

# Finance Committee Agenda - 25 August 2021



Meeting conducted electronically and livestreamed  
Link to: [Otago Regional Council YouTube Channel](#)

## Members:

Cr Hilary Calvert, Co-Chair	Cr Gary Kelliher
Cr Kevin Malcolm, Co-Chair	Cr Michael Laws
Cr Michael Deaker	Cr Andrew Noone
Cr Alexa Forbes	Cr Gretchen Robertson
Hon. Cr Marian Hobbs	Cr Bryan Scott
Cr Carmen Hope	Cr Kate Wilson

Senior Officer: Sarah Gardner, Chief Executive

Meeting Support: Liz Spector, Governance Support Officer

25 August 2021 10:00 AM

<b>Agenda Topic</b>	<b>Page</b>
1. APOLOGIES No apologies were received prior to publication of the agenda.	
2. PUBLIC FORUM Requests to speak should be made to the Governance Team on 0800 474 082 or <a href="mailto:governance@orc.govt.nz">governance@orc.govt.nz</a> at least 24 hours prior to the meeting; however, this requirement may be waived by the Chairperson. No requests have been received.	
3. CONFIRMATION OF AGENDA Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.	
4. CONFLICT OF INTEREST Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.	
5. CONFIRMATION OF MINUTES Minutes of the Finance Committee meeting will be considered as a true and accurate record with or without corrections.	3
5.1 <a href="#">Minutes of the 25/26 May 2021 Finance Committee Meeting</a>	3
5.2 <a href="#">Minutes of the public-excluded 26 May 2021 Finance Committee meeting</a>	15
6. ACTIONS The Committee will review outstanding actions of resolutions of the Finance Committee.	17
7. MATTERS FOR CONSIDERATION	18

7.1	<b>QUARTERLY ACTIVITY REPORT, 30 JUNE 2021</b>	18
	This report provides details on financial and non-financial operational performance by significant activity for the period ended 30 June 2021.	
7.1.1	<b>Att 1: Council Activity Performance Q4 2020/21</b>	21
7.1.2	<b>Att 2: Performance Overview Q4 2020/21</b>	69
7.2	<b>FINANCE REPORT, 30 JUNE 2021 - PRELIMINARY YEAR-END RESULT</b>	74
	This report provides Council's Finance Report for the 2021 Financial Year which includes the preliminary financial result for the 12-month period ended 30 June 2021.	
7.2.1	<b>Att 1: Statement of Comprehensive Revenue and Expenses for YE 30 June 2021</b>	80
7.2.2	<b>Att 2: Statement of Financial Position 2021.06.30</b>	81
7.2.3	<b>Att 3: Treasury Report 2021.06.30</b>	82
7.2.4	<b>Att 4: Activity Report 2021.06.30</b>	83
7.3	<b>ANNUAL PLAN 2022/23 PROCESS AND TIMETABLE</b>	84
	This report enables the Finance Committee to consider and provide feedback on the Annual Plan 2022-23 process and timetable.	
7.3.1	<b>Att 1: Annual Plan 2022/23 Presentation</b>	87
7.4	<b>OUTCOME OF THE INTERIM \$2 DUNEDIN FARE</b>	92
	This report is provided to seek decisions on bus fares that will apply in Dunedin following the end of Phase 2 (transitional) fare period put in place to enable deployment of the electronic ticketing system and test.	
7.5	<b>ANNUAL RETURNS OF INACTIVE SUBSIDIARIES</b>	107
	This report is provided to facilitate fulfillment of Section 214 of the Companies Act 1993 required for each of the inactive registered companies owned by the Otago Regional Council.	
8.	<b>CLOSURE</b>	



Minutes of a meeting of the  
Finance Committee held in the  
Novotel Queenstown Lakeside Conference Room  
on 11AM Wednesday 26 May 2021 and  
concluding Thursday, 27 May 2021.

**Membership**

Cr Hilary Calvert (Co-Chairperson)  
Cr Kevin Malcolm (Co-Chairperson)  
Cr Michael Deaker  
Cr Alexa Forbes  
Hon Marian Hobbs  
Cr Carmen Hope  
Cr Gary Kelliher  
Cr Michael Laws  
Cr Andrew Noone  
Cr Gretchen Robertson  
Cr Bryan Scott  
Cr Kate Wilson

**Welcome**

Co-Chairperson Kevin Malcolm welcomed Councillors, members of the public and staff to the meeting at 11:09 am. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gwyneth Elsum, via Zoom (GM Strategy, Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Mike Roesler, Sean Geary, and Dianne Railton.

## 1. APOLOGIES

### Resolution

*That the apologies for Cr Kelliher be accepted.*

Moved: Cr Deaker

Seconded: Cr Calvert

CARRIED

## 2. PUBLIC FORUM

No public forum was held.

## 3. CONFIRMATION OF AGENDA

The agenda was confirmed as presented.

## 4. CONFLICT OF INTEREST

No conflicts of interest were advised.

## 5. CONFIRMATION OF MINUTES

### Resolution

*That the minutes of the (public portion of the) meeting held on 24 February 2021 be received and confirmed as a true and accurate record, with or without changes.*

Moved: Cr Calvert

Seconded: Cr Wilson

CARRIED

## 6. ACTIONS

The outstanding actions of resolutions of the Finance Committee were reviewed. No changes were made.

## 7. MATTERS FOR CONSIDERATION

### 7.1. Long Term Plan 2021-2031 Deliberation and Recommendations

This paper was provided to enable Councillor deliberations on public submissions received during consultation on the draft LTP 2021-31 and to enable committee members the opportunity to direct staff on any changes. Nick Donnelly (GM Corporate Services) and Mike Roesler (Manager Corporate Planning) were present to respond to questions. Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer) and Gwyneth Elsum, via Zoom (GM Strategy, Policy and Science) were also present to respond to questions.

Co-Chair Malcolm suggested the meeting open deliberations on the LTP with a motion to receive the submissions and note the proposals prior to voting on any of the specific options. Cr Wilson moved:

### Resolution

*That the Finance Committee:*

- 1) **Receives**, with thanks to the public and staff, the submissions to the Consultation Document for the Otago Regional Council Long-term Plan 2021-31 'Have Your Say On Our Future';
- 2) **Notes** the four proposals and associated options as consulted in the Otago Regional Council Long-term Plan 2021-31 Consultation Document.

Moved: Cr Wilson  
Seconded: Cr Deaker  
CARRIED

The Committee began with questions on proposals for delivering and funding pest management with Cr Forbes asking why Option 2 was presented as staff's preferred option for delivery. Dr Palmer responded saying option one was seen to be slightly more challenging to ramp up as four new staff would be required, but if Councillor preference was Option 1, he was confident that could be managed. Mr Donnelly noted that Option 1 would increase the proposed rates over the 47.5% initially signaled. Chief Executive Sarah Gardner noted that results of public submissions showed 55% of responders preferred Option 2. The meeting moved into a discussion of funding and it was decided to determine the funding option before choosing a delivery option. After discussion of the pest management funding options, Cr Scott moved the recommended Option B for funding.

#### **Resolution**

*That the Finance Committee:*

- 1) **Directs** Council staff to apply option 'B' for 'funding Pest Management' in Council biosecurity activity being a 'Regional Targeted Rate shared across all ratepayers based on their land value from year one Long-term Plan 2021-31

Moved: Cr Scott  
Seconded: Cr Hobbs  
CARRIED

*Cr Laws requested his vote against this resolution be recorded in the minutes.*

Cr Laws then moved Option 1 for the delivery of pest management, seconded by Cr Wilson. Cr Calvert said the ORC has already increased its spending in this area and suggested that because the pest management strategy is new, council should review how it is working under existing funding before increasing the budget. Cr Hobbs agreed, and stated because this service has recently increased, it should be reviewed in year two or three of this LTP. Cr Scott said while he supported the general tenor of the meeting that pest management should be ramped up, the Councillors had previously indicated their primary focus was water. Following further deliberation, Cr Laws urged Councillors to make a larger investment in pest management or he said desired outcomes won't be achieved. Cr Malcolm put the motion:

*That the Finance Committee:*

- 1) **Directs** Council staff to apply option one for 'delivering pest management' in Council biosecurity activity being expenditure of \$4.6 million from year one onwards in the Long-term Plan 2021-31

Moved: Cr Laws  
Seconded: Cr Wilson  
FAILED

The motion failed and a Division was called.

For: Cr Forbes, Cr Hope, Cr Laws, Cr Malcolm, Cr Wilson  
Against: Cr Calvert, Cr Deaker, Cr Hobbs, Cr Noone, Cr Robertson, Cr Scott

Following failure of the motion to apply Option One, Cr Calvert moved:

#### Resolution

*That the Finance Committee:*

- 1) **Directs** Council staff to apply option two for 'delivering pest management' in Council biosecurity activity being expenditure of \$3.3 million from year one onwards in the Long-term Plan 2021-31

Moved: Cr Calvert  
Seconded: Cr Scott  
CARRIED

*Cr Malcolm adjourned the meeting at 12:40 pm and reconvened at 1:04 pm.*

Co-Chair Cr Malcolm opened deliberations on staff recommendation 5, options for balancing the budget. Cr Hobbs moved that Option One, increasing total rates to achieve an immediate and sustainable funding source for operational expenditures, be the chosen approach. Cr Robertson seconded the motion and debate followed. Cr Noone said it was important to fund operational expenses through rates rather than through use of reserves and that the motion was flexible enough to allow additional items to be dealt with later in the deliberations. Cr Malcolm put the motion.

#### Resolution

*That the Finance Committee:*

- 1) **Directs** Council staff to apply the approach in option one for 'balancing the budget' being an increase in total rates to achieve an immediate and sustainable funding source for our operational expenditure of the Long-term Plan 2021-31

Moved: Cr Hobbs  
Seconded: Cr Robertson  
CARRIED

*Cr Laws requested his vote against the resolution be noted in the minutes.*

*Cr Hope requested her vote against the motion be noted in the minutes.*

Cr Malcolm opened discussion on proposed funding for the Lake Hayes work programme and noted the staff recommendation was to fund this work with a new targeted rate for Lake Hayes. He noted this meant residents of the area would fund the work based on the capital

values of their property. Nick Donnelly noted the economic assessment report of Lake Hayes remediation work the ORC had contracted from Castalia. He said that report indicated the most significantly impacted activity for any improvement works at Lake Hayes was to lake-based recreation. Mr Donnelly said this result showed the economic impact should be borne by those who most benefitted from using the lake for recreation. Cr Robertson moved Option 2 for funding the work, seconded by Cr Scott. Debate followed. Councillor Deaker suggested improvements to any Otago lakes benefit the entire region and should be paid for using a uniform targeted rate on all properties as in Option 3. Cr Forbes said any environmental projects need to be funded Otago-wide and said she would support a uniform targeted rate. Cr Wilson said she would support Option 2 for years one and two which would give time to review and plan. She said Option 3 would be an entirely new funding mechanism that would have implications for the entire region and suggested more work should be done by Council before moving in this direction. She foreshadowed a motion to create a liaison reference group for Lake Hayes and also suggested a scheme review should be done. Following further deliberation, Cr Malcolm put the motion as revised by the committee:

**Resolution**

*That the Finance Committee:*

- 1) **Directs** Council staff to apply option two for funding Council’s ‘Lake Hayes work programme’ via the existing river and water management targeted rate for years one and two of the Long-term Plan 2021-31.

Moved: Cr Robertson  
 Seconded: Cr Scott  
 CARRIED

A Division was called:  
 For: Cr Calvert, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott, Cr Wilson  
 Against: Cr Deaker, Cr Forbes, Cr Hobbs, Cr Hope, Cr Laws

As foreshadowed, Cr Wilson made the following motion, after suggestions made by the Chief Executive to assist with clarity:

**Resolution**

*That the Finance Committee:*

- 1) **Directs** staff to develop a region-wide methodology for water improvement funding for 2022/23 annual plan.
- 2) **Directs** staff to conduct an Implementation Committee workshop to discuss liaison and/or strategy groups prior to the 8 September 2021 Implementation Committee meeting.

Moved: Cr Wilson  
 Seconded: Cr Scott  
 CARRIED

Cr Malcolm then called for an adjournment at 2:45. The meeting resumed at 3:00 pm.

Co-Chair Malcolm asked that a motion be made on staff recommendation 7 to table the level of service requests for discussion. Cr Calvert moved:

### Resolution

*That the Finance Committee:*

- 1) **Notes** that attachment four of this report schedules level of service requests submitted by the community on the Long-term Plan 2021-31 and associated staff recommendations that are in addition to the four significant proposals consulted on in the Consultation Document

Moved: Cr Calvert

Seconded: Cr Noone

CARRIED

Cr Malcolm then asked Mr Roesler to review the submitter requests with the committee members. Mr Roesler noted the requests had been grouped by activity where possible to facilitate discussion. Councillors discussed possible additions for consideration of LTP funding and a list of requests was agreed to be deliberated. At 4:15pm, Cr Malcolm noted that the meeting needed to be adjourned due to a previously scheduled joint briefing with representatives of Queenstown Lakes District Council. He said he would meet with Mr Donnelly and Mr Roesler during this briefing to review the Councillor requests that had been put together during the debate and work up cost implications for possible inclusion in the LTP. He asked that the Finance Committee meeting resume at 6 p.m. or after the joint briefing to discuss the outcome and adjourned the meeting at 4:17pm.

*Cr Hope left the meeting at 4:17 pm.*

*Cr Laws was unable to reconnect electronically to the meeting after the adjournment.*

Co-Chair Malcolm reconvened the Finance Committee meeting at 6:13pm. He said he had worked with Mr Donnelly, Mr Roesler and Mr Garry on draft financial implications of possible additions to LTP funding during the break and reviewed the handwritten draft list with the Councillors. The list of work for discussion included funds to assist with consents, a harbour plan, a rating and scheme review with possible liaison reshape, money to improve lakes, citizen science operations, yellow-eyed penguin trust grant, creation of an ORC awards programme, integrated catchment work and collaboration work with the University of Otago.

Cr Wilson asked to discuss scheme performance reviews and liaison reference groups. She said scheme performance reviews and rating reviews will only work well if there are liaison groups working alongside them and asked these be set up immediately for schemes that are to be reviewed soon. Mrs Gardner asked for clear parameters on those groups. Cr Noone noted that the groups would want to be informed on level of service and be able to provide feedback and to have key information shared with them. He said they want to be better connected and engaged.

*Cr Forbes left the meeting at 6:34pm.*

Cr Malcolm asked Dr Palmer how people in the Taieri would be able to interact if no liaison group was created for that scheme review. Dr Palmer said the whole of the community would



be consulted with as this would affect the entire community. Further debate continued and then Co-Chair Malcolm put the motion.

- 1) *That where scheme performance reviews are being undertaken, Council and staff work to form interim liaison reference groups immediately to facilitate the review process.***

Moved: Cr Wilson  
Seconded: Cr Calvert  
FAILED

The vote was tied and a Division was called.

For: Cr Calvert, Cr Deaker, Cr Noone, Cr Wilson

Against: Cr Hobbs, Cr Malcolm, Cr Robertson, Cr Scott

Cr Malcolm used his casting vote to vote against the motion and the resolution failed.

Cr Calvert then made a subsequent motion:

#### **Resolution**

- 1) *That where scheme performance reviews are being undertaken, Council staff will ensure opportunities exist to allow all interested parties to be fully involved in the review process.***

Moved: Cr Calvert  
Seconded: Cr Scott  
CARRIED

At 7:15 p.m. Cr Wilson moved to lay the LTP deliberations on the table and reopen consideration of the report after the conclusion of the next day's Council Meeting. The Councillors agreed and moved to consider the next two reports and then go into public-excluded prior to adjourning this meeting until the next day.

