CMA and wider coastal environment contain a significant concentration of historic heritage. This reflects the coast's long-standing Māori occupation, early European settlement, and the economic and strategic importance of coast settlements for the wider Otago community.

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[73] Otago Regional Council (2025) Te Awa Ōtākou Issues & Opportunities Report

[74] Section 3 of the Planning Act 2026 defines historic heritage as natural and physical resources that contribute to an understanding and appreciation of New Zealand's history and cultures, deriving from archaeological ,architectural, cultural, historic, scientific and technological qualities and includes historic sites, structures, places, and areas; and archaeological sites; and sites of significance to Māori, including wāhi tapu, water bodies, or sites in or on the coastal marine area; and surroundings associated with those natural and physical resources.

220. Various historic heritage sites along the Otago coast are listed in the operative Coast Plan. Some sites, such as Moeraki Harbour, Karitāne Point, Pūrākaunui Inlet, Ōtākou/Wellers Rock, Taieri Island/Moturata, Willsher Bay, and Tautuku, are scheduled for their association with whaling and sealing. Other sites are recognised for their military and industrial significance, including the Taiaroa Head stone jetty, Pilots Beach, Deborah Bay torpedo boat site, and the Careys Bay ship breaking and dumping yards and slipway (Isbisters slipway). [75]

221. In addition to sites scheduled in the Coast Plan, historic heritage in the CMA also includes shipwrecks and boat remains. For example, the S.S Victory Wreck Site at Victory Beach and Quarantine Island/Kamau Taurua Historic Area include shipwrecks and boat hulks and are listed on Heritage New Zealand Pouhere Taonga's New Zealand Heritage List/Rārangi Kōrero. This list contains a range of heritage categories, such as Historic Areas, Category 1 and Category 2 Historic Places, National Historic Landmarks, Wāhi Tapu, Wāhi Tapu Area and Wāhi Tūpuna/Tīpuna.[76]

222. Several other locations were identified as having important historic and cultural values in the online survey. These included Shag Point, Mapoutahi Whareakake, and Karitāne, which were often recognised for their Māori and archaeological significance. Respondents also highlighted Taiari/Taieri Mouth, the Ōamaru Historic Town Centre and Port and the Matanaka farm buildings. Participants also recognised the importance of the shipwreck sites and maritime heritage areas situated between Port Chalmers and Aramoana, including areas offshore near the mole.

## Issue HH-I1: Inappropriate subdivision, use, and development in the coastal environment can cause adverse effects on historic heritage.

223. The ORPS seeks to protect special or outstanding historic heritage from adverse effects of public access by restricting public walking and vehicle access where necessary, while encouraging the ongoing use and adaptive re-use of historic heritage in a way that maintains and enhances its heritage values.[77]

224. Some activities, such as the construction of new structures or the removal of existing ones, can affect the integrity of historic heritage sites. Activities involving earthworks, deposition, reclamation and disturbance of foreshore and seabed can also damage historic heritage and archaeological sites. Discharges to the CMA may degrade historic heritage values, especially at sites valued for cultural or spiritual reasons.

225. Coastal development and land-use change may also lead to the discovery of previously unknown historic heritage or archaeological sites. While this can create opportunities for

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[75] Otago Regional Council (2001), Regional Plan: Coast for Otago, Schedule 8: Historic sites and values.
[76] Wāhi Tūpuna means landscapes and places that embody the relationship of mana whenua and their culture and traditions with their ancestral lands, water, sites, wāhi tapu and other taoka.
[77] Otago Regional Council, Otago Regional Policy Statement 2021, Coastal Environment CE-P9: Public access & Historical and Cultural Values – Historic Heritage HCV-HH-P7 Maintenance and enhancement of historic heritage

their protection, it can also increase the risk of disturbance or vandalism if these sites are not appropriately managed.

226. Stakeholder feedback emphasised the importance of protecting the Otago coastal environment's diverse heritage values, including archaeological sites, wāhi tapu, wāhi tūpuna, historic structures, cultural landscapes, industrial heritage, and shipwrecks. Participants noted that these places and values make an important contribution to community identity and a sense of place. Feedback also highlighted the need to recognise and protect both recorded and unrecorded heritage sites, proactively manage the effects of climate change on heritage resources, and integrate heritage considerations into coastal development and climate adaptation planning.

227. Unrecorded sites can be exposed by coastal erosion. For example, Māori middens along the Otago Peninsula have been uncovered by wave action. Once exposed, human disturbance (e.g. due to fossicking) can accelerate their degradation.

228. During the community and stakeholder engagement concerns were raised about a lack of protection, monitoring, and enforcement for heritage sites. Some respondents also noted that some heritage features are being allowed to deteriorate over time, while others expressed concern that fast-track development processes could place historic heritage at risk. While a small number of respondents took the opposite view, suggesting that some heritage sites are already over-protected, most respondents who commented on historic heritage generally valued its cultural, archaeological, and maritime significance, and expressed concerns that important heritage places may not be receiving sufficient protection or management.

229. Managing historic heritage in the coastal environment therefore requires balancing the protection of heritage values with other environmental, cultural, and recreational values. In some cases, measures used to protect historic heritage may themselves have adverse effects. For example, structures or fences used to protect heritage sites can interfere with natural coastal processes, restrict public access, or impede the movement of marine wildlife. While such circumstances are relatively uncommon, they illustrate the need to consider the broader environmental and social effects of heritage protection measures.

## Natural character and outstanding natural features and landscapes

230. Natural character in the coast is defined by its natural elements and features (such as headlands, peninsulas, cliffs, beaches, dunes and estuaries), processes (such as the rise and fall of tides, sediment movement, and the natural formation and functioning of estuaries, wetlands, lagoons, beaches, dune systems, sand bars, sand spits and surf breaks), and patterns (such as dune succession). When determining natural character,

experiential attributes, including the sounds and smells of the sea, and their context or setting, are also considered. [78]

231. Natural character exists along a spectrum, from areas of high naturalness to low natural character, where environments have been degraded or modified. The integrity of natural biophysical, ecological, geological and geomorphological systems and processes is central to the concept of natural character. Areas of high natural character are often valued for their wildness, scenic value and the natural darkness of the night sky.

232. Outstanding Natural features and landscapes /seascapes focus more specifically on visible, often iconic landforms and scenic beauty, but can also encompass a broader range of sensory, and associative values.[79] They can be highly valued for their visual character.

233. Otago has many outstanding natural features and landscapes along the coast. The existing Coast Plan identifies 15 Outstanding Natural Features and Landscapes, including large tracts of the Otago's Peninsula's eastern shoreline and Nugget Point/Tokata in the Catlins.[80] These areas are located both on the landward and seaward side of MHWS to provide a mechanism for recognising the values adjacent to the CMA when assessing the impact of activities located within the CMA. Territorial authorities also have outstanding landscapes mapped on the landward side of the CMA. [81]

234. Many coastal landscapes are also significant to tangata whenua with many existing mapped features referencing Kai Tahu cultural and spiritual values as a reason for their protection.

## Issue NC-I1: Natural character of the coastal environment can be affected by the modification of natural systems and processes including exclusive occupation.

235. The natural character of the coastal environment relies on the functioning of dynamic natural systems such as estuaries, dunes and gravel bars and processes. Activities that modify the coastal environment can alter habitats, disrupt ecological processes, and reduce the naturalness of the coast.

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[78] Environment Foundation (July 2026) 'Natural Character' Retrieved from https://www.environmentguide.org.nz/issues/natural-character/

[79] Department of Conservation (September 2013) 'NZCPS 2010 Guidance note Policy 15: Natural features and natural landscapes' Retrieved from https://www.doc.govt.nz/about-us/science-publications/conservation-publications/marine-and-coastal/new-zealand-coastal-policy-statement/

[80] Otago Regional Council (2001), Regional Plan: Coast for Otago, Schedule 3.2 Outstanding Natural Features and Landscapes above Mean High Water Springs.

[81] Three district councils in the Otago region have mapped areas with natural character values, outstanding natural features and landscapes which have been assessed as worthy of protection.[818181] Overall, approximately 52% of Otago's coast on the landward side of the CMA is protected in some form. Dunedin City and Clutha District Council's District Plans include mapped coastal areas, landscapes and features with varying natural character and landscape value classifications, each associated with different levels of protection. The proposed Waitaki District Plan includes landscape overlays and a planning framework that identifies and protects coastal landscapes and features, but this plan is not yet operative.

236. Structures and long-term occupation of the CMA can also affect natural character. Structures may disturb or permanently alter seabed and foreshore habitats, change natural coastal character and processes, or reduce water quality through shading, sedimentation, and discharges of contaminants. Where poorly located, they can also reduce the sense of openness and naturalness of the coast. Multiple structures in the same area can result in cumulative effects on coastal values, while abandoned or poorly maintained structures can create safety hazards, restrict public access and use, or cause water quality degradation where contaminants are leaching from the structure. Community and stakeholder feedback suggests that monitoring and maintenance of coastal structures could be improved to reduce impacts on natural character.

237. Various other activities that impact on natural character of the coastal environment are addressed in other sections of this report and include reclamation, tourism and recreation, resource extraction such as sand mining, and land and marine-based pollution, all of which can further degrade natural character values through their effects on landforms and ecosystems.[82]

238. Engagement feedback highlighted pollution and contamination, development and resource extraction as important threats to the natural character of the coast. Climate change and land reclamation were also raised as significant concerns.

239. Various participants emphasised the importance of protecting native wildlife and habitats and maintaining the natural character of the Otago coast while balancing environmental protection with recreation, tourism, infrastructure, community wellbeing, and economic development.

240. Concerns were also raised about changes to beaches. Participants noted apparent reductions in sand and increases in gravel along sections of the Clutha District and Catlins coastline, particularly around Toko Mouth and Kaka Point. Some considered these changes evidence of broader shifts in sediment supply and coastal processes.

241. Coastal development and changing land use patterns were also identified as risks to the natural character of Otago's coast, as they can significantly impact on coastal landscapes and natural character by changing the naturalness of an area, and the visual, cultural and amenity values associated with it.[83] Some stakeholders considered that spatial planning provides an opportunity to better manage activities that affect the coast's natural character, while others emphasised the need for planning frameworks that appropriately balance economic development with environmental protection. Engagement identified opportunities for greater collaboration between government agencies to support more effective management of coastal natural character.

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[82] Quality Planning (2026) Managing activities in the coastal environment. Retrieved from Issues Relating to Coastal Land Development | Quality Planning

## Issue NC-I2: Outstanding natural features, landscapes and seascapes within the coastal environment can be affected by changes in the type or intensity of activities on land and in the marine area

242. The demand for development and use of resources along the coast can impact the qualities that make landscapes and seascapes outstanding. The more outstanding a feature is, the more demand there is to experience and enjoy it. This can result in the establishment of more structures and facilities, such as roads, bridges, jetties, moorings, ramps, signs and pathways, within these areas.

243. A key driver of change in the coastal landscapes and seascapes is residential development, including the expansion of coastal settlements, population intensification, and increased rural residential development. These pressures are often driven by demand for coastal views and easy access to the recreational and economic opportunities offered by the coast.[84] Inappropriate subdivision, use and development can degrade natural landscape values, both individually and cumulatively. Coastal landscapes are vulnerable to visual impacts from coastal development due to their high visibility from the sea, foreshore and surrounding skylines.[85] Some people identified lighting along parts of Otago Harbour, port infrastructure, quarry activities, and built structures as activities that can cumulatively alter how the coast looks and feels.

244. Feedback from the community consistently described Otago's coast as rugged, wild, open, scenic, peaceful and natural. The sense of remoteness and opportunity to experience nature away from large numbers of people were frequently mentioned as one of the defining qualities of the region's coastline. People particularly valued sea views, undeveloped beaches, wildlife encounters, and the contrast between urban and remote coastal environments. The Catlins area was often cited as embodying these qualities.

### Surf breaks

245. Surf breaks are an important component of coastal natural character and a significant recreational resource for New Zealanders and international visitors. They contribute economic and social benefits to both local communities and New Zealand as a whole. Surfing draws people to live in coastal areas and attracts domestic and international tourists. Local businesses are stimulated by the presence of surf breaks; surf-related retailers, surfboard rentals, surfboard shapers and surf schools can often be found nearby.

246. Surfing also provides social benefits, with many surf schools and local board-rider clubs promoting a sense of community. Programs like *Surfing for Farmers* promote surfing as a mental health break for people in rural communities. [86]

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[84]New Zealand Coastal Policy Statement 2010 (Amended 2025)
[85]Quality Planning (2026) Managing activities in the coastal environment, retrieved from Issues Relating to Coastal Land Development | Quality Planning
[86] Surfing for farmers (2026) Retrieved from https://www.surfingforfarmers.com/our-locations-registercheck-in

247. These social, recreational, and economic benefits were reflected in public feedback, which indicated that surf breaks are valued not only as recreation sites but also as an important part of Otago's identity and culture. Participants noted that surfing contributes to lifestyle, tourism and community wellbeing.

248. Various surf breaks along the Otago coast are recognised as having exceptional surfing value at a national scale. Otago has four of these nationally significant surf breaks identified in the NZCPS, more than any other region in New Zealand. These are The Spit at Aramoana, Karitāne, Whareakeake, and Papatowai. [87] [88]

## Issue SB-I1: The use and enjoyment of surf breaks can be impacted by activities on land and in the coastal marine area.

249. The demand for development and use of resources in the CMA and wider coastal environment can affect the integrity, accessibility, use and enjoyment of surf breaks. Coastal development pressures often result in the establishment of new foreshore and offshore structures to support coastal development or protect it from coastal processes, such as seawalls or shoreline armouring, groynes, breakwaters, jetties and marinas. These structures and engineering works often interact with and modify coastal processes. While they can have a positive effect on wave quality (both accidentally and intentionally), more often their effects on surf breaks are negative.

250. Activities that either remove sediment from within the footprint of a surf break or reduce sediment supply to a surf break, such as dredging, can change the physical characteristics of the seabed, which can alter the wave shape, speed, and overall ‘surfability’. While the disposal of dredge spoil near a surf break can create ‘wave focusing’ effects that may enhance surf break wave quality, the activity more often has adverse impacts on this quality. [89] [90] Concerns about the potential effects of dredging on surf conditions were frequently raised during the community and stakeholder engagement.

251. Other potential threats to surf breaks identified through the engagement were coastal development, poor water quality, and dumping activities. Landward development, including urban and infrastructure development, can result in increased discharge of contaminants to coastal waters which, if not appropriately controlled, can affect water quality and amenity values at surf breaks.

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[87] Department of Conservation (September 2018) ‘NZCPS 2010 Guidance note Policy 16: Surf breaks of national significance’ Retrieved from https://www.doc.govt.nz/Documents/conservation/marine-and-coastal/coastal-management/guidance/policy-16.pdf

[88] New Zealand Coastal Policy Statement 2010 (Amended 2025), Schedule 1

[89] Davies-Campbell, J. A. T. A. (2018). The morphology and surf conditions of Aramoana Beach, Otago: A surf break of national significance (Thesis, Master of Science (MSc)). The University of Waikato, Hamilton, New Zealand. Retrieved from https://hdl.handle.net/10289/12027

[90] Pitt, A., 2009. Surfing at Bombora Controlled Beaches. The 5th Western Australia Coastal Conference, Freemantle, WA. Pitt, A., 2010. Proposal for an Ephemeral Bombora at Cronulla. Report Prepared for the Bate Bay Sand Place Committee, Cronulla, NSW

252. Participants also recognised the impacts of natural hazards, sea level rise, and climate change on valued surfing locations, such as at St Clair Beach. Concerns were raised about quarrying, mining, material extraction and oil exploration, as well as the potential effects of aquaculture in swell-exposed areas.

253. Some respondents called for an inventory of regionally significant surf breaks and stronger protection for these areas.

## Opportunity SB-O1: Improved management and access to Otago's surf breaks can support economic, recreational and community benefits

254. Stakeholder and community feedback indicated that Otago's surfing resources are an under-recognised economic opportunity, with potential to further support local businesses, attract visitors, and enhance the region's recreation and tourism offering.

255. There is an opportunity to better recognise and promote the value of surf breaks while ensuring that their environmental and recreational qualities are maintained. Feedback highlighted support for promoting public access to surf breaks, while recognising that access needs to be managed appropriately to avoid undue pressure on the environment and loss of the overall surfing experience. Participants expressed interest in learning from overseas experience and approaches to surf break management to help protect these valued coastal resources.



# Kāi Tahu values and relationship with the coast

256. Kāi Tahu have a close and enduring kinship connection to the coastal environment in Otago. The relationship with the coast and with the indigenous species found there is both ancestral and contemporary, based on inherited whakapapa, mātauraka (knowledge) and pūrakau (myth, story), but also on the ongoing exercise of mahika kai and kaitiaki responsibilities.

257. Kāi Tahu are a coastal people, with permanent settlements tending to be on the coast and inland areas traditionally used for seasonal mahika kai gathering. Following the land sales of the mid-19th century, reliance on coastal land and the abundant resources available in the estuaries and coastal waters became increasingly important as access to and use of inland mahika kai was lost as a result of land development, drainage and clearance of indigenous vegetation.

258. The mana whenua authority that hapū and whānau hold over coastal land is accompanied by mana moana authority in the adjoining coastal waters. The authority and responsibility that mana moana carries includes the ability to act as kaitiaki and be actively involved in decision-making around management, access and use of natural resources. Mana is also associated with the ability to provide manaakitaka, which requires healthy ecosystems and kaimoana resources.

### Mana motuhake (autonomy, self-determination)

*Takaroa pūkunohi nui* *The god of the sea Takaroa can observe all we are doing*

## Issue KT-I1: The ability of Kāi Tahu mana whenua to exercise rakatirataka, manaakitaka and kaitiakitaka can be hampered by a lack of recognition of mana moana

259. Despite the longstanding customary authority held by Kāi Tahu over coastal waters, decisions about management of these areas in most circumstances have been made without recognition of this authority or any involvement of Kāi Tahu mana whenua. The sustainable management of the coast and mauri (life force, life-supporting capacity) of coastal waters and ecosystems is compromised by the exclusion of those who hold mātauraka and experience as kaitiaki and decision-makers. In some areas this has resulted in partial or total loss of access to kaimoana resources. Inappropriate use of information on areas regarded as tapu or taoka, or public release of detailed resource information in areas regarded as customary fisheries can also undermine rakatirataka and kaitiakitaka.

260. When the mana moana of Kāi Tahu mana whenua is not recognised, there is a sense of loss amongst hapū and whānau in relation to inter-generational responsibilities to safeguard resources and habitats. There can also be diminishment to mana when healthy

kaimoana cannot be provided to sustain whānau, manuhiri (visitor, guest) and mokopuna (future generations).

### Opportunity KT-O1: Mana whenua-led environmental management and improved involvement of mana whenua in decision-making would support the relationship of Kāi Tahu to the coast and contribute to positive environmental outcomes.

261. Kāi Tahu already have significant involvement in management of the coastal environment. Through taiāpure and mātaitai mechanisms, mana whenua are leading well-established programmes to restore the habitats that support customary fisheries and the surrounding marine environment. More recently they have also begun working in partnership with the Department of Conservation to manage Te Au Roa o Rakihouia, the Otago marine protection network. Mana whenua have also identified further opportunities for playing a leading role in management of Otago Harbour. These include development of an Integrated Catchment Group for Otago Harbour, in partnership with councils and the community, and working with relevant agencies to improve harbour and coastal access.

## Mauri (life-supporting capacity)

*He pūkenga wai, he pūkenga kōrero* *A body of water is a body of knowledge*

### Issue KT-I2: Degradation of the coastal environment, including wāhi tūpuna, wāhi tapu, taoka and mahika kai, has negative impacts on the connection of Kāi Tahu to the coast

262. The relationship of Kāi Tahu to the coast is kept alive by the ongoing ability to interact with and care for the places and landscapes that provide connection to tūpuna and the indigenous species that inhabit the coast, and by the ability to exercise mahika kai. Activities such as dredging, reclamation and discharge of contaminants and sediment that degrade the coastal environment and coastal waters or harm indigenous species can impact on this relationship. Changes in coastal processes, introduction of structures into the coastal environment or exclusive occupation of coastal space can interrupt the relationship by impeding access to wāhi tūpuna and to mahika kai resources. Changes to coastal processes such as erosion and accretion can also damage wāhi tapu and wāhi tūpuna values.

263. When the Kāi Tahu connection to and use of the coast is interrupted or otherwise degraded, it is difficult to pass on mātauraka, to exercise kaitiakitaka and to use traditional resources, the result being cultural severance. Loss of indigenous species and habitats affects customary fishing and other mahika kai practices that are essential to Kāi Tahu identity and well-being. Lack of recognition that some areas and resources have been used for generations affects perception of customary title and status as mana

moana. Areas of particular significance such as wāhi tūpuna or wāhi tapu can become degraded or exploited where mana moana do not hold a decision-making role, or where there is lack of awareness around the Kāi Tahu relationship.

## Opportunity KT-O2: Use of mātauraka alongside other science programmes can improve the health of the coastal environment and restore the mauri of valued places.

264. Opportunities for use of mātauraka to address the problems of coastal degradation extend across the areas of research, policy development, implementation of environmental enhancement programmes and environmental monitoring. Research and monitoring that brings together the knowledge of mana whenua and of scientists is already a central part of taiāpure and mātaitai work programmes. There is potential to expand this approach, drawing on intergenerational understanding of the interrelationships between species and their environment to inform monitoring and management. This intergenerational understanding is valuable not only for informing habitat restoration but also for addressing the challenges of adaptation to the changing climate.

### Mahika kai

*Te kōkopu, te kai o Maui* *The kōkopu, the food of Maui*

## Issue KT-I3: Lack of recognition for customary fisheries and degradation of the coastal environment has limited the ability of Kāi Tahu to manage and use these resources

265. Customary fisheries can be recognised via statutory mechanisms such as taiāpure and mātaitai, but this does not guarantee healthy and abundant kaimoana resources. Health and abundance of these resources are necessary requirements for harvest to be culturally appropriate. As a result, discharges, sedimentation and other activities affecting the mauri of coastal fisheries and the integrity of coastal habitats can limit the ability for Kāi Tahu to harvest resources.

266. Other parts of the Otago coast not covered by such statutory mechanisms may also be known by Kāi Tahu as customary fisheries but there is often no recognition of this or ability for Kāi Tahu mana whenua to act as kaitiaki over fisheries resources and habitats.

267. Many important indigenous mahika kai fish species are diadromous and move between freshwater and the ocean during different parts of their life cycle. The interconnection between land and marine environments needs to be carefully considered in order to manage effects on the life cycles of these species that cross the CMA boundary.

268. When Kāi Tahu who hold mana whenua/mana moana are unable to act as kaitiaki of customary fisheries, this can lead to degradation of the resource and associated habitats. Customary fisheries contribute to the economic and cultural well-being of Kāi Tahu mana

whenua and there is a strong cultural concern when these fisheries are degraded. Through the Ngāi Tahu Deed of Settlement 1992, customary fisheries mechanisms are a form of Treaty redress that need to be recognised and provided for. Provisions made to enable management of customary fisheries sometimes limit management techniques to those used traditionally. However scientific research and new technologies also need to be recognised as important tools for kaitiaki to use to enhance and restore resources where these have been diminished.

## Opportunity KT-O3: Active mana whenua leadership in management of the coastal environment provides the opportunity to restore mahika kai and ensure mahika kai species and habitats are resilient to climate change.

269. Mātaitai and taiāpure customary fisheries management programmes provide a mandated opportunity for Kāi Tahu leadership in collaboration with researchers and others. This approach provides a model for broader mana whenua-led management and restoration of mahika kai. Opportunities for leadership in this area are not limited to management of traditional fisheries but could, for example, extend to development of aquaculture approaches that would support mahika kai resilience in the face of climate change, in tandem with positive ecological effects.

### Ahi kā (long-burning fires of occupation)

*Au ahi au ora. Au moana, aua noa atu.* *The comfort of a fire ashore; the uncertainty of a stormy or foggy sea.*

## Issue KT-I4: The ability for Kāi Tahu to live on and use native reserves and Māori land has been impeded by institutional and regulatory barriers.

270. Much ancestral land, including land in native reserves set aside for settlement purposes, has been alienated from Kāi Tahu ownership and use. Even where retained within Kāi Tahu ownership, a range of factors have made it difficult for land to be settled and used economically and for cultural purposes. This is a legacy issue, having played out since the 1840s, but some drivers remain relevant today.

271. Difficulty in achieving finance and insurance, particularly on Te Ture Whenua land with multiple owners, has been a longstanding problem that has limited the ability to develop this land. A lack of institutional understanding of the importance of the remaining land to provide a base for settlement and use, and lack of recognition of the close connection between traditional whenua and use of adjacent CMA, have also resulted in inadequate provision being made in resource management plans and in infrastructure planning for use of these areas. In some areas the obstacles to development and use are added to by planning provisions such as protective overlays that do not recognise the role of the land. In addition to these factors, the coastal location of many areas of native reserve and Māori land in Otago makes these areas susceptible to climate change and natural hazards.

272. The ability of Kāi Tahu hapū and whānau to connect to their haukāika (ancestral home) is compromised when they are hindered from being able to settle and use these ancestral areas. This causes harm to the economic and cultural wellbeing of mana whenua and Māori landowners and can damage the relationship to wāhi tūpuna and other taoka. This issue plays out across the interface between regional and district jurisdictions. For example, ancestral whenua may cross the boundary between the identified coastal environment and what is considered 'not coastal'; or areas of ancestral whenua are now in the marine area having been lost to coastal erosion. The rakatira (mana, authority) and kaitiaki roles of mana whenua across both whenua and adjacent CMAs is not factored in management approaches that focus on land-based users and activities.

## Opportunity KT-O4: Improved infrastructure connections and removal of barriers to land development would support reconnection of Kāi Tahu whānau to the coastal environment and enhance opportunities for mana whenua to work with neighbouring communities to achieve environmental outcomes.

273. The ability to live on ancestral land is seen by Kāi Tahu hapū as an important factor in enabling whānau to reconnect with the whenua and the moana. This will result in stronger communities, increased visibility of the rich Kāi Tahu heritage associated with the Otago coast and a greater ability for mana whenua to carry out kaitiaki roles to ensure the health of the coastal environment for future generations of all Otago residents.



# Conclusion

274. The issues and opportunities identified throughout this report highlight that the future of the Otago coast will be shaped by how effectively competing values, uses, and expectations are balanced. The coast supports a diverse range of environmental, cultural, social, and economic values, many of which are interconnected and, at times, can result in tension between these values. Achieving positive outcomes will require careful consideration of these interrelationships and recognition that decisions made in one location or sector often influence outcomes elsewhere.

275. The report demonstrates that many of the pressures facing the coast are not the result of a single activity or issue. Rather, they arise from the cumulative effects of land use, development, resource use, environmental change, and historic decisions. Climate change is likely to intensify many of these pressures, increasing the importance of long-term thinking and proactive management. At the same time, growing demand for coastal space and resources will require difficult choices about how the coast is used, protected, and developed

276. A consistent theme throughout the report is the importance of recognising the coast as part of a broader *ki uta ki tai* (mountains to sea) system. The health of coastal environments is closely linked to what happens in inland catchments, rivers, estuaries, harbours, and the wider marine environment. Similarly, the long-term wellbeing of coastal communities depends on maintaining healthy ecosystems, protecting important cultural and heritage values, and enabling sustainable economic opportunities.

277. The report also highlights the importance of partnership, collaboration, and shared responsibility. Many of the issues identified fall beyond the responsibilities of any single organisation and cannot be resolved through regulation alone. The aspirations expressed through community and stakeholder engagement highlight that councils, mana whenua, communities, industry, landowners, and resource users all play a role in shaping positive outcomes for the coast.

278. The transition to a new resource management system provides an opportunity not simply to replace existing planning documents, but to reconsider how coastal management is approached in Otago. The findings of this report suggest that future planning should move beyond managing individual activities in isolation and instead adopt a more integrated, adaptive, and collaborative approach. To achieve positive outcomes, the following key recommendations are proposed:

1. Adopt a ki uta ki tai (mountains to sea) approach that integrates the management of land, freshwater, estuarine and marine environments and addresses cumulative effects.

2. Strengthen partnerships with Kāi Tahu by supporting participation in decision-making and recognising mana moana (customary authority relating to the coastal marine area), kaitiakitaka (guardianship, stewardship), manaakitaka (the process of showing respect, generosity and care for others), mahika kai, and associated cultural values.

3. Use the issues and opportunities identified in this report as a foundation for strategic planning.
4. Improve resilience to climate change and coastal hazards through adaptive management, resilient infrastructure, risk-informed planning, and consideration of managed retreat where appropriate.
5. Protect and restore coastal biodiversity by enhancing habitats and ecosystems, addressing invasive species and habitat loss, and supporting restoration initiatives.
6. Support monitoring, research and adaptive management to improve understanding of coastal environments and inform future decision-making.
7. Maintain and enhance public access while balancing the need to protect sensitive environments, cultural values, and public safety.
8. Enable sustainable economic development that supports social, cultural and economic wellbeing while appropriately managing environmental effects.
9. Provide a strategic framework for marine aquaculture that supports investment certainty, recognises iwi interests, and manages environmental effects.
10. Strengthen coastal biosecurity management through effective planning, monitoring, infrastructure, and collaborative responses to marine pests.
11. Protect natural character, landscapes, surf breaks and historic heritage as important components of Otago's identity and coastal values.
12. Promote nature-based solutions where practicable to improve biodiversity and strengthen resilience to coastal hazards.
13. Foster collaboration and shared stewardship between councils, mana whenua, agencies, communities, industry, landowners, and coastal users.

