

Draft Annual Plan 2026-27 (Revised LTP Yr3)

An update on proposed financial forecasts and programme delivery information for the draft AP 2026-27.

12 February 2026, 9:00 – 10:00 am

Outline

1. Annual Planning processes and progress to date
2. Draft financial baseline, rating implications, and statements
3. Changes to work programmes and service measures
4. Fees, charges and fares
5. Determining significance or materiality
6. Communications approach and options

Revised process for Annual Plan 2026-27

Yr2 LTP delivery begins

July
2025

Initiate AP/ LTP
Yr3 review

Sept
2025

Oct
2025

Council briefing
- LTP/AP process
- AP 2025-26 info

Nov
2025

Dec
2025

Council workshop:
- Yr3 work/budgets
- Changes and impacts

Council meeting
- Note AP process

We are
here

Feb
2026

Mar
2026

Inform community

Council workshop on draft AP
Council meeting to endorse draft AP

Apr
2026

Council adopts AP

June
2026

Council endorses rates resolution

July
2026

Yr3 delivery begins

Annual Plan 2026-27 process to date

- Reflects Council direction
- Year 3 LTP had expanded work and costs e.g. HAIL mapping
- Aim for 0% increase in overall rates revenue
- Reduced expenditure, without materially reducing delivery
- Robust and thorough process

Annual Plan 2026-27

Financial Estimates

Council briefing 12 February 2026

Contents

- Overview
- Estimates by Significant Activity
- Other Information

Overview

Expenditure by Activity

OPERATING EXPENDITURE	AP	Draft AP	DAP vs AP			LTP3	LTP vs AP			DAP vs LTP	
	25/26	26/27	Inc/(Dec)	%		26/27	Inc/(Dec)	%		Inc/(Dec)	%
Governance & Community	15,518	15,469	(49)	-0.3%		15,187	(330)	-2.1%		281	1.9%
Regional Planning	2,640	2,215	(425)	-16.1%		2,304	(336)	-12.7%		(89)	-3.9%
Regulatory	14,173	14,676	502	3.5%		14,525	352	2.5%		151	1.0%
Regional Leadership	32,331	32,359	29	0.1%		32,017	(314)	-1.0%		343	1.1%
Land & Water	20,284	19,235	(1,049)	-5.2%		22,834	2,550	12.6%		(3,599)	-15.8%
Biodiversity & Biosecurity	11,838	12,011	173	1.5%		12,993	1,156	9.8%		(982)	-7.6%
Air	1,769	1,229	(540)	-30.5%		1,808	39	2.2%		(579)	-32.0%
Environment	33,891	32,475	(1,416)	-4.2%		37,636	3,745	11.1%		(5,161)	-13.7%
Climate Change & Hazards	3,438	4,936	1,498	43.6%		4,339	901	26.2%		597	13.8%
Emergency Management	4,000	4,128	128	3.2%		4,076	76	1.9%		52	1.3%
Flood & Rivers	12,189	12,102	(88)	-0.7%		13,609	1,420	11.6%		(1,507)	-11.1%
Safety & Resilience	19,627	21,166	1,539	7.8%		22,024	2,396	12.2%		(858)	-3.9%
Regional Transport Planning	694	937	243	35.0%		2,889	2,195	316.1%		(1,952)	-67.6%
STEDS	172	173	1	0.6%		174	3	1.7%		(2)	-1.1%
PT Dunedin	29,430	29,877	448	1.5%		29,838	408	1.4%		39	0.1%
PT Queenstown	13,897	16,087	2,190	15.8%		18,828	4,931	35.5%		(2,741)	-14.6%
PT Other	2,444	3,466	1,021	41.8%		2,382	(62)	-2.6%		1,084	45.5%
Transport	46,637	50,540	3,903	8.4%		54,111	7,474	16.0%		(3,571)	-6.6%
Internal	8,148	9,554	1,406	17.3%		8,930	782	9.6%		624	7.0%
TOTAL EXPENDITURE	140,634	146,094	5,460	3.9%		154,717	14,083	10.0%		(8,623)	-5.6%
Movement \$		5,460				14,083				(8,623)	
Movement %		3.9%				10.0%				-5.6%	

Operating Funding

OPERATING FUNDING	AP	Draft AP	DAP vs AP			LTP3	LTP vs AP			DAP vs LTP	
	25/26	26/27	Inc/(Dec)	%		26/27	Inc/(Dec)	%		Inc/(Dec)	%
General Rates	31,160	30,078	(1,082)	-3.5%		34,438	3,277	10.5%		(4,360)	-12.7%
Targeted Rates	37,306	38,389	1,082	2.9%		45,832	8,525	22.9%		(7,443)	-16.2%
Total Rates	68,467	68,467	()	0.0%		80,269	11,803	17.2%		(11,803)	-14.7%
Grants	25,162	29,985	4,822	19.2%		27,068	1,906	7.6%		2,917	10.8%
Fees & Charges	5,348	6,134	787	14.7%		5,123	(225)	-4.2%		1,011	19.7%
Bus Fares	8,274	9,736	1,462	17.7%		9,608	1,335	16.1%		127	1.3%
Other Income	1,979	1,653	(326)	-16.5%		2,293	314	15.9%		(640)	-27.9%
Dividends - Port	20,000	20,000		0.0%		20,000		0.0%			0.0%
Investment Income	6,090	6,465	375	6.2%		6,472	382	6.3%		(7)	-0.1%
Lease Income	1,086	1,086		0.0%		1,086		0.0%			0.0%
Reserves	4,228	2,568	(1,659)	-39.2%		2,797	(1,430)	-33.8%		(229)	-8.2%
Total Non Rates	72,167	77,628	5,460	7.6%		74,448	2,281	3.2%		3,180	4.3%
TOTAL REVENUE	140,634	146,094	5,460	3.9%		154,717	14,083	10.0%		(8,623)	-5.6%

Operating SCORE

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	AP	Draft AP	DAP vs AP		LTP3	LTP vs AP		DAP vs LTP	
	25/26	26/27	Inc/(Dec)	%		26/27	Inc/(Dec)	Inc/(Dec)	%
Rates	68,467	68,467	()	0.0%		80,269	11,803	(11,803)	-14.7%
Subsidies and Grants	25,162	29,985	4,822	19.2%		27,068	1,906	2,917	10.8%
Fees and Charges	13,621	15,870	2,249	16.5%		14,731	1,110	1,139	7.7%
Investment Revenue	26,090	26,465	375	1.4%		26,472	382	(7)	0.0%
Lease Income	1,086	1,086		0.0%		1,086			0.0%
Other Income	1,979	1,653	(326)	-16.5%		2,293	314	(640)	-27.9%
Operational Revenue	136,406	143,526	7,120	5.2%		151,920	15,514	(8,394)	-5.5%
Personnel Costs	42,388	43,556	1,169	2.8%		42,890	503	666	1.6%
Contract Services and Consultants	57,978	64,196	6,218	10.7%		66,197	8,219	(2,001)	-3.0%
Other Expenses - Direct	31,730	29,601	(2,129)	-6.7%		35,748	4,018	(6,147)	-17.2%
Interest	5,464	5,625	162	3.0%		6,445	982	(820)	-12.7%
Depreciation and Amortisation	3,075	3,115	40	1.3%		3,436	361	(321)	-9.3%
Operational Expenditure	140,634	146,094	5,460	3.9%		154,717	14,083	(8,623)	-5.6%
Surplus / (Deficit)	(4,228)	(2,568)	1,659	-39.2%		(2,797)	1,430	229	-8.2%
Other Gains and Losses	4,788	1,240	(3,548)	-74.1%		1,176	(3,612)	64	5.4%
Operating Surplus / (Deficit)	560	(1,329)	(1,889)	-337.2%		(1,621)	(2,181)	293	-18.1%

