

# Council Supplementary Agenda 25 February 2026



Meeting will be held at Council Chamber, Phillip Laing House, Level 2, 144 Rattray Street, Dunedin, Otago, and live streamed at [ORC YouTube](#)

## 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

25 February 2026 01:00 PM

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## Council MINUTES

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**Minutes of an ordinary meeting of the Otago Regional Council held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Wednesday 11 February 2026, commencing at 2:00 pm.**

### **PRESENT**

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

## **1. WELCOME**

Cr Malcolm said a reflection to open the meeting at 2:00 pm. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Tom Dyer (GM Manager Science and Resilience), Joanna Gilroy (GM Environmental Delivery), Tami Sargeant (GM People and Corporate), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Kylie Darragh (Governance Support), and Marianna Brook (Principal Advisor Mayoral Forum and Local Government Reform), Tom De Pelsemaeker (Team Leader Freshwater and Land), Fleur Matthews (Manager Policy and planning) Warren Hanley (Senior Resources Planner Liaison).

## **2. APOLOGIES**

There were no apologies for this meeting.

## **3. CONFIRMATION OF AGENDA**

It was moved by Cr Malcolm seconded by Cr Wilson.

That the Council:

1. **Approves** the addition to item 6.2, Attachment 6.2.2 Resource Management Draft Submission.

**MOTION CARRIED**

## **4. DECLARATIONS OF INTERESTS**

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

## **5. CONFIRMATION OF MINUTES**

An amendment to the minutes under matter 8.3 Consideration of Meeting Schedule 2026 was noted to remove words 'with or without ' from the recommendation.

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

*That the minutes of the Council meeting held on 9 December 2025 be confirmed as a true and accurate record.*

**MOTION CARRIED**

## **6. MATTERS FOR CONSIDERATION**

### **6.1. Response to the Government's Simplifying Local Government Proposal**

[YouTube 14:47] This paper sought approval for Otago Regional Council's (ORC's) submission on the Government's Simplifying Local Government proposal. Marianna Brook, Amanda Vercoe and Cr Malcolm were available to respond to questions on the report. An additional motion was added to the recommendations.

**Resolution CM26-101 Moved Cr Robertson Seconded Cr Wilson**

That the Council:

1. **Approves** the addition of the supplementary text to the response of question 10, to the draft.

**MOTION CARRIED**

**Resolution CM26-102 Moved Cr Laws Seconded Cr Kelliher**

That the Council:

1. **Approves** the edit of Question 2, bullet point 2 to end at the word 'community'.

**BY DIVISION**

FOR:	Cr Byars, Cr Calvert, Cr Gardner, Cr Hollyer, Cr Kelliher, Cr Laws, Cr Somerville
AGAINST:	Cr Gillespie, Cr Malcolm, Cr Noone, Cr Robertson, Cr Wilson
ABSTAINED:	None

**MOTION CARRIED**

7 in favour, 5 against.

**Resolution CM26-103 Moved Cr Wilson, Seconded Cr Malcolm**

That the Council:

1. **Approves** the answer drafted for Question 2, bullet point 3.

**MOTION CARRIED**

**Resolution CM26-104 Moved Cr Malcolm Seconded Cr Somerville**

That the Council:

1. **Approves** the answer drafted for Question 3.

**MOTION CARRIED**

**Resolution CM26-105 Moved Cr Somerville Seconded Cr Noone**

That the Council:

1. **Agrees** not to answer Question 4.

**MOTION CARRIED**

**Resolution CM26-106 Moved Cr Robertson Seconded Cr Wilson**

That the Council

1. **Approves** the answer drafted for Question 5.

**MOTION CARRIED**

**Resolution CM26-107 Moved Cr Wilson Seconded Cr Robertson**

That the Council:

1. **Approves** the answer drafted for Question 6.

**MOTION CARRIED**

**Resolution CM26-108 Moved Cr Noone Seconded Cr Byars**

That the Council:

1. **Approves** the answer drafted for Question 7.

**MOTION CARRIED**

**Resolution CM26-109 Moved Cr Wilson Seconded Cr Somerville**

That the Council:

1. **Approves** the answer drafted for Question 8.

**MOTION CARRIED**

**Resolution CM26-110 Moved Cr Wilson Seconded Cr Gillespie**

That the Council:

1. **Approves** the answer drafted for Question 9.