279. The Otago coast is both a highly valued resource and a shared responsibility. By adopting an integrated, resilient, and collaborative approach to coastal management, Otago can maintain and enhance the environmental, cultural, social, and economic values that make its coast distinctive while ensuring that future generations continue to benefit from a healthy and thriving coastal environment.

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# Appendix A: Roles, responsibilities, regulatory functions and limitations, and management approaches for the Otago coast

## Roles and responsibilities in coastal management

281. The coastal environment is governed by many laws, national policy statements, regional and local authority planning instruments and strategies. Overlapping legislation, administered by different agencies and authorities for different purposes, all add to the complexity of managing the coastal environment.

282. Regional councils are responsible for managing how natural resources are used, protected, and improved within their regions. In the coastal marine area (CMA), this includes managing coastal water and natural hazards, controlling discharges to land, air, and water, allocating natural resources (including the use of water and energy from water), and protecting indigenous biodiversity, and natural character and landscapes.[91]

283. Regional councils also have responsibility for the management of freshwater and can regulate certain land-based activities. Because activities on land or involving freshwater can directly affect the health of the coastal environment, management approaches across these different environments must be well-aligned.

284. While district councils have no responsibilities in the management of the CMA, they play a role in managing the wider coastal environment. Within Otago, the Waitaki District Council, Dunedin City Council, and Clutha District Council all have coastal boundaries. They manage land use and development adjacent to the CMA through their District Plans and bylaws.

285. Central government agencies also play key roles in coastal management:

- The Department of Conservation (DOC) is responsible for protecting and managing public conservation lands and waters, native species, and historic heritage across the region.
- The Environmental Protection Authority (EPA), New Zealand's National Environmental Regulator, is responsible for managing the effects of particular marine activities in offshore waters in the Economic Exclusion Zone (EEZ).
- The Ministry for Primary Industries (MPI) oversees biosecurity, fisheries and aquaculture management.
- The Ministry for Business, Innovation and Employment (MBIE) is responsible for the allocation of Crown-owned minerals.
- Heritage New Zealand Pouhere Taonga has an interest in the identification and protection of coastal heritage.

[91] Resource Management Act 1991 s30

- Maritime New Zealand is responsible for maritime safety, security, and the environmental protection of coastal and inland waterways.

286. In some parts of the coast, mana whenua have responsibilities under the Fisheries Act for managing customary fisheries through mātaitai and taiāpure provisions. There are four mātaitai reserves and one taiāpure in the Otago region. In addition to customary fisheries management areas, a network of five new marine reserves, known as Te Au Roa o Te Rakihouia, came into effect in July 2026.

## Regulatory functions and limitations

287. Under the Resource Management Act 1991 and the Natural Environment Act 2026, certain activities cannot occur in the CMA unless specifically allowed by a national instrument or regional plan, now called a natural environment plan. These activities include reclamation, disturbing, draining or placing structures on, the foreshore or seabed, depositing substances that may cause adverse effects, and introducing exotic plants. [92] In addition, national regulations also require stock to be excluded from natural wetlands that are located in CMA and that are identified in a regional plan.[93]

288. Regional councils cannot manage through a natural environment plan specific activities that are managed under other legislation. Table 1 outlines the activities that ORC can manage in their natural environment plan and the activities it cannot manage.

[92] Resource Management Act 1991, s 12; Natural Environment Act 2026, s21
[93] Resource Management (Stock Exclusion) Regulations 2020, regulation 17

*Table 1: Activities regional councils can and cannot manage under the proposed new resource management framework*

| Council CAN manage | Council CANNOT manage |
|---|---|
| **Coastal water quality** | |
| **Taking, use, damming, or diversion of coastal water, or taking energy from coastal water** | |
| **Discharges of contaminants to land, air, or water** | Activities controlled by the Resource Management (Marine Pollution) Regulations 1998 (e.g., ship discharges, offshore installation discharges) |
| **Dumping and incineration of waste or other matter in CMA** | |
| **Allocation of natural resources (e.g., sand, shingle, shell)** | |
| **Occupation of coastal space** | |
| **Reclamation, disturbance or drainage of the foreshore or seabed** | |
| **Protection of indigenous biodiversity, including introduction of exotic or introduced plants** | |
| **Setting ecological health limits (using national methods)** | Human health limits for coastal and freshwater (set by central government) |
| **Managing environmental effects of fishing activities** | Fishing activity itself (e.g., catch limits, stock sustainability, the Fisheries Act 1996) |
| **Managing environmental effects of aquaculture activities and marine farming** | Allocating aquaculture settlement areas (The Māori Commercial Aquaculture Claims Settlement Act 2004) |
| **Managing environmental effects of petroleum and mineral extraction in the CMA** | Granting rights to extract petroleum or minerals (Crown Minerals Act 1991) |

Otago Regional Council

## 11.6. Drinking Water Sources in Otago

| | |
|---|---|
| **Prepared for:** | Council |
| **Report No.** | S&R2623 |
| **Activity:** | Science |
| **Author:** | Amanda Homersham (Scientist - Hydrology), Helen Trotter (Water Quality Scientist), Amir Levy (Groundwater Scientist), Helen Manly (Team Leader Water) |
| **Endorsed by:** | Tom Dyer (General Manager Science and Resilience) |
| **Date:** | 28 October 2026 |
| **Portfolio Leads:** | Cr Kelliher and Cr Robertson, Science and Resilience |

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### PURPOSE

[1] This report has been prepared to introduce an outline of the Water Services Act 2021 (the Act) as it applies to the Otago Regional Council (ORC), present the Drinking Water Sources in Otago Report dated September 2026 for the period 1st January 2025 to 31st December 2025, and demonstrate how ORC is meeting it's obligations under the Water Services Act 2021 to share, publish and report on the quality and quantity of source water for drinking.

### EXECUTIVE SUMMARY

[2] The main purpose of the Act is to ensure that drinking water suppliers provide safe drinking water to consumers. The Act creates a regulatory framework for the supply of drinking water and a risk management framework for source water.

[3] Across Otago registered drinking water suppliers take water from over 100 sources, including groundwater and surface waters (i.e., lakes, rivers and artificial water courses). Suppliers range from small community and rural schemes to large municipal supply.

[4] The Report was produced after evaluating Information from registered drinking water suppliers and the ORC to provide an overview of source water in Otago, to summarise source water hazards and to identify risks evident from routine monitoring data.

[5] The Conclusions based on drinking water parameters currently monitored by or provided to ORC are:

<u>Quality</u>

a. Surface water sources are commonly affected by microbial contamination while nitrate levels generally present a low risk.

b. Conversely, groundwater sources were at lower risk of microbial contamination. While no supplier-reported groundwater source exceeded the nitrate maximum acceptable value (MAV) for drinking water, several supplies had concentrations

above natural background levels. Elevated nitrate levels were found in parts of Kakanui, Lower Waitaki, North Otago Volcanic Aquifer (North Otago), Ettrick/Teviot Valley, Clyde and the Maniototo areas.

c. Arsenic was identified as a significant potential contaminant for some groundwater systems, particularly around Lake Wakatipu, Maniototo, Inch Clutha, and the Shag Valley.

<u>Quantity</u>

d. Water availability varies considerably across the region, influencing the reliability of water resources and the level of risk during dry periods. Smaller catchments are generally more vulnerable to dry periods than lake-fed systems and large rivers. Groundwater level monitoring indicates that most aquifers experience cyclical fluctuations associated with climate variability.

## RECOMMENDATION

*That the Council:*

*1)* ***Notes*** *this report.*

## THE WATER SERVICES ACT 2021

[6] The main purpose of the Act is to ensure that drinking water suppliers provide safe drinking water to consumers. The Act creates a regulatory framework for the supply of drinking water and a risk management framework for source water. The Act also regulates drinking water, wastewater and stormwater networks.

[7] The Act provides for the regulatory functions of the Water Services Authority Taumata Arowai (hereafter Taumata Arowai), and it establishes the criteria for drinking water suppliers and outlines their obligations.

[8] Source water (untreated water) is provided for in subpart 5 of the Act. Section 41 provides that, together with measures set out in the Resource Management Act 1991, regulations made under RMA, and the National Policy Statement for Freshwater Management,

(a) the risks and hazards to source water are identified, assessed, managed, and monitored by drinking water suppliers and local authorities; and

(b) information on source water, and measures to manage risks and hazards to source water, are published on a regular basis by regional councils

[9] Regional Councils' key responsibilities in relation to source water risk management under section 46 of the Act are:

S46(1) to publish and provide Taumata Arowai with information on source water quality and quantity in the region annually (including any changes to source water quality and quantity) AND comply with any compliance rules[1] specifying the format and content of the information to be published.

[1] No compliance rules have been published specifying the format and content of the information to be published

S46(2) to assess the effectiveness of regulatory and non-regulatory interventions to manage risks or hazards to source water in their region at least once every 3 years, comply with any compliance rules specifying the format and content of the information, and make this information available to the public on its website.

Not complying with these obligations could result in a direction or compliance order being issued, sections 46(2), 46(3), 49(3), 105, and 120.

[10] Under the Act, all drinking water suppliers must ensure that the drinking water they supply complies with the standards, regardless of the nature of the source water used or the number of people served by the supply. Understanding source or 'raw' water quality is important for understanding the relative risk, treatment requirements, and potential issues for treatment performance.

[11] The Drinking Water Standards for New Zealand Regulations 2022 (DWSNZ) set the maximum acceptable values (MAV) for chemical, microbiological and radiological parameters that apply to drinking water at the point of supply (post-treatment). However, there are no standards for source water (pre-treatment) quality.

## SOURCE WATER REPORTING

[12] Information on source water quality and quantity must be reported annually by Regional Councils, however as noted, Taumata Arowai has not yet set format or content rules for this reporting. Regional Councils have been proactively engaging with each other to develop a common understanding of the requirements under the Act.

[13] The Report *Drinking Water Sources in Otago* (Attachment 1) is the ORC's first report aiming to satisfy the requirements of the Act for annual reporting (Section 46(1)). This report is subject to several limitations, notably in relation to the locations of source water and monitoring sites, the parameters monitored and the availability of land use information.

[14] Under Section 44 of the Act, drinking water suppliers are responsible for monitoring the quality of their source water and reporting the results of their source water quality monitoring to Taumata Arowai who must provide regional councils with monitoring results annually. It is within this context that regional councils have a complementary role in providing and publishing relevant information on source water quality and quantity to support the identification and assessment of risks and hazards to drinking water sources. The Science Team requested supplier monitoring results from Taumata Arowai in March 2026 and received results in April 2026 for the previous calendar year of 1 January 2025 to 31 December 2025.

[15] This assessment draws on the available drinking water supplier monitoring data, alongside data from ORC's State of the Environment (SOE) monitoring networks. In doing so we note that SOE networks are primarily designed to assess long-term state and trends in water quality, ecosystem health, recreational suitability, and water quantity at regional and catchment scales and are not specifically designed to monitor drinking water sources.

[16] SOE monitoring sites are often located in lower catchment areas to capture cumulative upstream influences and may therefore not represent conditions at specific drinking water source locations. An SOE monitoring site may be quite a distance from a drinking water supply, especially in large aquifers or rivers systems and may not therefore be positioned at or near source water abstraction points (which is where a drinking water supplier must monitor from). Consequently, SOE data is used to supplement the drinking water supplier reporting as a broad indication of potential and relative risks across catchments, rather than a direct assessment of risk for specific drinking water as that must be measured from a source water abstraction point.

## RESULTS

Quality

[17] For surface source waters all SOE and supplier sites exceeded the *E. coli* MAV (>1 MPN/100 mL), indicating widespread risk of microbial contamination, while nitrate concentrations were well below the MAV, consistent with a low risk from nitrate.

[18] Groundwater nitrate concentrations showed wide variability across the region, as documented in previous reports to Council[2]. Concentrations in most SOE groundwater bores were less than ¼ of the MAV (11.3 mg/L). However, there are also some areas with elevated nitrate, where median concentrations range between ¾ and above MAV. These include Kakanui, Lower Waitaki, and the North Otago Volcanic Aquifer (North Otago), Ettrick/Teviot Valley, the Maniototo and Clyde. No supplier-reported groundwater results exceeded the nitrate MAV.

[19] Groundwater sources had a lower risk of microbial contamination, with most bores either having no exceedances or exceedances in less than 25% of the samples. Poor bore security increases contamination risk by providing a path for contaminant ingress into the aquifer.

[20] Land use provides an important indication of potential source water contamination risk. Intensive agricultural, horticultural, and urban land uses generally present greater risk of nutrient and *E. coli* contamination, while catchments dominated by conservation estate or indigenous vegetation generally present lower risk. However, risk to individual water sources depends on geology, land use and localised hazards upstream of the point of take and may differ from the wider catchment.

[21] Groundwater quality can also be impacted by geologically sourced contaminants such as arsenic, prevalent in some parts of Otago with schist geology, notably around Lake Wakatipu, the Inch Clutha, Maniototo and Shag catchment areas. Arsenic distribution can vary substantially, including at small spatial scales, and concentrations of Arsenic can vary over time. It is therefore important that water supplies are regularly tested for arsenic to ensure compliance with DWSNZ. This testing is the responsibility of the drinking water supplier or owner, for small domestic supplies.

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[2] *State and Trends of Rivers, Lakes, and Groundwater in Otago 2017 – 2022.* Rachel Ozanne, Amir Levy, Hugo Borges. orc-river-lake-groundwater-state-and-trends-2017-2022.pdf

Quantity

[22] Water availability varies considerably across the region and provides an important indication of the reliability of water resources. Highly reliable lake-fed and large river systems are generally less sensitive to dry periods, while smaller catchments can be more vulnerable to climatic variability and reduced flows. Understanding these patterns helps inform water management, planning, and decisions about the sustainable use of water resources. Groundwater level monitoring indicates that most aquifers experience cyclical fluctuations associated with climate variability.

**DISCUSSION**

[23] ORC's SOE programme monitors a limited number of the parameters listed in the DWSNZ. Consequently, the occurrence and potential risk associated with many other contaminants in source water cannot be assessed from ORC's SOE monitoring data alone. Under the Act drinking water suppliers must undertake testing of treated drinking water for a broader standardised range of parameters.

[24] Currently there is an incomplete understanding of land use activities and contaminant sources within source water catchments. Unknown or poorly documented activities, such as agrichemical spraying, historical waste disposal, and septic tanks may introduce contaminants that are not captured in current monitoring programmes. These may pose unknown risks to drinking water sources.

[25] The source water results assessed were limited to those identified from the registered drinking water supplier dataset provided to ORC by Taumata Arowai for the 2025 calendar year. The number and source locations of unregistered drinking water suppliers are unknown. There may be domestic drinking water suppliers who are supplying to themselves and other supplies that are not required to be registered, as well as supplies and suppliers that are subject to registration requirements but are not currently registered. Regardless of registration status, all suppliers should understand the physical, chemical, and microbiological properties of their source water.

**PUBLICATION & INITIATIVES**

[26] In accordance with the Act ORC makes its water quality and quantity data publicly available via the Environmental Data Portal and LAWA, with further interpretation and trend analysis provided in periodic state and trends reporting.

[27] ORC has a range of initiatives to improve awareness of drinking water quality. These include:

- public meetings were held in collaboration with Queenstown Lakes District Council (QLDC) and the District Health Board in 2021 to raise awareness about arsenic in groundwater,
- In the Queenstown Lakes Area drop-in sessions were held in collaboration with QLDC to raise awareness about arsenic in groundwater, answer other drinking water questions and offer free bore security checks (2025, 2026),
- participation in forums on drinking water with Territorial Authorities,
- information for domestic bore users available via brochures and on the ORC website,

- notifying District Councils, Health Authorities, and Taumata Arowai when there are exceedances of MAV in SOE data,
- private bore checks and education campaigns (e.g. bore checks organised by the ORC Science team were offered at the Wanaka A&P show),
- updating bore consent conditions and planning provisions to increase bore security in Otago.

[28] Beyond the annual reporting requirements, a further obligation under the Act relates to the assessment of the effectiveness of interventions in managing risk or hazards to source water (section 46(2)) which needs to be completed every three years. This future work is planned and will align with intervention and policy effectiveness workstreams already proposed as part of the Science Programme development.

## OPTIONS

[29] This paper is for noting only. There are no options to consider or decisions to be made.

## SUMMARY OF CONSIDERATIONS

### Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

**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 mountains to the sea), including thriving ecosystems and communities, as well as flourishing biodiversity.

### Alignment with Central Government Legislation

This report complies with the statutory obligations of ORC under the Water Services Act 2021 and aligns with other relevant legislation including:

- NPS-FM 2020 – which requires councils to maintain or improve freshwater quality, including obligations to identify and manage values associated with drinking water supplies and water sources.
- Resource Management (National Environmental Standards for Sources of Human Drinking Water) Regulations 2007 – which require councils to consider and manage risks to drinking water sources through regional planning and resource consent decision-making.
- Resource Management Act 1991- which provides councils with powers and responsibilities to manage freshwater resources and control activities that may affect water quality and the values associated with water bodies, including drinking water sources.

### Alignment with Otago Regional Council Internal Policy

This work is consistent with relevant ORC policies, and the Regional Plan: Water for Otago, Water Quality Plan Change (Plan Change 8), and the Otago Regional Policy Statement 2021.

**Financial Considerations**
The budget for this work was approved through the 2024-2034 Long-Term Plan / 2025 Annual Plan and comes from the Environment – Climate Change and Resilience activity budget.

The ORC monitoring data analysed in this report was collected as part of routine SOE monitoring and therefore does not have an added cost associated with it. Staff time to analyse data and produce the report is estimated at a cost of approximately $18,000.

**Legal Compliance/Risk**
There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

This report has been prepared to fulfil Otago Regional Council's (ORC's) obligations under the Water Services Act 2021 to share, publish and report on the quality and quantity of source water for drinking.

Section 46(1) of the Water Services Act 2021 states:

> *"Regional councils must publish and provide the Water Services Authority with information on source water quality and quantity in their region annually, including any changes to source water quality and quantity."*

The attached report has been prepared as a first endeavour towards this requirement, recognising there is little precedent or guidance as to what is required as Taumata Arowai has not issued compliance rules for regional councils on the format and content of the information a regional council is required to publish under section 46 of the Act. This report is one of the first reports published by a regional council on source water information under the Act. Communication with other Regional Councils and Taumata Arowai is ongoing to clarify the requirements on Regional Councils.

**Reputational Risk**
This report is for noting only and therefore there is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

Recent examples of drinking water quality incidents highlight the intense public interest in drinking water safety, and the scrutiny on authorities if this is compromised. The ORC is one party under the Act's framework designed to ensure safe drinking water, and takes this responsibility seriously.

**Climate Resilience**
The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) are discussed in relation to water availability in this report. Climate change is expected to intensify risks to drinking water sufficiency during low flow periods and drought conditions.

**Carbon Emissions**
The implications of this work on organisational or regional greenhouse gas emissions have not been assessed.

**He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy**
This work is of LOW significance as assessed against He Mahi Rau Rika.

**Engagement with Mana Whenua**
There has been no engagement with mana whenua or Māori specifically for this work.

**Stakeholder Engagement**
ORC is required to contribute to the development of source water risk management plans by providing relevant information to suppliers ranging from territorial authorities to community and self-suppliers. Ongoing engagement with The Water Services Authority – Taumata Arowai, suppliers and community is required.

**Communications**
The Water Services Act 2021 requires source water quality information to be publicly available. ORC will develop a Drinking Water webpage, and this report will be published online as part of meeting these requirements.

## NEXT STEPS

[30] The next annual Drinking Water Source Report will be prepared in 2027 following the release of drinking water supplier information by Taumata Arowai for the reporting period ending December 2026 (expected in March 2027.) In addition, the effectiveness of interventions to manage risks or hazards to source water in our region must be assessed at least once every 3 years. Activities aimed to increase drinking water quality awareness in our communities, such as drop-in sessions with QLDC to raise awareness of arsenic in groundwater, promote water testing and the importance of bore security will continue.

## ATTACHMENTS

1. Report Drinking Water Sources Otago Sept 2026 Trotter et al [**11.6.1** - 55 pages]

Otago Regional Council

# Drinking Water Sources in Otago

## September 2026

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## Executive Summary

This report has been prepared to support Otago Regional Council's (ORC) obligations under the Water Services Act 2021 to share, publish, and report on the quality and quantity of drinking water supply source waters. Information from registered drinking water suppliers and ORC has been evaluated to provide a regional overview of source water in Otago, summarising current understanding of hazards and risks to source water as indicated by routine monitoring programmes. Registered drinking water suppliers abstract from over 100 sources across the region, comprising both groundwater and surface waters. Supply types range from small community and rural schemes to large municipal supplies serving urban populations.

Based on the parameters relevant to drinking water currently monitored by ORC, it is concluded that surface water sources are commonly affected by microbial contamination while nitrate levels generally present a low risk. Conversely, groundwater sources were at lower risk of microbial contamination, but elevated nitrate levels were identified in parts of North Otago, the Lower Waitaki, Ettrick/Teviot Valley, Clyde, Glenorchy, and Maniototo areas. No supplier-reported groundwater source exceeded the nitrate standard for drinking water, although several supplies had concentrations above natural background levels. Arsenic was identified as a significant natural contaminant for some groundwater systems, particularly around Lake Wakatipu, Maniototo, Inch Clutha, and the Shag Valley.

Water availability varies considerably across the region. Lake-fed systems and large rivers exhibit high reliability and low sensitivity to dry periods. In contrast, smaller rivers and tributaries are more vulnerable to extended dry periods and low-flow conditions. Groundwater level monitoring indicates that most aquifers experience cyclical fluctuations associated with climate variability.

Regional Councils must report annually on source water quality and quantity under the Water Services Act. However, the Water Services Authority - Taumata Arowai has not yet set compliance rules on the format or content of the report. Further work is also required to meet obligations concerning the assessment of intervention effectiveness in managing risk or hazards to source water.

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# 1 Introduction

## 1.1 Purpose

The purpose of this report is to present the relevant data and information ORC currently collects and holds with respect to source water in the Otago Region. This report has been prepared in accordance with statutory requirements for Regional Councils under the Water Services Act 2021 (the Act) relating to the sharing, reporting and publishing of source water quality and water quantity monitoring information as well as known risks or hazards for drinking water source supplies.

## 1.2 Background

Drinking water sources are defined as the water body from which water is abstracted for use in a drinking water supply, comprising surface water (rivers, streams, lakes and reservoirs), roof-collected rainwater, and groundwater accessed via bores and springs. Knowledge of source water quality and quantity, and the pressures acting on these, are fundamental for identifying and managing hazards and risks to drinking water sources, and to ensuring the safety and sufficiency of supplies. Source water may be subject to a range of pressures including land use activities, diffuse and point source contamination, competing water users and the effects of climate variability on water availability.

Under the Act, a drinking water supplier is defined as an entity that supplies drinking water to consumers. Suppliers may operate a range of supply types (i.e. networked supply, self-supplied building, water carrier) servicing very small (<50), small (50-500) and large (>500) supply populations. Domestic self-suppliers and shared domestic suppliers (where water is piped to any number of domestic dwellings and the total population does not exceed 25) are not considered suppliers under the Act. Key obligations for suppliers include registering their supply with The Water Services Authority - Taumata Arowai (hereafter Taumata Arowai), developing and maintaining a Drinking Water Safety Plan (including a Source Water Risk Management Plan), meeting drinking water standards, and notifying Taumata Arowai of notifiable risks or hazards. Suppliers must also maintain records of supply, compliance, and monitoring, and provide a complaints process for consumers.

As of 2024, there were 90 registered drinking water suppliers with 126 sources in Otago, (Taumata Arowai data, 2024), servicing supply populations ranging from 5 – 113,000 consumers. Territorial authorities/government agencies comprise about 60% of suppliers and registered companies make up a further 23% of suppliers. Incorporated societies represent 10%, with the remainder being a small number of individuals, unincorporated societies and ‘other’ ownership types (e.g. property owners association or body corporate). Sixty-two percent of sources are from groundwater and 36% are from surface waters; 2% of sources were unclassified.

## 1.3 Statutory Requirements and Regulatory Framework

### 1.3.1 Water Services Act 2021

The purpose of the Act is to ensure that drinking water suppliers provide safe drinking water to consumers by providing a regulatory framework for the supply of drinking water and a risk management framework for source water. This legislation gives Taumata Arowai the legal authority

to perform its regulatory duties and functions as the Water Services Authority and defines the duties of drinking water suppliers. Supplementary goals underpinning the Act (s3(2)) include transparency, capability building, ensuring sufficient quantity of supplies and continuous improvement.

Regional Councils are positioned as key partners particularly with respect to the risk-based management of source water. Under Section 44 local authorities are required to contribute to the development and implementation of source water risk management plans (prepared by drinking water suppliers), including by providing information on:

- land-use activities, potential sources of contamination, and other water users that could directly or indirectly affect the quality or quantity of the source of a drinking water supply; and
- water quality monitoring of the source of a drinking water supply conducted by a regional council; and
- any known risks or hazards that could affect the source of a drinking water supply

Section 46 outlines requirements for regional councils to regularly publish information on source water and the effectiveness of measures to manage risks and hazards to source water.

### 1.3.2 National Environmental Standards for Sources of Human Drinking Water

The NES-DW (2007) requires regional councils to consider the effects of activities on drinking water sources in decisions on resource consents and in regional plans. Specifically, it requires councils to:

- decline discharge or water permits that are likely to result in drinking supplies becoming unsafe following existing treatment,
- ensure that permitted activities in regional plans will not result in drinking water becoming unsafe following existing treatment and,
- place conditions on relevant consents requiring notification of drinking water suppliers in case of significant unintended events (i.e. spills or discharges) that may adversely affect the safety of drinking water sources.

### 1.3.3 Other legislation

Further relevant national direction regarding the management of freshwater is provided in the National Policy Statement for Fresh Water Management (NPS-FM), the National Environmental Standards for Freshwater (NES-F), and the Resource Management (Stock Exclusion) Regulations 2020. The Objectives and Policies (Part 2) of the NPS-FM directs that the health needs of people (such as drinking water) are a second priority, below ecosystem health and above other uses of water. Drinking water supply is also listed as an 'other value' that must be considered in Appendix 1B of the policy.

### 1.3.4 Regional Plan

The operative Regional Plan: Water for Otago (RPW) aims to manage the adverse effects of contaminant discharges to water and land from a range of activities. The RPW also provides some additional protection for domestic or community water supplies, although this is mostly limited to setback requirements for high-risk activities, including discharges of human sewage and animal

effluent storage, and the identification of a limited number of areas, mainly within aquifers, as Groundwater Protection Zones (GWPZ), Figure 1.1. However, a review of the GWPZ has highlighted various issues (ORC, 2024). These included incomplete mapping, outdated delineation methodology, and the lack of consistent approach regarding the management of activities within the GWPZ. Furthermore, monitoring data has also indicated that the GWPZ have not made a significant difference to the overall groundwater quality within them. It was therefore recommended to remove the GWPZ from the proposed Land and Water Regional Plan (Yeo and Smith, 2023).

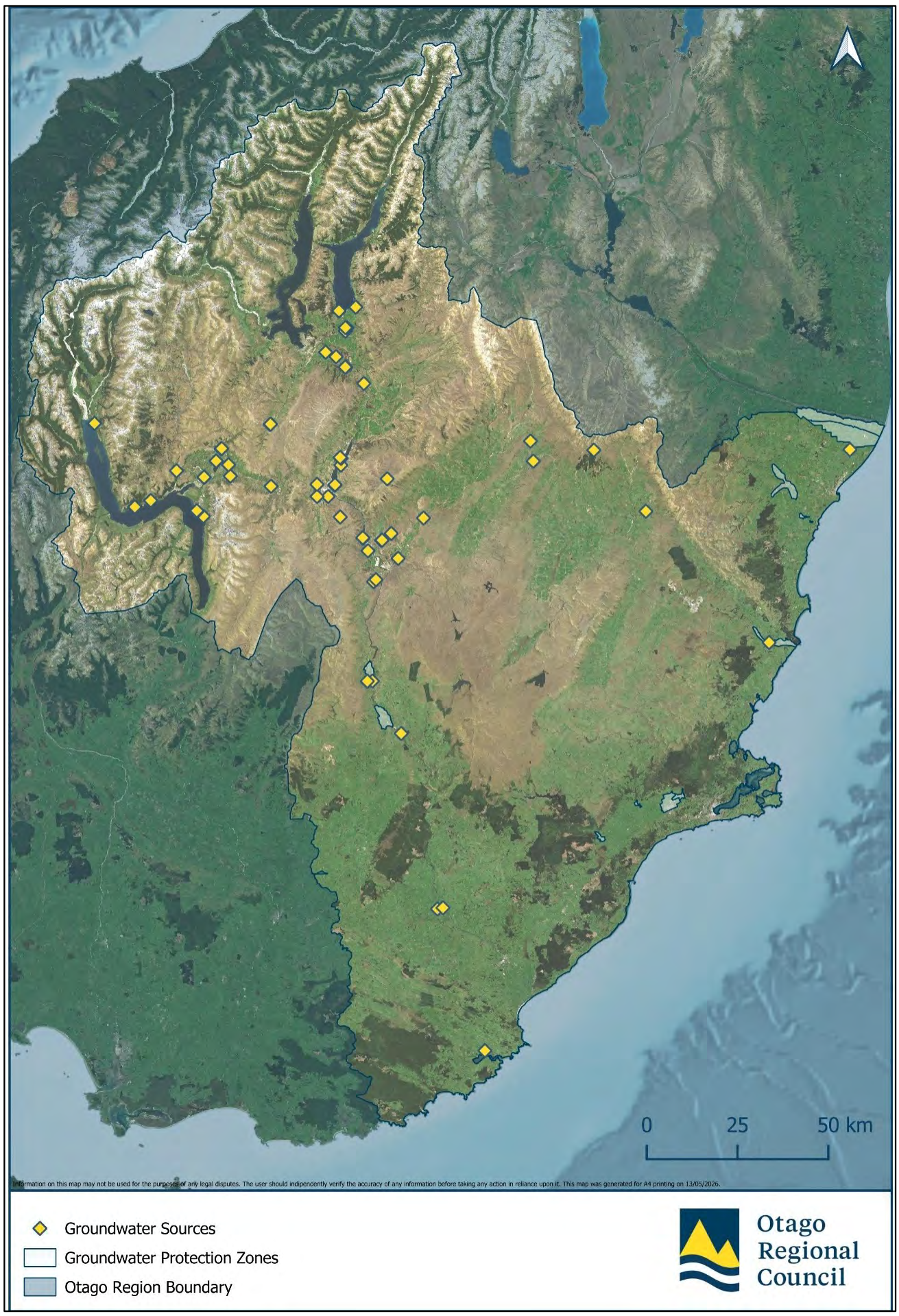



*Figure 1.1. Location of Groundwater Protection Zones and groundwater-sourced supplies*

## 1.4 Drinking Water Standards and Aesthetic Values

### 1.4.1 Drinking water standards

The Drinking Water Standards for New Zealand (DWSNZ) established under the Act, set limits for the concentration of determinands in drinking water, referred to as Maximum Acceptable Values (MAVs). Drinking water suppliers must comply with the standards, regardless of supply size or the nature of the source. The DWSNZ specify MAV for microbiological and chemical (inorganic, organic and radiological) determinands.