Surplus / (Deficit)

SURPLUS / (DEFICIT)	AP 25/26	Draft AP 26/27	DAP vs AP Inc/(Dec)
Governance & Community	(350)	176	526
Regional Planning	(128)		128
Regulatory			()
Regional Leadership	(478)	176	654
Land & Water	(715)	(104)	611
Biodiversity & Biosecurity	(2,044)	(2,085)	(41)
Air			
Environment	(2,759)	(2,189)	570
Climate Change & Hazards	(148)	(407)	(259)
Emergency Management			()
Flood & Rivers	(1,157)	1,368	2,525
Safety & Resilience	(1,305)	961	2,266
Regional Transport Planning		()	()
STEDS	()	()	()
PT Dunedin	1,590	1,650	60
PT Queenstown	(118)	458	576
PT Other			
Transport	1,472	2,108	636
Internal	(1,157)	(3,624)	(2,467)
TOTAL SURPLUS / (DEFICIT)	(4,228)	(2,568)	1,659
Movement \$		1,659	

Rates Increase – Key Drivers

Rates Increase - Key Drivers			Rates Inc / (Dec)	(32,211)	0.0%
2025/26 reserve funding	LWRP		715,400		
	PT - Whakatipu		550,000		
Property overheads	Rent - Aonui, Queenstown, Rates		1,413,461		
Inflation	(on opex excudingl PT and F&D)		667,853		
Personnel	Net of 4.6 FTE decrease		1,168,836		
Overheads	(excludes Op Property above)		149,902		
Savings	Across all activities (excl's activities below)		(1,875,210)		
Depreciation			40,203		
Interest			(195,625)		
Specific Activities with significant rates movement					
PT - Dunedin			(519,061)		
PT - Whakatipu	(net of reserves above)		464,759		
Coast Plan			984,331		
Land & Water Planning	(net of Coast, 25/26 reserve impact)	(1,350,915)	(1,539,423)		
Air Plan			(498,888)		
Regional Planning			(296,935)		
LiDAR	Project timing		226,851		
2025/26 Forecast Underspend Carried Forward			(1,488,666)		
Rates AP25/26 - as per model				(0)	0.0%
Difference - not reconciled				32,211	0.0%

Rate Increases by Activity

Rate Type	Activity	25/26AP	26/27DAP	Movement	%
Rates - General Total		(31,160)	(30,078)	1,082	-3.5%
☐ Rates - Targeted	Biosecurity	(5,155)	(5,295)	(140)	2.7%
	Biodiversity Implementation	(1,574)	(1,473)	101	-6.4%
	Environmental Management	(1,521)	(2,257)	(736)	48.3%
	Land & Water Implementation	(2,307)	(2,023)	283	-12.3%
	Emergency Management	(4,000)	(4,128)	(128)	3.2%
	Harbour Management	(883)	(934)	(51)	5.7%
	Alexandra Flood Protection	(103)	(124)	(21)	20.7%
	Leith Flood Protection Scheme	(1,256)	(1,256)	0	0.0%
	Lwr Clutha Flood Protection & Drainage	(1,102)	(1,102)	0	0.0%
	Lwr Taieri Flood Protection Scheme	(1,073)	(1,073)	0	0.0%
	East Taieri Drainage	(685)	(685)	0	0.0%
	West Taieri Drainage	(869)	(869)	0	0.0%
	Tokomariro Drainage	(154)	(154)	0	0.0%
	Public Transport - Dunedin	(10,716)	(10,300)	415	-3.9%
	Public Transport - Wakatipu	(3,522)	(4,334)	(812)	23.1%
	River Management - Central	(409)	(409)	0	0.0%
	River Management - Clutha	(485)	(485)	0	0.0%
	River Management - Dunedin	(266)	(266)	0	0.0%
	River Management - Waitaki	(659)	(655)	5	-0.7%
	River Management - Wakatipu/Wanaka	(567)	(567)	0	0.0%
Rates - Targeted Total		(37,306)	(38,389)	(1,082)	2.9%
Grand Total		(68,467)	(68,467)		0.0%
	Note: Biodiversity Implementation, Environment Management and L&W Implementation= Catchment Management Rate				

Rate Changes by District (Median CV)

District	Median CV	Rates 2025/26	Rates 2026/27	Increase / (Decrease)	%
Central Otago	740,000	\$340.94	\$338.60	-\$2.34	-0.69%
Clutha	370,000	\$296.01	\$293.58	-\$2.43	-0.82%
Dunedin with public transport rate	590,000	\$436.41	\$426.98	-\$9.43	-2.16%
Dunedin - other	590,000	\$281.10	\$278.26	-\$2.84	-1.01%
Queenstown with public transport rate	1,475,000	\$642.18	\$665.53	\$23.35	3.64%
Queenstown - other	1,475,000	\$518.69	\$513.44	-\$5.25	-1.01%
Waitaki with public transport rate	430,000	\$383.27	\$375.22	-\$8.05	-2.10%
Waitaki - other	430,000	\$263.38	\$260.42	-\$2.96	-1.12%

Rates examples and sensitivity analysis circulated separately.

Funding Risks

Funding Risks			Rates Inc (if income not received)	2,904,927	4.2%
Grants - LiDAR	Assumes 67.5% grants not yet approved		1,116,742		
Grants - Total Mobility	CERF and FAR (not NZTA approved)		1,071,791		
		Fares			
PT - fare increases	Dunedin	489,326	239,770	49%	
	Whakatipu	972,703	476,624	49%	