**MOTION CARRIED**

**At 3:00 pm It was moved by Cr Robertson, Seconded by Cr Wilson**

*That the Council adjourn for 5 minutes*

**MOTION CARRIED**

**Resolution CM26-111 Moved Cr Laws Seconded Cr Kelliher**

That the Council:

1. **Approves** the edits to the draft of question 10.

**MOTION CARRIED**

**Resolution CM26-112 Moved Cr Malcolm Seconded Cr Wilson**

That the Council:

1. **Approves** the edits to the Cover Letter as drafted.

**MOTION CARRIED**

**Resolution CM26-113 Cr Wilson Moved, Cr Somerville Seconded**

That the Council:

1. **Notes** this paper.
2. **Approves** the attached response (including cover letter and online submission) to the Government's Simplifying Local Government proposal.
3. **Authorises** the Chair to make minor amendments or additions to the letter or submission if required before the due date.

**MOTION CARRIED**

**6.2. Resource Management Reform Submission**

[YouTube 1:47:15] This report provided a draft Otago Regional Council submission on the Planning Bill and the Natural Environment Bill (the Bills) for Council consideration and approval. Tom De Pelsemaeker (Team Leader Freshwater and Land), Fleur Matthews (Manager Policy and Planning), Warren Hanley (Senior Resource Planner Liaison) Anita Dawe (General Manager Regional Planning and Transport) and Cr Wilson were available to respond to questions on the report.

**Resolution CM26-114: Cr Malcolm Moved, Cr Wilson Seconded**

That the Council:

1. **Approves** section 52 and the removal of section 53 on the Fast Track process.

**MOTION CARRIED**

Cr Robertson and Somerville voted against.

**Resolution CM26-115: Cr Noone Moved, Cr Laws Seconded**

That the Council:

1. **Approves** section 68 and 69 the removal of section 70 and 71.

**BY DIVISION**

FOR:	Cr Byars, Cr Calvert, Cr Gardner, Cr Gillespie, Cr Hollyer, Cr Kelliher, Cr Laws, Cr Somerville, Cr Malcolm, Cr Noone, Cr Wilson
AGAINST:	Cr Robertson and Cr Somerville
ABSTAINED:	None

**MOTION CARRIED**

Ten in favour, two against.

**Resolution CM26-116: Cr Wilson Moved, Cr Robertson Seconded**

That the Council:

1. **Approves** the Fresh Water Farm Plans sections as in the draft document.

**BY DIVISION**

FOR:	Cr Gilliespie, Cr Hollyer, Cr Laws, Cr Malcolm , Cr Noone, Cr Robertson, Cr Somerville, Cr Wilson.
AGAINST:	Cr Byers, Cr Calvert, Cr Gardner, Cr Kelliher
ABSTAINED:	None

**MOTION CARRIED**

Eight in favour, four against.

**Cr Calvert Moved, Cr Byars Seconded**

That the Council:

1. **Approves** the removal of section 1.1 and 7 from the draft document.

**BY DIVISION**

FOR:	Cr Byars, Cr Calvert, Cr Gardner, Cr Kelliher, Cr Laws
AGAINST:	Cr Gillespie, Cr Hollyer, Cr Malcolm, Cr Noone, Cr Robertson, Cr Somerville, Cr Wilson.
ABSTAINED:	None

**MOTION FAILED**

Five in favour, seven against.

**Resolution CM26-118: Cr Wilson Moved, Cr Laws Seconded**

That the Council:

1. **Approves** the wording for 1.1 "ORC supports iwi involvement in the planning process as set out in the Bills and acknowledges the importance of our relationships with Kai Tahu" to the draft submission.

**MOTION CARRIED**



## 2.1. Port Otago Letter of Expectation

**Prepared for:** Council  
**Report No.** FIN2604  
**Activity:** Governance Report  
**Author:** Nick Donnelly, General Manager Finance  
**Endorsed by:** Richard Saunders, Chief Executive  
**Date:** 25 February 2026  
**Portfolio Leads:** Cr Malcolm and Cr Gardner, Finance

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### PURPOSE

- [1] To consider and approve a Letter of Expectation to Port Otago Limited (Port Otago) regarding Otago Regional Council's (Council) expectations for inclusion in Port Otago's Statement of Corporate Intent for the years ended 30 June 2027 to 30 June 2029.