#### **Resolution**

*That consideration of the LTP deliberations be lain on the table and the meeting adjourn following consideration of the next two reports and public excluded item, to be reconvened immediately following the conclusion of the next day's 8 a.m. Council Meeting on 27 May 2021.*

Moved: Cr Wilson  
Seconded: Cr Calvert  
CARRIED

A DIVISION was called.

*Cr Malcolm took a brief adjournment to get advice from the Chief Executive at 7:02 pm.*

*Cr Malcolm reconvened the meeting at 7:08 pm.*

For: Cr Calvert, Cr Deaker, Cr Hobbs, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott, Cr Wilson

Against: nil

*Crs Forbes, Hope, Kelliher and Laws were not present for the vote,*

### **7.2. Activity Review 2020-21, 1 July 2020 to 31 March 2021**

Nick Donnelly was present to speak to the Activity Review report and respond to questions. There were no questions and Cr Calvert moved:

#### **Resolution**

*That the Finance Committee:*

- 1) **Receives** the Council Activity Performance Report for the period 1 July to 31 March 2021 (Q3).

Moved: Cr Calvert  
Seconded: Cr Robertson  
CARRIED

### **7.3. Finance Quarterly Report - March 2021**

Nick Donnelly, GM Corporate Services, was present to speak to the Finance Quarterly Report and respond to questions. There were no questions and Cr Calvert moved:

#### **Resolution**

*That the Finance Committee:*

- 1) **Receives** this paper and notes the Financial Reports for the period ended 31 March 2021.

Moved: Cr Calvert  
Seconded: Cr Robertson  
CARRIED

## **8. RECOMMENDATIONS OF MEETINGS**

### **8.1. Recommendations of the 13 May 2021 Audit and Risk Subcommittee meeting**

Resolutions made at the 13 May 2021 Audit and Risk Subcommittee meeting were presented to the Finance Committee for adoption. Cr Calvert moved:

#### **Resolution**

*That the recommendations of the 13 May 2021 Audit and Risk Subcommittee meeting are adopted.*

Moved: Cr Calvert  
Seconded: Cr Deaker  
CARRIED

## **9. RESOLUTION TO EXCLUDE THE PUBLIC**

#### **Resolution**

*That the public be excluded from considerations of the public-excluded recommendations of the Audit and Risk Subcommittee meeting of 13 May 2021.*

Moved: Cr Wilson  
 Seconded: Cr Hobbs  
 CARRIED

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
2.1 Public excluded recommendations of the 13 May 2021 Audit and Risk Subcommittee meeting	<p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii);</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i);</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest – Section 7(2)(c)(ii);</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e);</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h);</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)	
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Cr Malcolm declared the public meeting adjourned at 7:15pm to be reconvened following the 27 May 2021 Council Meeting. Cr Malcolm noted he would not be present for the next day's business and Cr Calvert would Chair the reconvened meeting.

Finance Committee Co-Chair Hilary Calvert opened day two of the Finance Committee with continued consideration of the LTP 2021-2031 Deliberations at 11:25 a.m. on 27 May 2021. Staff present at the reconvened meeting included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Mike Roesler, Sean Garry, and Dianne Railton.

#### **Resolution**

*That the apologies of Cr Hope, Cr Kelliher, Cr Malcolm and Cr Robertson be accepted.*

Moved: Cr Noone  
 Seconded: Cr Hobbs  
 CARRIED

*Councillor Hope joined the meeting at 11:40 a.m.*

The meeting body determined to vote on the recommendations that had been collaboratively compiled the previous day and typed up for presentation. After the motion was displayed on the projector it was determined to remove two of the items for a separate vote. Cr Laws then moved:

#### **Resolution**

*That the Finance Committee:*

- 1) Requests a report from staff on a policy for assisting with resource consent costs for environmental enhancement projects in time for LTP adoption and that a budget of \$50,000 be included for each of the first three years of the 2021-31 LTP.
- 2) Request establishment of a harbour facilities and management plan in a collaboration with Iwi, Community boards and groups, Dunedin City Council and Port Otago with budgeted funds of \$100,000 in each of financial years two and three of the LTP 2021-2031. Staff and Councillors will determine terms of reference.
- 3) Requests staff to report back on options around an independent review of the existing rating basis for all flood protection and drainage schemes and provide potential cost details by the end of December 2021.

- 4) Requests establishment and funding of a scoping study for an Otago Lakes Strategic Plan, in association with relevant stakeholders, that creates lake management plans aimed at improving the environmental and amenity value of these water bodies, and acquire the science, partnerships and information for these purposes with an initial budget of \$100,000 in each of years one and two of the LTP 2021-31.
- 5) Request that staff consider as they upgrade or invest in assets that the potential of real time data and input of citizen science are considered and if extra funding is required then those purchases be brought back to Council for consideration.
- 6) Requests the Chair and Chief Executive to meet with University of Otago for the purpose of progressing the existing MoU and report back to Council.
- 7) Notes that Council bring forward the Integrated catchment work which has a budget impact of \$200,000 in year one and \$690,000 in year two of the 2021/31 LTP.
- 8) Notes that the total of these options would impact the budget with an increase in year one of \$390,000, in year two of \$1,030,000, and in year three of \$240,000 and notes total rates would be increased by 49% for year one, 18.4% for year two, and 8.7% for year three.

Moved: Cr Laws  
Seconded: Cr Noone  
CARRIED

Cr Hobbs then moved a recommendation that \$40,000 per annum be budgeted to assist funding a scientist for the Yellow-eyed Penguin Trust for the next three years. During debate, Cr Deaker foreshadowed a motion to increase the ECO Fund budget by \$40,000 per year for three years if the motion lost. Cr Calvert put the motion.

*That the Finance Committee:*

- 1) **Requests** continued ORC support in the amount of \$40,000 per annum for three years to assist funding a scientist for the Yellow-eyed Penguin Trust.

Moved: Cr Hobbs  
Seconded: Cr Noone  
FAILED

A Division was called.

For: Cr Forbes, Cr Hobbs, Cr Noone, Cr Scott

Against: Cr Calvert, Cr Deaker, Cr Hope, Cr Laws, Cr Wilson

Following failure of the motion to part-fund the Yellow-eyed Penguin Trust scientist, Cr Deaker moved:

## Resolution

*That the Finance Committee:*

- 1) **Requests** an additional \$40,000 per annum be included in each of years one, two and three of the LTP 2021-2131 for ECO Fund grant awards.

Moved: Cr Deaker  
Seconded: Cr Forbes  
CARRIED

After a discussion of possible funding for the Otago Regional Council Environmental Awards, Cr Deaker moved:

**Resolution**

That the Finance Committee:

- 1) **Requests** staff to provide a paper by 31 December 2021 discussing re-establishment of the Otago Regional Council Environmental Awards.

Moved: Cr Deaker  
Seconded: Cr Laws  
CARRIED

Cr Wilson moved the final recommendations, seconded by Cr Noone.

**Resolution**

That the Finance Committee:

- 1) **Directs** Council staff to implement the direction provided at the 25 May 2021 Finance Committee meeting to complete and present the Long-term Plan 2021-31 for Council approval at its 23 June 2021 meeting
- 2) **Notes** that the Council's external auditors will complete the legal requirement of auditing and reporting on the Long-term Plan 2021-31 based on the recommendations of the 25 May 2021 Finance Committee meeting
- 3) **Notes** that the Council Rates Resolution will be put to the 23 June 2021 Council meeting following adoption of the Long-term Plan 2021-31.

Moved: Cr Wilson  
Seconded: Cr Noone  
CARRIED

**10. CLOSURE**

There was no further business and Co-Chairperson Hilary Calvert declared the meeting closed at 12:04pm on 27 May 2021.

\_\_\_\_\_  
Co-Chairperson

\_\_\_\_\_  
Date



Minutes of a public excluded meeting  
of the Finance Committee held in the  
Novotel Queenstown conference room  
Wednesday 26 May 2021

**Membership**

Cr Hilary Calvert (Co-Chairperson)  
Cr Kevin Malcolm (Co-Chairperson)  
Cr Michael Deaker  
Cr Alexa Forbes (apology)  
Cr Marian Hobbs  
Cr Carmen Hope (apology)  
Cr Gary Kelliher (apology)  
Cr Michael Laws (apology)  
Cr Andrew Noone  
Cr Gretchen Robertson  
Cr Bryan Scott  
Cr Kate Wilson

Co-Chairperson Malcolm welcomed Councillors and staff to the public-excluded meeting at 7:15pm. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gwyneth Elsum, via Zoom (GM Strategy, Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Mike Roesler, Sean Geary and Dianne Railton.

**1. CONFIRMATION OF MINUTES**

There were no outstanding minutes for approval.

**2. PUBLIC-EXCLUDED RECOMMENDATIONS OF THE AUDIT AND RISK  
SUBCOMMITTEE**

**Resolution**

*That recommendations made by the Audit and Risk Subcommittee at the 13 May 2021 meeting be adopted.*

Moved: Cr Calvert

Seconded: Cr Wilson

CARRIED

**3. CLOSURE**

There was no further public-excluded business and Co-Chair Malcolm declared the meeting closed at 7:16pm.

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Date



Finance Committee Agenda - 25 August 2021 - ACTIONS

COMBINED ACTIONS REGISTER AT 5/08/2021

Meeting Date	Meeting Type	Item	Status	Action Required	Assignees	Action Taken	Date Due	Date Completed	Days Overdue
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Develop a region-wide methodology for water improvement funding for the 2022/23 Annual Plan. Res FIN21-106	General Manager Corporate Services and CFO		30/06/2022		
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Conduct an Implementation Committee workshop to discuss liaison and/or strategy groups prior to the 8 September 2021 Implementation Committee meeting. Res FIN21-106	General Manager Operations	27/07/2021 - This workshop is scheduled for 12 September.	8/09/2021		
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Staff to ensure opportunities exist to allow all interested parties to be fully involved in any scheme performance review process. Res FIN21-108	General Manager Operations		1/06/2022		
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Establish a harbour facilities and management plan in a collaboration with iwi, community boards and groups, DCC and Port Otago with a budget of \$100k in each of financial years 2 and 3 of the LTP2021-31. Staff and Councillors to determine ToRs. Res FIN21-109	General Manager Strategy, Policy and Science				
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Report back on options for an independent review of the existing rating basis for all flood protection and drainage schemes and provide potential cost details by the end of December 2021. Res FIN21-109	General Manager Corporate Services and CFO		31/12/2021		
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Establish and fund a scoping study for an Otago Lakes Strategic Plan, in association w/relevant stakeholders, that creates lake management plans aimed at improving the environmental and amenity value of the water bodies and acquire the science, partnerships, and information for these purposes with an initial budget of \$100k in each of years one and two of the LTP2021-31. Res FIN21-109	General Manager Strategy, Policy and Science		31/12/2021		
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Consider the potential of realtime data and citizen science input when upgrading or investing in assets. If this requires extra funding, those purchases should be brought back to Council for consideration. Res FIN21-109	General Manager Strategy, Policy and Science		31/12/2021		
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Chairperson Noone and CE Gardner to meet with University of Otago for the purpose of progressing the existing MoU and report back to Council. Res FIN21-109	Chairperson		13/05/2021		84
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Assigned	Provide a paper discussing re-establishment of the Otago Regional Council Environmental Awards. Res FIN21-111	General Manager Regulatory and Communications		31/12/2021		

### 7.1. Quarterly Activity Report - 30 June 2021

<b>Prepared for:</b>	Finance Committee
<b>Report No.</b>	CS2141
<b>Activity:</b>	Governance Report
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<b>Date:</b>	16 August 2021

#### PURPOSE

- [1] To report on operational performance by significant activity for the period ended 30 June 2021.

#### RECOMMENDATION

*That the Finance Committee:*

- 1) **Notes** the Council Activity Performance Report for the period 1 July 2020 to 30 June 2021 (Q4).

#### BACKGROUND

- [2] This report includes financial and non-financial performance information relating to service delivery as outlined in the 2020-21 Annual Plan. Progress over the 2020-21 financial year has been reported to the Finance Committee being:
- a. Quarter 1, September 2020 reported to the 25 November 2020 meeting,
  - b. Quarter 2, December 2020 to the 24 February 2021 meeting,
  - c. Quarter 3, March 2021 to the 26 May 2021 meeting.
- [3] Council staff are drafting the Annual Report (AR) which contains financial and non-financial performance information relating to service delivery for the 2020-21 financial year. The Annual Report will be presented to Council for adoption on 27 October 2021.
- [4] This Quarter 4 report is extracted from the draft Annual Report work being completed to satisfy Council's statutory reporting requirements.
- [5] The draft financial information is reported separately to this Finance Committee meeting.

#### PERFORMANCE HIGHLIGHTS

- [6] In Quarter 4 there have been a number of achievements identified in the Council Activity Performance Report including:
- The Regional Policy Statement was notified on 26 June 2021.
  - A State of Environment report on the river and lake water quality in the region was completed and presented to council in April 2021.
  - Funding was secured for a "Maintaining the Gains" project to protect and restore indigenous biodiversity.
  - Climate Resilience (Shovel Ready) programme progress.

- Completion of the Albert Town flood damage repair work.

### **OVERALL PERFORMANCE**

- [7] The 2020-21 Annual Plan contains 25 Level of Service statements, 49 measures and 63 targets. All targets relate to activity to be delivered in the 2020-21 year. The attached “Performance Overview” provides the performance results by significant activity and shows expenditure and revenue against budget for the year.
- [8] Results on performance targets for quarter four/year-end:
- 42 – Achieved
  - 16 – Partially achieved
  - 5 – Not achieved
- [9] At 30 June 2021, Council had a deficit of \$17.5M compared to a budgeted deficit of \$12.0M, a variance of \$5.5M.
- [10] The \$5.5M variance is a result of spending \$10.88M (14%) more than budgeted and receiving \$5.38M (8%) more revenue than budgeted.

### **PERFORMANCE AGAINST LEVELS OF SERVICE**

- [11] The majority of measures and targets have been achieved.
- [12] The attached “Council Activity Performance Report Q4 - 1 July 2020 to 30 June 2021” details the results against level of service measures and targets as well as providing commentary on performance across activities.
- [13] The attached “Performance Overview” includes the performance results against targets for each quarter. The key changes that are reported since quarter three include:
- Partially achieved / yellow:
    - Biodiversity Strategy and Action Plan.
    - SOE - changes and trend in natural resource availability reported as scheduled.
    - Flood protection - performance against defined standards reported by 30 June.
    - Drainage schemes - performance against defined standards reported by 30 June.
    - River management - report annual status of scheduled rivers and waterways.
    - CDEM – full suite of community plans and Region-wide issues plans reported.
    - Establishment of a Climate Change Adaptation programme reported.
    - Transport – Lake Wakatipu Ferry service trial.
  - Not achieved / red:
    - Regulatory - percentage of performance monitoring returns processed.
- [14] Factors which have impacted on results include:
- Two water implementation measures where delivery is related to Plan Change timeframes.
  - One measure where service delivery was high (99%) but the result was below the target of 100% completion within timeframes.
  - A review of the Taieri scheme was not completed due to the scope and scale of project being reassessed.
  - A trial ferry service operating at a reduced service due to the ongoing COVID-19 impact on tourism and the community.

- Feasibility study of lower emission public transport not completed due to aligning with timeframes of a sector-wide study lower emission transport.

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

[15] There are no strategic framework and policy considerations.