Estimates by Significant Activity

Regional Leadership

Batchset							DAP26/27	DAP26/27
Activity Group	Significant Activity		25/26AP	26/27DAP	LTP 26/27		vs AP25/26	vs LTP26/27
Regional Leadership	Consents & Compliance	Operational revenue	Rates Revenue	(9,454)	(9,826)	(9,755)	(372)	(71)
			Subsidies and Grants	(77)	(78)	(75)	(2)	(3)
			Fees and Charges	(4,643)	(4,771)	(4,695)	(129)	(77)
		Operational revenue Total		(14,173)	(14,676)	(14,525)	(502)	(151)
		Operational expenses	Personnel Costs	7,868	8,288	7,591	420	697
			Contract Services and Consultants	1,359	1,245	1,388	(114)	(143)
			Other Expenses - Direct	763	630	1,067	(134)	(437)
			Internal Allocations and Charges	4,051	4,455	4,359	403	95
			Depreciation and Amortisation	132	58	120	(74)	(61)
			Operational expenses Total		14,173	14,676	14,525	502
	Consents & Compliance Total			(0)	(0)	0	0	(0)
	Governance & Community	Operational revenue	Rates Revenue	(15,157)	(15,645)	(15,354)	(487)	(291)
				Other Income	(10)	(10)	10	10
			Operational revenue Total		(15,167)	(15,645)	(15,364)	(477)
		Operational expenses	Personnel Costs	8,788	9,071	8,551	282	520
			Contract Services and Consultants	756	939	796	182	142
			Other Expenses - Direct	2,713	1,898	2,244	(815)	(346)
			Internal Allocations and Charges	3,256	3,558	3,592	301	(35)
			Depreciation and Amortisation	4	4	4	(0)	(0)
			Operational expenses Total		15,518	15,469	15,187	(49)
		Governance & Community Total			350	(176)	(176)	(526)
	Regional Plans & Policies	Operational revenue	Rates Revenue	(2,512)	(2,215)	(2,304)	297	89
			Operational revenue Total		(2,512)	(2,215)	(2,304)	297
		Operational expenses	Personnel Costs	929	807	931	(123)	(125)
			Contract Services and Consultants	986	949	749	(38)	200
			Other Expenses - Direct	305	82	168	(223)	(85)
			Internal Allocations and Charges	419	378	456	(41)	(79)
			Operational expenses Total		2,640	2,215	2,304	(425)
	Regional Plans & Policies Total			128	(0)	0	(128)	(0)
Regional Leadership Total			478	(176)	(176)	(654)	(0)	

Environment

Activity Group	Significant Activity			Batchset		LTP 26/27	DAP26/27	DAP26/27
				25/26AP	26/27DAP		vs AP25/26	vs LTP26/27
Environment	Air	Operational revenue	Rates Revenue	(1,769)	(1,229)	(1,808)	540	579
		Operational revenue Total		(1,769)	(1,229)	(1,808)	540	579
		Operational expenses	Personnel Costs	560	588	809	28	(221)
			Contract Services and Consultants	680	61	299	(618)	(237)
			Other Expenses - Direct	189	192	198	4	(6)
			Internal Allocations and Charges	283	310	435	27	(125)
			Depreciation and Amortisation	57	77	68	20	9
		Operational expenses Total		1,769	1,229	1,808	(540)	(579)
	Air Total			(0)	(0)	0	(0)	(0)
	Biodiversity	Operational revenue	Rates Revenue	(8,056)	(8,154)	(11,212)	(98)	3,059
			Subsidies and Grants	(1,737)	(1,772)	(1,781)	(35)	9
		Operational revenue Total		(9,794)	(9,926)	(12,993)	(132)	3,067
		Operational expenses	Personnel Costs	2,477	2,599	2,767	121	(168)
			Contract Services and Consultants	245	250	251	5	(1)
			Other Expenses - Direct	7,595	7,510	8,079	(85)	(569)
			Internal Allocations and Charges	1,506	1,620	1,847	114	(227)
			Depreciation and Amortisation	14	32	49	18	(17)
		Operational expenses Total		11,838	12,011	12,993	173	(982)
	Biodiversity Total			2,044	2,085	0	41	2,085
	Water	Operational revenue	Rates Revenue	(18,476)	(18,970)	(22,140)	(494)	3,170
			Subsidies and Grants	(1,092)	(161)	(590)	932	429
		Operational revenue Total		(19,568)	(19,131)	(22,730)	438	3,599
		Operational expenses	Personnel Costs	7,534	7,689	7,649	155	41
			Contract Services and Consultants	2,744	3,062	3,258	318	(196)
			Other Expenses - Direct	5,801	3,913	7,198	(1,889)	(3,285)
			Internal Allocations and Charges	3,834	4,154	4,323	319	(169)
			Depreciation and Amortisation	370	417	407	47	9
		Operational expenses Total		20,284	19,235	22,834	(1,049)	(3,599)
	Water Total			715	104	105	(611)	(1)
Environment Total				2,759	2,189	105	(570)	2,084

Safety & Resilience

Activity Group				Batchset			DAP26/27	DAP26/27	
Significant Activity				25/26AP	26/27DAP	LTP 26/27	vs AP25/26	vs LTP26/27	
Safety and Resilience	Emergency Management	Operational revenue	Rates Revenue	(4,000)	(4,128)	(4,076)	(128)	(52)	
		Operational revenue Total			(4,000)	(4,128)	(4,076)	(128)	(52)
		Operational expenses	Personnel Costs	2,162	2,250	2,170	88	80	
			Contract Services and Consultants	296	199	356	(97)	(157)	
			Other Expenses - Direct	355	376	233	21	143	
			Internal Allocations and Charges	1,168	1,256	1,299	88	(43)	
			Depreciation and Amortisation	19	47	18	28	29	
		Operational expenses Total			4,000	4,128	4,076	128	52
		Emergency Management Total			(0)	(0)	0	0	(0)
	Flood Protection	Operational revenue	Rates Revenue	(8,722)	(8,746)	(9,554)	(24)	808	
			Subsidies and Grants	(1,717)	(4,125)		(2,408)	(4,125)	
			Fees and Charges	(337)	(343)	(349)	(6)	6	
			Lease and Investment Properties	(256)	(256)	(256)	0	0	
		Operational revenue Total			(11,032)	(13,470)	(10,159)	(2,437)	(3,311)
		Operational expenses	Personnel Costs	3,033	3,028	2,898	(5)	129	
			Contract Services and Consultants	5,712	5,575	6,618	(137)	(1,042)	
			Other Expenses - Direct	984	1,066	1,413	82	(346)	
			Internal Allocations and Charges	1,544	1,622	1,720	79	(98)	
			Depreciation and Amortisation	917	810	960	(107)	(150)	
		Operational expenses Total			12,189	12,102	13,609	(88)	(1,507)
		Flood Protection Total			1,157	(1,368)	3,450	(2,525)	(4,818)
	Natural Hazards	Operational revenue	Rates Revenue	(3,254)	(3,412)	(3,741)	(158)	329	
			Subsidies and Grants	(36)	(1,117)	(498)	(1,081)	(618)	
		Operational revenue Total			(3,290)	(4,529)	(4,239)	(1,239)	(290)
		Operational expenses	Personnel Costs	1,323	1,317	1,319	(7)	(3)	
			Contract Services and Consultants	450	2,531	1,278	2,081	1,253	
			Other Expenses - Direct	1,119	481	1,136	(638)	(655)	
			Internal Allocations and Charges	529	586	589	57	(3)	
			Depreciation and Amortisation	17	22	17	5	5	
		Operational expenses Total			3,438	4,936	4,339	1,498	597
		Natural Hazards Total			148	407	100	259	308
Safety and Resilience Total			1,305	(961)	3,550	(2,266)	(4,511)		