### EXECUTIVE SUMMARY

- [2] Port Otago is required to complete a Statement of Corporate Intent (SCI) under the Port Companies Act 1988. The SCI is required to be delivered to Port Otago's shareholders and to be made available to the public.
- [3] Council is the sole shareholder in Port Otago Limited.
- [4] Council is providing a Letter of Expectation (LOE) to outline Council's priorities and expectations to assist Port Otago in the development of its draft SCI.
- [5] A draft LOE is attached to this report for the consideration and approval of Council. Also attached are last year's LOE and the Port's SCI for 2026-2028.
- [6] The draft LOE is based on the previous LOE and has the key points for Council's consideration highlighted in yellow. Council can provide feedback, amend these points and add any other points it wishes to include in the letter.
- [7] The draft LOE also notes the donation to the Otago Southland Rescue Helicopter Trust. The transfer is noted in the 2027-2029 LOE to commence in the 2026-27 year.

## RECOMMENDATION

*That the Council:*

- 1) **Notes** this report and the draft Letter of Expectation 2027-2029.
- 2) **Provides** feedback and amendments to the draft Letter of Expectation 2027-2029.
- 3) **Approves** the Port Otago Letter of Expectations 2027-2029, subject to any amendments approved in (2) above, and the sending of that letter to Port Otago Limited.

## CONSIDERATIONS

### Strategic Framework and Policy Considerations

- [8] The LOE is intended to ensure Port Otago's SCI aligns with Council's strategic directions and prioritises Council's focus areas.

### Financial Considerations

- [9] Financial considerations are included in the LOE to ensure the SCI aligns with the assumptions included in the Long-Term Plan 2024-34 and draft Annual Plan 2026-27.
- [10] No budget for a donation to the Otago Southland Rescue Helicopter Trust is included in the draft Annual Plan 2026-27 as the cost is assumed to transfer to Port Otago.

### Significance and Engagement Considerations

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

### Legislative and Risk Considerations

- [12] There are no legislative or risk considerations.

### Climate Change Considerations

- [13] Climate change has been considered in the draft LOE and in the Port's SCI.

### Communications Considerations

- [14] There are no communications considerations.

## NEXT STEPS

- [15] The LOE will be finalised, signed by the Chairperson of Council and forwarded to Port Otago Limited.
- [16] Port will develop a draft SCI by June 2026 and submit to Council in July 2026 for their consideration and feedback.

## ATTACHMENTS

1. Port Otago Letter of Expectations 2027-2029 Draft to Council 25- Feb-2026 [2.1.1 - 2 pages]
2. Port Otago Letter of Expectations 2026-2028 [2.1.2 - 2 pages]
3. 2025 Port Otago Statement of Corporate Intent to June 2028 [2.1.3 - 17 pages]



25 February 2026

Tim Gibson  
Chair  
**Port Otago Limited**

**By Email:** tim@tuhana.co.nz

Dear Tim

### **Letter of Expectations – Port Otago Limited**

This Letter of Expectations (LOE) sets out the Otago Regional Council's (Council) priorities and expectations to inform the development of Port Otago Limited's (Port Otago) draft Statement of Corporate Intent (SCI) for the years ended 30 June 2027 to 30 June 2029.

#### **Context**

Port Otago Limited is a port company as defined in the Port Companies Act 1988. The principal objective of every port company is to operate as a successful business.

Port Otago is defined as a strategic asset for Council which recognises the significant benefit the Port brings Council and the entire Otago region. Council is the sole shareholder of Port Otago and dividends derived from this shareholding are used annually to offset Council's general rate requirement ensuring all ratepayers enjoy a direct benefit from ownership of the Port.

Over the years Port Otago has continued to make a vital contribution to the Otago community through its dividend which helps fund Council's services to the Otago environment and people, and also through its direct investment in the regional economy.

Council thanks Port Otago for its contribution and its ongoing commitment to regular collaboration and information sharing with Council staff and elected members.

As part of developing its Long-Term Plan 2024-34, Council updated its strategic directions and identified its priorities for the next three years. That includes Council wanting to place emphasis on working with its partners, stakeholders and communities to identify opportunities to collaborate and deliver on the key focus areas identified in its strategic directions.

As sole shareholder, Council sees Port Otago's SCI as a key mechanism to ensure both entities are aligned in their strategic objectives. Council would like to acknowledge the significant changes the Port Otago's Board has made to the SCI over recent years especially the increased focus on materiality and sustainability. This has included Port Otago establishing a Sustainability Committee which Council is very supportive of.