### 1.4.2 Aesthetic values

Guidelines for Aesthetic Values (substances or other characteristics affecting acceptability of drinking water to consumers i.e. taste, odour, or appearance) are issued by Taumata Arowai in accordance with the Act. Drinking water suppliers must take all reasonably practicable steps to comply with the specified values.

### 1.4.3 Relevance to Source Water

The Aesthetic Values and DWSNZ are intended to protect public health at the point of supply and apply to treated or 'finished' drinking water supplied. Source water is considered 'raw' and may require treatment to manage public health risks arising from chemical, microbial or physical contaminants which may occur naturally and as a result of human activities.

While the DWSNZ are not directly applicable to source water, they may still be helpful to assess source water quality to understand relative risk, determine treatment requirements, and identify potential contaminants of concern or issues for treatment performance. This report uses the DWSNZ and associated Aesthetic Values to provide context for monitoring results, support risk-based assessment of source water quality, and inform ongoing source protection and monitoring efforts in accordance with the Act.

It is important to note that the DWSNZ vary considerably from the attribute band criteria against which State of the Environment (SOE) surface water data are generally assessed. This is due to different requirements for safe drinking water and surface water for other freshwater values (i.e. aquatic life, recreation) (Table 1.1).

For example, the *E. coli* standard under the NPS-FM is based on safety for contact recreation, while the DWSNZ sets a much more stringent limit due to the high risk from direct consumption of drinking water. Conversely, the NPS-FM attribute criteria for Nitrate-N are more stringent than the DWSNZ to protect sensitive aquatic life from toxicity effects.

*Table 1.1. Comparison of Drinking Water Standards and Aesthetic Value Thresholds for select water quality parameters considered in this review with A-Band (excellent / least impacted condition) criteria for ecosystem health in the NPS-FM,*

| Parameter | DWSNZ MAV or Aesthetic Value Threshold | NPS-FM A Band Criteria |
|---|---|---|
| *E. coli* | <1 MPN/100mL | <540 MPN/100 mL (95$^{th}$ percentile) |
| Nitrate-N | 11.3 mg/L | <1.5 mg/L (95$^{th}$ percentile) |
| Arsenic | 0.01 mg/L | NA |
| Turbidity | ≤ 5 NTU | NA |
| Cyanobacteria (planktonic) | 6 µg/L Anatoxins<br>0.8 µg/L Cylindrospermopsins<br>1 µg/L Microcystins / Nodularins<br>3 µg/L Saxitoxins | ≤0.5 mm$^3$/L total biovolume (80$^{th}$ percentile) |
| Cyanobacteria (benthic) | | NA |

# 2 Available Information and Data

Information to assess source water quality, quantity and risks and hazards are summarised below. This includes SOE monitoring data collected by ORC as well as source water sampling results collected by drinking water suppliers. Selected relevant technical reports and memoranda are also listed. Results of water quality monitoring data from supplier testing and ORC's SOE programmes are presented in Section 3 of this report. Supplier monitoring data includes results for over 60 parameters in line with the DWSNZ. However, this review focuses on the following subset of key parameters which are also monitored by ORC.

## 2.1 Parameters

### Arsenic

Arsenic is a highly toxic, naturally occurring element. Exposure to elevated arsenic can lead to a range of cancers and other non-cancer adverse effects (Piper and Kim, 2006). The MAV for arsenic in drinking water is 0.01mg/L. Arsenic in water can originate either from human activities (e.g. sheep dips, treated timber or gold mining) or natural sources such as reduced peat deposits, volcanic rocks or schist geology (e.g. Piper and Kim, 2006). Schist geology is abundant in Otago and therefore arsenic monitoring is particularly important (Bloomberg et al., 2019). Arsenic in surface water is generally lower than in groundwater, as dilution by surface runoff, adsorption, and co-precipitation limit accumulation. However, elevated concentrations may occur in catchments with natural sources of arsenic as described above, or where gold mining has mobilised arsenic from sulphide-bearing deposits into surface water.

## Cyanobacteria

Cyanobacteria (also known as blue-green algae or toxic algae) are photosynthetic bacteria commonly found in low or moderate numbers in a range of freshwater environments including both lakes (primarily planktonic cyanobacteria) and rivers (primarily benthic cyanobacteria). Some cyanobacteria produce toxins called cyanotoxins that are poisonous to humans and other animals. These can be contained within the cyanobacterial cell or released from the cell into the surrounding water. Some cyanobacteria also produce taste- and odour-causing compounds that can affect drinking water. Although no single MAV applies, suppliers must assess and manage the risk to ensure compliance with DWSNZ requirements for toxin control. Conditions that promote growth of planktonic cyanobacteria in lakes include nutrient enrichment, high water temperatures, long hydraulic retention time (>1 month) and stable water column stratification. Benthic cyanobacteria blooms in rivers are driven by stable low-flow conditions, specific nutrient ratios, high availability of light, and elevated water temperatures.

## Escherichia coli (*E. coli*)

The presence of *E. coli* in water indicates faecal contamination and the possible presence of disease-causing pathogens. Key *E. coli* sources include diffuse agricultural runoff, direct deposition from livestock, feral animals and birds, septic tanks and wastewater discharges. Concentrations are strongly influenced by rainfall and flow conditions, with peak levels typically occurring during and following heavy rainfall events. The MAV for *E. coli* in finished drinking water is <1 MPN/100mL. Hence, even source water with pristine water quality will often contain naturally-sourced bacteria levels that exceed the MAV. Conversely, groundwater *E. coli* concentrations are generally substantially lower and often meet MAV, as water is naturally filtered by soil and rock and the subsurface environment does not support bacterial survival. Therefore, groundwater sources are at lower risk of faecal contamination than surface water. However, shallow, unconfined aquifers that are highly connected to surface water have a higher risk of *E. coli* contamination. Intensive farming, wastewater discharges, and poorly secured boreheads in such aquifers further increase contamination risk.

## Nitrate

Nitrate is a dissolved, inorganic form of nitrogen (N), required for the growth of plants and algae. Nitrate-N (hereafter nitrate) is the most readily available nutrient for uptake by plants. Hence, it is widely used as fertiliser. However, excess nitrate can adversely impact water quality and ecosystem health. Nitrate in drinking water can also cause human health issues. The DWSNZ nitrate MAV of 11.3 mg/L is set at a level intended to prevent the formation of methemoglobinemia, or ‘blue baby syndrome’, which impedes oxygen transport around the body in infants (MoH, 2018). There is also increasing research regarding the connection between nitrate in drinking water and cancer (e.g., Rogers et al., 2023). In surface waters, dilution and attenuation processes (i.e. uptake by plants, microbial denitrification), along with short water residence time limit the accumulation of nitrate. These processes are largely absent in groundwater; hence nitrate leached through the soil profile accumulates over time and concentrations are generally higher than in surface water. Concentrations also remain high due to the longer residence time of groundwater.

### Turbidity

Turbidity is the cloudiness of water caused by suspended particles, measured in Nephelometric Turbidity Units (NTU). While it has no health significance, increased levels and variability of turbidity can affect disinfection effectiveness during the treatment process. It also affects the aesthetic properties of drinking water. The aesthetic MAV for turbidity is ≤5 NTU (Table 1.1). Elevated turbidity is typically associated with rainfall and increased river flows, which mobilise sediment from the catchment and streambed. Land-use activities that disturb soil, such as agriculture, forestry operations, or earthworks, can exacerbate sediment runoff and contribute to these spikes. Natural processes, including erosion of poorly consolidated rocks or sediment resuspension during high flows, can also increase turbidity independent of human activities.

## 2.2 Drinking water supplier monitoring data

Under Section 44 of the WSA, drinking water suppliers are required to monitor the quality of their source water at the abstraction point in accordance with their drinking water safety plan. Monitoring requirements (i.e. number of parameters, sampling frequency) may be proportionate to the scale and complexity of the supply and known risks or hazards. Suppliers are required to provide results to Taumata Arowai annually, and these are, in turn, provided to regional councils for the purpose of information sharing and reporting.

This report presents annual monitoring data for the year ending December 2025. Median nitrate results are reported for parameters when multiple results are available for a location. *E. coli* results were assessed by calculating the percentage of samples exceeding the MAV. For surface water, median values were also considered to characterise typical *E. coli* levels and provide a measure of relative risk where the MAV is exceeded most of the time. Arsenic reporting uses the maximum concentrations, as elevated concentrations generally persist. Therefore, maximum concentration provides a better indication of the risk than other statistics.

## 2.3 State of the Environment monitoring data

### 2.3.1 Surface water quality

The surface water quality SOE program monitors the state and trends in water quality across Otago's rivers and lakes, covering 105 rivers sites and 8 lakes (Figure 2.1). In addition to the Resource Management Act 1991, monitoring requirements for this programme are specified by the NPS-FM. A combination of monthly water sample collection, continuous data sensors and annual surveys of stream life are used to assess various components of ecosystem health.

Specific parameters relevant to the assessment of source water quality further discussed in this report include *E. coli*, nitrate-nitrite nitrogen and turbidity. Arsenic is not routinely monitored in surface waters. Results for the 5-year period between July 2020 to June 2025 were included in the analysis in accordance with current state assessment in the national reporting framework in the NPS-FM. SOE results are routinely reported in 5-yearly SOE and annual water quality report cards, which assess results against the national reporting framework (NOF Tables) in the NPS-FM:

Water Quality and Ecosystem Health Annual Report Card 2025
State and Trends of Rivers, Lakes and Groundwater in Otago 2017-2022

Data are also publicly available via the ORC Environmental Data Portal and are published annually to Land Air Water Aotearoa (LAWA).

During the summer bathing season an additional recreational water quality monitoring programme is undertaken to assess risks to human health from microbial contamination and cyanobacteria at popular swim sites (Figure 2.1). Weekly results are assessed against national guidelines, and public health warnings are issued where results exceed the relevant threshold. Data is published to LAWA and presented in an annual report card:

Recreation Water Quality Annual Report Card 2026

It is important to note that the *E. coli* MAV in the DWSNZ is significantly lower than the standards for contact recreation, reflecting the difference in relative health risk associated with swimming versus drinking. Therefore, contact recreation results should not be used to assess drinking water suitability.

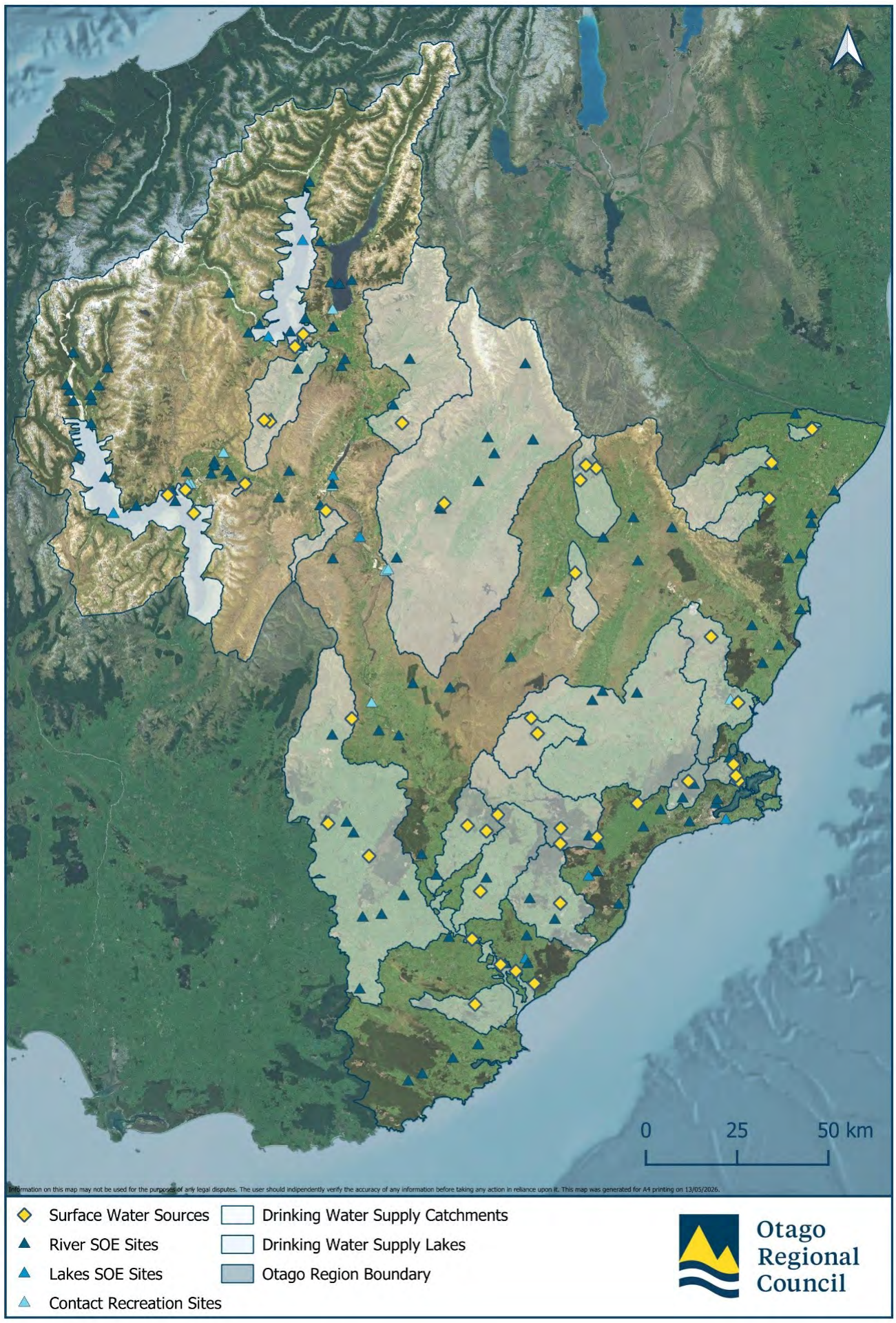



*Figure 2.1. Surface water source locations and source water catchments and lakes in relation to ORC monitoring locations for surface water SOE and contact recreation programmes.*

### 2.3.2 Groundwater quality

Groundwater quality SOE data between June 2020 and July 2025 was collected from 94 SOE monitoring bores, located across Otago's five freshwater management units (FMU), (Figure 2.2). The bores are located on both private and public land and have varying degrees of borehead protection (ORC, 2023). However, it is important to remember that the SOE monitoring bores only provide a representative snapshot, rather than a full picture, of groundwater quality in an aquifer. Groundwater quality is monitored quarterly by collecting grab samples from the SOE bores which are analysed in an accredited laboratory for microbiological (*E. coli*) and geochemical (major anions and cations, metals) parameters (ORC, 2023). In addition to that, water level and physicochemical parameters (temperature, pH, Electrical Conductivity, Dissolved Oxygen) are also measured on site during the sample collection, in accordance with the National Environmental Monitoring Standards for groundwater sampling, measurement, processing, and data archiving (NEMS, 2019). Further description of the sampling methodology is found in ORC (2021). Drinking water quality is assessed against the DWSNZ (DIA, 2022) with a focus on *E. coli*, dissolved arsenic, and nitrate-N. Further information on groundwater quality in Otago is found in the following reports:

Groundwater SOE Report 2021

State and Trends of Rivers, Lakes and Groundwater in Otago 2017-2022

Groundwater quality data is also publicly available via the ORC Environmental Data Portal and is published annually to Land Air Water Aotearoa (LAWA).

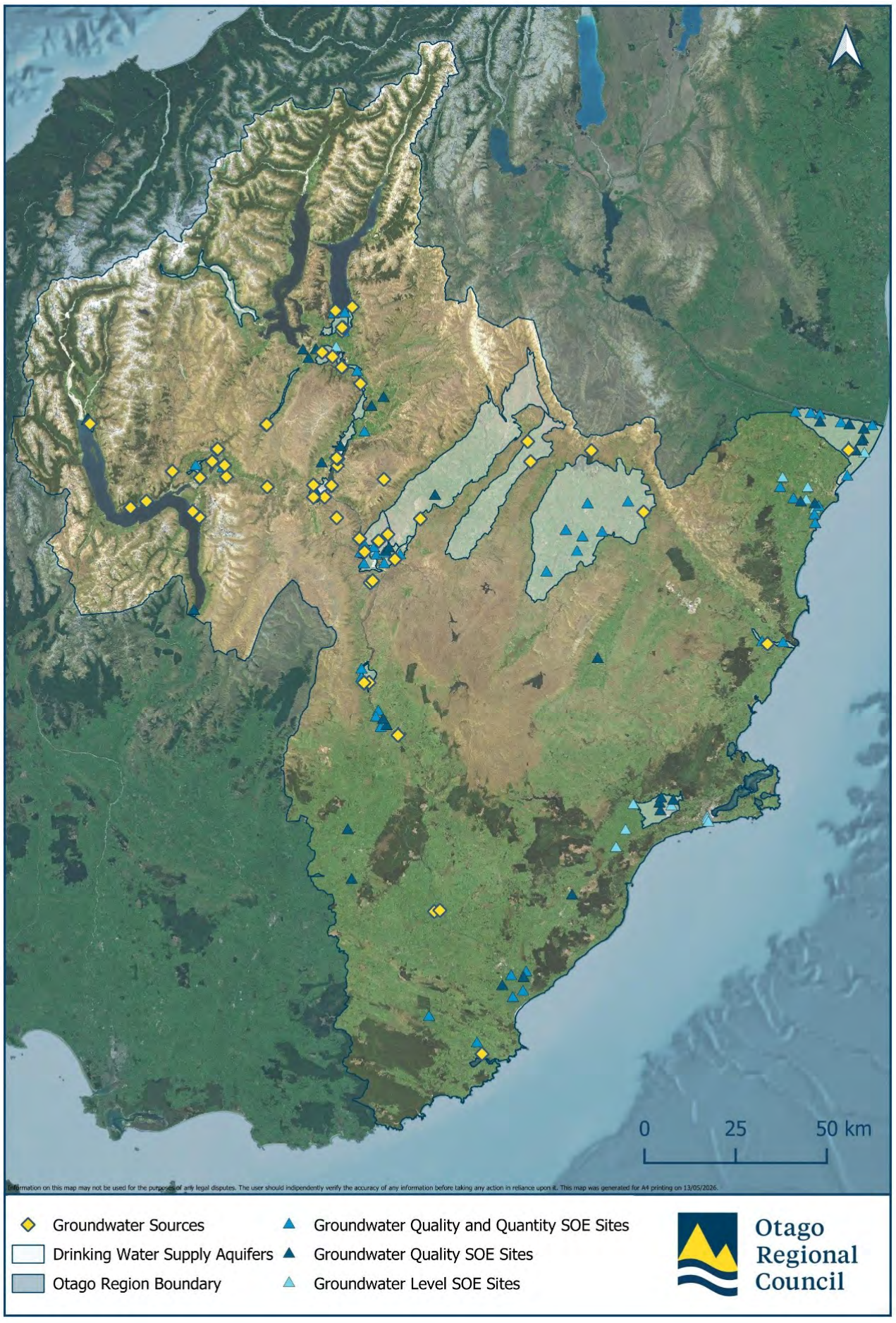



*Figure 2.2. Map of groundwater-sourced supplier locations and source water aquifers in relation to ORC groundwater quality and level SOE monitoring sites.*

### 2.3.3 Surface water quantity

Otago Regional Council's hydrometric monitoring network collects data and information on water quantity from rivers, lakes and rainfall, and this information is available to the public through the Environmental Data Portal. ORC's hydrometric monitoring network is made up of 95 flow sites (80 sites maintained by ORC and 15 sites maintained by Earth Sciences New Zealand) (Figure 2.3), 14 lake level (7 sites maintained by ORC and 7 sites maintained by Earth Sciences New Zealand), and 99 rainfall (92 maintained by ORC and 7 maintained by Earth Sciences New Zealand) monitoring sites.

ORC's hydrometric monitoring network provides data for:

- SOE monitoring
- Detecting long and short-term trends in climate and in water resources
- Assessing minimum flows, to support compliance monitoring of resource consents and sustainability of ecological habitats
- Flood warning and monitoring
- Engineering design for flood protection
- Use in catchment-based projects

The network was not established with drinking water source availability in mind, however, where monitoring sites coincide with areas of interest, the available data will be used.

### 2.3.4 Groundwater level

ORC does not monitor groundwater quantity directly, in contrast to the continuous monitoring of river flows. Groundwater levels serve as an indicator of groundwater quantity and are currently continuously monitored in 63 SOE bores (Figure 2.2). In addition to that, quarterly measures of groundwater levels are collected alongside groundwater samples.

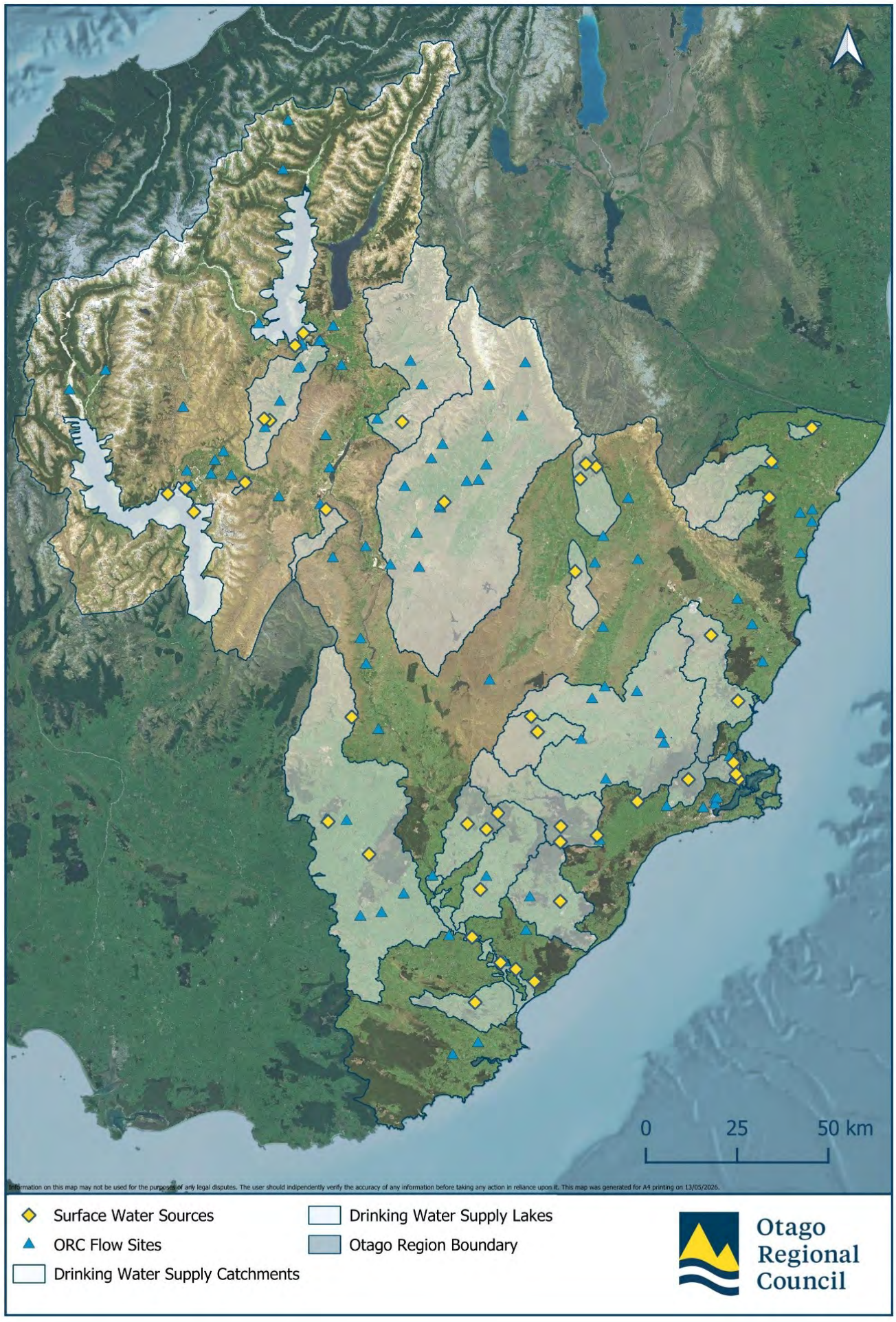



*Figure 2.3. Map of the surface water supplier locations and source water catchments and lakes in relation to ORC river flow monitoring sites.*

## 2.4 Consent Information

Consents to discharge to land and water are important as they regulate the type, volume and quality of contaminants that can be released into the environment. Consented discharges can occur either directly into rivers and lakes or indirectly through land where contaminants can leach into groundwater or runoff into surface water. Consents set limits, have conditions requiring treatment and enforce monitoring. However, despite these regulations, discharges can still introduce contaminants to the environment that may pose a risk to drinking water sources. Discharge to land and discharge to water consents in Otago within surface water source catchments and groundwater source aquifers are included in Figure 2.4 and Figure 2.5, which show their locations relative to drinking water sources. Discharge to Water consents have been filtered and consents relating to dams, spillways, hydroelectricity, races and residual/environmental flows have been removed. Locations and consent details for all water take and discharge to land or water consents are available on Otago Maps: Otago Maps – Consents in Otago.

In addition to consented activities, many wastewater discharges to land occur as Permitted Activities. These are challenging for ORC to manage as, despite their risk to source water, ORC does not know the location of many discharges from Onsite Wastewater Management Systems (OWMS) across Otago. Locations were previously estimated (ORC, 2015) and there is currently work underway to update these in collaboration with Public Health & Forensic Sciences New Zealand (the former Crown Research Institute ESR).

### 2.4.1 Regulatory Compliance

Under the RPW, there are Permitted Activity provisions under Rule 12.1.2.1 (for surface water) and Rule 12.2.2.1 (for groundwater) that allow very small takes of up to 25,000 litres per day for domestic purposes. Larger water takes require consents. Every consented take (except retakes from supplemented water) must be measured. Water takes exceeding 5 litres per second must have their abstraction rates and volumes telemetered to the ORC. Those that are less than 5 litres per second must submit data about the water take to the Council in a manner prescribed in the consent. The Environmental Delivery Data & Systems Team ensures that the volumes of water being taken are within the consented limits and that the meters measuring each water take are accurate, as per consent conditions and regulations.

For consented takes, the Compliance Team undertakes monitoring programmes to confirm compliance with consent conditions and associated regulations. Site visits assess the location of takes, water efficiency (including leaks), ensure that no contamination of the source water is occurring, and monitor how the water is being used. They compare these observations with the consent conditions and regulations. Monitoring occurs for every consent, regardless of how the water is used. Drinking water is only one potential use of this resource. Often, consent holders utilise these water supplies for multiple purposes simultaneously. Irrigation, wash water, stock water, and domestic usage may all be covered by the same consent. Alternatively, the consent may be for a single use on the farm, while the infrastructure also supports water use permitted by regulation or the RPW.

Reports on observations from both the Environmental Delivery Data & Systems Team and the Compliance Team are submitted to the Consent Holders. In cases of non-compliance with consent conditions or regulations, the Environmental Delivery Group will take a combination of educational and enforcement actions until compliance is achieved.