### **Financial Considerations**

[16] For further financial context refer to the Financial Report also included in the agenda for this meeting.

### **Significance and Engagement Considerations**

[17] There are no significance and engagement considerations.

### **Legislative and Risk Considerations**

[18] There are no legislative or risk considerations

### **Climate Change Considerations**

[19] There are no climate change considerations specific to this report, however, delivery and expenditure reported is related to the Climate Change work programme.

### **Communications Considerations**

[20] There are no communications considerations.

## **NEXT STEPS**

[21] The final Annual Report 2020-21 including the Statement of Service Provision will be presented for adoption at the Council meeting on 27 October 2021.

## **ATTACHMENTS**

1. Council Activity Performance Report Q4 1 July 2020 to 30 June 2021 [**7.1.1** - 48 pages]
2. Performance Overview Q 4 2020-21 [**7.1.2** - 5 pages]

# **Council Activity Performance Report**

For the period

**1 July 2020 to 30 June 2021**

## Overview of our activities

ORC groups its 12 significant activities under the following six result areas or groups of activities. The bullet points show the significant activities that contribute to the result areas.

### Environmental

*'On the ground' action related to Otago's natural environment*

- Freshwater implementation
- Biodiversity and biosecurity
- Air
- State of the environment reporting

### Regional leadership

*Supporting informed decision making and an engaged community*

- Governance and community engagement
- Regional planning and urban development

### Regulatory

*Professional service and action supporting the sustainable management of Otago's natural resources*

- Consenting, monitoring, investigations and enforcement

### Flood and river management

*Professional services, action and infrastructure to protect our communities and environment*

- Flood and drainage schemes
- Rivers and waterway management

### Safety and hazards

*Professional services, planning and action to protect our communities and environment*

- Civil Defence and Emergency Management
- Natural hazards and climate change adaptation

### Transport

*Planning, contract management and action to provide choice and to support the regional economy*

- Transport planning and public passenger transport

## Statement of service provision

This section reports on ORC's performance against service measures adopted in the Long-term Plan 2018-28 and updated in subsequent Annual Plans. Performance is reported under groups of significant activity. Funding Impact Statements that identify the costs and funding associated with each significant activity are included in section three of the full Annual Report.

### Key for significant activities achievement:

The following table provides a key for understanding the reporting of performance against the Significant Activities.

	Target has been achieved
	Target has been partially achieved
	Target has not been achieved

## Environmental

*'On the ground' action related to Otago's natural environment*

### Freshwater

Looking after Otago's water is our top priority and our biggest challenge.

We worked with local communities throughout our region to achieve good outcomes in managing water quality and quantity.

Through leadership, setting a clear direction and sharing our knowledge with others, we are building a positive future for our environment, for ourselves and for generations to come.

Behind our on-the-ground actions collaborating with communities to protect our water resource, sits the legal framework of central government requirements and regional planning processes.

We operate within the National Policy Statement for Freshwater Management (NPS FM) and our Regional Plan: Water (RPW).

This included working closely with identified catchments so they can meet permitted activity rules, and improve our monitoring of river flows and water takes where needed to inform future decision making. We are also working actively with community groups to encourage innovative practices to improve or maintain good water quality.

We're committed to playing our part to preserve Otago's precious freshwater resource.

There is one activity that makes up our significant activity, Freshwater:

- The Good Water Programme (GWP)

#### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

Service Statement: Water quality across Otago is maintained and improved		
Measure	Target	Result
Develop an integrated freshwater management unit (FMU) based research programme to inform the Land and Water Plan, and report progress.	Research programme is presented to committee by 30 June 2021	
<b>Comment on targets:</b> The freshwater management unit (FMU) based science programme to inform the new Land and Water Plan has been finalised. ORC's Science Team presented a regional precautionary approach for the hydrology to the Strategy and Planning Committee on the 12th of November. The full programme of work was presented to Council on 23 <sup>rd</sup> June and the regional precautionary approach was adopted across the work programme.		
Measure	Target	Result
Water quality attributes are assessed by FMU annually.	Report annually against national standards, indicate trends and identify issues	
<b>Comments on target:</b> Water Quality attributes were assessed at 114 sites; 106 river sites and 8 lake sites as part of ORC's State of the Environment (SOE) monitoring programme. The SOE Water Quality Report Card was presented to Council on 14 <sup>th</sup> October and provided an assessment of the compliance of Otago's		

water quality with the Water Plan. Compared to the previous year's water quality results, 83 sites retained the same grade, 19 sites improved by one grade and one site improved by two grades (Lake Hayes), ten sites degraded by one grade and one site degraded by two grades (the Kaikorai). Annual water quality reports are available on the ORC website.		
Measure	Target	Result
The Catchment Advisory Group will adopt a position on how ORC will support groups.	The Catchment Advisory Group makes recommendations to Council by December 2020	
<p><b>Comments on target:</b></p> <p>ORC convened a Catchment Support Advisory Group made up of staff and councillors, catchment group representatives and a regional coordinator from NZ Landcare Trust. The group met to develop a set of working principles and an approach to allocate funding set aside in this year's budget to support local groups to improve water quality. In October the Group recommended that Council support the establishment of an overarching organisation that would help Catchment Groups through employing staff to provide facilitation, administrative and project support. The initiative now employs a fulltime Otago regional coordinator and a part-time Otago Catchment Communities coordinator to provide organisational support for catchment groups and volunteers, helps groups secure funding, provides administration and communication support, and facilitates access to experts, information &amp; technology.</p>		
Measure	Target	Result
Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.	Areas of support are identified, and progress reported.	
<p><b>Comments on target:</b></p> <p>Support was provided to catchments groups via participation in meetings, through the provision of technical advice, funding and/or assistance with water quality sampling. Specific support included:</p> <ul style="list-style-type: none"> <li>• Funding the establishment of Otago Catchment Communities, who have achieved: <ul style="list-style-type: none"> <li>○ Attended 27 meetings, with 18 different Catchment Groups in Otago.</li> <li>○ Undertaken specific projects including: Otago Dairy Leaders Forum, Otago Catchment Group Leaders Forum, development of an MPI Funding Application and facilitated workshops.</li> </ul> </li> <li>• Assisted Cardrona Catchment Group and Wai Wanaka with Land Use Capability information</li> <li>• Led an Owhiro Catchment project focused on improving water quality, in conjunction with NZ Landcare</li> <li>• Created a management plan for Tomahawk Lagoon, in consultation with local community</li> <li>• Created a draft Lake Tuakitoto Management Plan in order to facilitate community engagement and confirmation of final actions</li> <li>• Winter grazing, critical source area training and farm environmental plans sessions held with four Catchment Groups (57 farmers)</li> </ul>		
Measure	Target	Result
Work with Friends of Lake Hayes and other stakeholders to review the Lake Hayes Management Strategy and develop a programme of work for managing the water quality and flood hazard of Lake Hayes.	Complete the Review and prepare the programme no later than 31 March 2021	
<p><b>Comments on target:</b></p> <p>ORC engaged with Friends of Lake Hayes, the Lake Hayes community, iwi and other stakeholders throughout the year to review and develop a programme of work. The programme of work includes augmentation of the water body to improve water quality and the installation of a culvert to mitigate flooding risk. Implementation of the work programme is underway. More broadly, a revised Wai Whaka Ata/Lake Hayes Strategy draft was completed in March and is in the process of</p>		



being finalised. The Wai Whaka Ata/Lake Hayes Strategy Group has been established to provide leadership in relation to implementation of the revised strategy.		
Measure	Target	Result
Water Plan/s Implementation Action Plan and National Direction is progressed.	Implementation Plan is finalised in line with Plan Changes being made operative	
	Actions are implemented according to approved timeframes once Water Plan/s are operative	
<p><b>Comments on targets:</b></p> <p><u>Target 1:</u> Implementation plans have been developed for Plan Change 1, Plan Change 8 and for Action for Health Waterways. The implementation plans have progressed where appropriate and implementation is being overseen by the Good Water Programme Delivery Team and Good Water Programme Steering Committee.</p> <p><u>Target 2:</u> Actions associated with the development of Plan Change 1 and Plan Change 8 were implemented. Further actions associated with the implementation phase on the Plan Changes were paused, awaiting final decision from the Environment Court.</p>		

**TELLING THE PERFORMANCE STORY**

The FMU based research programme to inform the Land and Water Plan:

ORC’s science capability and capacity has grown significantly in the last year in order to build the capability to deliver the knowledge required for the new Land and Water Plan. Since June 2020, five new scientists, three team leaders and a research and contracts coordinator have been appointed into the science team while two vacancies in the team are still existing (senior freshwater ecologist and an agricultural systems scientist).

A research programme has been put into place to inform the LWRP and includes modelled hydrology, contaminant reduction scenarios, habitat studies, groundwater data, surface water quality, land use, soil attributes, wetlands, estuaries, biodiversity, fish passage and barrier information. The National Policy Statement on Freshwater Management (NPSFM) 2020 has significantly increased ORC’s obligations for wetland and fish passage management. Due to the size of these tasks, it is expected that these programmes will extend past 2023, likely resulting in plan changes beyond 2023. These programmes will be brought to Council for their consideration next financial year.

Catchment group support:

An overarching structure to support the long-term sustainability of catchment groups in Otago was established, fully funded by the Otago Regional Council. The purpose of Otago Catchment Community (OCC) is to create and support an Otago wide network of catchment groups that are addressing environmental issues now and for generations to come.

The overall objective of OCC is improved management of Otago’s environment, with a focus on rural water quality, by enabling and supporting an active, engaged and effective Catchment Group network.

The Otago Catchment Community will encourage a thriving Catchment Group network by:

1. Providing organisational support for Catchment Groups and volunteers
2. Assisting with the formation and direction setting of new and emerging groups
3. Assisting individual groups with identifying funding sources and writing applications
4. Providing administration support to help create and run groups
5. Providing communication support to help design, write and distribute information
6. Facilitating access to experts, information and technology
7. Establishing enduring funding pipelines to support changing needs
8. Acting as a conduit between government, regional authorities and stakeholders

In addition to the work of OCC, ORC has provided technical expertise to a range of Catchment Group across the region.

Lake Hayes restoration programme progress:

Significant progress has been made this year to develop and implement a programme of work for managing the water quality and flood hazard of Lake Hayes. A draft Wai Whaka Ata Lake Hayes Management Strategy was developed and is currently being progressed with mana whenua and a group of key stakeholders. A request for proposal has been created for the project management and delivery of the culvert and water augmentation at Lake Hayes. Council was on-track at 30 June 2021 to secure resource to manage this project. Further scientific work was undertaken with NIWA to explore augmentation implementation options.

**COMMUNITY OUTCOMES**



Communities that connect with, and care for, Otago's environment



An environment that supports healthy people and ecosystems




A sustainable way of life for everyone in Otago



Te Ao Māori and Mātauranga Kāi Tahu are embedded in Otago communities



 **Biodiversity and Biosecurity**

Otago is home to unique species that we need to look after. We share and understand the community’s aspirations to protect our region’s indigenous plants and wildlife.

Our Regional Pest Management Plan (Pest Plan) sets out the framework for how pest plants and animals specified in the plan will be managed in Otago over the next 10 years. It is supported by a Biosecurity Strategy that looks at how we will work with other organisations and the community to achieve the goals set out in the pest plan. Our work to support Otago’s biosecurity includes supporting the control of prolific pests such as wilding pines, wallabies and rabbits. We do this by educating our communities, facilitating compliance and sometimes funding community projects.

Maintaining our biodiversity is a huge challenge. Although ORC’s work programme is in a developmental phase the biodiversity mapping which we have undertaken is an important step forward in prioritising actions that protect and support our plants and animals to thrive.

Our ECO Fund supports community projects that aim to protect, enhance or promote our local environment. We encourage and empower communities to take local action with the fund being fully subscribed this financial year.

There are four activities that make up our significant activity, Biosecurity & Biodiversity:

- o Environmental Enhancement
- o Biodiversity
- o Biosecurity – pest management
- o Wilding Pines

**PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS**

Service Statement: Collaborate with the regional community to potentially invest and fund environmental enhancement projects that deliver good environmental and social outcomes.		
Measure	Target	Result
The ECO Fund is administered to support community-led projects across Otago that protect and enhance the environment.	The agreed funding of \$250,000 for the 2020-21 year is fully allocated to approved projects	
	Report to Council twice yearly on the allocation of the fund, status of fund recipients and summary of project outcomes -	
<p><b>Comments on target:</b>                      The ECO Fund has two funding rounds per year and the agreed funding was fully allocated. This year we received 60 applications, requesting more than \$830k in total. 10 applications were approved in the October round for \$124,723 and 11 were approved in the March round for \$123,525; bringing the total allocated to \$248,248.                      Reports on the allocation of the fund, fund recipients and project outcomes were presented to Council in May and November. Projects span across the region and cover diverse environmental enhancement objectives such as wetland restoration, possum control strategies, green skink translocation, environmental recreational enhancements, reforestation of waste land, and the development of backyard ecosanctuaries.</p>		

Service Statement: Implement the Biodiversity Action Plan		
Measure	Target	Result
Implement the Biodiversity Strategy and Action Plan and review actions as required.	Priority targets within the Biodiversity Strategy and Action plan are identified and achieved as scheduled	
<p><b>Comment on target:</b> The Biodiversity Strategy and Action Plan has been implemented and reviewed as required. Priority targets were identified, and a range of actions were achieved as scheduled. Biodiversity mapping prioritisation of sites for active management has been completed, as has efforts to build on predator and weed initiatives to develop and implement landscape-scale programmes. A Partnership Lead – Biodiversity role has been established to support regional collaboration and national engagement. ORC initiated a regional partnership with Kai Tahu and public sector agencies to advance indigenous biodiversity outcomes across the region.</p> <p>Further work is required to complete other priority actions including development of a biodiversity research programme, scoping work to develop a common platform to share information on biodiversity and biosecurity, providing Good Management Practices (GMP) for biodiversity and on scoping a regional strategy.</p>		
Service Statement: Establish controls over animal and plant pests to maintain and enhance biodiversity, protect productive capacity and community health		
Measure	Target	Result
Implement the current Biosecurity Operational Plan.	All targets within the Biosecurity Operational Plan are achieved	
<p><b>Comments on target:</b> Implementation of the Biosecurity Operational plan has progressed. In some areas the levels of service have been exceeded, however in other areas targets have not been fully met.</p>		
Measure	Target	Result
Review the Biosecurity Operational Plan	Complete a review of the Biosecurity Operational Plan by 31 March 2021	
<p><b>Comments on target:</b> The review of the Biosecurity Operational Plan was completed by March. As a result of the review a revised plan has been drafted and was presented and approved by Council in June.</p>		

## TELLING THE PERFORMANCE STORY

### Environmental Enhancement

In addition to the ECO-fund ORC also supported selected initiatives and organisations across the region which deliver biosecurity, biodiversity and environmental outcomes that align with our strategic objectives. ORC made financial contributions to Predator Free Dunedin, the Yellow Eyed Penguin Trust, Orokonui Ecosanctuary and Wakatipu in the Wild.

### Biodiversity

The biodiversity programme has seen an increase in both engagement and technical activities. A new Partnership Lead in Biodiversity commenced in September 2020 and an ORC Biodiversity Working Group was established in October 2021. Achievements this year include:

- Ecosystem mapping work was completed in late 2020 and is in the process of being released to a wider audience in 2021.

- Hosted a series of Otago Biodiversity Forums with iwi partners and key stakeholders in Alexandra and Dunedin
- Continue to develop 'road map' for the Otago Biodiversity Partnership.
- Engaged with DOC staff on Taieri river catchment programme around biodiversity.
- Engaged rūnaka partners on release and use of indigenous ecosystems mapping and attended the Te Ao Turoa Partnership meeting.