Council, through this letter of expectation, largely affirms the direction Port Otago has outlined in its existing (2026 to 2028) SCI and wishes to take the opportunity to highlight the key areas Council would like Port Otago to focus on in development of the 2027-2029 SCI.



### **Financial**

Council endorses Port Otago intention to pay dividends within the range of 50-70% of the group's normalised operating surplus after tax and to maintain an equity ratio of 70-85%.

In preparing its draft Long-Term Plan 2024-34, Council has included that it expects to receive dividends over of the 2027-2029 SCI period of \$20 million per annum.

Council expects the \$350,000 donation it has historically made to the Otago Southland Rescue Helicopter Trust will now be negotiated and paid by Port Otago in the 2026/27 financial year and subsequent years.

### **Environment**

Port Otago operates a diverse range of business activities and Council wants to ensure Port Otago's commitment to ongoing environmental stewardship and the environmental impact of their business is adequately considered in the SCI. Council notes this is an area already covered in Port Otago's current SCI and integrated annual report and endorses the continued focus on understanding and mitigating the wider environmental impact of all Port Otago's activities.

### **Decarbonisation**

Council acknowledges the significant focus Port Otago has on reducing its carbon emissions and progress it has made to date. Council endorses this remaining a priority for Port Otago and anticipates the Port reporting progress back to Council and the wider community.

In closing, Council looks forward to working with Port Otago to reflect the expectations in this letter in developing Port Otago's SCI for the 2027-2029 years.

Yours sincerely

Councillor Hilary Calvert  
**Chairperson, Otago Regional Council**



25 February 2025

Tim Gibson  
Chair  
**Port Otago Limited**

**By Email:** [tim@tuhana.co.nz](mailto:tim@tuhana.co.nz)

Dear Tim

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This Letter of Expectations (LOE) sets out the Otago Regional Council's (Council) priorities and expectations to inform the development of Port Otago Limited's (Port Otago) draft Statement of Corporate Intent (SCI) for the years ended 30 June 2026 to 30 June 2028.

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Over the years Port Otago has continued to make a vital contribution to the Otago community through its dividend which helps fund Council's services to the Otago environment and people, and also through its direct investment in the regional economy.

Council thanks Port Otago for its contribution and its ongoing commitment to regular collaboration and information sharing with Council staff and elected members.

As part of developing its Long-Term Plan 2024-34, Council updated its strategic directions and identified its priorities for the next three years. That includes Council wanting to place emphasis on working with its partners, stakeholders and communities to identify opportunities to collaborate and deliver on the key focus areas identified in its strategic directions.

As sole shareholder, Council sees Port Otago's SCI as a key mechanism to ensure both entities are aligned in their strategic objectives. Council would like to acknowledge the significant changes the Port Otago's Board has made to the SCI over recent years especially the increased focus on materiality and sustainability. This has included Port Otago establishing a Sustainability Committee which Council is very supportive of.

Council, through this letter of expectation, largely affirms the direction Port Otago has outlined in its existing (2025 to 2027) SCI and wishes to take the opportunity to highlight the key areas Council would like Port Otago to focus on in development of the 2026-2028 SCI.

### **Financial**

Council endorses Port Otago intention to pay dividends within the range of 50-70% of the group's normalised operating surplus after tax and to maintain an equity ratio of 70-85%.

In preparing its draft Long-Term Plan 2024-34, Council has included that it expects to receive dividends over of the 2026-2028 SCI period of \$20 million per annum.

Council also assumed that the \$350,000 donation it has historically made to the Otago Rescue Helicopter Trust will come from Port Otago in 2024/25 and subsequent years. We acknowledge putting this in place for the 2024/25 year has not been achievable and envisage an agreement will in place and commence in the 2025/26 year.

### **Environment**

Port Otago operates a diverse range of business activities and Council wants to ensure Port Otago's commitment to ongoing environmental stewardship and the environmental impact of their business is adequately considered in the SCI. Council notes this is an area already covered in Port Otago's current SCI and integrated annual report and endorses the continued focus on understanding and mitigating the wider environmental impact of all Port Otago's activities.

### **Decarbonisation**

Council acknowledges the significant focus Port Otago has on reducing its carbon emissions and progress it has made to date. Council endorses this remaining a priority for Port Otago and would like to see Port Otago complete the development of the decarbonisation roadmap it has commenced with an expectation that progress can be reported back to Council and the wider community.