Transport

Significant Activity	Activity			Batchset			DAP26/27	DAP26/27
				25/26AP	26/27DAP	LTP 26/27	vs AP25/26	vs LTP26/27
			Subsidies and Grants	(13,433)	(13,983)	(13,465)	(549)	(518)
			Fees and Charges	(4,276)	(5,122)	(4,536)	(846)	(586)
			Other Income	(369)		(327)	369	327
			Operational revenue Total	(31,020)	(31,527)	(31,506)	(507)	(21)
			Operational expenses					
			Personnel Costs	694	688	710	(5)	(22)
			Contract Services and Consultants	27,172	27,787	26,848	615	939
			Other Expenses - Direct	989	847	1,656	(142)	(808)
			Internal Allocations and Charges	356	395	483	39	(88)
			Depreciation and Amortisation	219	160	141	(60)	19
			Operational expenses Total	29,430	29,877	29,838	448	39
			Public Transport - Dunedin (Surplus)/Deficit	(1,590)	(1,650)	(1,669)	(60)	19
			Public Transport - Other	Operational revenue				
			Rates Revenue	(943)	(892)	(708)	51	(184)
			Subsidies and Grants	(1,502)	(2,573)	(1,674)	(1,072)	(900)
			Operational revenue Total	(2,444)	(3,466)	(2,382)	(1,021)	(1,084)
			Operational expenses					
			Personnel Costs	101	101	339	(1)	(238)
			Contract Services and Consultants	1,952	3,203	1,978	1,251	1,224
			Other Expenses - Direct	339	104	6	(235)	98
			Internal Allocations and Charges	52	58	59	6	(1)
			Operational expenses Total	2,444	3,466	2,382	1,021	1,084
			Public Transport - Other (Surplus)/Deficit	(0)	(0)	0	(0)	(0)
			Public Transport - Wakatipu	Operational revenue				
			Rates Revenue	(4,286)	(5,301)	(6,844)	(1,015)	1,543
			Subsidies and Grants	(5,126)	(5,610)	(7,562)	(484)	1,952
			Fees and Charges	(4,366)	(5,634)	(4,880)	(1,268)	(754)
			Operational revenue Total	(13,779)	(16,545)	(19,286)	(2,767)	2,741
			Operational expenses					
			Personnel Costs	458	455	578	(3)	(124)
			Contract Services and Consultants	12,825	15,116	17,425	2,291	(2,309)
			Other Expenses - Direct	341	245	454	(96)	(209)
			Internal Allocations and Charges	241	266	365	25	(99)
			Depreciation and Amortisation	32	5	5	(26)	0
			Operational expenses Total	13,897	16,087	18,828	2,190	(2,741)
			Public Transport - Wakatipu (Surplus)/Deficit	118	(458)	(458)	(576)	0
			Regional Land Transport Planning	Operational revenue				
			Rates Revenue	(340)	(459)	(1,038)	(119)	579
			Subsidies and Grants	(354)	(478)	(1,334)	(124)	856
			Fees and Charges			(272)	0	272
			Other Income			(244)	0	244
			Operational revenue Total	(694)	(937)	(2,889)	(243)	1,952
			Operational expenses					
			Personnel Costs	406	404	529	(2)	(125)
			Contract Services and Consultants	20	263	2,056	243	(1,793)
			Other Expenses - Direct	58	38	9	(21)	28
			Internal Allocations and Charges	209	232	294	23	(62)
			Operational expenses Total	694	937	2,889	243	(1,952)
			Regional Land Transport Planning (Surplus)/Deficit	(0)	0	(0)	0	0
			Stock Truck Effluent Disposal	Operational revenue				
			Rates Revenue	(84)	(85)	(85)	(1)	1
			Subsidies and Grants	(87)	(88)	(89)	(1)	1
			Operational revenue Total	(172)	(173)	(174)	(1)	2
			Operational expenses					
			Contract Services and Consultants	153	156	157	3	(1)
			Depreciation and Amortisation	18	16	17	(2)	(1)
			Operational expenses Total	172	173	174	1	(2)
			Stock Truck Effluent Disposal (Surplus)/Deficit	0	0	0	0	0
Transport Total				(1,472)	(2,108)	(2,127)	(636)	19

Corporate

Activity Group	Significant Activity		Batchset			LTP 26/27	DAP26/27	DAP26/27
				25/26AP	26/27DAP		vs AP25/26	vs LTP26/27
Corporate	Internal	Operational revenue	Rates Revenue	21,531	23,019	21,531	1,489	1,489
			Investment Revenue	(26,090)	(26,465)	(26,472)	(375)	7
			Lease and Investment Properties	(831)	(831)	(831)	0	0
			Other Income	(1,601)	(1,653)	(1,713)	(53)	60
		Operational revenue Total		(6,991)	(5,930)	(7,485)	1,061	1,555
		Operational expenses	Personnel Costs	6,054	6,272	6,048	219	224
			Contract Services and Consultants	2,627	2,860	2,739	233	121
			Other Expenses - Direct	10,179	12,220	11,889	2,041	331
			Interest	5,464	5,625	6,445	162	(820)
			Internal Allocations and Charges	(17,449)	(18,890)	(19,822)	(1,440)	932
			Depreciation and Amortisation	1,276	1,467	1,630	191	(164)
		Operational expenses Total		8,148	422	143	(7,727)	279
	Internal Total		1,157	3,624	1,446	2,467	2,179	
Corporate Total			1,157	3,624	1,446	2,467	2,179	
Total Council (Surplus)/Deficit			4,228	2,568	2,797	(1,659)	(229)	

Other Information

		AP25/26	DAP26/27	Movement		LTP26/27	Movement
Directorate	Team	FTE	FTE	FTE		FTE	FTE
Chief Executive	Chief Executive	8.0	8.0	-		7.0	-
Chief Executive Total		8.0	8.0	-		7.0	-
Environmental Delivery	Consents	22.5	22.5	-		22.7	(0.2)
	Compliance	27.5	27.5	-		27.9	(0.5)
	Environmental Implementation	36.4	36.4	-		41.0	(4.6)
	Harbour Management	3.0	3.0	-		3.0	-
	Environmental Data & Systems	21.0	21.0	-		17.3	3.7
Environmental Delivery Total		110.4	110.4	-		111.9	(1.6)
Finance	Financial Planning & Analysis	4.0	4.0	-		4.0	-
	Finance	16.0	15.7	(0.3)		17.0	(1.3)
Finance Total		20.0	19.7	(0.3)		21.0	(1.3)
People & Corporate	Internal Communications	1.0	1.0	-		1.0	-
	IT	21.0	21.0	-		21.0	-
	Legal	4.0	4.0	-		4.0	-
	People & Safety	8.0	8.0	-		8.0	-
	Support Services	9.6	9.6	-		9.6	-
People & Corporate Total		43.6	43.6	-		43.6	1.0
Regional Planning & Transport	Policy & Planning	20.0	17.0	(3.0)		20.8	(3.8)
	Transport	14.3	14.3	-		16.3	(2.0)
Regional Planning & Transport Total		34.3	31.3	(3.0)		37.1	(5.8)
Science & Resilience	Emergency Mangement	18.5	18.5	-		18.5	-
	Engineering	25.4	24.5	(0.9)		25.3	(0.8)
	Environmental Monitoring	25.0	25.0	-		25.0	-
	Natural Hazards	10.0	10.0	-		9.9	0.1
	Science	22.0	22.0	-		22.0	-
Science & Resilience Total		100.9	100.0	(0.9)		100.7	(0.7)
Strategy & Customer	Governance & Customer	14.5	14.2	0.1		14.5	0.1
	Communications & Marketing	15.6	14.2	(1.4)		15.6	(1.4)
	Planning, Engagement & Strategy	14.0	15.3	1.3		14.0	1.3
Strategy & Customer Total		44.1	43.7	(0.4)		44.1	(0.4)
Grand Total		361.3	356.6	(4.6)		365.4	(8.7)