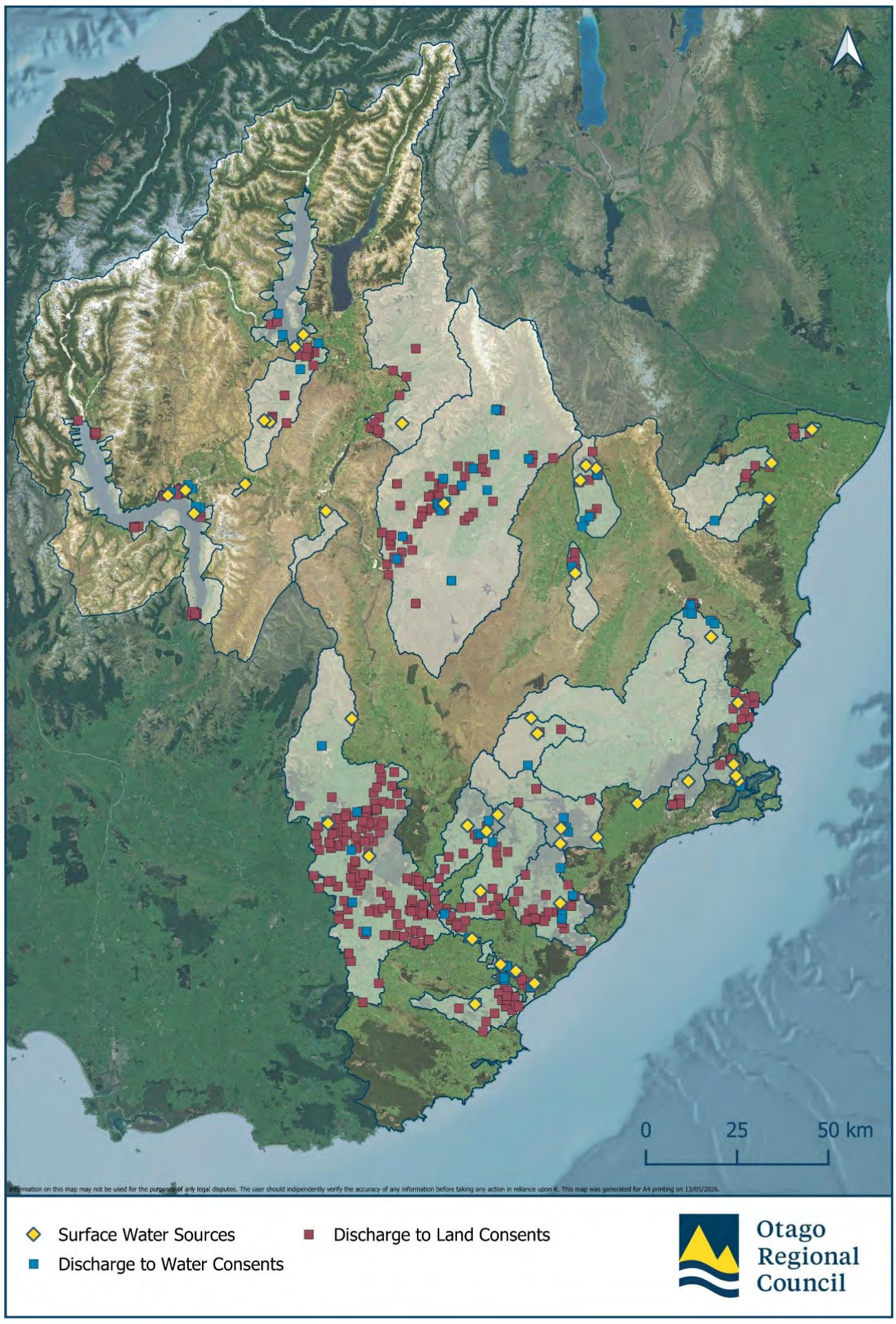



*Figure 2.4. Map of the discharge to land and discharge to water consents within surface water source catchments in Otago*

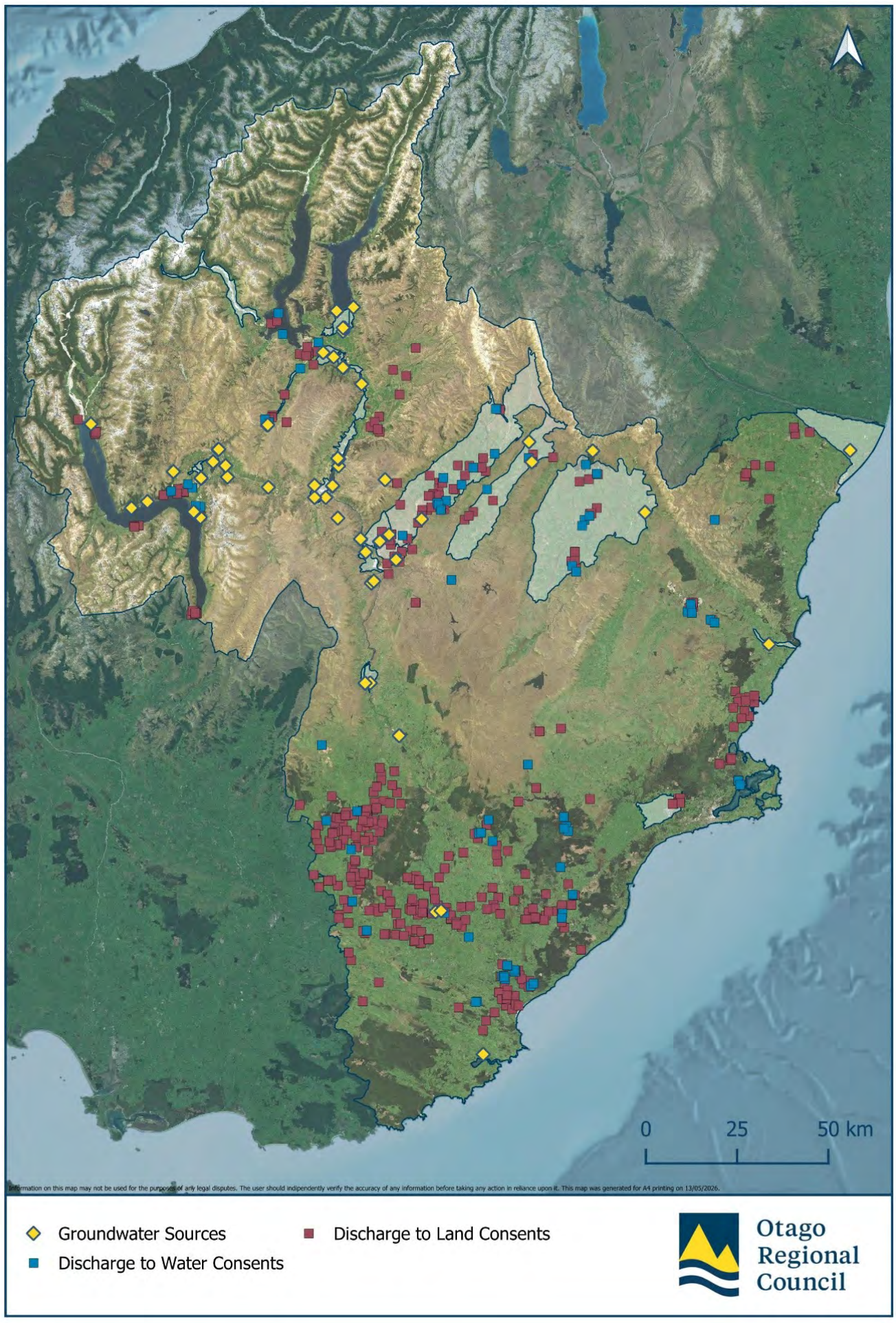



*Figure 2.5. Map of the discharge to land and discharge to water consents and aquifers containing groundwater-sourced supplies in Otago.*

# 3 Results

## 3.1 Supplier water quality data

Monitoring data from 51 registered water suppliers collected at 84 sources in the 2025 calendar year was provided by Taumata Arowai. No data was reported for 42 groundwater sources and 10 surface water sources that were registered as of 2024. The current status of these sources is unknown. In addition, some sources included in the reported data were not included in the summary of all registered suppliers and sources provided in 2024. The number of supplies reported by source type is presented in Table 3.1.  and the results for key water quality parameters for surface water and groundwater supplies are discussed below.

*Table 3.1. Number of sources with supplier reported water quality data for 2025, categorised by source type. For lakes, individual source points in the same lake have been counted separately.*

| Source Water Type | Number of Sources |
|---|---|
| Groundwater (Well or Bore) (<10 m deep) | 1 |
| Groundwater (Well or Bore) (10-30 m deep) | 25 |
| Groundwater (Well or Bore) (>30 m deep) | 11 |
| Spring | 2 |
| **Total Groundwater** | **39** |
| River, Stream, Creek | 35 |
| Lake (including artificial reservoirs) | 9 |
| Rainwater (Roof collected) | 1 |
| **Total surface water** | **45** |
| **Total supplies** | **84** |

### 3.1.1 Surface water

#### Nitrate

Nitrate results were reported for 43 surface source water supplies; 39 sources had at least monthly results, two sources had four or fewer results and no results were reported for two sources. The median nitrate concentration was calculated for each source to characterise its typical nitrate concentrations. Median nitrate concentrations were below the nitrate MAV (11.3 mg/L) for all sources (Figure 3.1). Seventy-five percent of sources had median concentrations <0.05 mg/L. The maximum nitrate concentration reported for a surface water source was 5.49 mg/L.  Just eight results from three sources exceeded 1 mg/L. Overall, these results indicate that the risk of elevated nitrate in registered surface water sources is low.

#### *E. coli*

Results for *E. coli* were reported for 41 sites; the average number of tests per supply was 25, with the number of results ranging from 2–47. For each supply, the percentage of samples exceeding the MAV (<1 MPN/100mL) was calculated (Figure 3.2). At most sources, all samples exceeded MAV. Only four sources had < 25% of samples exceed the MAV. About 40% of exceedances had results of 1–10

MPN/100 mL, 40% had 10–100 MPN/100 mL, and 20% had > 100 MPN/100 mL. The highest result reported was 5000 MPN/100 mL.

These data show microbial contamination risk in surface water, although the level is often only marginally above the MAV. Median *E. coli* was <30 MPN/100mL for approximately half of surface water sources (Figure 3.3) and 13 sources had very low median *E. coli* levels of <2.5 MPN/100 mL. Most of these sources are found in the Clutha Lakes or upper catchment areas. Sources with higher median *E. coli* tend to be in catchments with more intensive land use including the Pomahaka, Lower Clutha, Upper Taieri, Tokomairiro and Cardrona.

## Arsenic

Maximum arsenic results were below MAV (0.01 mg/L) for all 39 sources reported. Of these, 30 sources had only a single result reported. For most sources arsenic was typically below the detection limit <0.002 mg/L (Figure 3.4). Two sources, in the Upper Waikouaiti and Meggat Burn catchments, reported maximum arsenic of 0.004 mg/L and 0.003 mg/L, respectively. The risk of arsenic in surface water is therefore considered low.

## Turbidity

Turbidity data was reported for 20 sources (Figure 3.5). Median turbidity was below 1.4 NTU at 50% of sources. Eight sources had maximum values greater than MAV (≤5 NTU) and median turbidity was above 5 NTU at two sources.

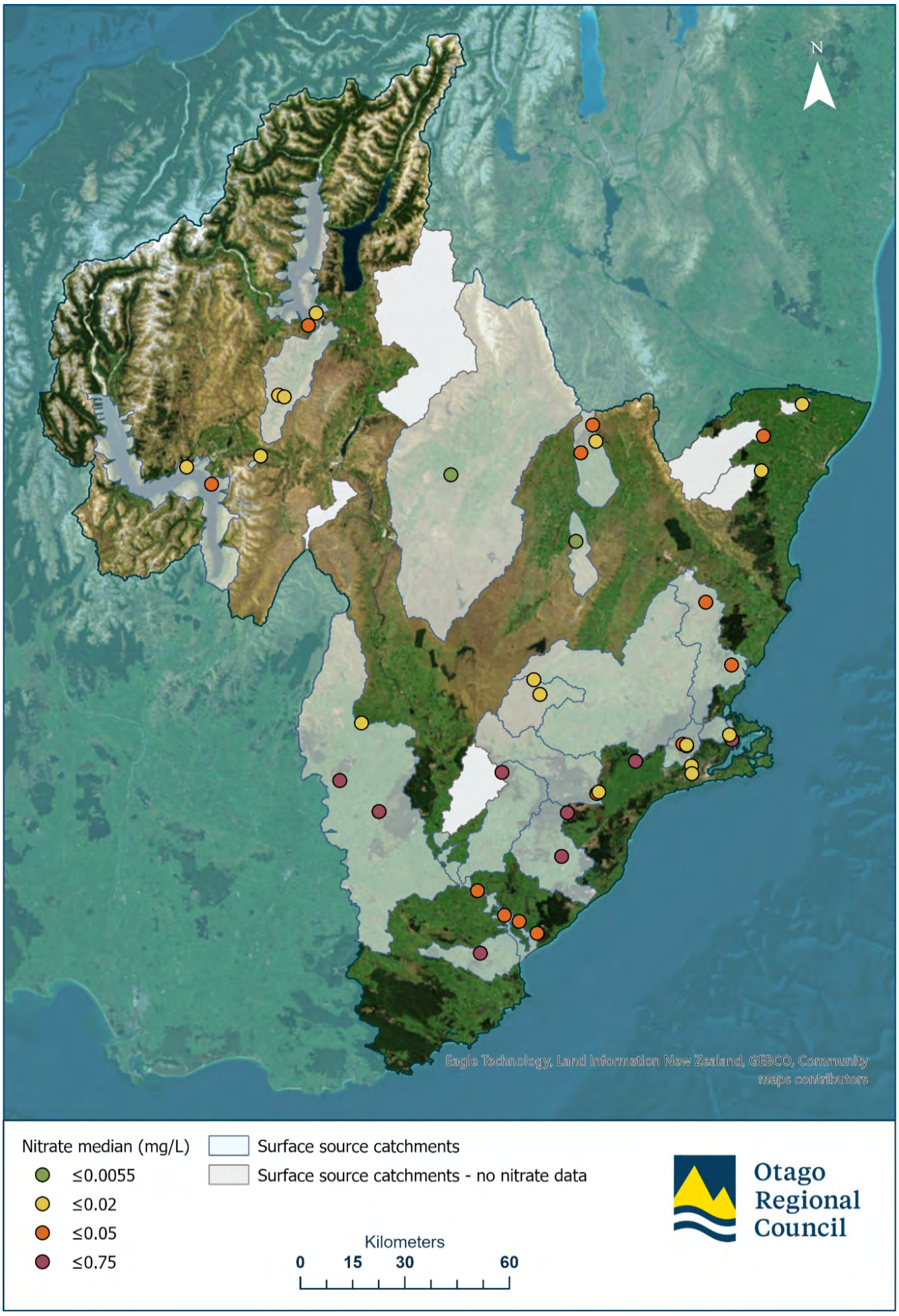



*Figure 3.1. Median nitrate (mg/L) for surface water supply sources monitored by registered water suppliers in 2025.*

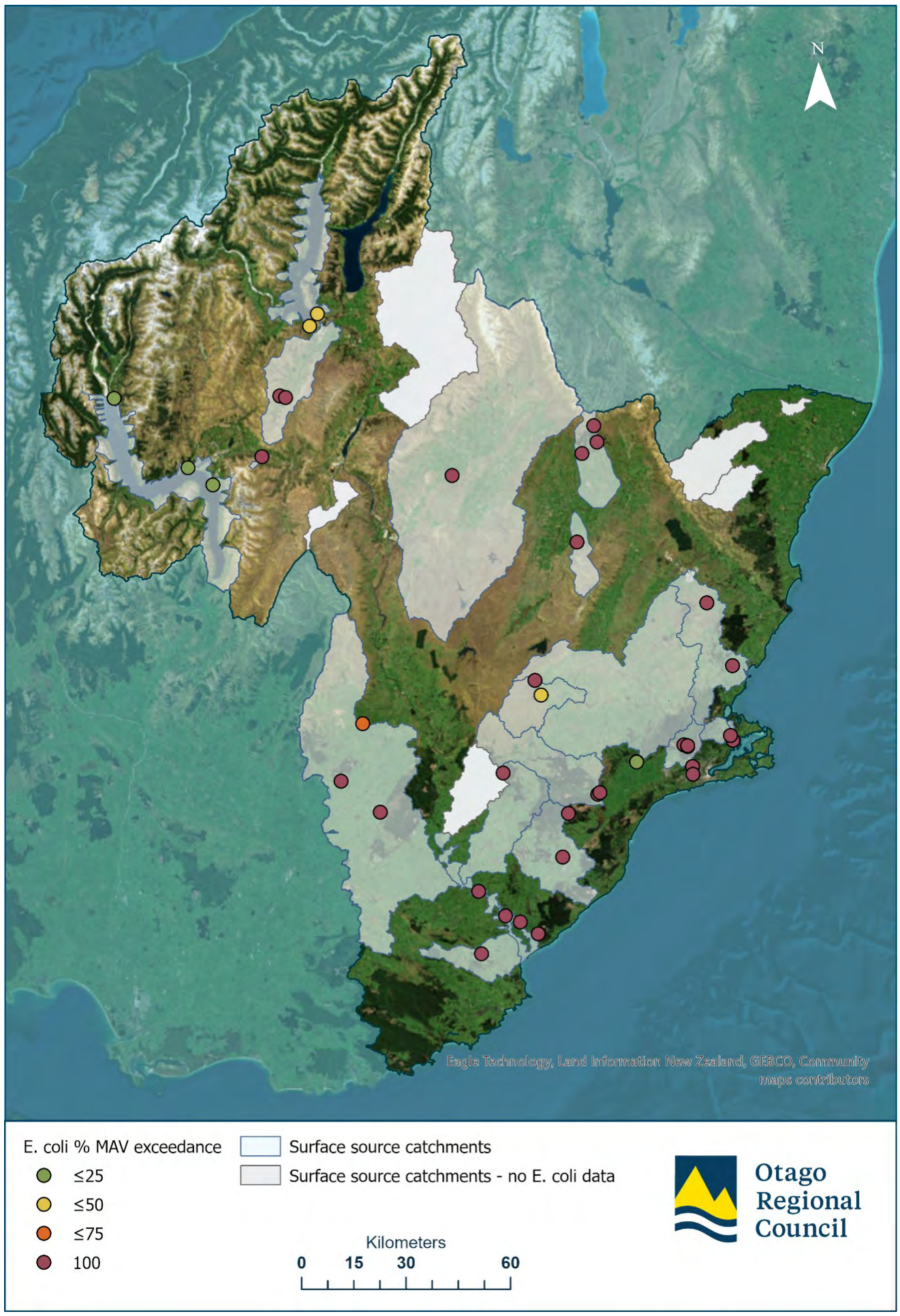



*Figure 3.2. Percent of samples exceeding E. coli MAV for surface water supply sources monitored by registered drinking water suppliers in 2025.*

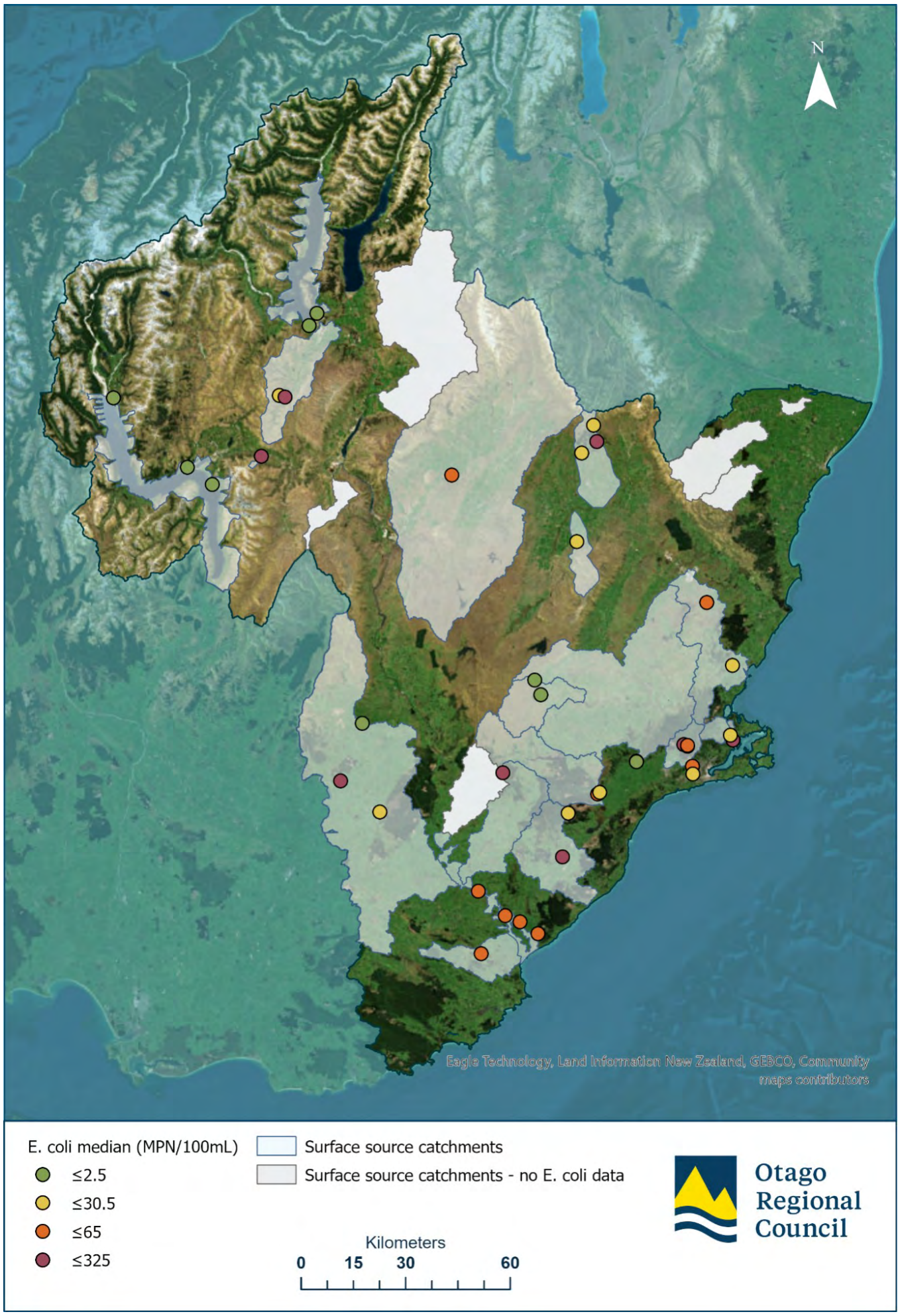



*Figure 3.3. Median E. coli (MPN/100mL) surface water supply sources monitored by registered drinking water suppliers in 2025.*

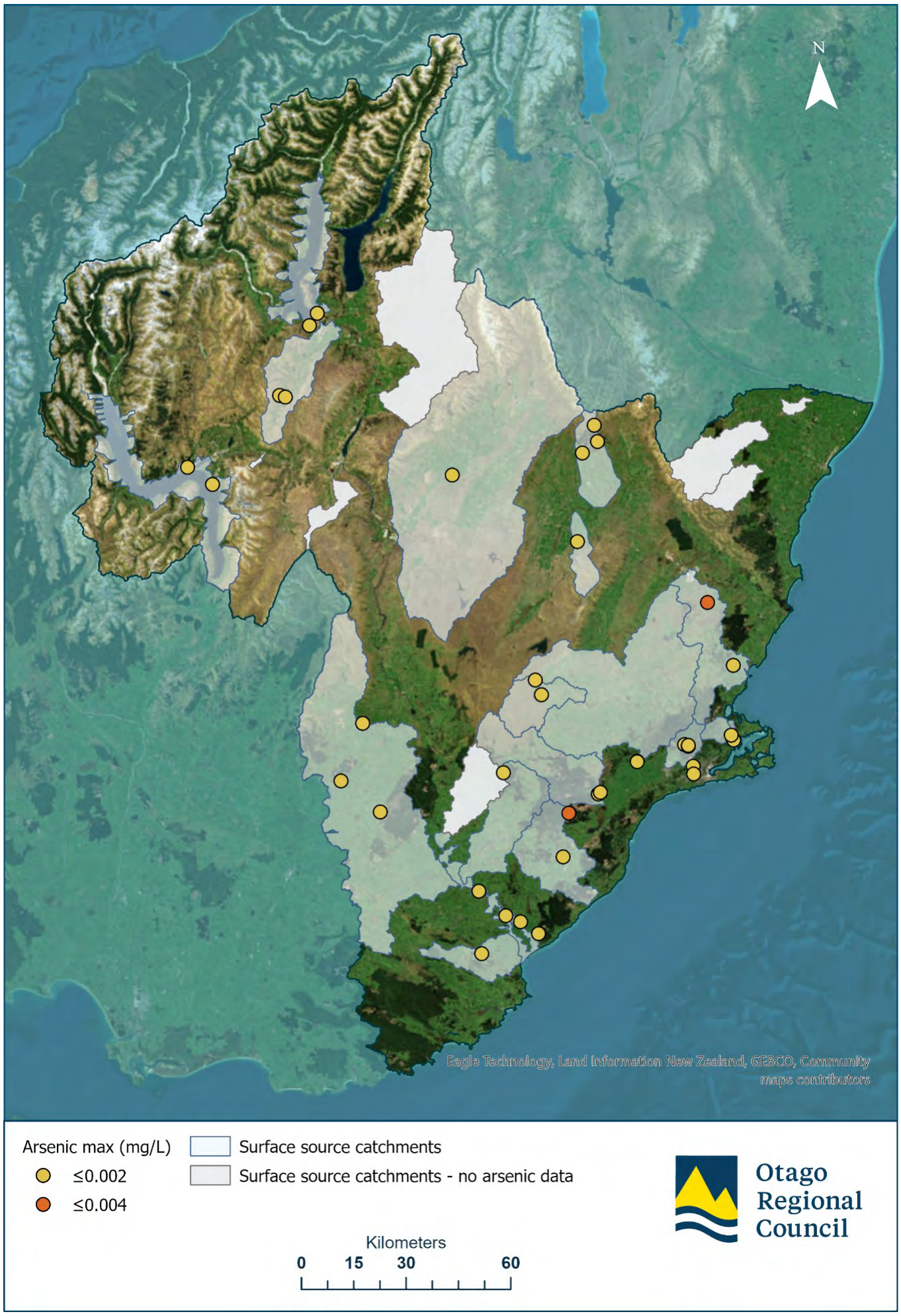



*Figure 3.4. Maximum arsenic levels (mg/L) for surface water supply sources monitored by registered drinking water suppliers in 2025.*




*Figure 3.5. Median turbidity (NTU) for surface water supply sources monitored by registered drinking water suppliers in 2025, categorised by quartiles.*

### 3.1.2 Groundwater

There are 39 groundwater sources that supplied data in 2025. These can be further divided to wells of various depths and springs (Table 3.1.). Most groundwater supplies are sourced from wells with depths between 10-30 m, with 11 additional wells deeper than 30 m. Other sources include one shallow well <10 m and two springs. Generally, the deeper bores are likely to provide more protection against contaminant ingress from the surface, although there may be exceptions (e.g. ORC, 2021). Most groundwater sources are located in the Central Otago District Council and Queenstown Lakes District Council areas, notably around Lakes Wānaka, Hawea, Dunstan and Wakatipu. There are also supplies in the Shag, lower Waitaki (North Otago), Roxburgh, and Owaka catchments. Groundwater quality data provided by suppliers was also assessed for median nitrate, maximum arsenic concentrations, and the percentage of samples that exceeded the *E. coli* MAV. The suppliers' results generally show lower nitrate and arsenic concentrations and lower *E. coli* exceedances than the SOE data.

Due to generally lower nitrate concentrations and the various analytical detection limits reported in the suppliers' nitrate data, these results were also compared against the nitrate reference concentration for Otago of 1 mg/L, i.e. concentrations expected under low-intensity land use (Moreau *et al*., 2025). Most suppliers' results were below this threshold and below 25% of the MAV (<2.825 mg/L). However, several sources had higher nitrate concentrations, most of which ranged between ¼ and ½ of MAV (Wānaka Airport and Clydevale Village bore). The highest median concentration, 6.135 mg/L, which exceeds ½ of the MAV, was reported from a bore in the Lower Waitaki. Nevertheless, this concentration is substantially lower than those measured in some SOE bores. Interestingly, the concentrations over ¼ of the MAV are from a spring and bores 10 – 30 m deep rather than the shallow bores. The high concentration in the Lower Waitaki may be due to high permeability and wastewater discharges in the vicinity of the supply.

The suppliers' *E. coli* results generally show low exceedance percentages, with most sources having no exceedances. However, some sources did have exceedances, notably 25 - 50% of the samples south of Lake Dunstan and Cardrona. Most sources with exceedances are wells 10-30 m deep, which is different than expected (shallow wells and springs), e.g., ORC (2021). In contrast to that, no detections were observed in the deeper bores (>30 m). The sources where exceedances were measured did not display a clear spatial distribution.

Arsenic concentrations in groundwater sources shows similar patterns to the SOE data, although no suppliers' results exceeded the MAV. The highest concentrations, between ¼ and ½ of the MAV, were measured in Glenorchy and the Shotover bores in the Wakatipu basin. Results between the Limit of Detection and ¼ of the MAV were found in many sources in the Wakatipu Basin, Upper Clutha, and near Lake Dunstan, where schist forms the dominant lithology.

## 3.2 State of the Environment data

### 3.2.1 Surface water quality

Surface water SOE monitoring data for relevant drinking water parameters from 2020-2025 are presented in (Figure 3.6). Both median values and 95$^{th}$ percentile results are shown in the boxplots characterising both typical concentrations and episodic peaks and extreme observations, as well as the range of values observed across the network. There is no clear spatial pattern for MAV compliance as all sites meet the nitrate MAV, and all sites fail to meet the *E. coli* MAV.

Nitrate concentrations are well below the MAV for drinking water across all sites, based on both median and Hazen 95$^{th}$ percentile statistics (Figure 3.6). This suggests that nitrate generally presents a very low risk to surface water sources of drinking water. *E. coli* concentrations exceeded the MAV at all monitored sites suggesting microbial contamination risk is widespread in surface source waters. However, the degree of contamination indicated it is also variable, with median values ranging from 1 to 1,516 MPN/100 mL and 95$^{th}$ percentile values between 12 and >20,000 MPN/100 mL.

Median turbidity values are generally below the MAV at most sites, indicating that baseline conditions are typically suitable for source water abstraction (Figure 3.6). However, Hazen 95$^{th}$ percentile values are often considerably higher, demonstrating that many sites experience episodic spikes in turbidity.