In closing, Council looks forward to working with Port Otago to reflect the expectations in this letter in developing Port Otago's SCI for the 2026-2028 years.

Yours sincerely



Councillor Gretchen Robertson  
**Chairperson**



# Statement of Corporate Intent

For FY2026, FY2027 and FY2028



Approved by the Port Otago Board

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## Contacts

### Head office

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[www.portotago.co.nz](http://www.portotago.co.nz)

### Directors

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

### Chief Executive

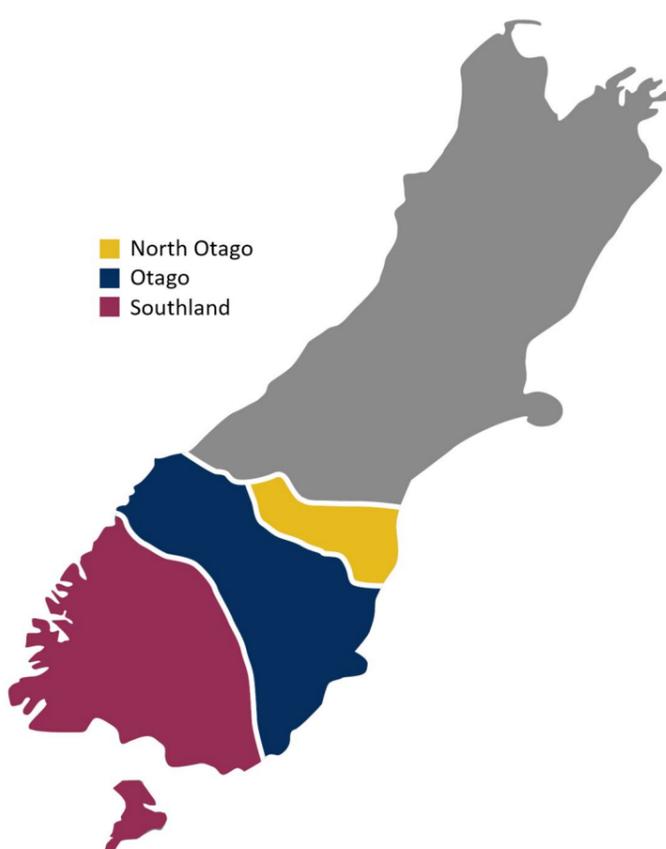
Kevin Winders

## Introduction

This Statement of Corporate Intent (SCI) outlines our plans for the next three years, FY2026, FY2027 and FY2028. We encourage you to read this SCI in conjunction with our 2025 Integrated Report.

## About Port Otago

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



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

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

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

## Our region

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

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

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

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

The company has more than 38,000m<sup>2</sup> of covered warehousing at Port Chalmers, built to the high standards required by the dairy industry. It also has two wharf-side cold storage facilities in Dunedin,



Statement of Corporate Intent to June 2028

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able to hold up to 10,500 tonnes of chilled product. This is used primarily to service fishing customers.

Port Otago provides 7.6 hectares of log storage area at Port Chalmers and Dunedin Bulk Port.

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

## Economic contribution

Port Otago operates across four sites: Port Chalmers, Dunedin Bulk Port, Dunedin Depot and Fiordland. It employs about 330 people and paid \$41.8 million in wages and salaries during 2023/24. [New Zealand Institute of Economic Research report](#)