Capital Expenditure

Activity Group	Significant Activity	Activity	25/26 AP	DAP 26/27	LTP 26/27
Environment	Air	Air Monitoring	79	156	157
	Biodiversity	Biodiversity Science & Monitoring	153	261	262
	Water	Land & Water Implementation	(50)		
		Land & Water Science and Monitoring	12	552	555
Environment Total			194	969	974
Regional Leadership	Consents & Compliance	Compliance Monitoring & Contaminated Sites			32
		Harbour Management	0	22	22
		Incident Response & Enforcement	8	8	8
	Governance & Community	Communications and Marketing	0		
Regional Leadership Total			8	30	62
Safety and Resilience	Flood Protection	Alexandra Flood Protection	(20)		
		East Taieri Drainage	435	2,945	1,257
		Leith Flood Protection Scheme	2	102	262
		Lwr Clutha Flood Protection & Drainage	388	2,100	1,571
		Lwr Taieri Flood Protection Scheme	3,990	5,442	2,462
		River Management - Clutha	20	21	21
		River Management - Dunedin	598	979	1,550
		River Management - Wakatipu/Wanaka	(100)	52	52
		Tokomariro Drainage	338	306	419
		West Taieri Drainage	1,342	1,710	890
	Natural Hazards	Natural Hazards	(52)		
Safety and Resilience Total			6,941	13,658	8,485
Corporate	Internal	Information Systems	394	912	917
		ORC Property - Operational	4,738	2,189	2,200
		Vehicles	253	1,095	1,100
	Overheads	Finance	51	52	52
		Whare Runaka	4,426	0	
Corporate Total			9,862	4,248	4,269
Grand Total			17,006	18,905	13,790

Activity Overviews

Detail of proposed changes to programme delivery by activity.

Summary of key work programme changes

Activity	Work programme
Regional Planning	Following a pause on planning, work is set to resume and realign with new, anticipated legislation.
Air	Following a pause on planning, work is set to resume and realign with new, anticipated legislation.
Land and Water	Planning - Following a pause on planning, work is set to resume and realign with new, anticipated legislation.
	Implementation projects - No further remediation work for Tomahawk lagoon as the planned activities are now complete. No budget for priority projects for degraded water bodies - this was removed in the Annual Plan 2025-26 process last year.
	Science and monitoring - Research expansion is on hold until clear policy direction is known. Planned scaling up in monitoring is also on hold; current level to be maintained.
Biodiversity and biosecurity	Biodiversity Strategy implementation budget reduced to reflect planned activities and delivery; draft strategy aligns with planned delivery, anticipated extra funds not expected to be required.

Summary of key work programme changes

Activity	Work programme
Flood protection, Drainage	Outram floodbanks do not require anticipated works – resources redirected into other planned work.
	Resilience projects – Six projects received Regional Infrastructure Fund grants, enabling ORC to accelerate work.
River management	Work programmes revised to reflect clearer picture of actual work required.
Natural Hazards	LiDAR – grant funding, earlier project completion.
	Revised timing across a range of projects, such as coastal hazards, Brewery Creek, Stoney Creek and others.
Emergency management	Tsunami study starting later than originally planned - costs are now rephased across LTP year three and four.

Summary of key work programme changes

Activity	Work programme
Public Transport	Queenstown network improvements that were implemented in June 2025 are ongoing, including a new Arrowtown to Jacks Point route, increased frequency of services on other routes adding capacity to the network where needed, and a new ferry service provider who has added additional services.
	Dunedin network planned improvements to services and frequencies are not progressing due to lack of co-funding.
	Regional transport services - Investigating viable public transport options to improve regional connectivity and transport options, however regional trials not progressing due to lack of co-funding.

Service Performance Measures

Proposed changes to service measures and targets.

Proposed changes to service measures and targets

Activity: Regional Planning				
<i>Service statement</i>	<i>Measure</i>	<i>Current Target</i>	<i>New target</i>	<i>Reason</i>
Lead a regional approach to air quality improvement in collaboration with mana whenua, local councils, and other stakeholders.	Develop a Regional Air Quality Strategy and implement ORC actions.	Regional Air Quality Strategy is adopted by June 2027.	No change.	Noting that the target may change, this is dependent on Council decision in February/ March.
Support Otago's councils and communities to manage environmentally sustainable urban growth.	Support integrated and well managed urban growth across Otago.	Review of joint Dunedin and Queenstown Future Development Strategy completed by 30 June 2027.	No target.	Policy measures are unable to be set until the Government's RMA direction is fully released. Once known, all related measures and associated targets will be realigned to these mandated requirements.

Proposed changes to service measures and targets

Activity: Regulatory				
Service statement	Measure	Current Target	New target	Reason
Provide effective and efficient environmental response services to pollution incidents or notifications of non-compliant activities	Maintain 20 appropriately trained responders for maritime oil pollution incidents.	20 responders attend 3 exercises per year.	20 responders attend 2 exercises per year.	This is to reflect Maritime NZ requirements.
Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.	Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%	≥90%*	No change in target but note regarding the IRIS Next Gen transition period.
	Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%	≥90%*	No change in target but note regarding the IRIS Next Gen transition period.

**Note: As part of a planned technology improvement programme to strengthen how services are delivered to ORC customers, the Compliance team will be transitioning to a new system across 2026-27, taking the lead for a sector-wide implementation. During the transition, existing performance measure reporting will be temporarily suspended for a period, as system configurations are established and tested. Reporting will only recommence once data can be produced reliably and with appropriate assurance. Should reliable data become available earlier, partial reporting will be provided in the interim, using transition appropriate targets.*

Proposed changes to service measures and targets

Activity: Land and Water				
Service statement	Measure	Current Target	New target	Reason
Partner with iwi and collaboration with communities and landowners to develop and implement plans which enhance water quality and indigenous biodiversity in selected degraded waterbodies.	Site specific projects are developed for selected degraded waterbodies.	At least 80% of project actions are progressed as scheduled.	No target.	All the projects will be done in 2026. Current target will be achieved in June 2026. Future projects will be determined.
Provide a robust and integrated environmental planning framework for Otago's land, water and coast resources.	Complete the Land and Water Regional Plan (LWRP).	LTP target: Proposed LWRP ready for council decisions by 30 October 2026.	No target.	Policy measures are unable to be set until the Government's RMA direction is fully released. Once known, all related measures and associated targets will be realigned to these mandated requirements.

Proposed changes to service measures and targets

Activity: Biosecurity and Biodiversity				
<i>Service statement</i>	<i>Measure</i>	<i>Current Target</i>	<i>New target</i>	<i>Reason</i>
Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan.	Actions within the Biosecurity Operational Plan (BOP) are progressed.	100% of priority pest management actions are achieved.	90% of pest management actions are achieved.	This is to align with the Regional Pest Management Plan and the Biosecurity Operational Plan.
		80% of non-priority pest management actions are achieved.		