The biodiversity mapping and ecological prioritisation of potential sites for active management was conducted across the region, irrespective of whether land was held in private, public or lease-hold tenure. This work was commissioned to meet Action 3.1 of the ORC Biodiversity Action Plan. The biodiversity mapping has captured three outputs:

1. current extent of indigenous ecosystems across Otago for terrestrial, fresh water, and marine environments,
2. an estimation of the ecosystem coverage across Otago today had human settlement not occurred. This is called the 'potential' ecosystem coverage,
3. mapping of significant habitat for 22 fauna species; Wildlands was commissioned to produce the mapping, which was completed in August 2020.

The mapping and spatial ecological ranking work will enable ORC to work with others in the private and public realms to identify where the best return on invest in active management of indigenous biodiversity will be, and to develop effective management responses.

ORC has strengthened partnerships this year and initiated a regional partnership with Kai Tahu and public sector agencies to advance indigenous biodiversity outcomes across the region. The partnership includes ORC, DOC, all Territorial Authorities in Otago, and Kai Tahu through representation by Aukaha. The forum has met three times over the past year and is in the process of determining its purpose and the most appropriate way to develop a regional strategy and identify collaborative biodiversity projects.

Additionally, ORC has successfully gained funding from the Department of Conservation for a project called "Maintaining the Gains", which seeks to protect and restore indigenous biodiversity on QEII National Trust covenanted land in Otago.

#### **Biosecurity – pest management**

ORC has been actively implementing its obligations under the Regional Pest Management Plan, Biosecurity Strategy and the Regional Pest Management Plan - Operational Plan. A major transformation of biosecurity activities commenced, including a rework of Council's compliance activities and associated systems and processes.

Key achievements included:

- 331 rabbit inspections against Regional Pest Management Plan rules, against a target of 130; 53% of properties were compliant,
- Leading the establishment of community responses to rabbit management in Lake Hayes, Albert Town and Gibbston and planning for further facilitated action in Hidden Hills, Queensbury and Moeraki,
- 5,123 pest plant inspections against Regional Pest Management Plan rules, against a target of 3,215. Based on first inspections, 50% were compliant,
- 858 surveys done for Annual 'Check, Clean Dry' advocacy on aquatic pests over summer,
- Establishment of two Regional Co-ordination Groups (RCGs), one each for Wilding Conifer Management and Wallaby Surveillance and Control,
- Within the Wilding Conifers programme 21,817 hectares have been controlled in the Wakatipu area and 13,445 hectares in Central Otago (as of March 2021).
- Ground and aerial based wallaby surveillance activities in the North Otago, Hawea, Dunstan and the Hawkdens management units.

**Wilding Pines**

ORC plays a lead role in facilitating government funding and overseeing aspects of delivery of Wilding Pine removal. This year increased funding from MPI for Wilding Pine removal has seen a significant increase in this activity and resulted in control operations covering more than 35,000 hectares in Central Otago and Wakatipu areas.

**SUPPORTING INFORMATION:**

<b>Rabbit Inspections</b>	Count
Compliant	174
Non-Compliant	157
<b>Total</b>	<b>331</b>

<b>Plant Inspections</b>		
Inspection Type	Compliance Status	Count
First Inspections:		
	Compliant	1,821
	Non-compliant	1,811
	Potential Plant Pests*	814
	<b>Total</b>	<b>4,446</b>
Re-Inspections:		
	Compliant	370
	Non-compliant	263
	Potential Plant Pests	2
	<b>Total</b>	<b>635</b>
<b>Total Inspections:</b>		<b>5081</b>

*\*Plants that may present a threat to the region and are classified as organisms of interest in the Regional Pest Management Plan.*

**COMMUNITY OUTCOMES**



Communities that connect with, and care for, Otago's environment



An environment that supports healthy people and ecosystems



Communities that are resilient in the face of natural hazards & climate change and other risks



A sustainable way of life for everyone in Otago



Te Ao Māori and Mātauranga Kāi Tahu are embedded in Otago communities



 **Air**

Good air quality is necessary for health and well-being.

We are responsible for making sure our region complies with the government’s National Environmental Standard for Air Quality and, under the Resource Management Act, for controlling the discharge of contaminants into the air.

Meeting air quality standards is a particular challenge in localities with extremely cold winter weather and strong temperature inversions.

This activity is about implementing the Air Quality Strategy. We are interested in solutions that will continue to warm homes while improving air quality.

There is one activity that makes up our significant activity, Air:

- o Air Strategy Implementation

**PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS**

Service Statement: In targeted towns we work to reduce PM10 emissions for ambient air quality		
Measure	Target	Result
Review Air Strategy implementation approach.	Programme review reported to Committee by 30 June 2021.	
<p><b>Comments on target:</b>                      The review of the Air strategy implementation approach was not conducted this year. A Council decision in the Long-term Plan (LTP) process conducted during the reporting year removed the relevance of this target and measure. The current Air Strategy is to be reviewed and a new implementation plan will follow in year 3 and 4 of the 2012-31 LTP.</p>		

**TELLING THE PERFORMANCE STORY**

The Council decision to delay reviewing the Air Implementation Programme was difficult and reflected an understanding that the community must have confidence that future expenditure to improve air quality will achieve desired results. To achieve that confidence Council needs to review the underpinning Air Strategy and Regional Plan. ORC has committed to doing that. We are aware that there is no one simple solution, and we need to learn from other approaches and take a co-ordinated response to ensure people are warm, healthy, and secure in their homes. This means for example that the funds for subsidising the installation of clean burning technology under the ‘Clean Heat Clean Air Programme’ was not replenished

This year ORC’s work on Air focussed on region wide monitoring during winter, the results of which will help to inform the Air Plan review.

ORC contributed to the Cosy Homes Trust in support of their work towards warm homes and clean air as a founding Trustee.

COMMUNITY OUTCOMES



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 **State of the Environment reporting**

It's important that we continually monitor water quality and quantity, and air quality. Our environmental monitoring has expanded to include programmes for biodiversity, estuaries and coastal monitoring.

Data and information is collected on the well-being of Otago's environment and reported on in the State of the Environment reporting processes.

This information supports the development of policies and plans, and indicate how well our region is doing in complying with existing plans. It is also a measure of the ORC's performance in looking after the environment.

ORC hosts the project office for the national Environmental Monitoring and Reporting (EMaR) project. The objective of EMaR is to become more consistent and integrated in the collection and presentation of environmental data. The EMaR project is a partnership between the regional sector, central government and the Cawthron Institute. A focus for the regional sector has been to get better at telling our own regional stories and make data more accessible to public and for national reporting purposes.

There are three activities that make up our significant activity, State of the Environment reporting:

- Ambient air quality monitoring
- Water quality and quantity monitoring
- Environmental Monitoring and Reporting (EMaR)

**PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS**

Service Statement: Provide high quality and timely environmental information, indicators and advice to key decision makers and the community		
Measure	Target	Result
Monitor air quality to assess compliance with the National Environmental Standard requirement of no more than one daily average reading of PM10 per annum to be higher than 50 micrograms per cubic metre.	Regulatory obligations met and annual report presented to committee by December 2020	
Air Quality monitoring was conducted at four continuous monitoring sites and four winter only sites. Regulatory obligations were met, and any exceedances of NES levels were notified publicly as required. The Annual Air Quality report (calendar year 2020) was presented to the Data & Information Committee in March. The report included results of the State of the Environment monitoring for air quality for 2020 and also provided a summary of spatial and temporal PM10 trends in Arrowtown, an outline of the monitoring projects required to inform the future Regional Air Plan review, and an analysis of Otago's air quality data during the COVID-19 lockdown.		
Measure	Target	Result
Data quality and data availability monitored through Quarterly Reports shows compliance to relevant standards for sites defined in the "Monitoring Schedule for 2018-29 Long Term Plan"	90% of data has a Quality Code of fair or better; 95% of all data has been captured; 95% of data shall be quality assured in three months of collection	
<p><b>Comments on target:</b>                      The quality of the data made available through our monitoring programmes continues to be high. Quarterly reports on data capture and quality show that 98% of hydrological network data capture was archived.</p>		

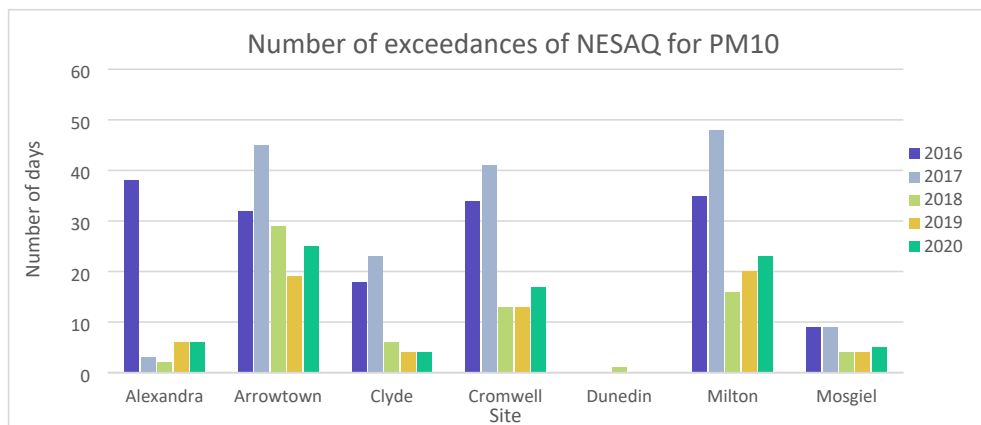
<p>Data quality is categorized into quality code (QC) levels, as defined by the National Environment Monitoring Standards (NEMS). QC levels range from QC0 (missing data) to QC600 (highest standard). Quality code targets depend on the monitoring type, with State of the Environment (SOE) surface hydrology targeted at QC600, while groundwater and project sites are generally targeted at QC500. Of all SOE site data archived (including groundwater, rainfall, and water temperature), a total of 90% were of the highest or fair quality standard, while for project sites 89% were at QC600 or QC500 level.</p> <p>Continuous data feeds are publicly available through the ORC-Water Info website, which also displays any alerts (e.g. low flow or flooding). Water quality (including contact recreation) and air quality data are publicly available through the LAWA website.</p>		
Measure	Target	Result
Changes and trend in natural resource availability and quality are analysed and reported to the Council as per the schedule entitled "Monitoring Schedule for 2018-28 Long-Term Plan"	Reports are provided to Council as per the schedule.	
<p><b>Comments on target:</b>                  Reports presented to Council this year included the State of the Environment (SOE) Water Quality Report in October, the Groundwater Quality report and the Annual Air Quality report in March, the Lakes &amp; Rivers Water Quality report in April, and the Contact Recreation Water Quality in June. The five-year Air Quality report was not completed by 30 June, however, is due to be presented to Council in September 2021. The SOE monitoring and reporting on estuary state has been completed. The estuary trophic index is a metric within the estuary monitoring protocol/ programme and included within the final reports. The estuary report is available but has not been presented to council because it describes 'state' only and there is insufficient data to describe changes and trends.</p>		

**TELLING THE PERFORMANCE STORY**

**Ambient air quality monitoring**

Four monitoring stations continually measured the level of particulate matter less than 10 microns (PM<sub>10</sub>) in the air throughout the year. An additional three stations operated over the winter months. The data are available to the public on the LAWA websites. Exceedances are reported through news media during the winter months, as required.

In addition to the regular monitoring equipment maintenance ORC undertook intensive work on monitoring site upgrades in Arrowtown, Clyde, Cromwell and Milton. The upgrades involved replacing the older Beta Attenuation Monitors (BAMs) with new optical instruments which use light scatter to calculate concentrations of particulate matter. The new instruments will allow for better analysis of data due to their high resolution. Two of the monitoring sites now have equipment that can monitor smaller particulates (particulate matter less than 2.5 microns, PM<sub>2.5</sub>) with a third site scheduled for upgrade in the next financial year. The monitoring of PM<sub>2.5</sub> will provide a clearer picture of air quality and prepare us for the upcoming amendments to the National Environment Standards for Air Quality.



**Water quality and quantity monitoring**

ORC’s water monitoring programme consists of more than 130 monitoring sites across Otago: 110 river sites, and 22 sites and depths at nine lakes. Rainfall, flow, water level, groundwater as well as water quality attributes and macroinvertebrates are measured at sites across the region. During the summer months we carried out weekly recreational water quality monitoring at 25 popular swimming spots around Otago (rivers, lakes, and beaches).

We carried out monthly State of the Environment (SOE) water quality testing through our network of monitoring sites which measure the state and trends of water quality around the region. SOE monitoring results are based on five years of data taken when the flow site was at or below median flow.

The State of Environment report on the river and lake water quality in the region was presented to council in April. The study reports on the state of water quality on a site-by-site basis, relative to nationwide targets specified in the National Policy Statement for Freshwater Management 2020. The report considers 10 water quality variables and indicators and also assesses water quality trends at individual sites, and across Otago as a whole. The report tells us that water quality is best in the headwaters and at higher elevations, but it suffers at sites in smaller, low-elevation streams that drain pastoral or urban catchments.

The report does not analyse the drivers for water degradation trends. In the future, as ORC gathers more detailed information on land use and land management changes at local and catchment scale further analysis will be possible. The report ‘State and Trends of River and Lake Water Quality in the Otago Region 2000-2020’ is available on the ORC website.

The results of the report will inform the development of our new Land and Water Regional Plan (LWRP), which divides the region by catchment into freshwater management units (FMU’s) and will support ORC and the community to implement other water quality improvement initiatives. Understanding the state and trends in water quality by monitoring water quality attributes will enable ORC to set limits and/or prepare action plans to achieve the outcomes required in the new Land and Water Plan and then monitor them to assess progress. The Land and Water Plan is due to be notified in 2023 is being written to comply with National Policy Statement for Freshwater Management (NPSFM) 2020 requirements.

### **Growth of environmental monitoring programmes**

In addition to our air and water monitoring programmes ORC has been developing and expanding our monitoring programmes in coastal and estuarine environments, groundwater and biomonitoring. Coastal monitoring in 2020-21 has included scoping work to map marine biodiversity; the mapping will provide the basis for designing and developing coastal state and trends monitoring programme over the coming year. Fine-scale monitoring for estuaries was undertaken within the state of the environments (SOE) monitoring programme and work to design, develop and report on sediment monitoring for Otago's estuaries is on track.

The groundwater SOE report was presented to Council in March 2021 and highlighted key findings regarding groundwater quality in Otago. The report also identified a range of potential measures for improving ORC's monitoring programme, public awareness, and the protection of groundwater quality. There is considerable work needed to extend the groundwater SOE network to collect the data ORC needs to fully inform a Land and Water Regional Plan for each FMU. A programme to replace unsuitable or privately owned SOE bores with new dedicated SOE bores at key sites, will begin in the next financial year.

The biomonitoring programme included monitoring macroinvertebrates (annually) and periphyton (monthly) at 33 sites, additionally a new programme to monitor organic matter breakdown representing the ecological processes attribute in the National Policy Statement on Freshwater Management (NPSFM) was implemented. Continuous dissolved oxygen meters are being added to the network strategically and will inform many of the NPSFM attributes. ORC commissioned external expertise for advice on setting Otago thresholds, rather than national. It is intended that a revised SOE biomonitoring programme will be implemented after the LWRP is notified in 2023.