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

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

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

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

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

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

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

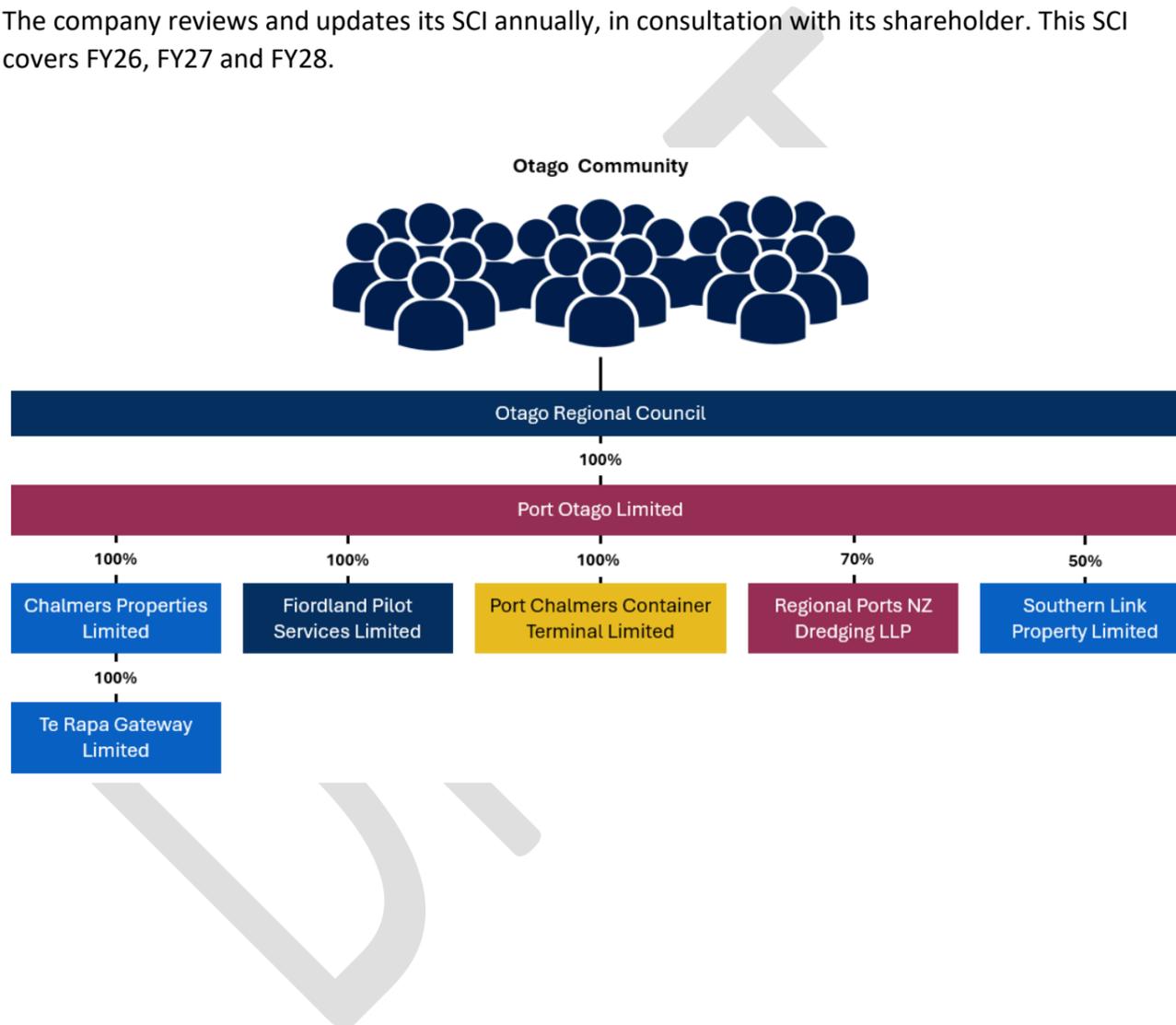
^ Disrupted by Covid 19, which led to a decline in trade activities from 2020 to 2022

## Company structure

This SCI sets out Port Otago’s overall intentions and objectives. It also covers our wholly owned subsidiary companies, Chalmers Properties Limited, Fiordland Pilot Services Limited, Port Chalmers Container Terminal Limited and Te Rapa Gateway Limited. Additions during the year are Regional Ports NZ Dredging LLP a joint venture with Napier Port Limited and Southern Link Property Limited a joint venture with Dynes Transport Tapanui Limited.

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

The company reviews and updates its SCI annually, in consultation with its shareholder. This SCI covers FY26, FY27 and FY28.



# Integrated Sustainability Policy

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



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

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

## Our value chain

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

#### Inputs

##### Our kaimahi

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

##### Our wider team

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

##### Our harbour taoka and beyond

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

##### Our know how and skills

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

##### Our assets

- Assets owned and productivity optimised
- Land owned and space utilised efficiently
- Investment in long-term infrastructure
- Climate change mitigation and resilience planning

##### Our financial value

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

#### Our business activities & outputs

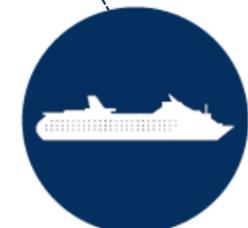
##### Container



##### Property



##### Bulk



##### Cruise

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

## Our material issues

Port Otago is six years into Integrated reporting and identifying its material issues\*. The first three years involved a survey and interviews with key stakeholders. The full materiality process is now undertaken every two years, including 2024, with stakeholder engagement continuing in alternate years. We call this interim process, undertaken in 2025, a materiality pulse, as we effectively check the pulse of what is most important to our business and stakeholders. The material issues detailed below and integrated throughout this SCI are based on the results of our last full materiality process in 2024 and will be updated in 2026.