Eight lakes are monitored for cyanobacteria as part of the SOE programme, including two registered source waters (Lake Wakatipu and Lake Wānaka). Monthly sampling at mid-lake sites for the 2020-2025 period found cyanobacteria was in the A band for all sites (80$^{th}$ percentile total biovolume <0.5 mm$^3$/L), indicating exposure risk similar to natural conditions. Lakes Wakatipu, Wānaka, Hāwea and Dunstan have low levels of nutrient enrichment (oligotrophic – microtrophic) and the potential for cyanobacterial blooms is considered low. Lakes Hayes, Onslow, Waihola and Tuakitoto are nutrient enriched (eutrophic – supertrophic) and are at moderate to high risk for cyanobacteria blooms, with blooms documented at all lakes except Lake Onslow.

Cyanobacteria surveillance is also included in the summer recreational water quality programme. Cyanobacteria blooms exceeding alert thresholds have been identified at Lake Waihola, Butchers Dam, Falls Dam, Tomahawk Lagoon and Pinders Pond. Blooms have been previously observed at Lake Hayes, although none were recorded in the most recent 5-year period. Benthic cyanobacteria has been observed at monitored river sites, however, levels have not exceeded the criteria for public health warnings. ORC does not routinely undertake cyanotoxin testing.

Benthic cyanobacteria are widespread across Otago and occurs in a range of rivers and stream types including those with relatively good water quality. Due to its widespread and patchy distribution and the dynamic nature of its growth, systematic monitoring across all waterbodies is not practical. Monitoring is supplemented by public notifications and targeted site inspections and sampling where appropriate. Blooms are notified to the public and territorial authorities when observed; however, source risk must be assessed on a site-by-site basis by the supplier.

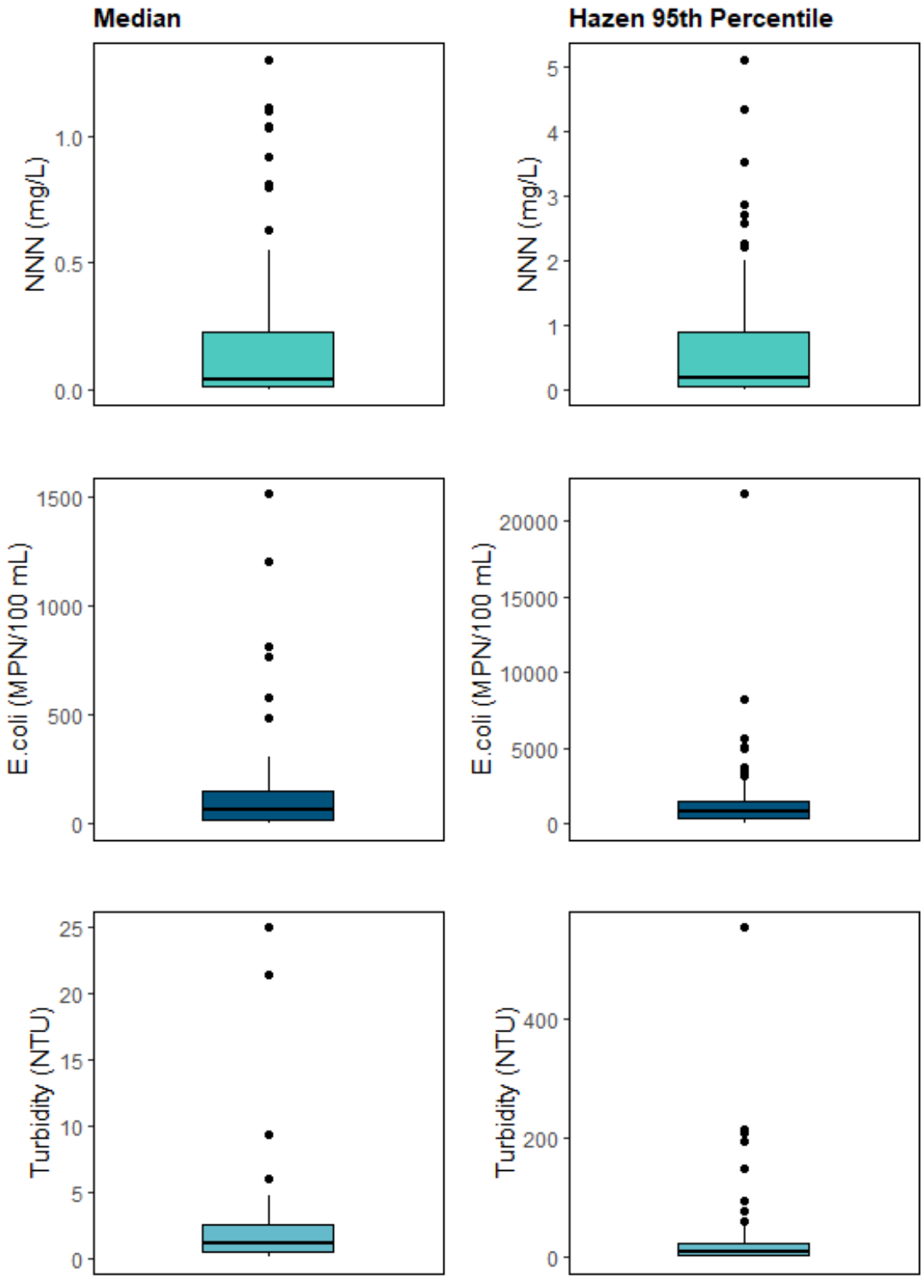



*Figure 3.6. Distribution of median results (left column) and Hazen 95$^{th}$ percentile results (right column) for nitrate (NNN, top row) E. coli (middle row) and turbidity (bottom row) from state of the environment monitoring sites sampled monthly for the period July 2020 - June 2025.*

A key limitation when applying SOE monitoring data to source water quality assessment is that monitoring sites are typically located in downstream reaches of catchments, often in higher-order streams (generally third order and above), in order to capture the cumulative effects of upstream land uses. In contrast, many drinking water abstractions occur in smaller, lower-order streams located in upper catchment areas, where land-use pressures are often less intensive. As a result, SOE monitoring data may overstate the level of risk to some drinking water sources.

To address this limitation, modelled water quality data from NIWA were also considered (Whitehead et al. 2022). Water quality attribute states were predicted across all river segments in New Zealand's national rivers network (REC2.4). The most important predictors for *E. coli*, nutrients, and turbidity were upstream stock density, catchment elevation, variability in upstream rainfall, and proportion of urban land cover. Modelled results for median nitrate, *E. coli* and turbidity in Otago are shown in Figure 3.7. Higher concentrations of *E. coli* and nitrate were predicted in areas where agriculture is the dominant land use (e.g. Lower Clutha, North Otago, Taieri, Manuherekia). Spatial patterns for turbidity reflect the influence of both land-use and natural processes (e.g. erosion) across the landscape. These modelled data can offer a more spatially representative understanding of source water quality, particularly for smaller headwater streams rarely included in SOE monitoring programmes and support a more balanced assessment of drinking water risk across catchments.

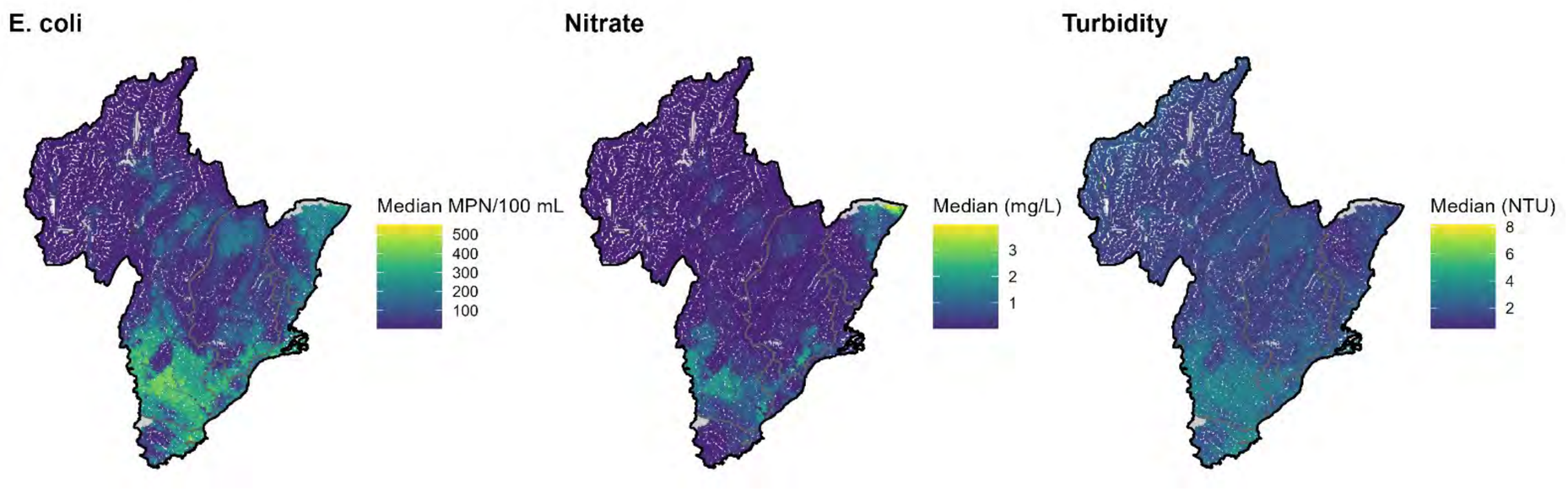



*Figure 3.7. Modelled median concentrations of E. coli, nitrate and turbidity for Otago stream segments categorised into quartiles (lowest to highest) representing relative concentration gradients across the region.*

### 3.2.2 Groundwater quality

The SOE results for median nitrate concentrations show wide variability across the region (Figure 3.8). The concentrations in most monitoring bores are between the analytical detection limit (<0.001 mg/L and 25% of the DWSNZ MAV of 2.825 mg/L). However, there are also some areas with elevated nitrate, where median concentrations range between 75% and above MAV. These include Kakanui and the North Otago Volcanic Aquifer (North Otago), Ettrick/Teviot Valley, and Clyde. There are also specific sites with elevated concentrations in Glenorchy and the Maniototo. These are likely attributed to intensive agriculture and wastewater discharges. It is also important to note that groundwater nitrate concentrations are impacted by geochemical conditions, mainly oxidation-reduction (redox) reactions, where low dissolved oxygen concentrations cause nitrate to decompose. These processes may lead to low groundwater nitrate concentrations despite high nitrate inputs on land.

The distribution of *E. coli* exceedances generally shows low abundance, with most bores either having no exceedances or exceedances in less than 25% of the samples. However, there are some bores with higher exceedance proportions, between 25 and 75% of the MAV. These include the Lower Waitaki plains (North Otago), Middlemarch, lower Taieri, and the Catlins. However, it is important to note that *E. coli* exceedances are impacted by bore security, hence, these results are likely to show local, site-specific patterns rather than wide range issues.

The distribution of maximum arsenic concentrations shows elevated groundwater arsenic concentrations in some parts of the region, mainly around Lake Wakatipu, the Inch Clutha, Maniototo and the Shag areas. Concentrations in most other areas are lower, ranging between <25% of the MAV and below detection. It is likely that arsenic sources are generally geological, mainly from the schist geology abundant in the Central Otago/Lakes areas. Elevated arsenic is also related to groundwater geochemical conditions, notably low dissolved oxygen concentrations, which can mobilise arsenic in groundwater when a source is available (e.g., ORC, 2023). Arsenic distribution can also vary substantially, even at small spatial resolution. It is therefore strongly recommended suppliers regularly test groundwater-sourced supplies to ensure water quality complies with the DWSNZ.

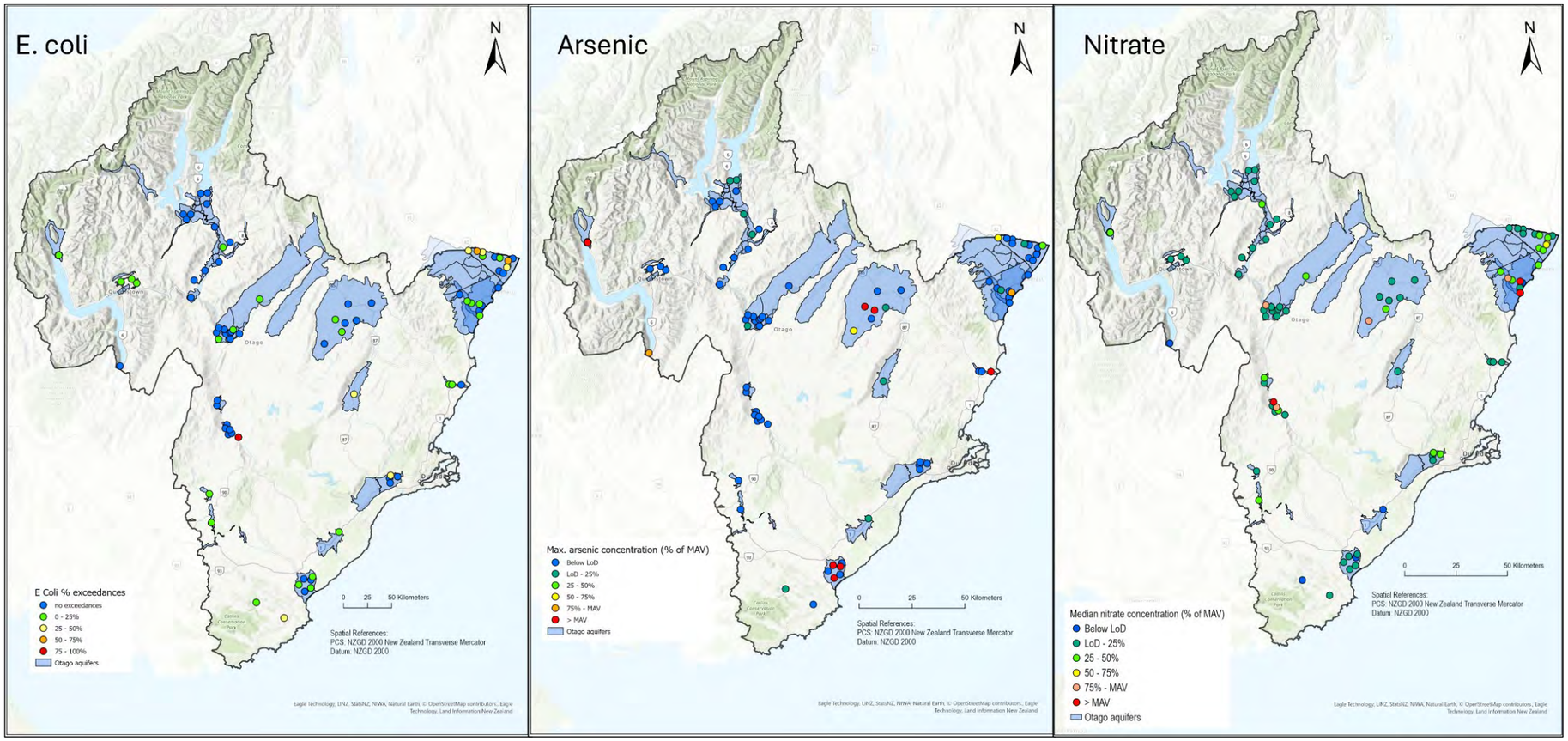



*Figure 3.8. Groundwater quality results from ORC's SOE monitoring*

### 3.2.3 Surface water quantity

Available ORC flow information in drinking water source catchments has been used to inform water availability in this section.

There is no nationally prescribed framework for grading river flow quantity in New Zealand. While national direction requires regional councils to set environmental flows and allocation limits, the specific metrics, thresholds, and interpretation of flow regimes are developed at the regional level. Water take reliability for a surface water source can be estimated for each water year if minimum flow restriction thresholds are set out in the RPW for Otago. Reliability is defined as the percentage of days when restrictions would not apply. Table 3.2 summarises this, showing water take reliability over the last 5 years.

*Table 3.2. Water take reliability in relation to minimum flow threshold and restrictions as set out in the RPW for Otago.*

| Water Year | Restricted days (# of days where daily flow was below minimum flow) | Water Take Reliability (%) |
|---|---|---|
| Kakanui River | | |
| 2020-2021 | 0 | 100 |
| 2021-2022 | 0 | 100 |
| 2022-2023 | 0 | 100 |
| 2023-2024 | 0 | 100 |
| 2024-2025 | 0 | 100 |
| Lindis River | | |
| 2020-2021 | 28 | 92.3 |
| 2021-2022 | 0 | 100 |
| 2022-2023 | 25 | 93.2 |
| 2023-2024 | 84 | 77 |
| 2024-2025 | 58 | 84.1 |
| Manuherekia River | | |
| 2020-2021 | 0 | 100 |
| 2021-2022 | 0 | 100 |
| 2022-2023 | 0 | 100 |
| 2023-2024 | 0 | 100 |
| 2024-2025 | 0 | 100 |

| Water Year | Restricted days (# of days where daily flow was below minimum flow) | Water Take Reliability (%) |
|---|---|---|
| Pomāhaka River | | |
| 2020-2021 | 27 | 92.6 |
| 2021-2022 | 55 | 84.9 |
| 2022-2023 | 24 | 93.4 |
| 2023-2024 | 5 | 98.6 |
| 2024-2025 | 4 | 98.9 |
| Waitahuna River | | |
| 2020-2021 | 0 | 100 |
| 2021-2022 | 19 | 94.8 |
| 2022-2023 | 36 | 90.1 |
| 2023-2024 | 18 | 95.1 |
| 2024-2025 | 0 | 100 |
| Taieri River & Tribs U/S Waipiata | | |
| 2020-2021 | 0 | 100 |
| 2021-2022 | 0 | 100 |
| 2022-2023 | 6 | 98.4 |
| 2023-2024 | 15 | 95.9 |
| 2024-2025 | 0 | 100 |
| Taieri River at Outram | | |
| 2020-2021 | 0 | 100 |
| 2021-2022 | 0 | 100 |
| 2022-2023 | 14 | 96.2 |
| 2023-2024 | 32 | 91.3 |
| 2024-2025 | 0 | 100 |

For water bodies without restriction thresholds, water source availability/reliability has been assessed based on intrinsic hydrological characteristics and key risks for the last five years (e.g., low flows, variability, seasonality and catchment allocation status). Five years (2020-2025) of data have been compared to the long-term conditions at each site to identify any deviation from typical hydrological behaviour. As a result, the grading reflects relative resource state and potential

availability rather than confirmed sufficiency for drinking water supply. More details on site specific state and trends can be found in the SOE report for Water Quantity.

The hydrological indices presented in Table 3.3 for the last five years have been assessed relative to long-term conditions to provide a consistent evaluation of water quantity. Low-flow indicators (Q95 and 7-day Annual Low Flow) are compared against their long-term values to assess low flow period reliability, while mean flow provides an indication of overall flow volume. Flow stability and variability are characterised using the baseflow index and flow duration curve behaviour, and seasonal patterns are assessed relative to historical variability. Allocation status is included to reflect regulatory constraints on water use in each catchment.

*Table 3.3. Key hydrological indices used to assess water quantity*

| *Flow Statistics* | *High Availability/ Stable* | *Moderate Availability/ Moderate Stability* | *Low Availability/ Low Stability* |
|---|---|---|---|
| **Q95** | Equal to or greater than long-term Q95 indicates stable low-flow conditions | Slightly below long-term Q95 indicates some reduction in dry-period reliability | Substantially below long-term Q95 indicates reduced and unreliable dry-period flows |
| **7-day MALF** | At or above long-term MALF indicates sustained low flows during dry conditions | Close to long-term MALF indicates moderate reduction during dry periods | Below long-term MALF indicates reduction in dry-period flows |
| **Annual Mean Flow** | Above long-term mean indicates relatively high overall water availability | Near long-term mean indicates typical flow conditions | Below long-term mean indicates reduced overall water availability |
| **Baseflow Index (BFI)** | High (>0.7): groundwater-dominated system with stable flows | Moderate (0.4–0.7): mixed groundwater and surface runoff contribution | Low (<0.4): rainfall-driven system with high variability and rapid recession |
| **Seasonal Flow Patterns** | Similar to long-term seasonal pattern indicates no increased seasonal deficit | Slightly more pronounced seasonal variability than long-term | Stronger seasonality than long-term indicates longer low-flow period |
| **Flow Duration Curve (FDC)** | Flat slope indicates low variability and consistent flow across conditions | Moderate slope indicates some variation between high and low flows | Steep slope indicates highly variable (“flashy”) system with large differences between high and low flows |
| **Allocation Status** | Under-allocated indicates allocation below sustainable limits | Fully or near allocated indicates limited buffer during low flows | Over-allocated or constrained indicates significant restrictions during low-flow periods |

The hydrological indices presented in Table 3.3 above for surface water source catchments where ORC has monitored flow for the last five years have been assessed relative to long-term conditions.

The general evaluation of water quantity in each catchment is summarised below. Overall, there is a clear distinction between highly reliable lake-fed and large river systems, and smaller more variable catchments. The Clutha Mata-Au River and major lake systems (Wakatipu and Wānaka) exhibit the highest availability and lowest dry-period sensitivity. In contrast, smaller tributaries such as Kauru and Silverstream display high variability, with significant reductions in low flows during dry periods in the last 5 years. The majority of sites fall within the moderate availability range.

- **Bannockburn:** Flows in the last five years in the Bannockburn display moderate availability but high dry-period sensitivity, with a flashy flow regime and pronounced low-flows in dry years.
- **Cardrona River:** Flows over the last five years in the Cardrona River exhibit moderate availability with low to moderate dry-period sensitivity, supported by stable flows and strong baseflow contributions.
- **Clutha Mata-Au:** Flows over the last five years in the Clutha Mata-Au River exhibit high water availability with very low drought sensitivity, reflecting a large buffered system.
- **Deep Stream:** Flows in the last five years in Deep Stream exhibit moderate availability and high dry-period sensitivity, with variable flow and susceptibility to low-flow declines.
- **Kakanui River:** Flows in the last five years in the Kakanui River show moderate availability and moderate to high dry-period sensitivity, reflecting a variable flow regime with inconsistent low-flows. Water users of the Kakanui River had an average water take reliability of 100% over the last 5 years.
- **Kauru River:** Flows in the last five years in the Kauru River show low availability and high dry-period sensitivity. Water users of the Kauru River had an average water take reliability of 100% over the last 5 years.
- **Lake Wakatipu:** Over the last five years Lake Wakatipu provides high availability and very low dry-period sensitivity due to lake storage buffering and stable low flows.
- **Lake Wānaka:** Over the last five years Lake Wānaka demonstrates high water availability and low dry-period sensitivity due to lake storage buffering and stable low flows.
- **Lindis River:** Flows over the last five years in the Lindis River show moderate availability and moderate dry-period sensitivity, with generally stable flows but reduced low flows relative to long-term conditions. Water users of the Lindis River had an average water take reliability of 89% over the last 5 years.
- **Manuherekia River:** Flows in the last five years in the Manuherekia River demonstrate moderate availability but high dry-period sensitivity, with higher flows in wet years but significant reductions under dry conditions. Water users of the Manuherekia River had an average water take reliability of 100% over the last 5 years.
- **Pomāhaka River:** Flows over the last five years in the Pomāhaka River show high availability, low dry-period sensitivity, with moderate variability and an average water take reliability of 94% over the last 5 years.
- **Silverstream:** Flows in the last five years in the Silverstream show low availability and high dry-period sensitivity, with extremely low low-flow conditions and highly variable, flashy behaviour.

- **Taieri River:** Flows in the last five years in the Taieri River downstream of Sutton to Outram show moderate availability but high dry-period sensitivity. Water users of the Taieri River downstream of Sutton to Outram had an average water take reliability of 97.5% over the last five years.
- **Tokomairiro River:** Flows in the last five years in the Tokomairiro River show moderate availability and high dry-period sensitivity, characterised by consistently reduced low flows and moderate variability.
- **Waikouaiti River:** Flows in the last five years in the Waikouaiti River show moderate availability and high dry-period sensitivity.
- **Waipori River:** Flows in the Waipori River over the last five years exhibit moderate availability and moderate drought sensitivity, with flow regulation contributing to relatively stable but still variable conditions.
- **Waitahuna River:** Flows in the last five years in the Waitahuna River show moderate availability and moderate to high dry-period sensitivity, with low flows frequently below long-term conditions indicating reduced reliability. Water users of the Waitahuna River had an average water take reliability of 96% over the last 5 years.
- **Waitati River:** Flows in the last five years in the Waitati River exhibit moderate availability and high dry-period sensitivity, reflecting a small, flashy catchment.

### 3.2.4 Ground water quantity

Trends in groundwater levels can be found in LWP (2024). The analysis suggests most aquifers exhibit periods of increasing and/or decreasing trends that follow 5-10-year cycles. However, persistent and ongoing declines in groundwater levels were indicated in the Earnscleugh and Lower Waitaki Plains aquifers. This behaviour was interpreted as potentially related to medium to long-term climate variability (LWP, 2024). It was also noted that some wells demonstrated consistent seasonal differences in trends compared to the annual trends, where trends for the summer months declined at a faster rate than that estimated from all monthly data. Conversely, trends for the spring months declined at a smaller rate (or have increased) compared to the trends computed from all monthly data. Such variations in seasonal trends may reflect aquifers (or locations within aquifers) where groundwater abstraction has increased over time, resulting in increased seasonal decline in groundwater levels during summer and autumn.

# 4 Risks and Hazards to Source Water

## 4.1 Water quality

Understanding current land use activities and potential sources for contamination by nutrients and *E. coli* is essential for assessing hazards and risks to source water quality. In Otago, risks arise from a range of diffuse and point sources, including agricultural and horticultural runoff, discharges from urban stormwater, municipal and onsite wastewater systems, and site-specific hazards such as industry and mining. Catchments with intensive land uses such as dairy farming, winter cropping, horticulture, and urban development, present elevated risk for microbial and nutrient contamination (e.g. Lower Clutha, North Otago, Manuherekia, Taieri, and urban centres), while catchments with a high proportion of conservation or indigenous vegetation cover, such as the Upper Lakes, generally present lower risk. However, determining the relative risk for specific water

sources requires assessment of land use upstream of the point of take, as localised conditions may differ significantly from the catchment as a whole.

Turbidity is driven by both anthropogenic activities including forestry harvest, land clearance, and grazing, and natural processes such as glacial influence in rivers like the Shotover. Where source water turbidity is persistently high or highly variable, effective treatment and reliable disinfection may be difficult to maintain. This represents a key risk to drinking water safety, particularly during rainfall events when turbidity spikes can be rapid and difficult for treatment plants to manage.

Groundwater quality is also impacted by several additional factors. Poor bore security increases contamination risk by providing a path for contaminant ingress into the aquifer. Groundwater quality can also be impacted by geologically-sourced contaminants such as arsenic, prevalent in some parts of Otago, notably around Lake Wakatipu, the Inch Clutha, Maniototo and Shag areas. It is likely that arsenic sources are generally geological, mainly from the schist which is abundant in the Central Otago/Lakes areas. Arsenic distribution can vary substantially, including at small spatial scales. It is therefore important that water supplies are regularly tested for arsenic to ensure compliance with DWSNZ.

Changes to land use (e.g. farm conversion), land management practices (e.g. stocking rates, fertiliser use, and grazing patterns) or natural factors such as increasing bird populations, may alter the hazards and risks present in a catchment. New resource consents must consider effects on existing drinking water supplies; however, some land use changes may occur under existing consents or as permitted activities. This highlights the importance for suppliers to be aware of activities within their source catchment and respond to any emerging risks to source water quality.

## 4.2 Water quantity

Increasing demand on water from population growth or for irrigation, places pressures on drinking water supply in certain areas. A number of catchments in the Otago Region are either close to or fully allocated (i.e. there is limited water that can be allocated to any further use). Many catchments in Otago are highly sensitive to extended dry periods, particularly in inland and semi-arid areas (e.g., Central Otago). Low baseflows in some river systems means that flows can decline rapidly during drought, reducing available supply. This can lead to source and abstraction restrictions during prolonged dry periods. Catchments with steep topography and limited storage are characterised by high flow variability due to the ‘flashy’ nature of the catchment. These systems generally lack natural storage and are therefore less reliable during dry periods. Strong seasonality (driven by rainfall and snowmelt processes) further exacerbates this risk, as the lowest flows typically occur in summer and autumn when demand is highest.

Some surface water source catchments lack adequate hydrometric monitoring, meaning that water availability and drought resilience cannot be robustly quantified, increasing uncertainty in assessing sustainable yields. Regulatory constraints, including minimum flow requirements and existing allocations, further reduce the volume of water available for abstraction during critical periods.

These risks are expected to be intensified by climate change, which is likely to increase the frequency and duration of droughts and alter seasonal flow patterns. Drinking water sufficiency in Otago is primarily constrained by low-flow conditions and drought period performance rather than average water availability.

Climatic cycles are likely to influence natural processes of groundwater recharge as well as patterns of consumptive groundwater use. Groundwater level trends in some aquifers may also be affected by changes in irrigation practices, efficiency and hydrological regimes which have occurred in the recent past (LWP, 2024).

## 4.3 Source catchments summary

Table 4.1 below summarises current knowledge of source water quality and quantity to support the assessment of hazards and risks in surface water catchments. For most catchments, the dominant land use and dominant source of nitrogen are the same. However, in the Pomahaka, Lake Wānaka, and Tokomairiro catchments these diverge, indicating that the primary source of nitrate contamination is not the most extensive land use within the catchment but rather a less dominant activity that contributes disproportionately to nitrogen loads. Water quality has been characterised based on monitoring data, including reference to the grades used in RPW Schedule 15 reporting (excellent, good, fair, poor). While effectively superseded by the NPS-FM, Schedule 15 provides a useful framework for describing water quality in relation to drinking water as it is based on nutrient, *E. coli* and turbidity criteria. Reference to 'elevated' or 'high' nitrate concentrations is relative to reference conditions and does not necessarily infer an increased risk to drinking water as levels are well below MAV. Modelled water quality for source water stream segments is included where these are available. In a few instances measured water quality may also be available at or near the source; these are publicly available to suppliers via the ORC Data Portal; however, these have not been included here to avoid identifying individual source locations. Where there are multiple monitoring sites or source locations in a catchment, the most downstream ones are described. Source water quantity is described according to the criteria presented in Table 3.3. Upstream land use for individual sources (identified by source number) is included in the Appendix.