Proposed changes to service measures and targets

Activity: Transport

Service statement	Current Measure	New measure	Target	Reason
Provide efficient, reliable and accessible public transport services that meets community needs.	Percentage of Whakatipu scheduled services delivered.	Service Reliability – % Whakatipu scheduled services delivered.	95%	The measure has been reworded to reflect best practice and consistency.
	Percentage of Dunedin scheduled services delivered.	Service Reliability – % Dunedin scheduled services delivered.	95%	The measure has been reworded to reflect best practice and consistency.
	Percentage of Whakatipu operated services departing Terminus on-time.	Departure Punctuality – % Whakatipu on-time departures from point of origin.	90%	The measure has been refined to better reflect community-focused insights into public transport punctuality. <i>Note - LTP target of 95% was reduced in AP 2025-26.</i>
	Percentage of Dunedin operated services departing Terminus on-time.	Departure Punctuality – % Dunedin on-time departures from point of origin.	90%	The measure has been refined to better reflect community-focused insights into public transport punctuality. <i>Note - LTP target of 95% was reduced in AP 2025-26.</i>
	N/A	Arrival Punctuality – % Whakatipu on-time arrivals to planned destination.	90%	New measure added to better reflect community-focused insights into public transport punctuality.
	N/A	Arrival Punctuality – % Dunedin on-time arrivals to planned destination.	90%	New measure added to better reflect community-focused insights into public transport punctuality.

Fees, Charges and Fares

Charging for staff travel

- Operational context
- Current practice
- Proposed change
- Financial implications

Operational context

- Specialist ORC staff are deployed region-wide, which often requires travel to deliver the right expertise where it's needed
 - e.g. Central Otago specialists travelling to Dunedin for a site visit
 - e.g. Wanaka-based staff supporting work in Ranfurly
- The proposed approach ensures applicants pay only for the time required to deliver the service, not the cost of staff location

Why we are proposing practice change

- Improve consistency and transparency in how we charge for RMA-related travel
- Remove variability linked to where individual staff live or are based
- Maintain current budgets and avoid any impact on rates

Current practice

- Charge travel time from staff home office base
- Charge time on site
- Charge km and vehicle costs
- Where possible multiple visits are scheduled and travel time is shared
- Occasional ad hoc adjustments when concerns raised

Proposed change

- Charge travel time from the closest ORC office (Dunedin, Queenstown, Wanaka, Alexandra, Balclutha and Oamaru)
- Charge time on site
- Charge km from nearest office where possible
- Simple, consistent, and fair for applicants/Consent Holders

Financial implications

- No change to overall revenue expectations
- No impact on rates
- Charging estimated kms with current systems may not be possible
- Sharing time from the nearest office may create anomalies so ad hoc adjustments will still be required
- Net effect is neutral due to simplified and standardised charging

Schedule of Fees and Charges

- Minimal changes to the schedule are being proposed in the draft AP.
- Full review and update through the LTP process.

Proposed changes to the Schedule of Fees and Charges

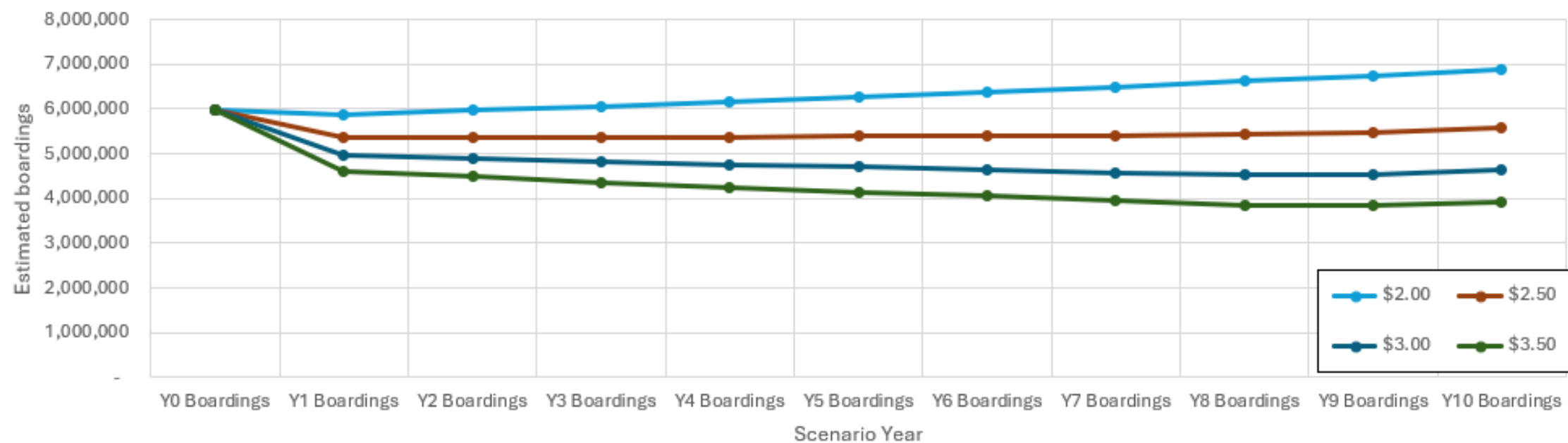
- Removal of late fee for performance monitoring
- Fixed fee for boat shed replacement
- Updated wording that reflects changes in legislation and allows for charging of permitted activity monitoring.

The full schedule of fees and charges will be circulated separately.

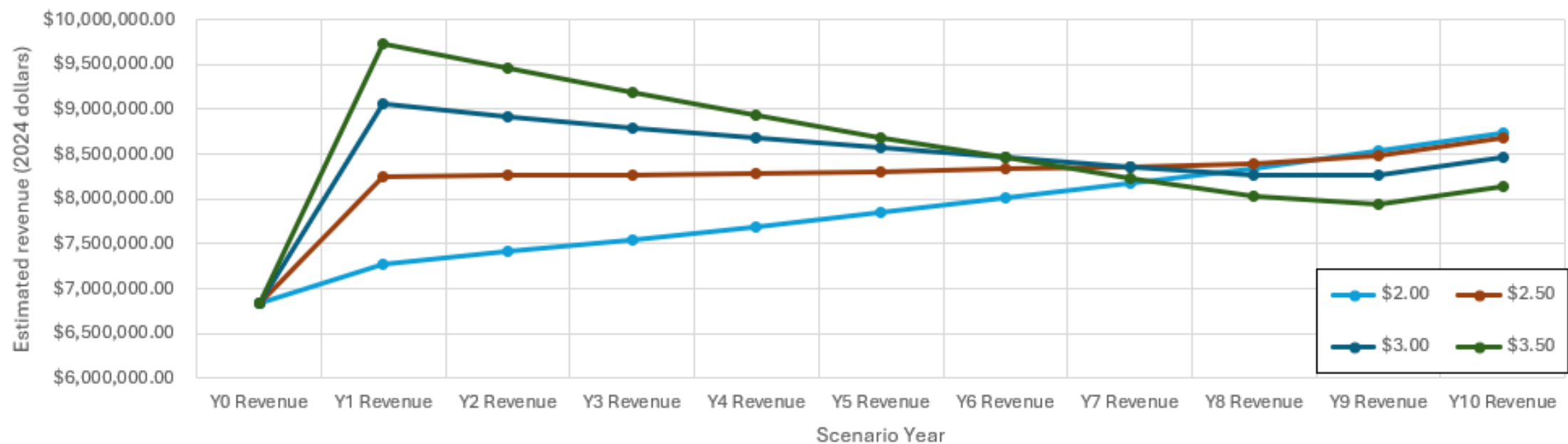
Public Transport fares

- Increases to fares consulted on in Regional Public Transport Plan 2025-35.
- Fare increases approved by Council in June 2025, base fare raised \$2.50.
- Staff investigating options for a zonal fare structure and fare capping.
- Further changes are likely to be material and require consultation.
- Customer response to fare increase is not instant; impact over 5-10 years.
- Modelling indicates higher fares would generate additional revenue in the short-term but is detrimental to patronage and revenue in the long-term.
- Staff recommend any changes to fares are incorporated into LTP development.