### 2025 materiality pulse update

For currency and completeness, here are the most up-to-date findings from our 2025 materiality pulse:

The Port's top 10 material issues remain the same from 2024 to 2025 except growth replaced nature in the top 10. Issues becoming notably more material from 2024 to 2025, i.e. moving up by 3 or more rankings include the following:

- Relationships: Up from 5th in 2024 to 2nd in 2025
- Innovation: Up from 10th in 2024 to 7th in 2025
- Growth: Up from 12th in 2024 to 9th in 2025

The following themes emerged during stakeholder interviews, both internal and external, as drivers of the increased materiality of the above issues:

- Shipping volatility: This is still having a significant impact
- Wharf capacity: The Port is still affected by container congestion.
- Customers want more: Storage space, empty containers and time to bring containers to the Port.
- Mosgiel: The Port is at a tipping point for growth to meet customer needs today and in the future. Mosgiel is widely supported as a solution to provide additional storage capacity and more.
- Communication: Stakeholder relationships are more centre stage than ever with ongoing capacity challenges on terminal and Mosgiel plans on the table.

Issues becoming notably less material from 2024 to 2025, i.e. moving down by 3 or more rankings include the following:

- Culture: Down from 7th in 2024 to 10th in 2025
- Nature: Down from 9th in 2024 to 14th in 2025

This drop in materiality is typically attributed to an improvement in performance through the Port's focus on these issues.

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

### Top 11 material issues in order of priority

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

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

**#2 Leadership** (up 2)

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

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

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

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

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

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

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

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

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

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

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

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

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

**#9 Nature (up 5)**

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

**#10 Innovation (down 1)**

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

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

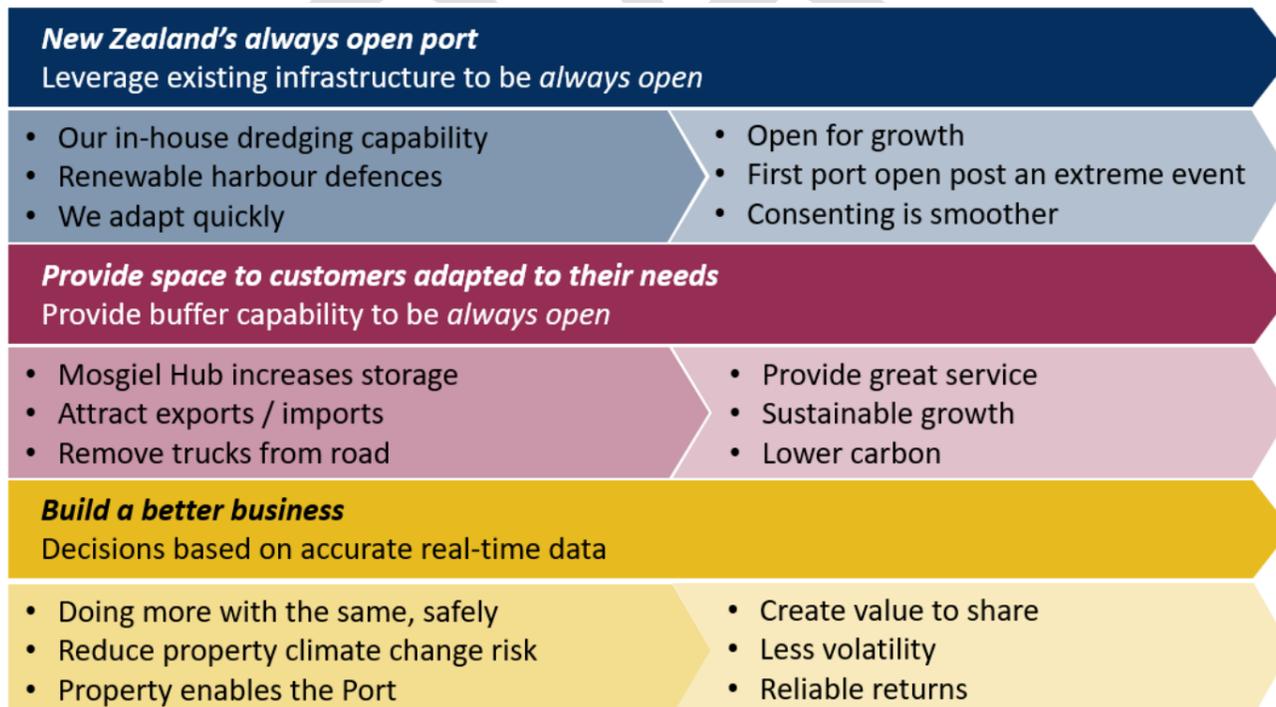
Measuring, reporting and reducing our carbon emissions with science-based targets to protect our harbour taoka and beyond. Influencing others to do the same, including shipping lines, road and rail transport, customers, partners, suppliers and peers. Being prepared for increasing extreme weather events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