*Table 4.1. Summary of source catchments, supplies and supply population, catchment land use, monitoring locations and water quality and quantity for registered drinking water source locations in the Otago Region*

** Catchments have been described as general areas to avoid identifying specific source locations for very small source locations*

*** Total supply population for Dunedin District Council abstracted from multiple sources*

| Water Source Catchment | No. of Sources | Total Supply Pop. | Dominant Nitrogen Land Use Contributor | Dominant Land Use | SOE Quality Sites | Flow Monitoring Sites | Surface Water Quality | Surface Water Quantity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Water Availability | Low Flow Sensitivity | Overall |
| Awamoko River | 1 | 399 | Sheep and Beef | Sheep and Beef | Awamoko River at SH83 | No site | Poor water quality<br>Elevated nutrients (incl. nitrate) and *E. coli*, low turbidity<br><br>Nitrate med 1.65 mg/L<br>*E. coli* 95$^{th}$ 2195 MPN/100 mL<br>Turbidity med 1.63 NTU | No site | No site | No site |
| Bannockburn | 1 | 30 | Sheep and Beef | Sheep and Beef | Bannockburn at Lake Dunstan | Bannockburn at Cairnmuir Road | Good water quality<br>High turbidity at times<br><br>Nitrate med 0.01 mg/L<br>*E. coli* 95$^{th}$ 201 MPN/100 mL<br>Turbidity med 1.29 NTU | Moderate | High | Flashy, low flow sensitive |
| Cardrona River | 2 | 402 | Sheep and Beef | Sheep and Beef | Cardrona at Mt Barker<br><br>Upper Cardrona at Tuohys Gully Road | Cardrona at Callaghans Creek d/s<br><br>Cardrona at Mt Barker/The Larches<br><br>Cardrona at Clutha Confluence | Good water quality, with some elevated nitrate levels in the mid catchment (groundwater inputs)<br><br>Excellent water quality in the upper catchment<br><br>Cyanobacteria blooms known to occur<br><br>Nitrate med 0.04 mg/L<br>*E. coli* 95$^{th}$ 153 MPN/100 mL<br>Turbidity med 1.08 NTU | Moderate | Low-moderate | Stable but some variability, groundwater-supported |
| Lower Clutha | 4 | 6591 | Sheep and Beef | Sheep and Beef | Clutha at Balclutha | Clutha Below Roxburgh Dam<br><br>Clutha Mata-Au at Tuapeka Mouth Ferry<br><br>Clutha at Balclutha | Excellent water quality<br>Elevated *E. coli* at high flows<br><br>Nitrate med 0.18 mg/L<br>*E. coli* 95$^{th}$ 1135 MPN/100 mL<br>Turbidity med 3.01 NTU | High | Low | Large, stable, reliable |

| Water Source Catchment | No. of Sources | Total Supply Pop. | Dominant Nitrogen Land Use Contributor | Dominant Land Use | SOE Quality Sites | Flow Monitoring Sites | Surface Water Quality | Surface Water Quantity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Water Availability | Low Flow Sensitivity | Overall |
| Deep Stream | 2 | 112515** | Sheep and Beef | Sheep and Beef | Deep Stream at SH87 | Deep Stream at SH87 | Good water quality<br>Elevated *E. coli* at times<br><br>Nitrate med 0.02 mg/L<br>*E. coli* 95th 184 MPN/100 mL<br>Turbidity med 1.19 NTU | Moderate | High | Variable, low-flow sensitive |
| Ranfurly* (Eweburn) | 3 | 1453 | Sheep and Beef | Sheep and Beef | No site within catchment<br><br>Nearest site to source Taieri at Waipiata | No site within catchment<br><br>Nearest sites to source Taieri at Waipiata | Agricultural catchment<br>Elevated *E. coli* likely<br><br>Nitrate med 0.05 mg/L<br>*E. coli* 95th 472 MPN/100 mL<br>Turbidity med 1.41 NTU | No site | No site | No site |
| Kakanui River | 1 | 137 | Sheep and Beef | Sheep and Beef | Kakanui at Clifton Falls Bridge<br><br>Kakanui at McCones<br>Waireka Creek at Taipo Rd | Kakanui at Clifton Falls Bridge<br>Kakanui at McCones<br><br>Kakanui at Mill Dam | Good to Fair water quality<br>Elevated nitrate<br><br>Kakanui at Clifton Falls known to have frequently elevated *E. coli* levels due to upstream gull colonies (confirmed by faecal source tracking investigation)<br><br>Nitrate med 0.05 mg/L<br>*E. coli* 95th 1832 MPN/100 mL<br>Turbidity med 0.46 NTU | Moderate | Moderate-High | Variable, moderate baseflow |
| Kauru River | 1 | 197 | Sheep and Beef | Sheep and Beef | Kauru at Kauru Hill Rd 700m Upstream | Kauru at Kauru Hill Rd 700m Upstream | Good water quality<br>*E. coli* elevated at times<br><br>Nitrate med 0.05 mg/L<br>*E. coli* 95th 2228 MPN/100 mL<br>Turbidity med 0.53 NTU | Low | High | Flashy, low flow sensitive |

| Water Source Catchment | No. of Sources | Total Supply Pop. | Dominant Nitrogen Land Use Contributor | Dominant Land Use | SOE Quality Sites | Flow Monitoring Sites | Surface Water Quality | Surface Water Quantity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Water Availability | Low Flow Sensitivity | Overall |
| Lake Wakatipu | 3 | 46408 | Sheep and Beef | Sheep and Beef | Lake Wakatipu Open Water<br><br>Lake Wakatipu North Open Water<br><br>Lake Wakatipu at Queenstown Bay<br><br>Lake Wakatipu at Frankton Bay | Lake Wakatipu at Willow Place | Excellent water quality<br><br>Stormwater and wastewater overflows from urban areas can affect nearshore water quality | High | Low | Lake regulated, very stable |
| Lake Wānaka | 2 | 26228 | Sheep and Beef | Indigenous | Lake Wānaka Open Water<br><br>Lake Wānaka at Roys Bay<br><br>Lake Wānaka at Glendu Bay<br><br>Lake Wānaka North Open Water | Lake Wānaka at Roys Bay | Excellent water quality<br><br>Stormwater and wastewater overflows from urban areas can affect nearshore water quality | High | Low | Lake regulated, very stable |

| Water Source Catchment | No. of Sources | Total Supply Pop. | Dominant Nitrogen Land Use Contributor | Dominant Land Use | SOE Quality Sites | Flow Monitoring Sites | Surface Water Quality | Surface Water Quantity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Water Availability | Low Flow Sensitivity | Overall |
| Lindis River | 1 | 50 | Sheep and Beef | Sheep and Beef | Lindis at Lindis Peak<br>Lindis at Ardgour Rd | Lindis at Lindis Peak<br>Lindis at Ardgour Rd | Excellent water quality in upper catchment and good water in lower catchment (elevated nitrate)<br><br>Nitrate med 0.02 mg/L<br>*E. coli* 95th 251 MPN/100 mL<br>Turbidity med 1.02 NTU | Moderate | Moderate | Stable, reduced low flows |
| Manuherekia River | 1 | 440 | Sheep and Beef | Sheep and Beef | Manuherekia downstream of Fork<br><br>Manuherekia at Blackstone Hill<br>Manuherekia at Omakau<br><br>Manuherekia at Ophir<br><br>Manuherekia at Galloway<br><br>Manuherekia at Shaky Bridge<br><br>Tributary sites (multiple) | Manuherekia at Blackstone Hill Runs Road<br><br>Manuherekia at Falls Dam 1000m<br><br>Downstream Manuherekia at Ophir<br><br>Manuherekia at Chatto Creek u/s<br><br>Manuherekia at Campground<br><br>Manuherekia downstream of Fork | Poor water quality at Ophir (elevated nitrate, phosphorus and *E. coli*) and Fair water quality at Galloway (*E. coli* and phosphorus)<br><br>Water quality above Omakau generally good to excellent, although turbidity can be high after rainfall<br><br>Some catchment tributaries known to have degraded water quality due to land use, but upper catchment reaches generally have very good water quality<br><br>Known risk of cyanobacteria blooms in Falls Dam and Manuherekia River and tributaries<br><br>Nitrate med 0.05 mg/L<br>*E. coli* 95th 1888 MPN/100 mL<br>Turbidity med 2.5 NTU | Moderate | High | Variable, low flow sensitive |
| Pomahaka River | 3 | 1999 | Dairy | Sheep and Beef | Upper Pomahaka at Aitchison Runs Rd<br><br>Pomahaka at Glenken<br><br>Pomahaka at Burkes Ford<br><br>Tributaries sites (multiple) | Pomahaka at Glenken<br>Pomahaka at Burkes Ford | Excellent water quality in the upper catchment (upstream of Glenken), although *E. coli* can still be high at times<br><br>Water quality in mid- and lower- catchment lower and tributaries is impacted by agricultural land use with relatively high *E. coli*, and turbidity<br><br>Nitrate med 0.13 mg/L<br>*E. coli* 95th 2296 MPN/100 mL<br>Turbidity med 2.11 NTU | High | Low | Stable, moderate baseflow |

| Water Source Catchment | No. of Sources | Total Supply Pop. | Dominant Nitrogen Land Use Contributor | Dominant Land Use | SOE Quality Sites | Flow Monitoring Sites | Surface Water Quality | Surface Water Quantity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Water Availability | Low Flow Sensitivity | Overall |
| Puerua River | 1 | 1016 | Sheep and Beef | Sheep and Beef | No site | No site | Nitrate med 0.50 mg/L<br>*E. coli* 95th 3363 MPN/100 mL<br>Turbidity med 3.26 NTU | No site | No site | No site |
| Silverstream | 1 | 112515** | Urban | Urban | Silverstream at Three Mile Hill Rd<br><br>Whare Creek at Whare Flat Rd<br>Silverstream at Taieri Depot | Silverstream at Gordon Road | Water quality ranging from Excellent in upper catchment to Fair in lower reaches (elevated nitrate and *E. coli*)<br><br>Cyanobacteria often observed in lower reaches<br><br>Nitrate med 0.10 mg/L<br>*E. coli* 95th 582 MPN/100 mL<br>Turbidity med 1.24 NTU | Low | High | Flashy, low flow sensitive |
| Patearoa* | 1 | 260 | Sheep and Beef | Sheep and Beef | No site within catchment<br><br>Nearest site to source Taieri at Stonehenge | No site within catchment<br><br>Nearest sites to source Taieri at Waipiata | Nitrate med 0.02 mg/L<br>*E. coli* 95th 576 MPN/100 mL<br>Turbidity med 1.27 NTU | No site | No site | No site |
| Taieri u/s Outram to Sutton | 2 | 112515** | Sheep and Beef | Sheep and Beef | Taieri at Outram | Taieri at Outram | Excellent water quality<br><br>High *E. coli* and turbidity following rainfall/high flow<br><br>Nitrate med 0.01 mg/L<br>*E. coli* 95th 582 MPN/100 mL<br>Turbidity med 1.24 NTU | Moderate | High | Variable, low flow sensitive |
| Tokomairiro River | 1 | 2529 | Dairy | Forestry | Tokomairiro at Black Bridge<br><br>Tokomairiro at West Branch Bridge | Tokomairiro at West Branch Bridge | Poor water quality in lower catchment, elevated nitrate, *E. coli* and turbidity<br><br>Nitrate med 0.26 mg/L<br>*E. coli* 95th 2955 MPN/100 mL<br>Turbidity med 3.03 NTU | Moderate | High | Low flows, variable |

| Water Source Catchment | No. of Sources | Total Supply Pop. | Dominant Nitrogen Land Use Contributor | Dominant Land Use | SOE Quality Sites | Flow Monitoring Sites | Surface Water Quality | Surface Water Quantity | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Water Availability | Low Flow Sensitivity | Overall |
| Gibbston Valley* | 1 | 450 | Sheep and Beef | Sheep and Beef | No site | No site | Nitrate med 0.02 mg/L<br>*E. coli* 95th 93 MPN/100 mL<br>Turbidity med 1.19 NTU | No site | No site | No site |
| Tuapeka River | 2 | 706 | Sheep and Beef | Sheep and Beef | Tuapeka at 700mu/s Bridge | No site | Good water quality<br>Nitrate med 0.16 mg/L<br>*E. coli* 95th 1157 MPN/100 mL<br>Turbidity med 1.85 NTU | No site | No site | No site |
| Waikouaiti River | 2 | 1728 | Sheep and Beef | Sheep and Beef | Waikouaiti at Bucklands Crossing<br>Waikouaiti at 200m d/s DCC intake | Waikouaiti at 200m d/s DCC intake | Excellent water quality<br>Nitrate med 0.05 mg/L<br>*E. coli* 95th 1113 MPN/100 mL<br>Turbidity med 1.27 NTU | Moderate | High | Variable, constrained in some years |
| Waipori River | 3 | 1603 | Sheep and Beef | Sheep and Beef | Waipori at Waipori Falls Reserve<br>Meggat Burn at Berwick Rd | Waipori at Berwick | Excellent water quality in upper catchment<br>Poor water quality at the Meggat Burn site (elevated nutrients and *E. coli*)<br>Nitrate med 0.06 mg/L<br>*E. coli* 95th 215 MPN/100 mL<br>Turbidity med 1.6 NTU | Moderate | Moderate | Regulated, moderate variability |
| Waitahuna River | 2 | 1352 | Sheep and Beef | Sheep and Beef | Waitahuna at Tweeds Bridge | Waitahuna at Tweeds Bridge | Good water quality<br>Nitrate med 0.08 mg/L<br>*E. coli* 95th 137 MPN/100 mL<br>Turbidity med 1.20 NTU | Moderate | Moderate-High | Reduced low flows |
| Orokonui (and surrounds)* | 3 | 112595** | Sheep and Beef | Sheep and Beef, Indigenous | Waitati at Harvey Street Bridge | Waitati at Harvey Street Bridge | Excellent water quality<br>Nitrate med 0.37 mg/L<br>*E. coli* 95th 2564 MPN/100 mL<br>Turbidity med 2.48 NTU | Moderate | High | Flashy, low flow sensitive |

# 5 Limitations

This assessment of source water quality and quantity is subject to several limitations. Source water quality and quantity are only considered in relation to known locations (i.e. registered suppliers and source locations). The number and source locations for unregistered suppliers, domestic self-suppliers and shared domestic suppliers are unknown. Furthermore, there was no monitoring data reported from some registered suppliers.

Regional Council SOE monitoring networks are primarily designed to assess long-term state and trends in water quality, ecosystem health, recreational suitability, and water availability at a regional or catchment scale. Monitoring sites are typically located in lower catchment areas to represent cumulative upstream influences. As such, these sites may not accurately reflect the quality of specific drinking water source locations.

Water supplier monitoring programmes are generally more representative of actual source water quality. However, in many cases, supplier monitoring is infrequent, meaning that the full variability and range of water quality conditions, particularly short-term spikes or rare events, may not be adequately captured.

This review has only considered parameters routinely monitored by ORC that are relevant to drinking water. Many additional parameters included in the DWSNZ are monitored by suppliers but not by ORC. These unassessed parameters could present potential risks or hazards, but no regional dataset is available to evaluate them.

There is an incomplete understanding of land use activities and contaminant sources within source water catchments. Unknown or poorly documented activities, such as agrichemical spraying or historical waste disposal and septic tanks may introduce contaminants that are not captured in current monitoring programmes, posing unidentified risks to drinking water sources.

There are a number of surface water source catchments where no representative flow monitoring data is available, therefore water source availability cannot be robustly quantified and should not be relied upon for supply planning. This assessment is restricted to locations with observed flow records, with flow statistics derived from measured flow. While this provides some basis for evaluating water source availability, it also means that conclusions are spatially limited and may not capture local variability or ungauged catchments.

# 6 Conclusions

This paper reports on source water quality and quantity using data provided by drinking water suppliers and ORC's State of the Environment data. This report contributes to ORC's statutory reporting obligations on source water under the Act. Raw water quality monitoring results for 84 supply sources in Otago operated by 51 registered water suppliers for the year 2025 were obtained from Taumata Arowai. This was supplemented with ORC's State of the Environment data to characterise source water quality and quantity for identified source catchments and aquifers across the Otago Region. Monitoring results indicate that *E. coli* MAV will routinely be exceeded in surface source waters, while nitrate MAV are expected to be consistently met. Conversely, most groundwater *E. coli* results were below the MAV, whilst median groundwater nitrate concentrations vary considerably across the region. This includes some elevated SOE results, although no exceedances were measured in the suppliers' results. Arsenic groundwater concentrations in most of the region are below the MAV. However, consistent exceedances were observed in some SOE

sites, notably around Lake Wakatipu, Inch Clutha, Maniototo and Shag areas. No exceedances were measured in the suppliers' data. There is a clear contrast in water availability between the more reliable lake-fed and large river systems to smaller, more variable catchments. The Clutha Mata-Au River and major lakes (Wakatipu, Wānaka) show the highest availability and least sensitivity to dry periods, while smaller tributaries like Kauru and Silverstream are highly variable, with notable low-flow reductions in recent dry years. Further reporting will be required to assess the effectiveness of regulatory and non-regulatory interventions to manage risk or hazards to drinking water as outlined in Section 46(2) of the Act.

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# 8 Appendix

## Upstream land use (percent area) for registered surface sources in Otago

| Supply ID | Dominant Land Use | Indigenous Area % | Water Area % | Other Area % | Sheep and Beef Area % | Sheep Area % | Urban Area % | Forestry Area % | Horticulture Area % | Dairy Area % |
|---|---|---|---|---|---|---|---|---|---|---|
| WAN002 | Indigenous | 54.2 | 9.4 | 1.3 | 34.7 | 0.1 | 0.3 | 0.0 | 0.0 | 0.0 |
| CAR014 | Sheep and Beef | 22.9 | 0.2 | 7.8 | 69.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 |
| CRO008 | Dairy | 40.6 | 0.0 | 0.0 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 58.8 |
| AWA001 | Sheep and Beef | 0.0 | 0.0 | 0.9 | 77.6 | 0.0 | 0.0 | 0.0 | 0.0 | 21.5 |
| WIN004 | Sheep and Beef | 14.8 | 0.4 | 2.5 | 80.6 | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 |
| RAN002 | Sheep and Beef | 0.8 | 0.0 | 1.6 | 64.7 | 0.0 | 0.0 | 33.0 | 0.0 | 0.0 |
| GIB003 | Sheep and Beef | 46.0 | 0.0 | 0.0 | 54.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| RAN002 | Sheep and Beef | 0.5 | 0.0 | 1.5 | 55.0 | 0.0 | 0.2 | 42.9 | 0.0 | 0.0 |
| JAC002 QUE001 | Sheep and Beef | 39.8 | 11.2 | 1.2 | 47.3 | 0.1 | 0.2 | 0.3 | 0.0 | 0.0 |
| KAU001 | Sheep and Beef | 0.4 | 0.3 | 1.1 | 98.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| OMA005 | Sheep and Beef | 18.0 | 0.9 | 2.1 | 72.8 | 4.2 | 0.0 | 0.1 | 0.0 | 1.9 |
| CAI001 | Sheep and Beef | 22.3 | 0.1 | 0.7 | 76.8 | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| PAT003 | Sheep and Beef | 1.7 | 0.1 | 38.9 | 57.5 | 1.4 | 0.1 | 0.0 | 0.0 | 0.2 |
| STO001 | Sheep and Beef | 5.6 | 0.0 | 11.3 | 76.3 | 0.0 | 6.7 | 0.1 | 0.0 | 0.0 |
| WAI015 | Sheep and Beef | 9.5 | 0.4 | 3.4 | 80.5 | 0.3 | 1.5 | 4.3 | 0.0 | 0.0 |
| MOA001 | Indigenous | 97.7 | 0.0 | 1.5 | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| DUN001 | Indigenous | 99.1 | 0.0 | 0.5 | 0.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| DUN001 | Indigenous | 65.2 | 0.4 | 30.2 | 4.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| ORO002 | Indigenous | 30.0 | 0.1 | 29.1 | 19.3 | 4.3 | 0.1 | 16.5 | 0.0 | 0.7 |

| Supply ID | Dominant Land Use | Indigenous Area % | Water Area % | Other Area % | Sheep and Beef Area % | Sheep Area % | Urban Area % | Forestry Area % | Horticulture Area % | Dairy Area % |
|---|---|---|---|---|---|---|---|---|---|---|
| DUN001 | Indigenous | 99.3 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 |
| LAW001 | Forestry | 0.0 | 0.0 | 2.9 | 0.0 | 0.0 | 0.0 | 97.1 | 0.0 | 0.0 |
| GLE001 | Sheep and Beef | 13.5 | 0.4 | 1.1 | 73.2 | 7.5 | 0.0 | 2.2 | 0.1 | 2.0 |
| TUA004 | Forestry | 7.8 | 0.4 | 3.7 | 21.9 | 0.0 | 0.0 | 66.2 | 0.0 | 0.0 |
| WAI055 | Forestry | 2.0 | 0.0 | 1.6 | 0.0 | 0.0 | 0.0 | 96.4 | 0.0 | 0.0 |
| LAW001 | Forestry | 0.5 | 0.6 | 2.9 | 11.6 | 0.1 | 0.0 | 74.2 | 1.2 | 8.8 |
| WES002 | Sheep and Beef | 26.8 | 5.1 | 5.1 | 40.4 | 0.0 | 0.0 | 22.5 | 0.0 | 0.0 |
| NOR003 | Forestry | 0.0 | 0.0 | 0.7 | 0.0 | 0.0 | 0.0 | 99.3 | 0.0 | 0.0 |
| WAI016 | Sheep and Beef | 0.3 | 0.3 | 6.1 | 67.6 | 5.7 | 0.0 | 19.9 | 0.0 | 0.0 |
| RIC009 | Sheep and Beef | 27.8 | 4.5 | 3.0 | 54.3 | 4.2 | 0.3 | 1.8 | 0.6 | 3.4 |
| BAL001 | Sheep and Beef | 27.5 | 4.5 | 3.0 | 54.5 | 4.3 | 0.3 | 1.8 | 0.7 | 3.5 |
| STI002 | Sheep and Beef | 27.4 | 4.5 | 3.1 | 54.4 | 4.3 | 0.3 | 1.8 | 0.7 | 3.5 |
| KAI005 | Sheep and Beef | 27.1 | 4.5 | 3.1 | 54.3 | 4.3 | 0.3 | 2.0 | 0.7 | 3.7 |
| RIC009 | Sheep and Beef | 0.2 | 0.3 | 1.6 | 72.3 | 0.0 | 0.0 | 16.8 | 0.0 | 8.7 |
| OUT001 | Sheep and Beef | 8.7 | 0.6 | 4.2 | 75.1 | 6.4 | 0.0 | 1.9 | 0.1 | 3.1 |
| DUN001 | Sheep and Beef | 8.7 | 0.6 | 4.2 | 75.1 | 6.4 | 0.0 | 1.9 | 0.1 | 3.1 |

## 11.7. Treasury Management Policy Review

**Prepared for:** Council

**Report No.** A&R2633

**Activity:** Audit and Risk

**Author:** Nick Donnelly (General Manager Finance)

**Endorsed by:** Nick Donnelly (General Manager Finance)

**Date:** 28 October 2026

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### PURPOSE

[1] To adopt an updated Treasury Management Policy and Statement of Investment Policy and Objectives following review of those documents by the Audit and Risk Committee.

### EXECUTIVE SUMMARY

[2] The Treasury Management Policy (TMP) was last reviewed in October 2023. It is due for review on a 3 yearly cycle. The last review included the addition of responsible investing criteria in section 4.2 of the existing policy.

[3] The Statement of Investment Policy and Objectives (SIPO) was also reviewed and amended in October 2023 to reflect the responsible investing criteria. It has had a further review in June 2025 to reflect changes recommended from an independent review of the fund performance that was undertaken in late 2024.

[4] Staff and Bancorp have undertaken a review of the TMP and SIPO. The documents were reviewed by the Audit and Risk Committee on 25 September 2026 where it was recommended they be presented to Council for adoption. Marked up copies of the TMP and SIPO are attached.

[5] No substantive changes are proposed to either document with most changes relating to changes to Council's new portfolio structure and staff job titles. The current settings for debt management and investment allocations are unchanged except for the requirement for credit risk management (TMP section 3.4) and short-term liquidity (TMP section 4.7) to be with institutions with a long-term rating of "A" or above.

### RECOMMENDATION

*That the Council:*

1) ***Notes** this report and the attached Draft Treasury Management Policy and Draft Statement of Investment Policy and Objectives.*
2) ***Approves** the changes that have been made to the documents.*
3) ***Adopts** the Draft Treasury Management Policy and Draft Statement of Investment Policies and Objectives.*

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## BACKGROUND

[6] The TMP is used to meet Council's legislative requirements under section 102 of the Local Government Act 2002. That requires Council to have a Liability Management Policy and an Investment Policy. These do not have to be separate documents. It is permitted to combine them, and Council has done so under the Treasury Management Policy. A number of other Council's also follow this combined policy approach.

[7] The SIPO is not required under legislation but is a document commonly used in investment management. It provides the framework for the management of Council's long-term investment portfolio which is permitted under section 4.8 of the TMP.

## DISCUSSION

[8] Amendments to the TMP and SIPO are discussed below. This discussion covers the substantive changes to the documents and doesn't cover simple administrative, changes to job titles and formatting changes. The attached drafts are in marked up form and those changes are highlighted.

[9] The current TMP includes reference to the Finance Committee which no longer exists under Councils portfolio structure. This has been removed and the Audit and Risk Subcommittee has been changed to the Audit and Risk Committee throughout the document.

[10] The current settings for debt management and investment allocations are unchanged except for the requirement for credit risk management (TMP section 3.4) and short-term liquidity (TMP section 4.7) to be with institutions with a long-term rating of "A" or above.

[11] This has been changed from "A-" as a down grade from A- moves the rating to "BBB" whereas a downgrade from "A" still maintains the rating in the A rating band.

[12] External borrowing limits (TMP section 3.5) remain unchanged. These are aligned with LGFA covenants:

- Net debt will not exceed 175% of total revenue (if Council maintains a long-term credit rating of 'A' equivalent or higher net debt will not exceed 280% of total revenue).
- Net interest will not exceed 20% of total revenue.
- Net interest will not exceed 25% of annual rates income (if Council maintains a long-term credit rating of 'A' equivalent or higher net interest will not exceed 30% of annual rates income).
- Liquidity will not be less than 110%.

[13] Fixed rate hedging percentages (TMP section 3.2) remain unchanged with a minimum fixed rate requirement of 40% of lending in 0-2 years and 20% in 2-4 years.

[14] Refinancing risk remains unchanged (TMP section 3.3) remains unchanged with the requirement that no more than 40% of all debt should mature within a rolling twelve-month period.

[15] Council's risk tolerance (TMP section 4.2 and SIPO section 2.6) remains low to medium based on willingness to accept risk rather than capacity to accept risk. The level of investment risk is low to medium with a growth asset strategy of 40%-60%.

[16] The Responsible Investment Policy (SIPO section 4.2) remains unchanged. This was included in the SIPO in October 2023.

[17] Strategic Asset Allocations (SIPO section 4.3) remain unchanged. This was revised in June 2025 following an independent review of fund performance in late 2024.

## SUMMARY OF CONSIDERATIONS

### Community Outcomes

This work aligns with the following community outcomes from the ORC 2024-2034 Long-Term Plan:

**Whole of Organisation**

This work supports the whole organisation and, therefore, all Community Outcomes.

### Alignment with Central Government Legislation

There is no specific national policy statement or central government direction that is directly applicable to this work.

### Alignment with Otago Regional Council Internal Policy

This work is consistent with relevant ORC policies, it relates to a review of Council's Treasury Management Policy.

### Financial Considerations

The budget for this work was approved through the 2024-2034 Long-Term Plan and 2026-2027 Annual Plan and comes from the Council Organisation activity budget.

### Legal Compliance/Risk

There is insignificant/minor risk that decisions arising from this report could expose Council to litigation, regulatory non-compliance, or breach of policy/legislation.

### Reputational Risk

There is insignificant/minor risk that decisions arising from this report could adversely impact Council's reputation or community trust.

### Climate Resilience

The impacts of climate-related risks (e.g. flooding, drought, extreme winds, coastal erosion, wildfires) on this work has not been assessed.

### Carbon Emissions

The implications of this work on organisational or regional greenhouse gas emissions has not been assessed.

### He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy

Not Applicable.

**Engagement with Mana Whenua**
There has been no engagement with mana whenua or Māori specifically for this work.

**Stakeholder Engagement**
There has been no engagement with external stakeholders and/or the public specifically for this work.

**Communications**
Not Applicable.

**NEXT STEPS**

[18] Not applicable.

**ATTACHMENTS**

1. Treasury Management Policy - September 2026 DRAFT marked up [**11.7.1** - 23 pages]
2. Statement of Investment Policy and Objectives - September 2026 DRAFT marked up [**11.7.2** - 21 pages]

# Otago Regional Council

## Treasury Management Policy

**~~October 2023~~October 2026**

| | |
|---|---|
| | **Document Name:** Treasury Management Policy |
| | **Document Owner:** General Manager ~~Corporate Services and CFO~~Finance |
| | **Authorised By:** Chief Executive |
| | **Implementation Date:** ~~October 2023~~October 2026 |
| | **Review Period:** 3 Yearly |
| | **Last Reviewed:** ~~March 2022~~October 2023 |
| | **Next Review:** ~~October 2026~~October 2029 |

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# 1. INTRODUCTION

Section 102 (2) of the Local Government Act 2002 requires local authorities to adopt a Liability Management Policy and an Investment Policy. The Otago Regional Council's (''Council") prepared policies have been combined into one document called the Treasury Management Policy.