### **National Environmental Monitoring and Reporting**

ORC continued to host the project office for the national Environmental Monitoring and Reporting (EMaR) programme. The Environmental Monitoring and Reporting programme's overall aim is to make fundamental changes to how the regional sector delivers environmental monitoring and reporting functions through a number of data and information projects. Information about the National EMaR programme and projects can be found at [www.lawa.org.nz](http://www.lawa.org.nz)

### **Aquarius project**

Behind the scenes ORC has undertaken a project to revolutionise how we manage our environmental data. Environmental data underpins a significant part of the current and future work undertaken by ORC. Demand on ORC's datasets and information continues to grow and the use of this data is also expanding by ORC and its stakeholders.

The previous systems and databases which had been used to manage ORC's environmental data were at risk due to outdated technology and loss of technical support. The multi-year project has involved the migration of data from the existing time-series database to the new 'Aquarius' platform ensuring a fit for purpose and robust system. This new platform will be the backbone of our public facing environmental information. Despite the challenges presented by COVID-19 and a remote project team, the initial stages of the project have been delivered within agreed timeframes and under budget. The new database is now being used for daily operation requirements by multiple teams within the organisation. The final stage of the project will be undertaken early in the new financial year and will involve replacement of the WaterInfo web graphs with an interactive Web Portal for environmental data.

COMMUNITY OUTCOMES



Communities that connect with, and care for, Otago's environment



An environment that supports healthy people and ecosystems



Communities that are resilient in the face of natural hazards & climate change and other risks



A sustainable way of life for everyone in Otago



## **Regional Leadership**

*Supporting informed decision making and an engaged community*

### **● Governance and Community Engagement**

We want voices around Otago to be heard through our elected representatives, and our consultation and engagement activities, and to provide quality leadership that benefits our region.

Our goal is to deliver governance support and process that enables a robust, transparent democratic practice for Council’s elected members and for community participation.

There are three activities that make up our significant activity, Governance and Community Engagement:

- Governance and democracy
- Public awareness
- Response to external proposals

#### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

Service statement: Governance support and process that enables a robust and transparent democratic practice for Council’s elected members and the community		
Measure	Target	Result
Percentage of official information requests responded to within statutory timeframes	100%	
<b>Comment on target:</b> There were 141 official information requests received and 140 were fulfilled within statutory timeframes; 99% compliant.		
Measure	Target	Result
Percentage of council agendas that are publicly available two working days or more before a meeting.	100%	
<b>Comment on target:</b> Agendas are routinely put on the ORC Meetings and Agendas webpage, ordered by most recent meeting dates, two working days in advance of meetings. Printed agendas are also available for inspection on request at ORC public offices, and on the day of meetings at the meeting venue.		
Measure	Target	Result
Conduct meetings in accordance with Standing Orders and the Local Government Official Information and Meetings Act (LGOIMA) 1987.	All meetings	
<b>Comment on target:</b> This year there were 17 Council meetings, 26 Committee meetings and 4 Subcommittee meeting; all were held in accordance with Standing Orders and LGOIMA. There were also 39 workshops, four Mana to Mana meetings. Council meetings were held in Dunedin, Cromwell, Oamaru and Queenstown and regional visits were undertaken in conjunction with the away council meetings, and in South Otago.		

Service Statement: Council has clearly articulated policy, purpose and activity to encourage participation in decision-making by the community		
Measure	Targets	Result
Council's Long-term Plan, Annual Plans and Annual Reports are fit for purpose and accessible.	All Local Government Act statutory planning requirements and financial reporting standards are met	
<b>Comment on target:</b> During the financial year Council completed its Long-term Plan 2021-31 (LTP) and Annual Report 2019-20 to the requirements of the Local Government Act 2002. Both processes resulted in an unqualified external audit opinion. Community feedback was invited on the proposed LTP via a consultation document and detailed supplementary information. The process was extensively advertised and plan information provided on Council's website. Council made final decisions about the LTP based on the feedback from the 560 submissions.		
Measure	Targets	Result
Hosting Mayoral Forum secretariat to coordinate Triennial agreement between Otago Territorial Local Authority mayors and ORC chair	Four meetings per year	
In-person Mayoral Forums were held in July, September, December, February and June. Ongoing work programme has included COVID-19 recovery, Three Waters, solid waste, and contribution to the Otago Regional Economic Development (ORED) group and iwi partnerships across Otago. Progress is being made on building cooperation across the region on climate change and Resource Management system reform, alongside existing priorities.		

## TELLING THE PERFORMANCE STORY

### Governance and Democracy:

The 2020-21 year started with a change in leadership, following an extraordinary Council meeting to remove the Chair and appoint a new Chair. Councillor Andrew Noone was elected as the Chair on 8 July 2020 and led a review of the committee structure for the council. The new committee structure was adopted on 26 August 2020, and included two new committees including a Data and Information Committee and an Implementation Committee. This resulted in 0.5 FTE (unbudgeted) being approved for the team to support the work.

Council made it a priority to hold meetings in the regions. Council meetings, and associated field visits took place in South Otago (field visit only), Cromwell, Oamaru and Queenstown. Holding council meetings around the region did not result in an increase in attendees however, perhaps due to council meetings being livestreamed and therefore available to everyone.

The year saw a sustained pace of governance work to support key ORC priorities. The Regional Policy Statement, Strategic Directions, and Long-term Plan required a lot of engagement from governors, in addition to furthering a number of other work priorities across the organisation. With the establishment of the Data and Information Committee, a significant amount of "information" has also come to governors for consideration and noting. This has contributed to building engagement between staff and governors.

At the request of the new Chair, governors have also undertaken a series of professional development opportunities over the year which has included Chairs Training and bringing a selection of resource management specialists in to speak with councillors.

Mana to Mana, the rōpu of councillors and Otago rūnaka chairs has met regularly throughout the year and focussed on strengthening our partnership with iwi at a governance level to support the huge amount of work taking place at a staff level across the organisation. Refreshed terms of reference for

the group were agreed and are due to be signed by all parties in September 2021, as a signal of commitment to the partnership.

**Public awareness:**

We continue to work with the wider organisation to enable timely public access to information, and to facilitate two-way conversations via community consultation and engagement. We have focused on enhancing our strategic framework for communications and engagement during the period.

- Key ‘one-off’ communications have included: the launch of Bee Card, community consultations on the Long-Term Plan, Regional Public Transport and Land Transport Plans, Manuherehia flow management scenarios, and the setting of freshwater visions.
- Initiatives included the launch of a new section of the website that allows ratepayers to look up the detail of current or estimated future rates by address and the launch of a popular new Orbus e-newsletter.

ORC responded to 351 media enquiries and issued 96 media advisories/releases/statements during the 2020-21 financial year.

**Response to external proposals:**

As well as the typical smaller resource consent applications received, ORC has submitted on two significant consent applications this year. Staff have prepared submissions on Variation 2 to the Dunedin City 2GP, as well as the above-mentioned consent applications and have submitted on a large number of consents all across Otago, for subdivisions and/or land uses that are inconsistent with the partially operative RPS 2019. In addition, staff have continued to have significant involvement in appeals on the Queenstown Lakes District Plan review and the Dunedin City Second Generation Plan.

Due to the nature of this work technical support is often required for land use consents that ORC engages in. Staff from across the organisation are involved in this work including experts from hazards, consents, legal, science and policy teams.

The unanticipated scale and volume of work in this activity this year and the appeals on the Queenstown and Dunedin City plans resulted in a budget overspend.

**COMMUNITY OUTCOMES**



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Te Ao Māori and Mātauranga Kāi Tahu are embedded in Otago communities



Sustainable, safe & inclusive transport



## Regional Planning and Strategy

Our regional plans set out objectives, policies and rules for the sustainable use of natural and physical resources in Otago, including water, land, air, and the coast. We also increasingly need organisational and functional strategies and plans to support regional regulation and implementation, promote regional wellbeing and build community capacity and resilience.



Establishing and maintaining a robust, integrated, and consistent environmental planning framework is the overarching goal. A Regional Policy Statement (RPS) sets the direction for future management of natural and physical resources. ORC's RPS is the foundation for the development of our regional and district plans. The RPS was under review during this reporting period with a programmed completion date of June 2021 (financial year end). The regional planning framework supports the management of Otago's freshwater and land resource and is ORC's top priority. Our approach to planning and consenting regarding freshwater changed and we accelerated our work programme over the 2020-21 year. This includes working on the priority catchments Arrow, Cardrona and Manuhereki rivers ahead of notifying the LWRP in 2023.

Looking after our region's natural and physical resources includes managing urban development. Urban development is an important emerging issue for Otago, as the number of people choosing to live in Queenstown and Central Otago continues to grow.

There are four activities that make up our significant activity, Regional Planning and Strategy:

- Planning – Freshwater and Land
- Planning – Air, Water, Coast, Regional Policy Statement
- Urban Development Strategy
- Strategy

### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

<b>Service Statement: Establish and maintain a robust, integrated and consistent environmental planning framework</b>		
Measure	Target	Result
Complete review of existing Regional Policy Statement (RPS) and notify the new one.	Ministerial target: November 2020. (Extended by the Minister to June 2021)	
<b>Comment on target:</b> The RPS was approved for notification on 16 June and notified on 26 June 2021, in line with the Minister for the Environment's recommendations.		
Measure	Target	Result
Deliver against the Land and Freshwater programme as agreed with the Minister for the Environment to implement the National Policy Statement for Freshwater Management.	Report to Committee on progress against work programme (adopted November 2019)	
<b>Comment on target:</b> The Land and Freshwater planning programme has been progressing. A report was presented to Council in October 2020 and in March 2021 and an update provided to the Minister. The Land and Freshwater programme as agreed with the Minister includes work across Council activities in areas such as planning, science, environmental implementation, and regulatory work. In 2020-21 the plan changes were largely completed, the RPS was notified, and we are on track to deliver on the Land and Water Regional Plan. The Arrow and Cardrona water quantity limits process has been finalised, however the Manuhereki work and the FMU programme are behind schedule; but while there is		

a delivery risk the expectation remains that it will be delivered by December 2023. Work has commenced in the Upper Lakes rohe and the Catlins FMU, and preparatory work has commenced in the Taieri FMU and Dunedin and Coast FMU.

Service Statement: Develop with our key partners an Urban Development Strategy		
Measure	Target	Result
Provide region-wide direction on urban development in conjunction with the Territorial Local Authorities.	Report to Committee on the preparation of an urban work programme	
<b>Comment on target:</b> A report for options to develop an urban work programme was approved by Council in September 2020. Provision to implement the approved option was included in the LTP 2021-31. As at 30 June Council had made progress on completing the programme for future implementation.		

#### TELLING THE PERFORMANCE STORY

##### Regional Policy Statement:

The RPS, which was notified in June, identifies the significant resource management issues for Otago and provides high-level guidance by way of policies and objectives. It also helps to explain how national direction on resource management will be applied in the Otago context and provides direction on how to balance potentially conflicting requirements.

Notification of the new RPS follows Minister for the Environment Hon. David Parker’s recommendation made in 2019, after a review into ORC’s freshwater management planning regime.

ORC understands that this RPS is the first nationally to be notified since the National Policy Statement for Freshwater Management 2020 was gazetted, with its requirement to give effect to Te Mana O Te Wai, and to include freshwater visions for each Freshwater Management Unit. It is also the first RPS to be developed under the new National Planning Standards. The proposed 2021 RPS will be critical in reviewing our regional plans and the development of our new regional plans over the next few years, starting with the Land and Water Regional Plan which is intended to be notified in 2023.

Irrespective of the requirement of the Minister, all RPS’s were required to be amended to give effect to the National Planning Standards by 2022, so this work was necessary for a variety of reasons.

A considerable amount of staff time and consultant support was required to achieve the completion of the review of the RPS in a tight timeframe. In addition, new NPS-FM requirements introduced in August 2020 required additional processes and additional community consultation which was both unplanned and unbudgeted. For more information on the RPS visit the ORC website.

##### Planning - Freshwater and Land:

There has been a considerable amount of staff time, and legal counsel time, associated with Plan Changes 7 and 8 to the Regional Plan: Water, and Plan Change 1 to the Regional Plan: Waste. All these plan changes responded to the Ministerial review undertaken in 2019. The plan changes were called in and ORC is responsible for the full costs of these processes. These Environment Court cost were unbudgeted and the duration of the hearing on Plan Change 7 was unexpected.

**Planning - Air, Waste, Coast:**

The review of the Regional Plan: Air was reprioritised and is now scheduled to commence in Year 2 of the Long-term Plan 2021-31. The Waste Plan review was completed in late 2020 and is being used to inform the Land and Water Regional Plan development.

**Urban Development Strategy:**

The urban team have been supporting the RPS review, in particular Queenstown Lakes District Council, through their Future Development Strategy, which has pivoted to be a recovery strategy. Work to understand rezoning in the Dunedin City area is underway and support for Waitaki District Council on an urban focused growth strategy has also been occurring.

The assessment of highly productive land has not been undertaken at this stage. That work was predicated on the National Policy Statement for Highly Productive Land being gazetted in the financial year however it has not yet been released by Government. Until this NPS is gazetted, this work will not be able to be finalised.

Council initiated Quarterly Monitoring Reports, as required by the National Policy Statement on Urban Development 2020 (NPSUD). The initial report was presented to ORC's Data & Information committee in March and the second in June.

**Strategy:**

Council developed Strategic Directions this year to document its vision, mission and inform development of the Long-term Plan (LTP). This vision for Otago was reflected into the LTP as community outcomes and significant activities. An environment scan undertaken for Strategic Directions also provided the basis for the non-financial assumptions underpinning the LTP.

Support was provided across a range of Council areas and activities to implement Strategic Directions. Some important contributions included:

- assessment of social and economic impacts of the Regional Policy Statement and Land and Water Regional Plan (Manuherekia FMU; water security policy options),
- science team operational planning,
- refresh of ORC's communications and engagement strategy,
- draft policy for Freshwater Action Planning, which provided a framework for planning and a methodology for prioritising catchment action.

Council engaged with Southland and other Territorial Authorities to share information and intelligence about Resource Management Act reform and its implications for regional and district councils.

COMMUNITY OUTCOMES



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## Regulatory

*Professional service and action supporting the sustainable management of Otago's natural resource*

### **Consenting, monitoring, investigations, and enforcement**

As a regulatory authority we provide services to ensure that activities in Otago are consistent with both national and regional rules.

Our functions include processing and monitoring consents, investigating activities that don't comply with the rules, and oversight of navigational safety on our waterways.

Regulation is not the only way to get results. We collaborate with Otago communities in education and awareness campaigns to increase the community's knowledge and understanding of environmental matters. Working together, we can achieve good outcomes that maintain and improve our environment.