Time series: modelled boardings at different fares (2024 dollars)

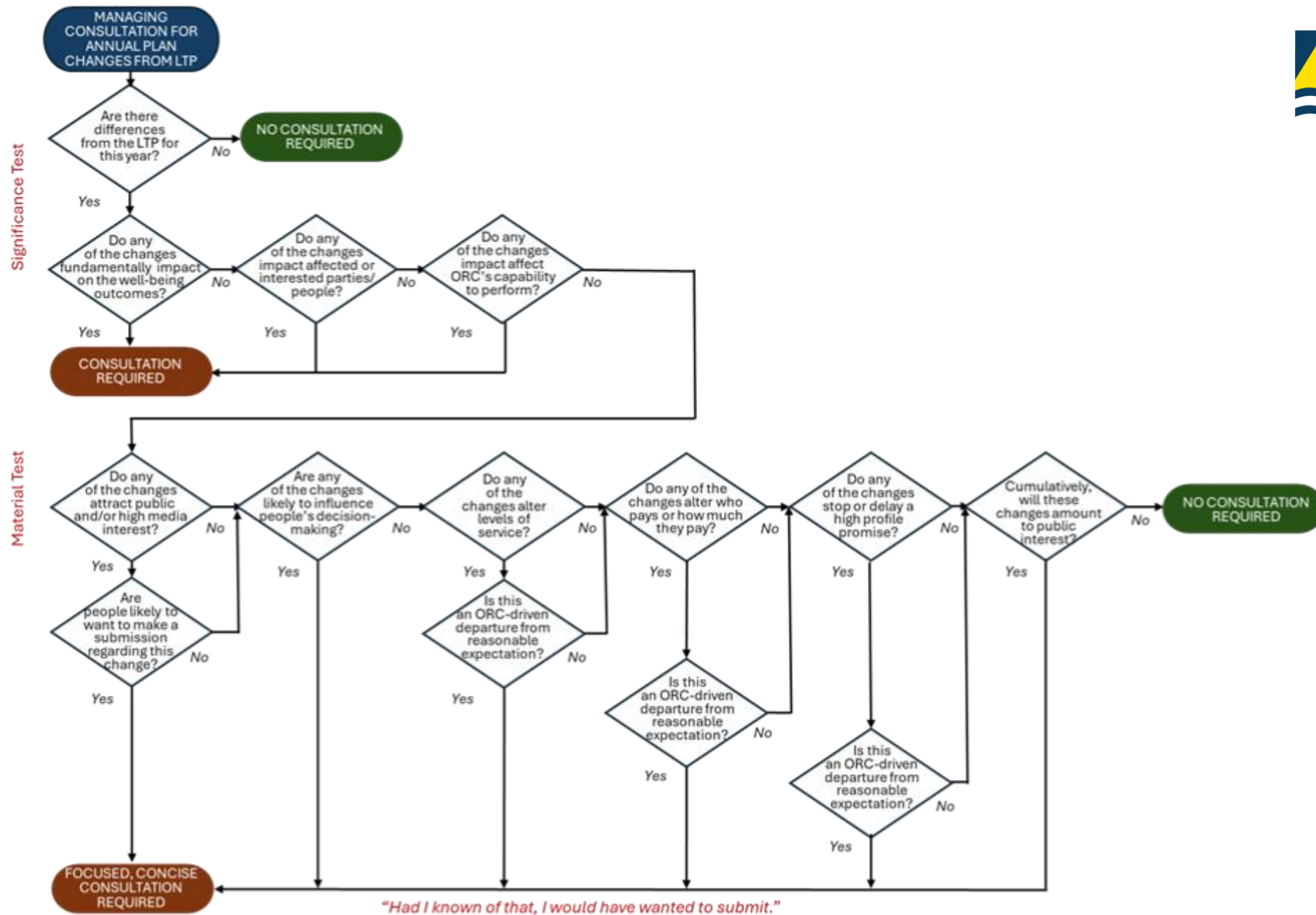


Time series: modelled revenue at different fares (2024 dollars)



Significance and Materiality

- “Significant” is a high threshold requiring a high degree of significance assessed against impact on the four well-beings, affected or interested persons, and the capacity of the local authority to perform its role.
- “Material” is a lower threshold. The question to ask is whether a difference (or differences assessed together) would matter to reasonable members of Otago’s communities?
- Assessing whether differences are significant or material is a matter of judgement for the Council, to be exercised in accordance with the definitions set out above.
- If Council determines that the proposed changes to the LTP for 2026-27 do not represent significant or material change, then community consultation is not required by law.



Consultation or communication?

- In previous years Council has chosen to hold formal consultation processes with hearings and deliberations, even when changes were not deemed significant or material, and consultation was not required.
- There are external costs (budgeted) and considerable staff and Councillor time required to support a consultation process.