The Liability Management Policy is designed to provide a framework for prudent debt management and sets out how Council may wish to use debt as a funding mechanism.

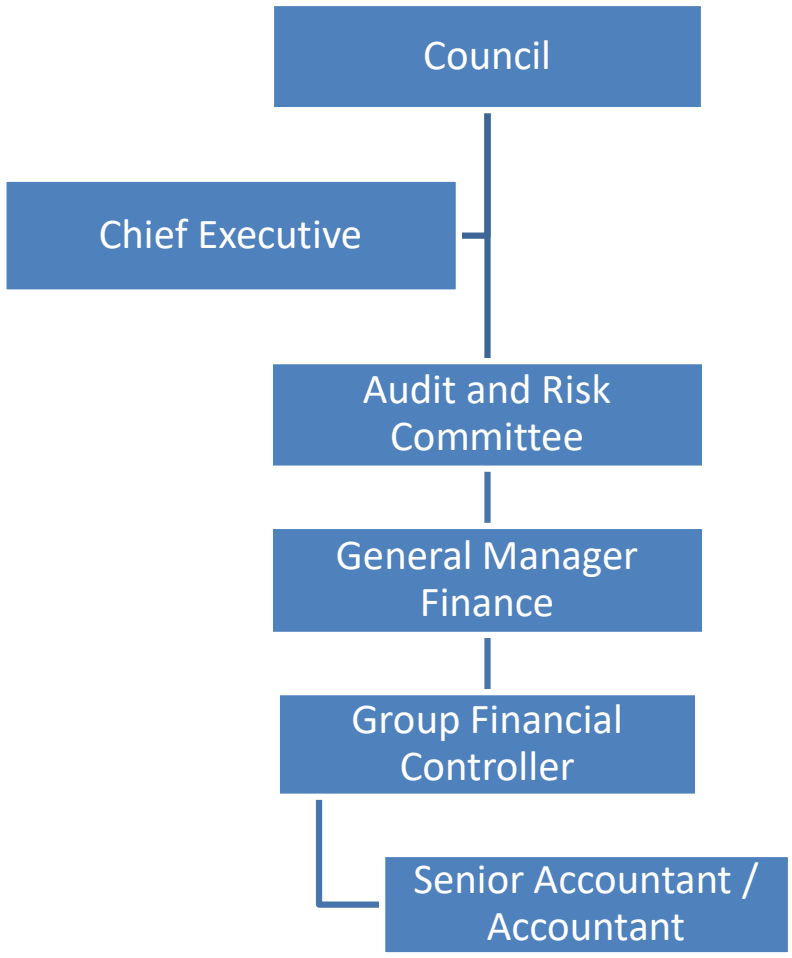
The Investment Policy is designed to ensure that the financial resources of the Council are managed in an efficient and effective way. It sets out how Council can utilise funds from the sale of assets and what should be done with the investment income.

Council has set up a structure of responsibilities and reporting lines to ensure the appropriate management and accountability of the liability management and investment management activities.

# 2. STRUCTURE

## 2.1 Introduction

The organisation chart for the treasury and investment activity is as follows:




## 2.2 Treasury and Investment Responsibilities

The key responsibilities of the above positions are as follows:

**Council**

The primary responsibilities of Council are planning, policy and governance:

- Approve and adopt the Liability Management and Investment Policies.
- Review at least on a three yearly basis the Liability Management and Investment Policies, and approve any revisions or amendments as required.
- Approve by resolution all external Council borrowing.
- To encourage the appointment of Audit and Risk ~~Subcommittee~~ Committee members with the relevant experience and competencies to achieve the stated objectives.
- To ensure that the roles and responsibilities of all parties are documented and clearly defined.
- Reviewing and assessing budgets during the budget review process.
- Appointment of Investment Managers.

- Reviewing investment performance and investment reports periodically throughout the year and at year end.
- Approve any transaction that falls outside the guidelines of the Investment Policy and Statement of Investment Policy and Objectives ("SIPO").

~~**Finance Committee**~~

~~The Council has established the Finance Committee and has delegated such powers and duties to the Committee as the Council sees fit. The Finance Committee operates as per the Council's constitution. Members serving on the Finance Committee are appointed by the Council.~~

**Audit and Risk ~~Subcommittee~~Committee**

The Council has established the Audit and Risk ~~Subcommittee~~ Committee and has delegated such powers and duties to the ~~Subcommittee~~ Committee as the Council sees fit. The Audit and Risk ~~Subcommittee~~ Committee operates as per the Council's constitution. Members serving on the Audit and Risk ~~Subcommittee~~ Committee are appointed by the Council.

- To provide guidance and leadership on the appointment, management, monitoring and review of appropriate Investment Managers.
- Reviewing all matters concerning the SIPO, considering any changes or amendments to the SIPO and making appropriate recommendations
- Regularly reviewing the Investment Managers reports and reporting exceptions.
- Ensuring that all parties overseeing, advising and managing ORC's investments disclose any potential conflicts of interest. In the event that conflicts of interest arise the policies and procedures for managing these are to be clearly defined, although, in principle, such conflicts should be avoided.
- Ensuring that an appropriate SIPO is developed and maintained.
- Ensuring that contracts for investment advisory/management, custodial and consultancy services are reviewed at least every three years.
- To recommend the appointment and removal of Investment Managers as appropriate.
- Ensuring investment portfolios are prudently diversified to meet the agreed risk/return profile.
- Approving the asset classes and sub-asset classes to be included in any investment portfolios.
- Ensuring that all service agreements and contracts are in writing and are consistent with fiduciary standards of care.
- To ensure that the practices and policies set out in the SIPO are adhered to.
- To follow formal criteria to monitor, evaluate and compare the investment performance results achieved against relevant benchmarks and objectives on a regular basis.
- To confirm on an annual basis that best practice with respect to execution, brokerage, money sweep facilities, foreign currency spreads, transaction costs and management fees is being applied.
- Reviewing the funding and interest rate risk management activities of Council periodically throughout the year and at year end.

**General Manager ~~Corporate Services and CFO~~Finance**

- Responsible for setting investment, borrowing and risk management strategies~~y~~ in conjunction with the ~~Finance Manager~~Group Financial Controller.
- Responsible for recommending the level of cash available for investment and that held for working capital purposes.
- Recommend to Council amendments to the Liability Management Policy and Investment Policy as required.
- Manages the funding, interest rate risk management and liquidity activities of the Council.
- Determines the level of future core debt is to be used for interest rate risk management purposes.
- Maintains lender relationships with the banks and the capital markets including the LGFA.
- Monitors and reviews the ongoing treasury risk management performance of the Council to ensure compliance with the policy parameters.
- Review internal audit reports and approve as appropriate any recommendations made.
- Administering and attending to the day-to-day financial matters associated with the management of investment portfolios, including serving as the primary point of contact for the Investment Manager.

**~~Finance Manager – Expenditure and Reporting~~Group Financial Controller**

- Responsible for all activities relating to the daily implementation and maintenance of the Liability Management Policy and Investment Policy.
- To control and account for all investment, recordkeeping and administrative expenses associated with management of the funds.
- Prepares quarterly treasury reports.
- To report at least annually to the Audit and Risk ~~Subcommittee~~ Committee 'Total cost of Delivery' being the sum of:
    - Investment Advisory Fees,
    - Custodial Fees,
    - Administration Fees, and
    - Total Fund Fees – made up of; annual management fees (including annual management fees of underlying investments), performance-based fees (including performance based fees of underlying investments), and any other fees and costs.
- Assist in determining the most appropriate sources and terms for borrowing and investing.
- Negotiate investment and borrowing transactions.
- Responsible for keeping the General Manager ~~Corporate Services & CFO~~Finance informed of significant treasury activity and market trends.
- Responsible for reviewing/approving the weekly cashflow and cash management transaction requirements completed by the Senior Accountant / Accountant.
- Responsible for confirming adherence to Liability Management Policy and Investment Policy, through internal audit reviews, to be performed on an annual basis. Reports findings to the General Manager ~~Corporate Services & CFO~~Finance.
- Assist in identifying amendments to the investment, borrowing and risk management strategy, which may require amendment of the Liability Management Policy and

Investment Policy.

**Senior Accountant / Accountant**

- Prepare and manage Council's cashflow and cash requirements.
- Report to the ~~Finance Manager~~Group Financial Controller on the weekly cashflow position and resulting cash management transactions required.

Council may also appoint an Independent Treasury Advisor (''ITA") to advise on the management of the treasury risks.

# 3. LIABILITY MANAGEMENT POLICY

## 3.1 General Liability Management Policy

The Council, on such terms and conditions as it considers appropriate and by resolution, exercises its borrowing powers pursuant to sections 113 to 116 of the Local Government Act 2002.

Council may borrow for the following primary purposes:

- Fund special one-off type projects.
- Fund expenditure for items of an intergenerational nature.
- Short-term borrowing to manage timing differences between cash inflows and outflows.
- On-lending to Port Otago Limited.

Council can borrow from external sources utilising the following borrowing mechanisms:

- Committed bank facilities.
- The capital markets using Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB’’), also referred to as Medium Term Notes (”MTN”)
- The Local Government Funding Agency using standby facilities, CP, FRNs and FRBs, also referred to as MTNs.

When evaluating new borrowings, the Council will take into consideration the following:

- The impact on its borrowing limits (refer Section 3.5).
- The impact on its interest rate exposure limits (refer Section 3.2).
- The available terms of borrowing including interest rates, level and timing of repayments and security.
- The size and economic life of the asset / project being funded.
- The level and timing of earnings which may flow from the asset / project.
- The advantages and disadvantages of various borrowing mechanisms including the relevant margins under each borrowing source.
- Council’s overall debt maturity profile, to ensure concentration of debt is avoided at reissue / rollover time.
- Consistency with the Council’s long-term financial strategy.
- Legal documentation and financial covenants.
- The Council cannot borrow in foreign currencies.

## 3.2 Interest Rate Exposure Policy

Interest rate risk management has the objective of managing Council's interest rate exposures in order to:

- Give a sufficient level of certainty to Council's funding costs while, at the same time, allowing Council to participate if interest rates and credit spreads move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration relevant budgetary assumptions.
- Recognise Council's exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable Council to respond as appropriate.

Interest rate risk management ~~Hedging~~ controls relate to the level of core debt. Core debt is defined as the level of current and projected future debt as determined by the General Manager ~~Corporate Services and CFO~~Finance. Core debt projections should be supported by appropriate budgetary analysis.

Council will maintain fixed interest rate cover for core debt within the control limits detailed in the table below. Fixed rate debt is defined as all debt that has at least one more rate reset outstanding (typically quarterly) or has more than three months to maturity in the case of a fixed rate term loan. Compliance with these parameters is at the discretion of the General Manager ~~Corporate Services and CFO~~Finance if core debt is less than $10.0 million. Any hedging in excess of 8 years must be approved by the full Council.

The following interest rate risk management parameters apply if debt (excluding debt obtained for on-lending to Port Otago Limited) is greater than $10.0 million:

| **Fixed Rate Hedging Percentages** | | |
|---|---|---|
| | Minimum Fixed Rate Amount | Maximum Fixed Rate Amount |
| 0-2 years | 40% | 100% |
| 2-4 years | 20% | 80% |
| 4-8 years | 0% | 60% |

The approved interest rate risk management instruments are as follows:

- Fixed interest rate swaps, including forward starting swaps.
- Interest rate options – includes caps, swaptions and collars. For a collar the amount of the sold option must match the amount of the purchased option.
- Fixed rate term loans.

Options that hedge floating rate debt with an exercise rate greater than 1.50% above the equivalent period fixed interest rate at the time of inception cannot be included as part of the fixed rate cover percentage calculation. For example, a two-year cap at 2.00% would only count as a fixed rate hedge if the underlying two-year swap rate at the time of inception was higher than 0.50%.

## 3.3 Liquidity and Funding Risk Management

Liquidity risk is the risk that an unforeseen event or miscalculation in the required liquidity level may lead to Council being unable to meet its day-to-day obligations.

Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are available at all times to meet both the short and long-term commitments of Council as they arise, in an orderly manner. The two main sources of liquidity requirements are for working capital and material adverse business events.

To manage liquidity risk Council must maintain a liquidity percentage of 110% above the projected peak borrowing requirement over the following twelve months e.g. if debt was $25 million, the Council must maintain liquidity of at least $2.5 million. Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Appropriate cash flow reporting mechanisms must also be maintained to monitor Council's estimated liquidity position over the next twelve months.

Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable the Council to achieve its strategic short term and long-term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities.

Funding risk covers both working capital requirements and core debt.

- The Council must approve all new debt funding facilities and/or revision to the parameters of existing debt funding facilities.
- To ensure that all of the Council's debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve-month period. Compliance with this provision is not required if total external debt is less than $10.0 million and excludes debt obtained for on-lending to Port Otago Limited.
- The General Manager ~~Corporate Services and CFO~~Finance must renegotiate/replace maturing bank funding facilities on a timely basis. Specifically, the General Manager ~~Corporate Services and CFO~~Finance must obtain an indicative letter of offer no later than three months before the maturity of any bank facility.

## 3.4 Credit Risk Management

The management of counterparty credit risk in relation to the Council's borrowing and interest rate risk management activities has the objective of minimising financial loss through the default of a financial counterparty, usually a financial institution, due to the financial insolvency of the counterparty, the inability of the counterparty to perform due to country decree, or any other circumstance such as an adverse market event. The purpose of counterparty credit limits is to limit the loss that the Council may incur if a counterparty was to default or be unable to meet its obligations.

The Council's exposure to counterparty credit risk will be managed by entering into financial market transactions and funding arrangements with only approved counterparties. Approved counterparties are defined as follows:

- An approved counterparty must be a New Zealand Registered Bank or financial institution with a long term credit rating of 'A-' or above by S&P Global Ratings ~~tandard & Poor's~~ ("S&P"), or the Moody's Investors Service ("Moody's) or Fitch Ratings ("Fitch") equivalents.

## 3.5 External Borrowing Limits

In managing its borrowings, the Council will adhere to the following limits (based on the Council's latest financial statements):

- **Net debt will not exceed 175% of total revenue (if Council maintains a long-term credit rating of 'A' equivalent or higher net debt will not exceed 280% of total revenue).**
- **Net interest will not exceed 20% of total revenue.**
- **Net interest will not exceed 25% of annual rates income (if Council maintains a long-term credit rating of 'A' equivalent or higher net interest will not exceed 30% of annual rates income).**
- **Liquidity will not be less than 110%.**

"Total revenue" is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).

"Net debt" is defined as total debt less liquid financial assets and investments.

"Liquidity" is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

"Net Interest" is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

"Annual rates income" is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local

authorities rate).

Financial covenants are measured on a Council only basis and not a consolidated group basis. Both borrowing and loan amounts associated with on-lending from Council to Port Otago Limited will be included in covenant calculations and may be offset if in covenant calculations if permitted under LGFA covenant calculation rules.

## 3.6 Local Government Funding Agency

The Council may borrow from the New Zealand Local Government Funding Agency ("LGFA") and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA.
- Provide guarantees of the indebtedness of the LGFA.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Subscribe for shares and uncalled capital in the LGFA and Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

## 3.7 On-lending to Port Otago

This section applies while Port Otago Limited remains a subsidiary of the Council.

To better achieve the strategic and commercial objectives of the group, Council may provide financial support in the form of debt funding to Port Otago Limited.

On-lending terms and conditions are expected to mirror the underlying loan obtained for that purpose. Council will not provide on-lending on terms and conditions that are more favourable than those Council has obtained in the underlying loan to on-lend.

Any agreement to on-lend to Port Otago must be approved by Council and the following should be considered:

- Credit risk profile of Port Otago Limited, and the ability to repay interest and principal amounts on due dates.
- Impact on Council's credit standing, lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- Whether the loan is unsecured or if secured, the form and quality of any security arrangements provided.
- On-lending arrangements must be recorded in a legally enforceable loan contract (and any associated transaction documentation).
- Accounting and taxation impact of the arrangement.

## 3.8 Security

It is Council policy to offer security for its borrowing by way of a charge over its rates. In the normal course of business, Council policy is not to offer security over any of the other assets of the Council. However, in special circumstances and if it is considered appropriate, Council may resolve to offer such security on a case-by-case basis.

## 3.9 Repayment

The Council repays borrowings from rates, surplus funds, investment income, proceeds from the sale of investments and assets, or from specific sinking funds.

## 4.0 Internal Debt Management

When considered appropriate, the Council uses accumulated reserves as a borrowing mechanism, thereby reducing the level of external borrowings. The following operational guidelines apply to the use of reserves for funding rather than external borrowings:

- Interest is charged on the month end loan balances.
- The internal interest rate charged will be set in advance in Council's Long-term Plan and Annual Plan.
- Reserves available for internal borrowing are limited to 50% of total reserves (total equity) excluding revaluation reserves.

# 4. INVESTMENT POLICY

## 4.1 General Investment Policy

**Guiding Principles**

The guiding principles which govern Council's equity and financial market investment activities are as follows:

- Council's time horizon is long term, i.e. it is greater than 15 years, and it intends to hold investments for the long term.
- There is a positive relationship between risk and return, higher expected returns means higher risk.
- Every investment has an associated level of risk. This risk is best mitigated by diversification.
- Investors who have a Strategic Asset Allocation ("SAA"), and a Statement of Investment Policy and Objectives ("SIPO") which they follow, generally outperform investors who do not.
- Frequent trading, completely liquidating all investments, or allocating all investments to one specific sector which is predicted to outperform is speculation, not investment.
- Periodic rebalancing back to SAA target weights is likely to enhance investment returns over the long term.
- Periodic review of the Investment Policy and the SIPO is likely to ensure that any material changes in circumstances are captured and reflected in the management of the portfolio. Reviews should occur not less than three yearly.

**Objectives**

Council's primary objective when investing is the protection of its initial investment. Accordingly, the risk profile of all investment portfolios must be conservative (see Appendix 1).

Within the approved credit limits contained in Appendix 1, the Council also seeks to:

- Maximise investment returns.
- Manage potential capital losses due to interest rate movements, currency movements and price movements.
- Maintain the real value of investment assets in perpetuity.
- Ensure that the real value of distributions can be maintained.
- Maintain intergenerational equity between current and future ratepayers of Otago Regional Council.

## 4.2 Risk Tolerance

The Council recognises and acknowledges that some risk must be assumed in order to achieve the long-term investment objectives.

Risk tolerance is affected by three factors:

- Capacity to accept risk,
- Willingness to accept risk, and
- Required rate of return.

**Capacity to Accept Risk**

Council's capacity to accept risk is a function of its investment time horizon, prospective future contributions, current financial condition, level of funding requirements and reserve facilities.

**Time Horizon**

Council is expected to exist in perpetuity. The investment time horizon of Council is therefore long term. This increases capacity to accept risk.

**Financial Capacity**

Council's current financial condition and level of funding requirements imply reasonable capacity to tolerate short to medium term volatility in the value of its investments. This increases capacity to accept risk.

Based on the combination of time horizon and financial circumstances, Council's overall capacity to accept risk is assessed as medium to high.

**Willingness to Accept Risk**

Council is a risk averse entity. The Council seeks, where possible, to minimise volatility or risk. Notwithstanding this risk aversion, the Council, Finance Committee and Audit and Risk Subcommittee, acknowledge that investing solely in capital stable investments exposes the Council's asset base to the risk of inflation and is willing to accept some risk in order to increase expected return, subject to Council's capacity to accept risk.

**Required Rate of Return**

Careful consideration of cash flow requirements is essential to determine the required rate of return. In order to achieve the desired level of contributions to cash flow, while maintaining the real value of Council's capital over time, the real (i.e. inflation adjusted) required return for Council must be greater than the spending rate.

Based on a spending rate of $2,000,000 per annum and an assumed investment asset base of $40,000,000 to $50,000000, inflation expectations of 2.0% per annum, a return of 2.0% to 3.0% may be sufficient to meet Council's objectives.

## 4.3 Investment Mix

The Council has a significant portfolio of investments that may be comprised of the following:

- Strategic equity investments
- Property investments
- Kuriwao endowment
- Short term liquidity
- Long term investment portfolio
- Investment in irrigation schemes
- Local Government Funding Agency
- On-lending to Port Otago Limited (refer to section 3.7)

## 4.4 Strategic Equity Investments – Port Otago

**Nature of Investments and Rationale for Holding**

The Council owns 100% of Port Otago Limited.

Port Otago is a significant strategic asset held by the Council on behalf of the regional community, with its activities complementing and supporting the economic development of the region.

**Review of Holding**

The Council will from time to time review the equity held in Port Otago Limited, and may, if considered strategically appropriate, amend the percentage shareholding held.

**Disposition of Revenue**

Port Otago Limited has consistently paid a dividend to the Council. The company's Statement of Corporate Intent, produced annually, specifies the level of dividend that will be paid. These dividends are to be used to subsidise general rate funding. Special dividends received may be used towards special projects of a one-off nature.

**Risk Management**

The Council's investment in Port Otago Limited is not without risk. Dividends receivables are driven by the level of profitability that Port Otago can continue to generate, and ultimately, the value of the Council's investment in the company.

The Council's risk management procedures include:

- Appointing external directors with appropriate expertise to Port Otago Limited's Board of Directors.
- Reviewing / approving on an annual basis Port Otago Limited's Statement of Corporate Intent.
- Regular reporting to Council as specified in the Company's Statement of Corporate Intent.

**Management Reporting Procedures**

Management reporting procedures have been noted under risk management issues above.

## 4.5 Property Investment

**Nature of Investment and Rationale for Holding**

The Council owns investment properties within Dunedin City, the land having been gifted to the Council. The land is leased on commercial terms.

Council considers that holding this investment is in the interests of residents and ratepayers, because the return by way of rentals is at commercial rates.

**Review of Holding**

The Council will from time to time review the investment properties, and may, if considered strategically appropriate, reduce the holdings.

**Disposition of Revenue**

Revenue earned from investment properties is used to subsidise general rate funding.

Proceeds from the sale of investment properties would be allocated to the Asset Replacement Reserve.

**Risk Management**

The risk in respect of holding investment property is evaluated as low given the location of the property and its current and long-term use. A valuation of the property is carried out on an annual basis by an Independent Registered Valuer, with gains or losses in value being taken directly to the asset revaluation reserve.

Rental income earned from investment properties is considered low risk, due to the fixed and long-term nature of the lease agreements. Lease rental is negotiated at the time that the leases expire, with independent and expert advice being obtained on the market conditions.

**Management Reporting Procedures**

Returns from investment properties are monitored on a regular basis.

On an annual basis, the market value of the investment properties is recorded and reported on in the Council's financial statements.

## 4.6 Kuriwao Endowment

**Nature of Investments and Rationale for Holding**

This land was vested in the Council by the Otago Regional Council (Kuriwao Endowment Lands) Act 1994 ("the Act"). The Otago Regional Council leases the land to private individuals.

**Disposition of Revenue**

The Act allows the Council to sell the land if it so desires but stipulates that sales proceeds and any earnings from those proceeds must be used for the benefit of the Lower Clutha district.

In accordance with the Act, rental income from the leases is also used for the benefit of the Lower Clutha district, and is used primarily for catchment works in that district.

**Risk Management**

The risk in respect of holding investment property is evaluated as low given the location of the property and its current and long-term use.

Rental income earned from endowment land is considered low risk, due to the fixed and long-term nature of the lease agreements. Lease rental is negotiated at the time that the leases expire, with independent and expert advice being obtained on the market conditions.

**Management Reporting and Procedures**

Returns from the leased land are monitored on a regular basis.

The value of the land is recorded and reported on in the Council's financial statements.

## 4.7 Short Term Liquidity

**Nature of Investment and Rationale for Holding**

This type of investment will be in the form of ~~cash~~ term deposits held for various periods up to 365 days. It will be held for working capital purposes, emergency funds and as an investment when deemed appropriate. This excludes "on-call" funds held for immediate working capital purposes and cash deposits or fixed interest investment of less than 1 year that are held as part of a Long-Term Investment Portfolio.

**Deposition of Revenue**

Revenue earned on cash holdings is added to the general reserve balance and used to offset external debt borrowing costs. The net interest amount is allocated over all reserves using an internal interest rate set in advance in Council's Long-term Plan and Annual Plan. Any surplus revenue is used to subsidise general rates.

**Risk Management**

Investments are only to be held with New Zealand Registered Retail Banks with a long term credit rating of 'A ~~-~~' or above by ~~Standard & Poor's ("~~S&P~~")~~, or the Moody's ~~Investors Service ("Moody's)~~ or Fitch ~~Ratings ("Fitch")~~ equivalents.

- No more than 50% of total term deposits or $10.0M, whichever is the greater, is to be invested at any one time with any one institution.

**Management Reporting**

Cash holdings are managed as part of the Council's daily operational procedures (refer section 5).

## 4.8 Long Term Investment Portfolio

**Nature of Investment and Rationale for Holding**

The Council has established a Long-Term Investment Portfolio in order to assist with the subsidising of rates and maintaining intergenerational equity between current and future ratepayers.

Council considers that holding this investment is in the interests of residents and ratepayers,

because it provides the opportunity to earn higher investment returns through income and capital growth than is achievable through short term liquidity or long-term fixed interest and it provides a greater chance of maintaining the real value of Council's asset base in the face of inflation.

**Review of Holding**

The Council will from time to time review the Long-Term Investment Portfolio, and may, if considered strategically appropriate, reduce or increase the amount of funds allocated to the Long-Term Investment Portfolio.

**Disposition of Revenue**

Revenue earned from the Long-Term Investment Portfolio is used to subsidise general rates.

**Risk Management**

The Council's investment in the Long-Term Investment Portfolio is not without risk. The income and capital growth likely to be achieved from the Long-Term Investment Portfolio will vary and may not meet Council's expectations in any one quarter or financial year.

The Council's risk management procedures include:

- Appointing an independent Investment Manager with appropriate expertise to manage the Long-Term Investment Portfolio.
- Requiring the Investment Manager to adhere to a Statement of Investment Policies and Objectives ("SIPO") which defines the nature of the investment management mandate including restrictions, exclusions and minimum reporting requirements.
- Requiring the Investment Manager to report compliance with the SIPO.
- Requiring the Investment Manager to report formally against appropriate benchmarks quarterly, and ~~peer group~~ at least annually.
- The Council will conduct a formal review of incumbent Investment Managers not less than three yearly. This may result in a tender process for the Investment Management of the Council's Long-Term Investment Portfolio.

**Management Reporting and Procedures**

Long-Term Investment Portfolio returns, and portfolio characteristics are monitored on a quarterly basis against relevant benchmarks and compliance reporting criteria established in the SIPO.

On an annual basis, portfolio returns are benchmarked against an appropriate peer group.

## 4.9 Investment in Irrigation Schemes

**Nature of Investment and Rationale for Holding**

This type of investment would be in the form of equities in irrigation schemes. Such investments could only be entered into where an equity holding by Council will enable a scheme to proceed, if committed supply contracts alone are not sufficient to enable this, and where an equity holding will enable wider community benefits in water management.

Any consideration of an equity investment will only occur after normal corporate loan and equity funding had been diligently explored by the developers of the irrigation scheme, and reasons for rejection identified.

Any proposed investment in an irrigation scheme must be consulted on before proceeding with the investment.

**Disposition of Revenue**

Revenue earned from equity investment in irrigation schemes is to be used to subsidise general rates.

Proceeds from the sale of equities will be allocated to the general reserve.

**Risk Management**

Investment in Irrigation Schemes is assessed as having a high risk. Returns on this type of equity investment may not be earned until such time as the investment is sold, or may not be at levels that may be returned on other types of investment.

Further there is a risk that there will be no readily available option for selling the investment, should the Council wish to do so.

The Council's risk management procedures include:

- Requiring a full business plan that shows a commercial return on investment, and a real opportunity to sell the investment.
- Being entitled to having a representative on the Board of the irrigation scheme company.
- Requiring regular reporting to Council of the activities and progress of the scheme, and the uptake of shares by farmers joining the scheme.

Investments are to be held in accordance with the limits set out in Appendix 1.

**Management Reporting**

The value of equity investment in irrigation schemes is to be recorded and reported annually in the Council's financial statements.

## 4.10 Local Government Funding Agency

Council may invest in shares and other financial instruments of the Local Government Funding Agency ("LGFA") and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially higher than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

# 5. CASH MANAGEMENT

The finance department is responsible for managing the Council's cash surpluses and deficits as they arise. These may arise due to a mismatch of daily receipts and payments.

Council maintains monthly cashflow forecasts and reviews cash payment requirements weekly. These cashflows determine the level of cash required for working capital purposes, any surpluses available for investment, and any deficits that may require short-term borrowing. Any surplus cash to be invested is covered by sections 4.7 for short-term surpluses and 4.8 for long-term surpluses of this policy document.

The following operational guidelines apply to the cash management processes:

- On-call funds may be held with Council's transactional bank to meet the immediate short term funding requirements.
- Cashflow surpluses will be invested in accordance with section 4.7 and section 4.8 of this document.
- A committed bank overdraft facility may be maintained, to meet interim cash and liquidity requirements, as approved by the General Manager ~~Corporate Services and CFO~~Finance.