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

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



## Our strategy



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

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

## Our kaimahi

### Material issues

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

### Goals

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

## Our wider team

### Material issue

- Strong relationships

### Goals

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

## Our harbour taoka and beyond

### Material issue

- Nature
- Climate change

### Goals

- Reduce property climate change risk resulting in reducing stranded asset risk and ensuring resilience.
- Agree our climate change targets.
- Adapt to potential future climate change impacts on our assets.
- Preserve our beautiful harbour and its biodiversity by listening to our community and iwi, taking care, and monitoring these precious taoka.
- Reduce our noise.

## Our know-how and skills

### Material issues

- Innovation

## Goals

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

## Our assets

### Material issues

- Wharf capacity and infrastructure
- Shipping volatility

### Goals

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

## Our financial value

### Material issues

- Financial returns

### Goals

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

## Performance targets

Capital reference	Objectives	Key performance measures	Targets		
			2026	2027	2028
Our kaimahi	Health, safety and well-being	Critical Risk: Visible Leadership Conversations	1000	1000	1000
Our kaimahi	Health, safety and well-being	Total recordable incident frequency rate (per 1 million hours)	<10	<10	<10
Our financial value	Financial	EBIT	\$40m	\$45m	\$51m
Our financial value	Financial	Shareholders' funds (Equity) or Net Assets *	\$749m	\$779m	\$805m
Our financial value	Financial	Return on equity *	5.0%	5.4%	5.8%
Our financial value	Financial	Equity Ratio*	Between 70%-85%		
Our financial value	Financial	Interest cover ratio	5	5	6
Our financial value	Financial	Dividend **	\$20m	\$20m	\$20m
Our financial value	Financial	Otago Rescue Helicopter Trust	\$0.4m	\$0.4m	\$0.4m
Capital reference	Objectives	Key performance measures	Targets		
			2026	2027	2028
Our harbour taoka and beyond	Environmental	Number of harbour spills caused by Port Otago	0	0	0
Our know-how and skills	Environmental	Percentage of resource consent compliance monitoring events achieving full compliance	100%	100%	100%
Our harbour taoka and beyond	Compliance with Port & Harbour Safety Code (PHSC)	The requirements of the PHSC continue to be met	Yes	Yes	Yes
Our know-how and skills	Compliance with Port & Harbour Safety Code (PHSC)	Risk assessments of new tasks or reviews post incident completed	Yes	Yes	Yes

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

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

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

## Governance and leadership

### The board

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

### Statement of corporate intent (SCI)

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

### Board operation

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

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

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

### Conflicts of interest policy

These documents require all directors and employees to:

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

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

### Policies

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

### Board performance and review

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

### Board meetings and committees

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

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

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

The board's four standing committees are:

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

### Liability insurance and indemnity

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

### Legislative compliance

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

### Auditor

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

### Our compliance with relevant legislation

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

### Reporting to our shareholders

Port Otago submits its draft SCI to its shareholder for consultation annually, as required under the Port Companies Act 1988. Where appropriate, we will submit a revised SCI to our shareholder. (See Page 14 for performance targets.)

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

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

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

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

Port Otago's accounting policies comply with applicable NZ IFRS standards and interpretations. We have applied the same accounting policies when preparing the SCI's financial forecasts, as for our audited financial statements for the year ended 30 June 2025. Our actual accounting policies during the three-year period of this SCI may change as a result of changes to NZ IFRS standards and interpretations.

### **No surprises policy**

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

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

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

### **Activities subject to compensation**

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

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