There are five activities that make up our significant activity, Consenting, Monitoring, Investigations and Enforcement:

- Consent processing
- Compliance monitoring
- Incident response, investigation, and enforcement
- Contaminated sites
- Harbours and waterway management

#### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

Service statement: Deliver consenting processes efficiently and effectively under the Resource Management Act 1991 to enable the lawful use of natural and physical resources		
Measure	Target	Result
Percentage of resource consent applications processed within Resource Management Act 1991 legislative timeframes.	100%	
<p><b>Comment on target:</b>                      Whilst this is an aspirational target, it has been achieved in a very busy year. 100% of applications have been processed within timeframes. An average of 48 applications for resource consents were received per month, an increase from 37 per month the previous year. This increase has been driven by deemed and water permits expiring in 2021 as well as new consent requirements relating to the new National Environmental Standard for Freshwater and Plan Change 8 to the Regional Plan Water. The number of applications in the system rose from 269 at the start of the financial year to 370 at the end of the year, demonstrating the increased workload for the consenting team.</p>		

Service statement: Administering and assessing performance monitoring data provided by consent holders		
Measure	Target	Result
Percentage of performance monitoring returns received this year that will be assessed for compliance with consent conditions and rules within the year.	85%	
<p><b>Comment on target:</b>                      This year ORC received 6,403 performance monitoring returns and assessed 3,402 (53.1%) by 30 June. In addition, we processed 2,131 performance monitoring returns which had been carried over from the previous year. Although we did not achieve our target of 85%, our processing rates have increased; the total number graded for compliance in 2020-21 was 5,533 compared to 5,012 in 2019-20.</p>		

Service statement: Acting on non-compliances identified through consent audit or performance monitoring returns		
Measure	Target	Result
Percentage of significant non-compliance found that has been followed up by staff.	100%	
<p><b>Comment on target:</b>                      There were 3,291 non-compliances identified through performance monitoring and audits. Of those 2,296 were low risk, 653 were moderate and 342 were categorised as significant. Of the 342 significant non-compliances, 57 relate to on-site audits conducted by compliance staff and the others were identified through performance monitoring. In all cases, consent holders were notified of their breach and the action they needed to take to correct it. There have been 56 separate enforcement actions recorded this year.</p>		

Service Statement: Investigations and response to notifications of non-compliance and incidents		
Measure	Target	Result
Maintain 24-hour/7 day a week response for environmental incidents.	100%	
<p><b>Comment on target:</b>                      The Pollution Hotline was staffed 24hours a day/7days a week and online pollution reporting was available and checked during business hours. In total the Council received 1,913 complaints. The categories which received the majority of calls to the pollution hotline were:</p> <ul style="list-style-type: none"> <li>• Outdoor burning: 386</li> <li>• Water pollution: 372</li> <li>• Odour: 254</li> <li>• Domestic chimneys: 172</li> <li>• All other categories: 1184</li> </ul>		

Measure	Targets	Result
Facilitate/carry out appropriate response training for staff and contractors.	Hold at least one pollution incident response training exercise for each of the following:	

	<ul style="list-style-type: none"> <li>· desktop exercise</li> <li>· a field exercise for pollution incident response</li> <li>· an equipment training day</li> </ul>	
	<p>Hold at least one marine oil spill incident response training for each of the following:</p> <ul style="list-style-type: none"> <li>· desktop exercise</li> <li>· a field exercise for marine oil incident response.</li> </ul>	
<p><b>Comment on targets:</b></p> <p><u>Target 1:</u> Pollution incident response training sessions were held throughout the 2020-21 year, including regular FIDOL (Frequency, Intensity, Duration, Offensiveness and Location) survey and water sampling training.</p> <p><u>Target 2:</u> An oil spill training exercise was undertaken in December 2020 and a full field exercise for marine oil spill incident response was held at MacAndrew Bay in April 2021. The Harbourmaster and Deputy Harbourmaster completed the Senior Regional Responder course with Maritime New Zealand.</p>		

Service Statement: Enable safe use and navigation for all users of Otago harbour. Take appropriate action in response to notifications of non-compliance and incidents		
Measure	Target	Result
Major incidents on Otago’s harbours and waterways will be responded to promptly and appropriately.	Average response time after notification is no more than one hour for Otago Harbour and within four hours for other locations	
	Major incidents and Harbourmaster’s response will be reported to council quarterly	
<p><b>Comment on target:</b></p> <p><u>Target 1:</u> All notified incidents were responded to within the target timeframes.</p> <p><u>Target 2:</u> Major incidents were reported in the Regulatory group’s quarterly reports to Committee and included, Trans Spring large commercial vessel (loss of propulsion in March) and Taieri mouth bar recreational incident (Fatality in April).</p>		

**TELLING THE PERFORMANCE STORY**

**Consent processing:**

2020-21 has been a busy year with a significant increase in both the consent applications received and the volume processed. Decisions were issued on 435 consents, up from 317 in the previous year. This increase has largely been driven by the process of replacing deemed and water permits which expire in 2021, as well as new consents required under the National Environment Standard for Freshwater (NES-FW) and Plan Change 8 to the Regional Plan Water. It is anticipated that workloads will continue to increase in the 2021-22 period due to changes at the national and regional level introducing more consent requirements and applications to replace existing permits.

In addition to consent processing, work over the year has included:

- Internal process improvements aimed to increase efficiency and decrease processing costs

- Increased information on the consent process being available for the public to access on the website.
- Preparing for, providing feedback on and implementing plan changes such as Plan Change 7 and 8 to the Water Plan and Plan Change 1 to the Waste Plan ('Omnibus')
- Implementing the Action Plan for Healthy Waterways
- Training and supporting new staff that were recruited in this period

The Consents team also carries out the processing of approvals under the Flood Management Bylaw, applications for Building Consent under the Building Act and provides advice and information to the public and other teams about consent requirements. By the end of the reporting period the Building Consent function had been transferred to Environment Canterbury.

This year a significant portion of time was spent speaking to the community about the Action Plan for Healthy Water, including at catchment and community group meetings. This work was undertaken in parallel with consent processing.

**Compliance monitoring:**

The Compliance Monitoring team completed 605 on-site consent audits this year. In addition to consents compliance monitoring, monitoring of permitted activities included:

- 479 dairy inspections as part of the 2020/21 Dairy Inspection Compliance Project
- 38 forestry inspections and review of 174 forestry management plans for compliance with the National Environment Standard for Plantation Forestry

All non-compliances identified through audits have been followed up by staff and either appropriate action has been taken, or investigations are continuing.

**Response, investigation, and enforcement:**

Incident response staff continue to provide a high level of service on the Pollution Hotline. Calls have remained high with 1,913 complaints received, relating to 1,268 incidents. All the incidents were responded to, with responses ranging from phone calls to desktop assessments and on-site investigations. Two prosecutions were completed this year.

**Contaminated sites:**

ORC maintains a HAIL database (Hazardous Activities and Industries List), of properties where information is held regarding current or past land uses that have the potential to contaminate land. In the year, 257 complaints and enquiries were responded to, 126 HAIL sites were registered (57 new sites) or updated, and 54 audits of contaminated sites were completed.

**Harbours and water management:**

We are responsible for the regulation of ports, harbours, waters and maritime-related activity in Otago under the Maritime Transport Act. In some districts this responsibility is delegated to other councils who are responsible for the waters in their patch, like Queenstown Lakes District Council. Achievements in 2020-21 included:

- Maritime delegation for Lake Dunstan was transferred to ORC as of September 2020. ORC and CODC navigational bylaws were merged and finalised.
- Navigation aids and signage across Otago's waters continued to be upgraded and replaced including in Otago Harbour and Lake Dunstan.
- Port and Harbour Marine Safety Code compliance external review was undertaken in May 2021. This is a joint review with Port Otago and the panel found the safety management systems fully compliant with the code requirements.



- Education and engagement activities included time on the water and involvement in safety campaigns such as the national 'No Excuses' campaign and the 'Old for New' Coastguard lifejacket campaign.

COMMUNITY OUTCOMES



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## **Flood Protection and River Management**

*Infrastructure to protect our communities and environment*

### ● Flood and drainage schemes

Large developed areas of Otago are low-lying river flats that are often close to sea-level.

This means that protecting people’s wellbeing and livelihoods from flooding is a vital aspect of our work, as is maintaining and improving use of productive land through drainage and control of groundwater levels.

ORC owns and manages three flood protection schemes, three drainage schemes and one combined flood protection and drainage scheme. We also own but commission external management for parts of the Lower Waitaki River Control Scheme.

The majority of the schemes were initially built to provide protection to local communities and agriculture on the adjacent floodplains. Some of these floodplains such as the Taieri are below sea level. The management of these schemes provides benefits including access to key transport infrastructure such as Dunedin Airport and State Highways, and protection of critical lifeline networks such as electricity substations. The schemes are essential to managing risks to communities associated with natural hazards, empowering economic prosperity and contributing to community resilience and well-being.

Sea-level rise predicted over the next 30 years may increase flooding and drainage risks. To prepare, we’re investigating these risks to determine future service and infrastructure needs.

Increasingly, we’re seeking to collaborate with communities as we do this work.

There are nine activities that make up our significant activity, flood protection and drainage schemes:

- Alexandra flood protection
- Leith flood protection
- Lower Clutha flood and drainage
- Lower Taieri flood protection
- West Taieri drainage
- East Taieri drainage
- Tokomairiro drainage
- Shotover River delta
- Designations and bylaws

#### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

Service Statement: Manage flood risk to people and property. Maintain, repair and renew drainage assets to maintain and improve the productive capacity of land		
Measure	Targets	Result
Flood protection, control works and assets are maintained, repaired and renewed in line with the Infrastructure Strategy and defined standards set out in the operations and maintenance manuals for each scheme and primary assets.	Performance against defined standards of the flood protection schemes and primary scheme assets reported by 30 June 2021.	
	Planned renewal works completed on programme and budget, and progress reported quarterly.	

	Planned maintenance works completed on programme and budget, and progress reported quarterly.	Yellow
	Complete review including recommendations on the performance of the Lower Taieri River and primary tributaries.	Red
	The Shotover River delta is managed to ensure the surface profile of the river is consistent with the target profile for the delta	Green
<b>Comment on targets:</b>		
<p><u>Target 1:</u> All flood protection schemes have been operating to their expected levels of service. The Lower Taieri Flood Protection Scheme experienced a moderate flood in January, this resulted in the Otakia floodbank, and the Lower Taieri riverbank requiring analysis, scoping and repair. Performance against defined standards will be included in the Annual Report for the Scheme; the report covers the financial year and is expected to be completed in September.</p> <p><u>Target 2:</u> Several of the planned flood scheme renewal works were completed on time and within budget; Renewal works completed include the Mill Creek Pump Station embankment repairs and Waipori Power factor correction and acquisition of an additional pump to supplement during events. Other renewal works are in progress but not completed. Reports summarising key achievements and activities for quarters 1-3 have been completed.</p> <p><u>Target 3:</u> Although the majority of planned flood scheme maintenance works were completed on time and within budget, weather and resources have delayed some maintenance activities which are ongoing. Key maintenance activities and response have occurred for scheme functionality. Reports summarising key achievements and activities for quarters 1-3 have been completed.</p> <p><u>Target 4:</u> The Taieri scheme review was tendered and awarded to a consultant. The project was launched in June 2021 and work will commence in the new financial year. The scheme review was not completed as originally planned due to detailed scoping and consideration of the program being aligned with the new Long-term Plan to allow reasonable community engagement and council consideration. This has been set out in the Infrastructure Strategy, which also indicates that future programs of work will require the information from the scheme review to inform decision making.</p> <p><u>Target 5:</u> The Shotover River delta management included monitoring and inspections.</p>		
<b>Measure</b>	<b>Targets</b>	<b>Result</b>
Drainage assets are maintained and renewed in line with defined standards set out in the operations and maintenance manuals for each asset.	Performance against defined standards of the drainage schemes and primary scheme assets reported by 30 June 2021.	Yellow
	Planned renewal works completed on programme and budget, and progress reported quarterly.	Yellow
	Planned maintenance works completed on programme and budget, and progress reported quarterly.	Yellow
<b>Comment on targets:</b>		
<p><u>Target 1:</u> Drainage schemes have been operating at the expected levels of service. Performance against defined standards will be included in the Annual Report for the Scheme; the report covers the financial year and is expected to be completed in September.</p> <p><u>Target 2:</u> The majority of planned drainage scheme renewal works were completed on time and within budget; three planned pump renewals on the Taieri scheme have been completed with a fourth deferred until spring, one pump on the Lower Clutha scheme was renewed as planned. Reports summarising key achievements and activities for quarters 1-3 have been completed.</p>		

**Target 3:** Most of the planned drainage scheme maintenance works were completed on time and within budget; the annual drain cleaning programme was completed in Lower Clutha, Tokomairiro, and Lower Taieri schemes. The programme for the Taieri scheme was not fully completed with remaining work now scheduled for September 2021. Reports summarising key achievements and activities for quarters 1-3 have been completed.

## TELLING THE PERFORMANCE STORY

### **Overview of delivery and scheme performance**

Planned flood protection and drainage maintenance work has progressed however the planned capital programme was not fully delivered due to the January 2021 flood event and the reprioritisation of resource to the Climate Resilience programme.

Staffing levels have increased during the year and the team is expected to reach full capacity in 2021-22. The Covid-19 event has deferred work programs which have added pressure to Engineering's planned capital and maintenance projects. The lockdown in 2019-20 pushed out timeframes on many projects, making them too close to the higher-risk winter period to conduct, which has carried the delay throughout year.

### **Taieri scheme review**

Initial scoping assessments revealed the review would be larger than initially anticipated and the project has now been included in years 1 and 2 of the Long-term Plan 2021-31. The Taieri scheme performance review was scoped and procured in 2020-21. The contract was awarded to the successful consultant, Tonkin & Taylor who will commence the review in 2021-22. The review has several phases, of which the first phase of scoping and assessment of scheme performance is expected in 2021-22. The project was launched in June 2021.

### **Climate Resilience Programme**

ORC entered agreement with MBIE in November 2020 to receive a funding grant totalling \$5.44M across four projects. Three projects were current renewal projects and one project was part of the Clutha flood repair. The Climate Resilience programme is well underway with a launch for both Balclutha projects and Taieri projects held in March 2021.

### **Clutha flood repair**

The February 2020 flood in the Lower Clutha caused significant damage over multiple sites. The design, scoping and procurement processes enabling the completion of the majority of the sites has been achieved within planned time and budget allocated from Council.

### **Capital projects**

A number of planned capital projects were not-delivered due to a combination of under resourcing and additional unplanned flood recovery works and the climate resilience program. The capital works that were not delivered were predominantly the scoping and assessment of renewals. The deferral of these capital works is not considered critically detrimental to scheme performance. Further community consultation is required on some areas of capital renewal allocation, across the schemes. The capital works will be carried into the 2021-22 planning.

COMMUNITY OUTCOMES



Communities that connect with, and care for, Otago's environment



An environment that supports healthy people and ecosystems



Communities that are resilient in the face of natural hazards & climate change and other risks



A sustainable way of life for everyone in Otago



## ● Rivers and Waterway Management

Looking after our rivers and waterways sustainably is more than simply managing the risk of floods.

It's also about meeting community expectations for the safe, enjoyable, and respectful use of rivers and streams.

Some of Otago's major rivers have a morphology and riparian management strategies. These set out the community's river values, river management objectives—including maintaining river form and riparian margins—and the roles of ORC, iwi, landholders, and stakeholders.

Working together with the community, our goal is to prepare for future environmental challenges and retain the characteristics of our rivers and waterways that make Otago a great place for everyone.

There are nine activities that make up our significant activity, flood protection and drainage schemes:

- Dunedin rivers and waterways
- Clutha rivers and waterways
- Central Otago rivers and waterways
- Wakatipu rivers and waterways
- Wanaka rivers and waterways
- Waitaki rivers and waterways
- Lower Waitaki river control scheme (Environment Canterbury)
- Non-scheme management

### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

Service Statement: Achieve a balance between maintaining channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways		
Measure	Targets	Result
Investigate all reported blockages and obstructions along scheduled rivers and waterways and determine appropriate action within 20 working days.	Report annual status of scheduled rivers and waterways by 30 June.	
	100% of investigations have action determined within 20 days.	
<b>Comment on targets:</b> <u>Target 1:</u> Notifications under Global consent and response to blockages and obstructions are summarised in the Quarterly and Annual reports; the annual report covers the financial year and is expected to be completed in September. <u>Target 2:</u> All reported blockages and obstructions in scheduled rivers and waterways, including flood blockages, were assessed, and attended to within 20 days.		