## APPENDIX 1:

# Approved Credit Ratings and Limits

### Approved Credit Rating Guidelines

| S&P Rating band (or Moody's or Fitch equivalent) | Maximum Percentage of NZ Fixed Interest Asset Class |
|---|---|
| AAA to AA- | 100% |
| A+ to A- | 55% |
| BBB+ to BBB- | 15% |
| Sub-investment Grade/Unrated | 0% |
| Government | 100% |
| Equities in Irrigation Schemes* | 10% |

* Subject to consultation and Council approval as per section 4.9

### Maximum Individual Security Guidelines

| S&P Rating band (or Moody's or Fitch equivalent) | Individual Security Maximum Percentage of NZ Fixed Interest Asset Class |
|---|---|
| AAA | 15% |
| AA | 10% |
| A | 10% |
| BBB | 5% |
| Sub-investment Grade/Unrated | 0% |
| Equities in Irrigation Schemes* | 10% |

* Subject to consultation and Council approval as per section 4.9

Note the above tables provide guidelines for assessing the Long Term Investment Portfolio and individual securities within that portfolio.

Section 4.7 of the Investment Policy sets the risk management limit on maximum issuer exposure for Short Term Liquidity and Section 4.4 of the SIPO provides further diversification guidelines to manage the Long-Term Investment Portfolio.

Equities in Irrigation Schemes do not form part of the Long Term Investment Portfolio and the limit above provides a maximum percentage relative to other investments held in the Long Term Investment Portfolio.

# Otago Regional Council

## Statement of Investment Policy and Objectives

**~~June 2025~~October 2026**

| | |
|---|---|
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# 1. PURPOSE

The purpose of this Statement of Investment Policy and Objectives (SIPO) is to provide the policy framework for Otago Regional Council (the Council) to effectively supervise, monitor and evaluate the management of the investment activities undertaken through Council's Long Term Investment Portfolio.

The SIPO defines the key responsibilities and the operating parameters within which the Long Term Investment Portfolio and ~~it's~~its ongoing management are to operate. The SIPO should at all times encourage the use of methodologies and processes that reflect industry best practice, encompass the principles of good corporate governance, and reflect the corporate vision of Otago Regional Council.

# 2. OBJECTIVES

## 2.1 Introduction

Section 102 (2) of the Local Government Act 2002 requires local authorities to adopt an Investment Policy to ensure that the financial resources of the Council are managed in an efficient and effective way. That Investment Policy is incorporated in Council's Treasury Management Policy. The SIPO is an associated document to the TMP and provides guidance specifically related to Council's Long Term Investment Portfolio.

## 2.2 Objectives

Council's primary investment objectives are:

- To protect and maintain the purchasing power of the current investment assets and all future additions to the investment assets.
- To maximise investment returns within reasonable and prudent levels of risk.
- To maintain an appropriate asset allocation in order to make distributions as required while preserving the real value of the Council's capital from the effects of inflation.

## 2.3 Time Horizon

The investment guidelines are based upon an investment horizon of greater than seven years. Therefore, interim fluctuations should be viewed with appropriate perspective.

## 2.4 Risk Tolerance

The Otago Regional Council is a risk-averse entity, but some risk must be assumed in order to achieve the long-term investment objectives of the portfolio, given there are uncertainties and complexities associated with investment markets. It is the express desire of the Council to minimise portfolio volatility through the adoption of prudent portfolio management practices. Overall, a conservative investment approach is to be adhered to.

## 2.5 Performance Expectations

Council aims to earn a net real return on the portfolio of 2.3-3.1% per annum after investment management costs and inflation (assumed to average 2.0% per annum), on average over five years.

The Council recognises that the target rate of return is a long term one and will not be achieved in every measurement period.

## 2.6 Risk Summary and Selection of Asset Allocation

The table below summarises the Council's level of risk tolerance as measured by the three risk factors:

| Risk Measure | Level of Risk |
|---|---|
| Capacity to accept risk | Medium to High |
| Willingness to accept risk | Low to Medium |
| Required rate of return | Inflation plus 2.3% - 3.1% (net) |

Over the long term, the average rate of investment return is related to the level of risk within the portfolio, as illustrated in the table below:

| Estimated Rate of Return (net of fees) Inflation plus: | Estimated Gross Return | Level of Investment Risk | Growth Asset Strategy |
|---|---|---|---|
| 1.5% - 2.3% | 6.0% - 6.5% | Low | 20% to 40% |
| 2.3% - 3.1% | 6.5% - 7.2% | Low to medium | 40% to 60% |
| 3.1% - 3.8% | 7.2% - 7.8% | Medium to high | 60% to 80% |
| 3.8% - 4.3% | 7.8% - 8.1% | High | 80% to 90% |

Returns above are per annum. The table comprises estimates based on standard portfolio and custodial fees and assumes a tax rate of 0%. Estimated gross returns increase as the portfolio allocation to growth assets increases. Actual returns may be higher or lower than those detailed above.

Based on Council's required rate of return, capacity and willingness to accept risk, it is recommended that a portfolio incorporating 40% to 60% growth assets is adopted which is suitable for a low to medium level of risk. Aim is to achieve 50% income assets ,50% growth assets.

## 2.7 Policy Setting and Management

The Council may from time to time approve/amend the policy parameters set in relation to Council's investment activities. These changes will be minuted and incorporated into the SIPO and the dates of the changes noted.

# 3. DUTIES AND RESPONSIBILITIES

## 3.1 The Council

The primary responsibilities of the Council are planning, policy and governance.

The Council will take cognisance of the prudent person and duty of care rules as set out in the Trustee Amendment Act 1988.

As fiduciaries, the primary responsibilities of the Council are:

- To state in a written document the Council' attitudes to risk, expectations, objectives and guidelines for the investment of their assets.
- To review this SIPO on a regular basis.
- To ensure Council's investment assets are prudently diversified to meet the agreed risk/return profile.
- To establish formal criteria to select, monitor, evaluate and compare the investment performance results achieved by the investment adviser and the overall portfolio against agreed benchmarks, peer groups and Council's objectives on a regular basis.
- To avoid prohibited transactions and conflicts of interest.
- To encourage effective communications between the Council and parties involved with investment management decisions.
- To encourage the appointment of Audit and Risk ~~Subcommittee~~ Committee members with the relevant experience and competencies to achieve the stated objectives.
- To ensure that the roles and responsibilities of all parties are documented and clearly defined.
- Appointment of Investment Managers.
- Reviewing investment performance and investment reports periodically throughout the year and at year end.
- Approve any transaction that falls outside the guidelines of the SIPO.

## 3.2 The Audit and Risk ~~Subcommittee~~Committee

The Council has established the Audit and Risk ~~Subcommittee~~ Committee and has delegated such powers and duties to the Committee as the Council sees fit. The Audit and Risk ~~Subcommittee~~ Committee operates as per the Council's constitution. Members serving on the Audit and Risk ~~Subcommittee~~ Committee are appointed by the Council.

- To provide guidance and leadership on the appointment, management, monitoring and review of appropriate Investment Managers.
- Reviewing all matters concerning the SIPO, considering any changes or amendments to the SIPO and making appropriate recommendations.
- Regularly reviewing the Investment Managers reports, and reporting exceptions.
- Ensuring that all parties overseeing, advising and managing Council's investments disclose any potential conflicts of interest. In the event that conflicts of interest arise the policies and procedures for managing these are to be clearly defined, although, in principle, such conflicts should be avoided.

- Ensuring that an appropriate SIPO is developed and maintained.
- Ensuring that contracts for investment advisory/management, custodial and consultancy services are reviewed at least every three years.
- To recommend the appointment and removal of Investment Managers as appropriate.
- Approving the asset classes and sub-asset classes to be included in any investment portfolios.
- Ensuring that all service agreements and contracts are in writing and are consistent with fiduciary standards of care.
- To ensure that the practices and policies set out in the SIPO are adhered to.
- To follow formal criteria to monitor, evaluate and compare the investment performance results achieved against relevant benchmarks and objectives on a regular basis.
- To confirm on an annual basis that best practice with respect to execution, brokerage, money sweep facilities, foreign currency spreads, transaction costs and management fees is being applied.

## 3.3 Custodian

Custodians are responsible for the safekeeping of Council's investment assets. The specific duties and responsibilities of the custodian are to:

- Value all investment assets.
- Collect all income and dividends owed to the portfolio.
- Settle all transactions (buy/sell orders) initiated by the Investment Manager.
- Provide monthly reports that detail transactions, cash flows, securities held and their current value. The report should also detail the change in value of each security and the overall portfolio since the previous report.
- Maintaining separate accounts.

## 3.4 Investment Advisor

The Council may retain an objective, third-party investment adviser to assist the Council in managing the overall investment process. The adviser will be responsible for guiding the Council through a disciplined and rigorous investment process to enable the Council to prudently manage their fiduciary duties and responsibilities. The investment adviser will:

- Provide advice on appropriate strategic asset allocation, security and fund manager selection.
- Periodically monitor the SIPO and its appropriateness, (in conjunction with the Council).
- Specify and advise on asset and sub-asset class allocation strategies.

## 3.5 Investment Manager

The Council will appoint an Investment Manager to manage the assets under their supervision in accordance with the guidelines and objectives outlined in the SIPO and in their service agreements. The Investment Manager will:

- Periodically review the custodial arrangements and make recommendations.
- Provide instructions to each fund manager with respect to the lodging or withdrawing of funds placed.
- Oversee and monitor the performance of the fund managers.
- Appoint and remove fund managers.
- Deliver quarterly reports to the Council which detail the following:
  - Portfolio valuation,
  - Fixed Interest Portfolio duration,
  - Compliance reporting,
  - Portfolio Performance Summary for the portfolio and by asset class,
  - Performance against benchmarks,
  - Asset transactions summary, and
  - Cash transactions.
- Make available appropriate personnel to attend meetings as agreed between the Council and the adviser.
- Report to the Council annually as to the total expenses incurred and tax paid in managing Council's investment portfolio.
- Communicate to the Council all significant changes pertaining to the portfolio it manages or the adviser's firm itself. Changes in ownership, organisational structure, financial condition and professional staff are examples of changes to the firm in which the Council are interested.
- Use the same care, skill, prudence and due diligence under the prevailing circumstances that an experienced investment professional, acting in a like capacity and fully familiar with such matters, would use in like activities for like portfolios with like aims in accordance with all applicable laws, rules and regulations.
- Ensure that "expected" and "modelled" returns for asset classes are based on sound return and risk premium assumptions.
- Outline expected returns and risk, or volatility, within the selected strategies.
- Recommend a Custodian to hold and report on investment assets.
- Rebalance individual investments and asset class groups to within agreed benchmarks as described in the rebalancing policy contained in the SIPO.
- To effect all transactions for the portfolio at the best price.
- Regularly report on compliance exceptions with the SIPO.
- Disclose any potential conflicts of interest and steps taken to mitigate such conflicts.

## 3.6 Fund Managers

Fund Managers are utilised by the Investment Manager to manage a part of the Long-Term Investment Portfolio.

- To manage an allocated part of the portfolio on terms and conditions consistent with their mandate.

# 4. INVESTMENT POLICY AND IMPLEMENTATION

## 4.1 Asset Class Guidelines

Long-term investment performance is primarily a function of strategic asset allocation and asset class mix.

History shows that while interest-generating investments, such as fixed interest portfolios, have the advantage of relative stability of capital value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments have a significantly higher expected return but have the disadvantage of much greater year-on-year variability of return. From an investment decision-making point of view, this year-on-year variability may be worth accepting, provided the time horizon for the equity portion of the portfolio is sufficiently long, (10 years or greater).

**Authorised Investments**

The following investments, within New Zealand and internationally, are authorised by the Council:

- Cash – term deposits, cash on call, cash funds.
- NZ fixed interest – NZ Government, local authority and NZ State-Owned Enterprise bonds, corporate bonds, fixed interest funds.
- International fixed interest – either direct, if appropriate or via managed funds.
- Listed property companies, property funds and direct property investments.
- Equities, either via managed funds or directly.

**Excluded Investments**

The following investments are not permitted:

- Preference shares.
- Leveraged investments.
- Options.
- Futures (excluding those employed as risk management strategies by fund managers).
- Commodities contracts.
- Precious metals.
- Hedge funds.
- Unlisted equity securities.
- Private equity investments.
- Illiquid investments.
- Investments in Council Controlled Organisations (other than those described in Section 4.4 of the Treasury Management Policy).

## 4.2 Responsible Investment Policy

Council is committed to incorporating Responsible Investment into its investment decision-making processes. Council's approach to Responsible Investment is to seek close alignment of the following Responsible Investment Framework with our values. The ability to implement this policy is a factor in the appointment of our investment adviser/manager.

Council has resolved to use reasonable endeavours to avoid investment in entities that meet the following criteria of prohibited activities at or above the threshold level where relevant.

**Responsible Investing Exclusion Table:**

| Exclusion | Nature of involvement | Threshold |
|---|---|---|
| **Cannabis - Recreational** | Companies that produce and/or retails cannabis for recreational use. | 0% |
| **Civilian Firearms** | **Producer**<br>**Automatic:** Companies that manufacture firearms which automatically eject the cartridge case of a fired shot and load the next cartridge from the magazine allowing the gun user to fire more than one round of ammunition for every pull of the trigger.<br>**Semi-Automatic:** Companies that manufacture firearms which automatically eject the cartridge case of a fired shot and load the next cartridge from the magazine allowing the gun user to fire one round of ammunition for every pull of the trigger.<br>**Ammunition:** Companies that only manufacture small arms ammunition for the civilian market, including powder propelled, cartridge-based ammunition up to 20mm, which can be fired from weapons, such as revolvers and self-loading pistols, rifles and carbines, assault rifles, submachine guns, and light/general purpose machine guns | 0% |
| **Controversial Weapons** | **Any tie**<br>Companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments | 0% |
| **Nuclear Weapons** | **Any tie**<br>Companies that have an industry tie to nuclear weapons | 0% |
| **Tobacco** | **Producer**<br>Companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves | 0% |
| **Nuclear Power** | Companies that own or operate nuclear power plants. | 0% |
| **Thermal Coal** | Companies involved in the mining of Thermal Coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. | 0% |

| | | |
|---|---|---|
| **Oil and Gas** | Companies involved in oil & gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining. | 0% |
| **Power Generation** | Companies involved in fossil fuel (thermal coal, liquid fuel and natural gas) based power generation. | 0% |
| **ESG Controversies** | Companies directly involved in one or more Very Severe ongoing controversies as defined by MSCI. | Red Flag |
| **Pornography** | Companies that produce, direct or publish adult entertainment materials that fall into the following six categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet. | 0% |
| **Predatory Lending** | Companies that provide products and services associated with controversial lending practices, defined as those in which lenders take advantage of borrowers' lack of understanding and/or lack of access to more-traditional financial services to impose loan terms that place a disproportionately and often untenably high burden on the borrower. This is often done through deception, fraud or manipulation via aggressive sales tactics. | 0% |
| **Gambling** | Companies that own or operate gambling facilities or provide key products or services fundamental to gambling industry. | 10% |
| **Alcohol** | Companies that manufacture alcoholic products, including brewers, distillers and vintners. It also includes companies that own or operate wine vineyards. | 10% |

The % threshold figures relate to the maximum percentage of total revenue derived from the activity that is tolerated.

## Implementation for Direct Security Investments

The Investment Manager will use reasonable endeavours to screen out directly held security investments in the Discretionary Portfolio involved in the prohibited activities as described in the responsible investing exclusion table above. The Investment Manager may rely on data from third party agencies when screening these directly held security investments, which will apply to the asset classes of Cash (NZ Registered Banks), NZ Fixed Interest, NZ Equities, Australian Equities and Global Equities.

## Implementation for Indirect Pooled investments

In relation to indirect pooled investments (i.e. via investment in collective investment vehicles), the Investment Manager will from time to time use reasonable endeavours to screen for and avoid indirect exposure to entities involved in the prohibited activities as described in the responsible investing exclusion table above. Where identified and measurable, exposure to entities involved with these prohibited activities will be limited to a materiality representation threshold of 10% of the total value of each of these pooled investment products.

## 4.3 Asset Allocation

Academic research offers considerable evidence that the strategic asset allocation decision far outweighs security selection and market timing in its impact on portfolio variability and performance. On this basis the Council prefer to adopt a strategic asset allocation and passive strategy over an active and/or tactical asset allocation strategy.

The asset allocation benchmark is to be:

| **Asset Class** | **Target Allocation** | **Acceptable Range** | |
|---|---|---|---|
| | | Minimum | Maximum |
| Cash | 5% | 0% | 25% |
| NZ Fixed Interest | 22.5% | 17.5% | 27.5% |
| International Fixed Interest | 22.5% | 17.5% | 27.5% |
| **Defensive Total** | **50%** | **40%** | **60%** |
| NZ Equities | 16.7% | 11% | 22% |
| Australian Equities | 16.7% | 11% | 22% |
| International Equities | 16.7% | 11% | 22% |
| **Growth Total** | **50%** | **40%** | **60%** |
| **Total** | **100%** | | |

Note target allocation is 50% income assets and 50% growth assets.

## 4.4 Rebalancing Guidelines

The percentage allocation to each asset class may vary depending upon market conditions.

The SAA has upper and lower limits for each asset class as set out in the table above. The limits are based on the following guidelines:

- Plus or minus 5% for an asset class comprising 15% or more of the SAA,
- Plus or minus 25% of the allocation to a single asset class, where that asset class comprises less than 15% of the SAA (e.g. an asset class comprising 4% of the SAA would have limits of plus or minus 1%).
- The result of the above formulas are then rounded to the nearest full percentage (minimum is round down and maximum is rounded up).

To remain consistent with asset allocation guidelines, the Investment Manager will periodically review the portfolio and each asset class. If the actual weighting has moved outside the tolerances described above, the Investment Manager shall rebalance the portfolio back towards the recommended weighting. This rebalancing is to be completed as required, at least annually, and reported to the Audit and Risk Subcommittee.

Rebalancing tends to involve buying underperforming assets at relatively lower prices, and selling relatively higher priced assets.

## 4.5 NZ Fixed Interest Investment Guidelines

### 4.5.1 Portfolio Objectives for Direct NZ Fixed Interest

To gain a diversified exposure to the New Zealand Fixed Interest market through investing in direct securities with the following objectives identified below:

- Provide access to the market in a cost-effective manner,
- Provide a stable income and capital preservation (in nominal terms) over a full market cycle,
- Reduce overall volatility of a strategically diversified portfolio, and
- Provide a high level of transparency.

### 4.5.2 Portfolio Construction Guidelines

**a. Diversification**

The portfolio should be constructed to achieve appropriate diversification (in the constraints of the NZ market) relative to:

- New Zealand fixed interest issuers,
- The industries/sectors the issuers are involved with,
- The individual issue and overall portfolio duration, and
- Overall credit risk exposure of a portfolio.

The level of the diversification will be governed by the size of the fixed interest portfolio.

Credit ratings will have an impact on the level of diversification. Securities with lower credit ratings require a higher level of diversification.

**b. Number of Securities**

To achieve sufficient levels of diversification, a minimum of 15 securities where the size of the NZ Fixed Interest portfolio is more than $1,000,000, and 10 securities where the size of the NZ Fixed Interest portfolio is less than $1,000,000, is required. Where appropriate diversification cannot be achieved due to the size of the portfolio or availability in the market, surplus funds may be directed to money market instruments until availability improves.

**c. Duration**

The portfolio should be diversified across all durations to minimise the adverse effects of reinvestment risk on maturity. Council should be aware if the duration of their portfolio deviates from the benchmark duration by more than 1 year.

**d. Liquidity**

Although Council invests into the direct New Zealand fixed interest market with a “buy and hold” philosophy, over time its needs may change and greater levels of liquidity may be required.

The more liquidity is required, the more government and liquid (i.e. senior debt issues of $150m or greater) corporate securities should be included in the portfolio.

**e. Exposure Levels by Credit Rating**

Guidelines for maximum security exposure levels for individual securities are set by credit rating. The following criteria should be considered when making decisions on exposure levels within a portfolio:

- Consideration should be given to excessive exposure to any single issuer,
- Consideration should be given to other asset class exposures Council may have to an issuer,
- The portfolio should be distributed across credit ratings, and
- The following table presents a set of guidelines that need be used when constructing a portfolio.

**Approved Credit Rating Guidelines:**

| S&P Rating band (or Moody's or Fitch equivalent) | Overall maximum % of Income Assets |
|---|---|
| AAA to AA- | 100% |
| A+ to A- | 55% |
| BBB+ to BBB- | 15% |
| Sub-Investment Grade / Unrated | 0% |
| Government | 100% |

A maximum of 5% of floating rate/annual resettable securities is permitted in a portfolio. Where possible, the following maximum individual security guidelines should be followed to gain diversification whilst ensuring sound credit quality within portfolios.

**Maximum Individual Security Guidelines:**

| S&P Rating band (or Moody's or Fitch equivalent) | Individual security maximum % of Income Assets |
|---|---|
| AAA | 15% |
| AA | 10% |
| A | 10% |
| BBB | 5% |
| Sub-Investment Grade / Unrated | 0% |

Note that the above table provides guidelines for assessing an individual security. Although there is no maximum issuer exposure specified, diversification guidelines described under the "Diversification" heading are to be followed.

### f. Perpetual Securities

Given the equity structure (including potential imputation credits) of perpetual securities, this class of fixed interest is not to be used.

### g. Structured credit

Due to the complexity of structured credit instruments and the lack of sophisticated monitoring systems required to provide ongoing assessment, Council should not include this type of investment in its NZ fixed interest portfolio. It is considered that the required fixed interest exposure can be adequately achieved by investing in securities with simple structures which possess typical fixed interest characteristics.

**h. Ratings Downgrade**

If a security is downgraded, the mandatory guidelines table should be revisited to ensure that the new rating falls within the ratings framework. A decision must be made by the Council in light of the downgrade as to the future holding of the security (which could potentially be outside the guidelines).

**i. Reinvestment**

Recommendations to reinvest the proceeds from a maturity should take into account all of the above portfolio construction guidelines.

Where it is uneconomical to gain a direct exposure to NZ or international fixed interest, investment may occur via a recommended managed fund in order to gain an appropriate level of diversification.

## 4.6 International Fixed Interest

### 4.6.1 Portfolio Objectives for International Fixed Interest

The inclusion of international fixed interest has the benefit of increasing diversification and reducing volatility by providing exposure to a greater range of issuers, credit ratings and yield curves than is achievable through domestic fixed interest.

### 4.6.2 Portfolio Construction Guidelines

Given the quantum of the allocation to international fixed interest this asset class must be invested in through one or more Collective Investment Vehicles (CIV's). CIV's must invest in diversified portfolios of fixed interest securities and have exposure limits, minimum credit ratings and policies and procedures acceptable to the Council.

International fixed interest investments must be 100% hedged to the New Zealand dollar.

## 4.7 New Zealand Equity Investment Guidelines

### 4.7.1 Portfolio Objectives for New Zealand Equity Investment

To provide a combination of capital growth and income via a broad exposure to the New Zealand equity market.

### 4.7.2 Portfolio Construction Guidelines

For direct New Zealand equity investments, the following rules shall apply:

- Investment in companies listed on the New Zealand Stock Exchange.
- Investments in partly paid shares in respect of companies of the type referred to above are permitted following a formal submission from the Investment Manager

and Audit and Risk Subcommittee approval.

- Exposure limits for direct New Zealand equity investments (based on the dollar value of the NZ Equities sector of the Long-Term Investment Portfolio) are set out below:

| Security Type | Minimum percentage of NZ equities | Maximum percentage of NZ equities |
|---|---|---|
| Companies not represented in the Benchmark | 0% | 20% |
| Individual company in the Benchmark | 0% | Benchmark weight +/-8% |
| Individual company not in the Benchmark | 0% | 4% |

## 4.8 Australian Equity Investment Guidelines

### 4.8.1 Portfolio Objectives for Australian Equity Investment

To provide a combination of capital growth and income via a broad exposure to the Australian equity market.

### 4.8.2 Portfolio Construction Guidelines

For direct Australian equity investments, the following rules shall apply:

- Investment in companies listed on the Australian Stock Exchange.
- Investments in partly paid shares in respect of companies of the type referred to above are permitted following a formal submission from the Investment Manager and Audit and Risk Subcommittee approval.
- Exposure limits for direct Australian equity investments (based on the dollar value of the Australian Equities sector of the Long-Term Investment Portfolio) are set out below:

| Security Type | Minimum percentage of Aust equities | Maximum percentage of Aust equities |
|---|---|---|
| Companies not represented in the Benchmark | 0% | 20% |
| Individual company in the Benchmark | 0% | Benchmark weight +/- 8% |
| Individual company not in the Benchmark | 0% | 4% |

## 4.9 International Equity Guidelines

### 4.9.1 Portfolio Objectives for International Equity Investment

To provide an exposure to investments in the international equities sector.

### 4.9.2 Portfolio Construction Guidelines

For direct international equity investments, the following rules apply:

- Investment in international equities will be through one or more CIV's.
- International equity investments must be hedged in accordance with the

requirements contained in Foreign Currency Management.

- CIV's in international equities must hold a broadly diversified portfolio of equity securities, be consistent with underlying benchmarks, be managed according to appropriate policies and procedures and impose reasonable exposure limits.
- Ensure that any investment is sufficiently liquid to enable exit from the investment at any time.

## 4.10 Foreign Currency Management

Historically, fluctuation of the New Zealand dollar against other major currencies has been significant and has resulted in additional portfolio volatility.

To minimise the risks associated with currency fluctuations the following policies apply:

- Holdings of international fixed interest investments are to be fully hedged back to NZ dollars at all times.
- When investing in international equities either directly or via managed funds, a neutral currency position is the preferred strategy however, 0% to 100% of the international equities being hedged back to NZ dollars is permitted at any one point in time. Any change to the actual hedging level should be disclosed to the General Manager Corporate Services & CFO and Audit and Risk Subcommittee and may require the Council's approval/endorsement.

## 4.11 Tax Policy

Any investment strategy employed needs to take into account Council's tax status, although this should not be to the detriment of the long-term strategic asset allocation.

Any tax leakage is to be quantified by the investment adviser and reported to the Council annually.

# 5. MONITORING AND EVALUATION

## 5.1 Performance Objectives

The Council acknowledges fluctuating rates of return characterise the securities markets, particularly during short time periods. Recognising that short-term fluctuations cause variations in performance; the Council intends to evaluate investment performance from a long-term perspective.

The Council is aware the ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Council's discretion to take corrective action by replacing a manager if they deem it appropriate at any time.

On a timely basis, but not less than annually, the Council will meet to review whether the Investment Manager and the investment options selected continue to conform to the criteria outlined in the SIPO, specifically:

- Adherence to the asset allocation levels set with rebalancing occurring within the agreed parameters and in a timely fashion.
- Adherence to the agreed investment philosophy and constraints;
- The adherence of individual investments to investment guidelines;
- Material changes in the investment options, organisation, investment philosophy and/or personnel; and
- Any legal or other regulatory agency proceedings affecting the investment options.

## 5.2 Benchmarks

The Council has determined that performance objectives should be established for each investment option and for the overall investment portfolio. Investment Manager performance will be evaluated in terms of an appropriate market index and the relevant peer group. These are to be agreed to between the Council and the Investment Manager. Asset classes and relevant benchmarks:

| Asset Class | Index |
|---|---|
| Cash (on call and securities less than 1 year to maturity) | S&P/NZX 90 Day Bank Bill Index |
| New Zealand Fixed Interest | S&P/NZX Corporate A Grade Bond Index |
| International Fixed Interest - $NZD Hedged | Barclays Capital Global Aggregate Bond Index (NZD Hedged) |
| New Zealand Equities | S&P/NZX 50 Index (Gross) |
| Australian Equities | S&P/ASX 200 Accumulation Index (Unhedged) |
| International Equities | MSCI All Country World Index (Unhedged) |
| NZ Government Bonds | S&P/NZX NZ Government Stock Index |

## 5.3 Compliance

The Council and Audit and Risk ~~Subcommittee~~ Committee are aware that the ongoing review and analysis of investments is just as important as the due diligence process. Performance will be monitored on an ongoing basis and it is at the Audit and Risk ~~Subcommittee's~~ Committee's discretion to take corrective action by recommending the replacement of an Investment Manager at any time. The Council may direct the Audit and Risk ~~Subcommittee~~ Committee to take such action if it deems this is required.

- Specifically, the following will be confirmed and reported to the Audit and Risk ~~Subcommittee~~Committee:
- Performance reporting as described in roles and responsibilities above.
- Adherence to the SAA and rebalancing within approved limits occurring in a timely fashion.
- Adherence to agreed investment philosophy and constraints.
- Adherence to investment guidelines.
- Material changes in the investment organisation, investment philosophy and/or personnel.
- Any legal or other regulatory proceedings affecting the Investment Manager's organisation and/or reputation.

## 5.4 Watch List Procedures

An investment option and/or Investment Manager may be placed on watch list and a thorough review and analysis may be conducted when:

- Performance is below median for their peer group over a one, three and/or five-year cumulative period;
- The three-year risk adjusted return falls below the peer group's median risk-adjusted return;
- There is a change in the professionals managing the investment;
- There is an indication the investment option and/or investment adviser is deviating from the stated style and/or strategy;
- There is an increase in fees and expenses;
- Any extraordinary event occurs that may interfere with the investment option and/or Investment Manager's ability to prudently manage investment assets.

This process may be delegated to the Investment Advisor and/or a nominated third party and they will report to the Council at least annually.

## 5.5 Measuring Costs

The total portfolio delivery costs should be fair and reasonable. The appointed Investment Manager should offer a fee-only service with all commissions returned to Council.

The Investment Manager is to report to the Council annually on the breakdown and the total costs of delivery including:

- Administration/custodial reporting fees;
- Management expense ratios for managed fund investments;
- Advisory fees;
- Other brokerage or fees.

# 6. REVIEW OF THE STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

The Council will review this SIPO at least every 3 years to determine whether the stated investment objectives are still relevant and it is feasible that they will be achieved. It is not expected that the SIPO will change frequently. In particular, short-term changes in the financial markets should not require adjustment to the SIPO.