Communications approach

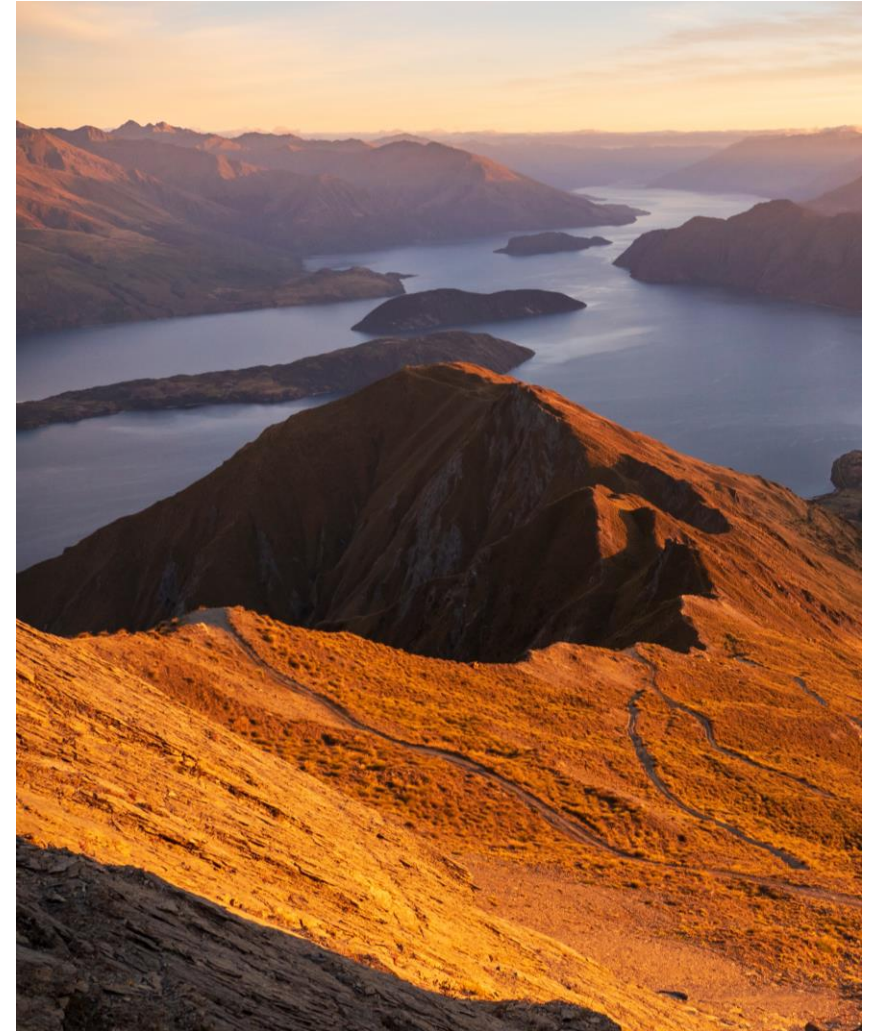
Communicating the Annual Plan 2026-27

- Informing the community
- The rates impact
- Public interest
- Transparency
- Highlighting ORC's work



Draft key messages

- ORC is delivering an overall zero rates rise.
- Councillors recognise cost of living pressures and the impact of rates increases for people.
- We have heard the call to be more efficient and effective.
- The shape of local government looks set to change.
- This will be part of future conversations with the community about the work we do in the years ahead.
- In the meantime, we need to continue to deliver our work programmes.



Communication considerations

- Otago has 254,000 residents
- 13 centres with populations of 1000+
- 17% of the population live outside urban centres
- 18% of the population is over 65
- 9.5% of the population don't have internet access



Informing Otago – different approaches

- 500,000+ digital (Facebook, Instagram, Google ads)
- 100,000 reach by print advertising, including rural publications and small urban centres
- Content delivered to homes – approx. 80,000 houses



Communications approach – low impact

Overall reach estimated: 213,500

Focus on free and online channels and use of paid community newsletters

Pros:

- Small communities and older people informed
- Cheap option

Cons:

- Small reach – number and demographics
- Reduced public awareness
- Younger generations and those not digitally connected not as well informed
- Fewer people sent to website
- Media interest is unknown
- Limited frequency; people need to see messages multiple times

Cost: \$5,000

Channel	Audience reach / users
Media	Unknown
ORC website (including rates estimator)	~2000-3000
ORC's e-newsletters On Stream + On Board with Orbus	3500
Community newsletter advertising <ul style="list-style-type: none">- Blue Mountain Express (Tapanui)- Blueskin News- Catlins Connection- Genesis (Milton)- Green Island Informer- Lakes Weekly Bulletin- Positively Maniototo- POWA (Waikouaiti & Hawksbury)- Rock and Pillar Post (Middlemarch area)- Rothesay News (West Harbour)- Teviot Bulletin- Tuapeka Times- Valley Voice (NEV)- Wai Wānaka- Waitaki Weekly	Over ~19,000 Mix of print/online, weekly/monthly, For the most part smaller centres
Meta (Facebook) and Google paid advertising	Meta: ~10,000 unique Google: ~66,000
ODT advertising	112,000

Communications approach – medium impact

Overall reach estimated: 401,000

Free channels, paid digital and print, including community news

Pros:

- Mid-range cost
- Better reach for rural and urban
- People starting to see message multiple times

Cons:

- Reduced public awareness
- Wider coverage, but reach could be better
- Media interest unknown
- Not as effective for younger people

Cost: \$18,620

Channel	Audience reach / users
Media	Unknown
ORC website (including rates estimator)	~3000-4000
ORC's e-newsletters On Stream + On Board with Orbus	3500
Community newsletter advertising <ul style="list-style-type: none">- Blue Mountain Express (Tapanui)- Blueskin News- Catlins Connection- Genesis (Milton)- Green Island Informer- Lakes Weekly Bulletin- Positively Maniototo- POWA (Waikouaiti & Hawksbury)- Rock and Pillar Post (Middlemarch)- Rothesay News (West Harbour)- Teviot Bulletin- Tuapeka Times- Valley Voice (NEV)- Wai Wānaka- Waitaki Weekly	Over ~19,000 Mix of print/online, weekly/monthly, For the most part smaller centres
Meta (Facebook) and Google paid advertising	Meta ~22,500 unique Google ~130,000 users
Advertising in community newspapers and ODT <ul style="list-style-type: none">- Central Otago News- Clutha Leader- Cromwell Bulletin- Mountain Scene- Oamaru Mail- Otago Daily Times- Southern Rural life- The Star- Wanaka Sun	Total reach 222,000

Communications approach – High impact

Overall reach estimated: 531,000

Free channels, paid digital and print, including community news and ORC newsletters

Pros:

- Best reach - highest public awareness
- Reaches urban, rural, digital and non-digital audiences across Otago
- People may be informed multiple times across multiple channels
- Drives more traffic to ORC website
- Young people/students targeted

Cons:

- Most expensive option
- Media interest unknown

Cost: \$36,000 (budgeted)

Channel	Audience reach / users
Media	Unknown
ORC website (including rates estimator)	~4000-5000
ORC's e-newsletters On Stream + On Board with Orbus	3500
Community newsletter advertising <ul style="list-style-type: none">- Blue Mountain Express (Tapanui)- Blueskin News- Catlins Connection- Genesis (Milton)- Green Island Informer- Lakes Weekly Bulletin- Positively Maniototo- POWA (Waikouaiti & Hawksbury)- Rock and Pillar Post (Middlemarch)- Rothesay News (West Harbour)- Teviot Bulletin- Tuapeka Times- Valley Voice (NEV)- Wai Wānaka- Waitaki Weekly	Over ~19,000 Mix of print/online, weekly/monthly, For the most part smaller centres
Meta (Facebook) and Google paid advertising	Meta ~22,500 unique Google ~130,000 users
Advertising in community newspapers and ODT <ul style="list-style-type: none">- Central Otago News- Clutha Leader- Cromwell Bulletin- Mountain Scene- Oamaru Mail- Otago Daily Times- Southern Rural life- The Star- Wanaka Sun	Total reach 222,000
ORC hard copy newsletter - Te Mātāpuna The Source	86,000 copies, 129,000 reach (1.5 readers per household)

Available channels



Digital & social media



The Source | Te Mātāpuna



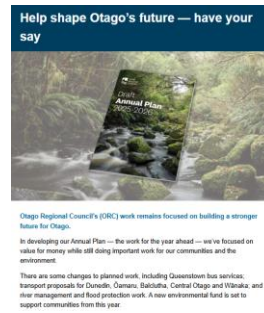
Community newsletters/papers



ORC website



Traditional media



On Stream



Digital draft annual plan document



Questions and discussion.