### TELLING THE PERFORMANCE STORY:

The Engineering team has responded to all public enquiries relating to river maintenance and/or obstructions and coordinated timely removal and maintenance of river channels in 2020-21.

The Albert Town flood damage repair was completed on time under budget approved by Council to undertake the flood damage repairs. This is a significant achievement as this area of the river has challenges with meeting requirements of the community and outstanding natural landscape status.

Response to January flooding event was well undertaken across Otago. The main areas that experienced damage were Middlemarch and parts of Central Otago. ORC worked extensively with the

Middlemarch community with increased waterway management and communications. Work is being undertaken with the community on what options may be available for future flooding mitigation.

River management activities were mostly achieved across Otago. Some catchments have had delays in planned vegetation management due to resources, weather events and access to these areas. These works are prioritised for 2021-22.

#### COMMUNITY OUTCOMES



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## **Safety and Hazards**

*Professional services, planning and action to protect our communities and environment*

### **Emergency Management**

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

Together with territorial authorities, we have responsibilities under the Civil Defence Emergency Management Act 2002 to ensure Otago’s exposure to hazards is reduced, we are prepared to respond to emergencies, and we can recover effectively from them.

In our service delivery, we put the community first and manage operations that are geared to their needs, efficient and fit-for-purpose. We provide Civil Defence and Emergency Management (CDEM) programmes across the region centred on the national CDEM priorities of reduction, readiness, response, and recovery.

There is one activity that makes up our significant activity, Emergency Management:

- Emergency Management

#### **PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS**

**Service Statement: Provide a region-wide coordinated response in the event of civil defence emergency to reduce the impacts on people**

Measure	Target	Result
ORC has suitably trained staff available to respond for any activation of the Group Emergency Coordination Centre at the direction of the group controller in response to a civil defence event or emergency.	At least one function manager trained in each of the six Coordinator Incident Management Systems (CIMS) areas at all times	
	Group CDEM controller or alternate controller is available	

**Comment on targets:**

Target 1: There is coverage of at least two trained staff (as function lead) per CIMS function. Additional D4H and Coordinated Incident Management System (CIMS4) training has been undertaken with ECC personnel.

Target 2: ORC has staff available to respond and Otago has seven CDEM group controllers which ensures a group controller or alternate is always available.

Measure	Target	Result
CDEM is available to respond appropriately to foreseeable and sudden onset events.	Duty officer is on call 24 hours, 7 days a week, 365 days a year	

**Comment on target:**

The CDEM duty phone remains in operation with a CDEM staff member available at all times.

**Service statement: Prepare and implement robust integrated suite of issue focused and community-based plans and strategies**

Measure	Target	Result
An operative Group CDEM Plan is reviewed within statutory timeframes and fully implemented.	Achieved	

**Comment on target:**

The Group Plan is fully implemented and due for review in 2021-22.



Measure	Target	Result
Full suite of community plans across the region is in place and remains under continuous review.	Status and progress on the plans are reported to the Co-ordinating Executive Group and Council	
<p><b>Comment on target:</b>                      A full suite of community response plans have been developed. These vary depending on community needs and there is an ongoing review process, as the needs of the community are constantly changing.                      Status and progress on the community plans was not reported to CEG and Council in 2020-21, however a report is scheduled to be presented to Council and CEG in the new financial year.</p>		
Measure	Target	Result
Region-wide issues plans in place and reviewed according to each plan. Status and progress reported to the CEG and Council on the following: <ul style="list-style-type: none"> <li>• Regional Dam Failure Plan</li> <li>• Regional Animal Welfare Plan</li> <li>• South Island Alpine Fault Response Plan</li> <li>• Coastal Tsunami Plan</li> </ul>	Status and progress on the agreed issues plans are reported to the Coordinating Executive Group (CEG) and Council	
<p><b>Comment on target:</b>                      Region-wide issues plans are in place and have been reviewed regularly. They encompass:                     <ul style="list-style-type: none"> <li>• Priority dams have plans in place. Larger district dams are encompassed in the respective community response plan,</li> <li>• The Regional Animal Emergency Plan is in place and any further development is the responsibility of the Ministry of Primary Industry.</li> <li>• The Alpine Fault magnitude 8 (AF8) implementation plan is incorporated into group work plans and actions plans are being completed,</li> <li>• The Coastal Tsunami Plan has been produced and circulated,</li> <li>• The Group Recovery Plan will be updated as support for local recovery planning increases</li> </ul>                     Status and progress on the issues plans was not reported to CEG and Council in 2020-21, however a report on CDEM activity is scheduled to be presented to Council in the new financial year.</p>		

**TELLING THE PERFORMANCE STORY**

The CDEM team have been actively engaged with COVID resurgence efforts workshopping and planning for likely scenarios with Local and Central Government Stakeholders.

The Air Operations Plan covers how we would manage valuable air assets in a maximum credible event such as alpine fault. Partnering with Fire and Emergency NZ we have adopted industry best practice in approaching this ultimately signing an MOU with Fire and Emergency to enlist their expertise when managing such an event.

Otago Gets Ready is a cloud-based platform that allows communities to engage directly with us allowing them to record any particular skills, needs or resources they may have whilst also subscribing for email and text alerts from us. Initially as a pilot in Central Otago this has now been rolled out through the entire region.

2020-21 has seen a significant investment into building the training and capability of staff within our Operations and Coordination Centres. With 498 staff trained to their respective operable levels we are sitting at 157% of the operational capacity accepted by CEG.

Although no formal response was required from June 2021 flood events CDEM staff were deployed to assist with CDEM efforts in Canterbury.

COMMUNITY OUTCOMES



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**Natural hazards and climate change adaptation**

We identify, monitor, and investigate natural hazards to support the safety and resilience of our communities.

Under the Resource Management Act, we’re required to investigate and provide information on natural hazards in Otago. We assess their scale and significance and through collaborative initiatives, assist territorial authorities and communities with managing natural hazard risks in their areas. The information obtained is published in the Otago Natural Hazards database, which is maintained by Council.

Our work includes monitoring rainfall, river, and lake levels, and flow forecasting to inform the response to flood.

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

There are three activities that make up our significant activity, natural hazards and climate change adaptation:

- Natural hazards
- Flood and low flow risk management
- Climate change adaptation

**PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS**

Service Statement: Investigate and respond to priority natural hazard events		
Measure	Target	Result
Natural hazard events and consequences are properly and timely reported on so that appropriate measures to reduce risk are taken.	All priority natural hazards events are investigated and reported	
<b>Comment on target:</b> A heavy rainfall event affected the region in early January 2021. Post event observations and data, such as river cross sections were collected. The flooding in Middlemarch was investigated and public meetings to report on the event occurred in February and June.		

Service statement: Delivering information to the community and decision-makers about natural hazards		
Measure	Target	Result
Natural hazard information is available to the public and to communities via an effective web-based Otago Natural Hazards Database.	Otago Natural Hazards Database is available 24 hours a day, 7 days a week	
<b>Comment on target:</b> Otago natural hazard database operated to agreed service levels and was publicly available 24hrs/7 days a week.		

Service statement: Provide timely warnings of potential flood events		
Measure	Target	Result
Accurate and reliable rainfall, lake levels, and river flow information is provided to potentially affected groups and communities and is provided in an efficient and timely fashion.	All flood warning that exceed trigger levels are published on Otago Regional Councils website when notified.	

**Comment on target:**  
 A 24-hour flood management and response system operated through-out the year. There were 60 instances in 2020-21 that a flood warning trigger was reached in the region. All the flood warnings were automatically published on the WaterInfo website.

**Service statement: Assist communities to understand and adapt to the effects of climate change**

Measure	Target	Result
Establishment of a Climate Change Adaptation Programme.	Progress on programme development is reported to council by 30 June 2021	

**Comment on target:**  
 Supporting work for the establishment of a Climate Change Adaptation Programme in 2020-21 included collaboration with central government, strengthening ties with district and city Councils and the completion of the first Otago Climate Change Risk Assessment, which was presented to the Data and Information Committee in March. The risk assessment will provide the evidence base to support adaptation programmes and initiatives in the region. Reports on aspects of our Climate change work were presented to Council through-out the year, however a specific report on development of a Climate Change adaptation programme was not presented. Further development of a Climate Change Adaptation Programme is included in the Long-term Plan.

Measure	Target	Result
Complete assessments of current CO2 emissions in Otago, which can inform communities and decision makers.	Complete Otago region emissions footprint inventory and report to Council by 30 June	
	Complete ORC emissions footprint inventory and report to Council by 30 June	
	Complete feasibility study of lower emission public transport and report to council by 30 June	

**Comment on targets:**  
Target 1: Otago region Greenhouse Gas (GHG) emissions inventory was completed and a report presented to the Data and Information committee in June.  
Target 2: The ORC’s GHG emissions inventory was completed and the full report presented to Council in November. The inventory tallied ORC’s total gross GHG output over the 12-month period at 578 tonnes, made up mostly from transport fuels, domestic air travel, and purchased electricity. The report also outlined a plan of recommended actions for reducing ORC’s carbon footprint.  
Target 3: The feasibility study of lower emission public transport was not completed as ORC is working with other councils looking at sector wide issues and options. ORC is participating in a regional council’s Transport Special Interest Group (TSIG) project investigating decarbonising the public transport fleet. The results of this project will inform ORC’s feasibility study. Work on the project has included reviewing Auckland Transport’s Low Emission Bus Roadmap, and the Ministry of Transport’s ‘Public Transport Operating Model (PTOM) Decarbonisation Option Development’ paper. A submission to the Ministry of Transport from the TSIG is expected early in the new financial year.

**TELLING THE PERFORMANCE STORY**

**Natural hazards:**

The work programme for 2020-21 covered a wide range of natural hazards across the region and included technical support for the Waitaki District Council (WDC) district plan review, updating seismic information for Dunedin City and Clutha Districts as well as starting a programme of LiDAR data

capture of Coastal Otago. The support to Waitaki District Council (WDC) included natural hazard information and communication support, as well as presenting, at public meetings on the main natural hazards faced by the different communities of Moeraki, Kakanui, Oamaru, and the Waitaki plains).

Updated seismic info for DCC and CDC presented to Data and Information Committee in June and is available on the NHDB. This project is the last steps of a programme of work aimed at better understanding the location and characteristics of faults in Otago started in 2016.

LiDAR data capture (LINZ/PGF): started the three-year programme of work with three priority areas (Dunedin, Otago coast and Manuherekiia catchment and surrounding). Capture of parts of priority area 1 (Dunedin and Mosgiel urban areas) was completed in June 2021 and further capture is planned for July/August 2021.

**Flood and low flow risk management:**

A 24-hour flood management and response system operated during the year. This financial year was marked by a significant heavy rainfall event that affected most parts of the region in January 2021. Timely forecasts, warnings and relevant weather, flow and water level information were provided to Civil Defence, district and city councils and to the public during the January heavy rainfall event and for smaller heavy rainfall events during the year. This information has also been used to inform decision around the preparedness and management of the flood protection schemes in the region. The commissioning by MetService of the first weather radar in Otago in December 2020 was a milestone to improve rainfall information available for a large part of the region and helped to inform the response to heavy rainfall events.

**Climate change:**

Otago climate change reports: The ORC received its first Otago Climate Change Risk Assessment at a meeting of the Data and Information Committee in March. The Risk Assessment is a milestone report on the impacts of climate change and its associated risks and opportunities for the region. The report is available on the ORC website.

All district and city councils in Otago were consulted, and sector leads and experts from Otago and beyond had input. Over 70 groups and specialists were invited to contribute to the Risk Assessment, such as the Department of Conservation, Heritage New Zealand, New Zealand Insurance Council, and the Otago Chamber of Commerce. The Risk Assessment was undertaken with input from Aukaha and Kā Rūnaka, and staff will continue to work with Rūnaka on a Kāi Tahu approach to climate change risk assessment.

The report provides a picture of the dramatic ways in which climate change is set to affect the Otago region over the coming decades. Climate change will exacerbate existing challenges and introduce new ones. The report will help guide actions within and beyond ORC: it is filled with data and projections that will inform how we as a region adapt to the challenges and rise to the opportunities of climate change.

Otago region's first Greenhouse Gas (GHG) emissions inventory was also prepared this year, in collaboration with Otago's five city and district councils. The full report was presented to Data and Information committee in June. The GHG inventory, together with the Otago Climate Change Risk Assessment, will provide a good basis to develop a regional partnership approach to the current and future challenges of climate change.

Climate change adaptation programme:

The climate change adaptation programme in 2020-21 focussed on South Dunedin, the Clutha delta and the head of Lake Wakatipu. Milestones in the climate change programme included the completion of the first Otago Climate Change Risk Assessment, a regional Greenhouse Gas (GHG) emissions inventory and an inventory of ORC's organisational GHG emissions.

Collaboration with district and city councils on adaptation continued to strengthen during the financial year, particularly for South Dunedin and for the area at the head of Lake Wakatipu where notable

progress has been made on gaining a better understanding of the physical environment and natural hazards and on community engagement on natural hazards and risks.

Collaboration with central government on climate change adaptation matters has continued, including participation in the Ministry for the Environment's work through workshops on the development of the National Adaptation Plan.

Head of Lake Wakatipu: significant progress on technical investigations, two major engagement sessions with the Community in December and April to present expected changes to the physical environment and discuss adaptation approaches. Approach adopted by Council in May. ORC established specific communication channels for this project including a dedicated webpage and a monthly newsletter.

South Dunedin: Continuation of the technical work programme focusing on better understanding the physical environment and expected changes. Information on liquefaction was presented to Data and Information Committee in October 2020. Additional work to refine the understanding of groundwater and geology is underway, with drilling expected to be completed by August 2021. ORC has been working with DCC to develop a joint work programme.

Clutha delta: A coastal hazard assessment was completed in June which will guide future adaptation planning for the area as well as informing ORC infrastructure management (flood protection and drainage scheme).

#### COMMUNITY OUTCOMES



## Transport

*Planning, contract management and action to provide choice and support the regional economy*

### ● Transport Planning and Public Passenger Transport

We're responsible for implementing public transport services in Otago. Our aim is to provide efficient, reliable public transport services that meet community needs. Through contracted operators, we provide public passenger transport services in Dunedin and Queenstown.

We also provide a regionwide Total Mobility Scheme to assist eligible people with impairments, who are unable to use public transport because of their impairment.

We prepare a Regional Land Transport Plan in collaboration with Environment Southland and a Regional Public Transport Plan.

There are three activities that make up our significant activity, Transport:

- Regional Land Transport Plan (RLTP)
- Public transport
- Stock truck effluent disposal

#### PERFORMANCE AGAINST LEVELS OF SERVICE TARGETS

Service Statement: To provide efficient and reliable public transport services that meet community needs						
Measure	Target				Result	
Reliability of service – at least 95% of monitored services leave the terminus on time* (as defined by NZTA).	Average of at least 95% per month					
<b>Comment on target:</b>						
Transport have been trialling a reliability report using real-time tracking software in in Dunedin from March 2021 and in Queenstown from 2019. The real-time tracking has provided a higher level of confidence and accuracy in service monitoring. Tracking data below provides a comparison of average departure time vs schedule from terminus and the from Bus Hub (Dunedin) and Frankton Interchange (Queenstown) from April – June 2021.						
Average reliability to schedule (minutes) for April-June 2021						
Supplier	Go Bus Dunedin		Ritchies Dunedin		Ritchies Queenstown	
Location	Terminus	Bus Hub	Terminus	Bus Hub	Terminus	Frankton
Minutes	2.17	1.21	2.32	1.33	1.55	1.51
For the period services were on average departing within 1.2 and 2.3 minutes of their scheduled departure times. Overall, the average (mean) illustrates that the service is running very close to the schedule, noting however that within the mean data there will be some significant variations, particularly at peak times.						

Measure	Target	Result
Vehicle quality - 100% of vehicle fleet complies with Regional Passenger Transport Vehicle quality standards at annual audit.	100%	
<p><b>Comment on target:</b> Fleet inspections were completed by January and 100% comply with Waka Kotahi NZTA's vehicle quality standards (Requirements for Urban Buses). During the year all vehicles were fitted with new ticketing hardware and GPS-based real-time tracking. A secondary set of supplementary inspections related to accessibility were also undertaken in conjunction with a specialist Accessibility Advisor, over and above mandatory NZTA inspections.</p>		
Measure	Target	Result
Public Satisfaction – at least 85% of bus users surveyed annually for each network are satisfied with the overall standard of service.	85%	
<p><b>Comment on target:</b> Orbus Dunedin scored 94% and Orbus Wakatipu came in at 96% for overall passenger satisfaction, in the Waka Kotahi NZ Transport Authority surveys, which were conducted in the last quarter of the 2020-21 financial year.</p>		
Measure	Target	Result
Patronage recovery, post COVID-19 in Dunedin and Queenstown, will be reported to Council quarterly for 2020-21.	Reported quarterly	
<p><b>Comment on target:</b> Patronage for the year was 2,706,191 for Dunedin and 889,063 for Queenstown, which is 106% and 60% respectively, when compared to pre-covid patronage rates. Dunedin is outperforming other NZ centres, and is the only network trending higher than pre-Covid figures; contributing factors may include the introduction of Bee Card and the \$2 fare trial. In Queenstown the reduced level of airport/tourist activity and the broader impacts of Covid on the local economy has resulted in lower patronage. Quarterly reports on patronage were presented to the Data and Information Committee in March and June 2021.</p>		
Measure	Target	Result
Implement a trial Lake Wakatipu Ferry service as per community consultation feedback and Council directive.	Trial commences in 2020-21 financial year	
<p><b>Comment on target:</b> The ferry trial commenced, however at a reduced level of service due to reduced demand for public transport services in Queenstown as a result of Covid-19 impacting visitor numbers.</p>		
Measure	Target	Result
The Regional Public Transport Plan (RPTP) is prepared in accordance with the Land Transport Management Act 2003 and any guidance issued by the Waka Kotahi New Zealand Transport Agency (NZTA).	Regional Public Transport Plan (RPTP) completed and adopted by Council by 30 June	
<p><b>Comment on target:</b> The RPTP was completed and adopted by Council on 23 June 2021.</p>		

*\*On-time is considered to be scheduled service trips leaving origin stop between 59 seconds before and four minutes and 59 seconds after the scheduled departure time.*



Service Statement: Facilitate and support prioritised investment in Otago's transport network by local and central government		
Measure	Target	Result
The Regional Land Transport Plan (RLTP) is prepared and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency (NZTA)	Regional Land Transport Plan (RLTP) completed and adopted by Council by 30 June	
<b>Comment on target:</b> The RLTP was prepared, adopted by Council on 23 June 2021 and submitted to the Waka Kotahi NZ Transport Agency.		
Measure	Target	Result
Collaborate with Environment Southland and other South Island local authorities to establish and deliver on pan-regional priorities for transport investment.	Pan-regional priorities presented to government/NZTA	
<b>Comment on target:</b> Strategic land transport planning happened in collaboration with territorial authorities, regional councils and Waka Kotahi NZ Transport Agency, primarily through the preparation of a new regional land transport plan. Activities across the year included meetings of the Otago and Southland Technical Advisory Groups, meetings of the Otago/Southland Regional Transport Committee, as well as virtual, and in-person, meetings of the South Island Regional Transport Committee Chairs and Deputy Chairs.		

## TELLING THE PERFORMANCE STORY

### Regional Land Transport Plan (RLTP)

The preparation of a new Regional Land Transport Plan (RLTP) was undertaken this year, involving cross-regional collaboration with the Southland Regional Transport Committee (RTC) and the other South Island local government regions. The RLTP is prepared by each regional council's Regional Transport Committee, which are supported by respective regional Technical Advisory Groups. In February the draft RLTP was adopted by Otago and Southland RTC's. The draft was released in March and public submissions sought. The RTC hearing's panel heard submitters in Dunedin and Queenstown in April and the RLTP review was completed and adopted by Council on 23 June 2021.

### Public transport

Council's services have been impacted by the Covid-19 pandemic (Queenstown more so than Dunedin). Following the move out of lockdown last financial year, Council has implemented a number of initiatives to improve public transport customer experience including the introduction of the Bee Card, \$2 flat fare trial and an app based real-time tracker across both networks.

#### Bee card roll-out:

Bee Card replaced GoCard as the electronic bus card for the Orbus networks in Dunedin and Queenstown from September 2020. The Bee Card is a simple tag on tag off system that makes it easier for passengers to get on and off the bus, ideal during peak bus usage. As well as benefits to customers, it provides Council with useful information about when, where and how people are travelling, which will help us improve the networks. Until the Bee Card went live, buses in Otago remained free. The Bee card is also used in eight other regions in New Zealand.

#### \$2 flat fare trial:

ORC consulted the public on a short-term flat fare structure for Dunedin and received over 1,400 submissions during the one-month consultation period. Council subsequently approved a trial of a flat fare structure, removing fare zones in Dunedin and replacing them with one zone and three simple fares, plus free off-peak travel for SuperGold card holders.

Real-time tracker trial: From the end of April 2021 real-time information about bus locations was available for the Dunedin and Queenstown bus networks on the free *Transit* app and the Otago Regional Council (ORC) website. The app is free, easy to use, and available for iPhones and Android devices. As well as real-time bus information, it offers the ability for users to plan their journey, with step-by-step navigation and timing, and be notified of service disruptions affecting their journey. Additionally, a solar-powered e-stop at Macandrew Bay in Dunedin provides a real time feed, with a view to sending real time information to the several e-stops at the Dunedin Bus Hub in the future. A second solar powered e-stop has been issued to QLDC for installation at Arthur’s Point, Queenstown.

Regional Public Transport Plan (RPTP):

A review of the Regional Public Transport Plan (RPTP) was undertaken this year and involved scoping and engagement with both local and central government partners and the public. Stakeholder roadshows were held in Dunedin and Queenstown in March to test draft challenges, vision and objectives. In April Council approved a draft RPTP and this was released in May and public submissions sought. The RPTP was adopted by Council on 23 June. The Regional Public Transport Plan (RPTP) and the Regional Land Transport Plan (RLTP) are available on the ORC website.

**Stock truck effluent disposal**

Construction of a stock truck effluent disposal (STED) was completed at Tarras in April and brings the total number of STEDs across Otago to nine. ORC has regularly emptied and maintained the three Central Otago STEDs through-out the year. The others are emptied and maintained by the territorial authorities.

COMMUNITY OUTCOMES



A sustainable way of life for everyone in Otago

Sustainable, safe & inclusive transport

SUPPORTING INFORMATION/DATA:

# Public Transport Satisfaction Survey Dunedin

Survey taken from 7 July - 10 July 2021

## Overall satisfaction

**94 %**

The overall level of satisfaction with the Dunedin public transport system has increased from 2019.

▲ 88 % in 2019 ▲ 93 % in 2018



## Participants

**23 %** aged 18-24

23% of participants were aged 18-24 followed by 18% aged 25-44 years.



**15 %** supergold cardholders

15% of participants were supergold card holders.



**37 %** travelling to work

37% of participants used the bus to get to work. 23% used the bus for shopping and 17% used for other.



**82 %** would recommend using bus

82% of participants would likely or very likely recommend public transport to friends or colleagues



**33 %** use the bus for 2 to 4 trips per week

33% of participants use the bus for 2 to 4 trips per week. 30% use the bus for 5



## Passenger satisfaction

**92 %** exterior of the bus  
▲ 91 % in 2019 / ▲ 94 % in 2018

**93 %** interior of the bus  
▲ 92 % in 2019 / ▲ 96 % in 2018

**89 %** bus is on time  
▲ 79 % in 2019 / ▲ 87 % in 2018

**85 %** how often the services run  
▼ 86 % in 2019 / ▼ 91 % in 2018

**94 %** value for money of fare  
▲ 82 % in 2019 / ▲ 88 % in 2018

**97 %** having enough seats available  
▲ 94 % in 2019 / ▲ 98 % in 2018

**95 %** ease of getting on and off the bus  
▲ 94 % in 2019 / ▲ 92 % in 2018

**92 %** comfort of inside temperature  
▼ 94 % in 2019 / ▲ 92 % in 2018

**92 %** helpfulness and attitude of driver  
▲ 91 % in 2019 / ▲ 95 % in 2018

**95 %** personal security during trip  
▼ 95.2 % in 2019 / ▼ 97 % in 2018

**98 %** satisfaction with current trip  
▲ 95 % in 2019 / ▲ 98 % in 2018

**81 %** information about services and delays  
▲ 70 % in 2019 / ▲ 76 % in 2018

**92 %** travel time  
▲ 85 % in 2019 / ▲ 96 % in 2018

**95 %** convenience of paying  
▲ 84 % in 2019 / ▲ 88 % in 2018

**90 %** ease of getting route information  
▲ 85 % in 2019 / ▲ 92 % in 2018

# Public Transport Satisfaction Survey Wakatipu

Survey taken from 20 May - 22 May 2021

## Overall satisfaction

**96 %**

The overall level of satisfaction with the Wakatipu public transport system has decreased from 2019.



▼ 97% in 2019 ▲ 95% in 2018

## Participants

**48 %** aged 25-34

48% of participants were aged 25-34 followed by 16% aged 18-24 years.



**90 %** non supergold cardholders

90% of participants were not supergold card holders.



**61 %** travelling to work

61% of participants used the bus to get to work.



**91 %** would recommend using bus

91% of participants would likely or very likely recommend public transport to friends or colleagues



**40 %** use the bus for 2 or more trips per day

40% of participants use the bus for 5 or more trips per week. 22% use the bus for 2 to 4 trips per week.



## Passenger satisfaction

**88 %** exterior of the bus  
▼ 95% in 2019 / 95% in 2018

**98 %** interior of the bus  
▲ 97% in 2019 / 95% in 2018

**86 %** bus is on time  
▲ 81% in 2019 / 85% in 2018

**72%** how often the services run  
▼ 84% in 2019 / 78% in 2018

**89 %** value for money of fare  
▼ 95% in 2019 / 96% in 2018

**100 %** having enough seats available  
▲ 98% in 2019 / 99% in 2018

**96 %** ease of getting on and off the bus  
▼ 98% in 2019 / 99% in 2018

**96 %** comfort of inside temperature  
▲▼ 92% in 2019 / 97% in 2018

**94 %** helpfulness and attitude of driver  
▲ 94% in 2019 / 92% in 2018

**99 %** personal security during trip  
▲ 99% in 2019 / 95% in 2018

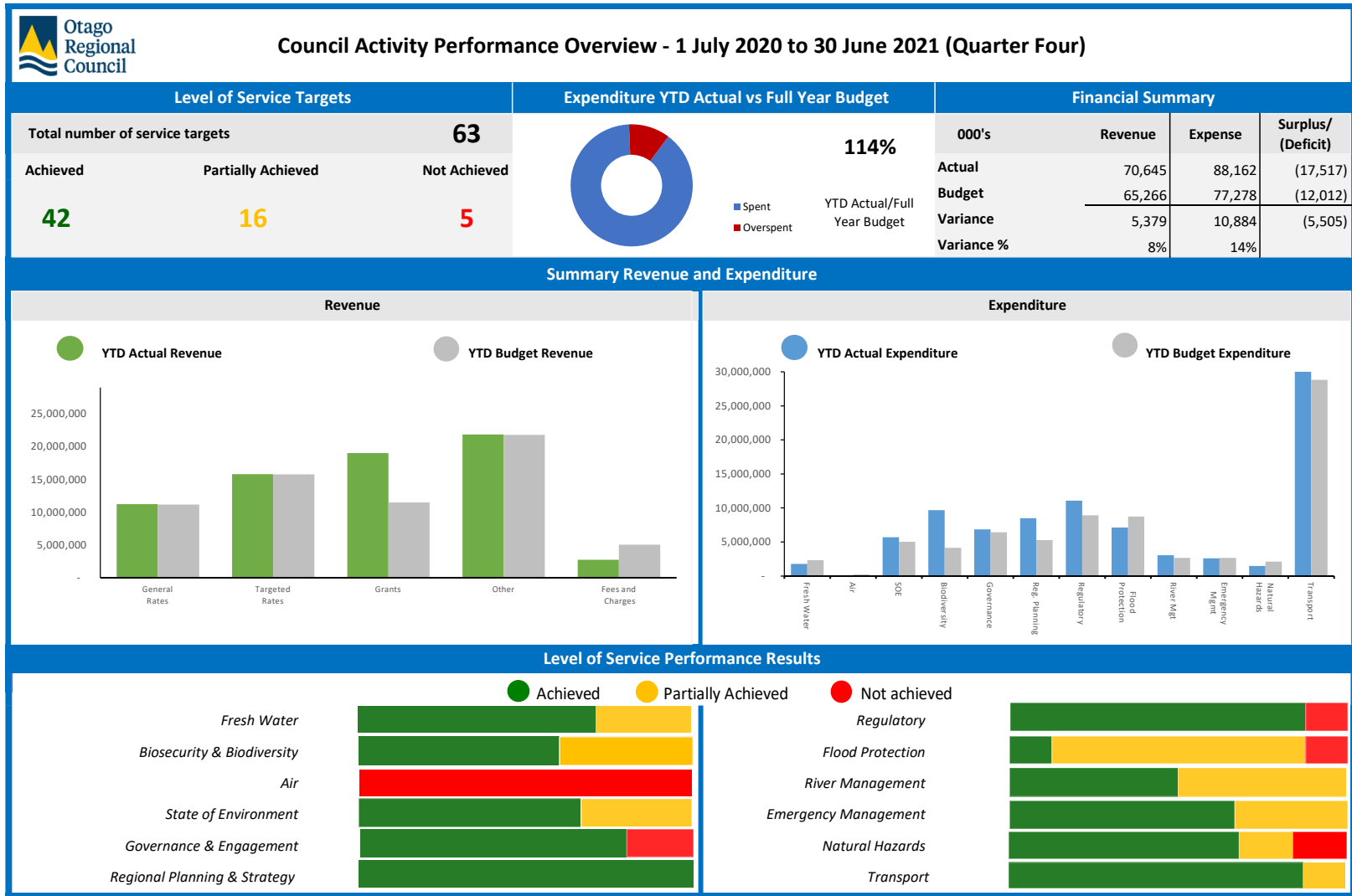
**96 %** satisfaction with current trip  
▼ 99% in 2019 / 98% in 2018

**70 %** information about services and delays  
▼ 75% in 2019 / 71% in 2018

**94 %** travel time  
▼▲ 96% in 2019 / 84% in 2018

**86 %** convenience of paying  
▼ 90% in 2019 / 92% in 2018

**88 %** ease of getting route information  
▼ 93% in 2019 / 95% in 2018



		2020-21 Performance Measures: Summary of Results for Quarter Four			Results			
		Measures	Targets	Q1	Q2	Q3	Q4	
Environmental	Freshwater	Service Statement 1: Water quality across Otago is maintained and improved						
		Develop an integrated freshwater management unit (FMU) based research programme to inform the Land and Water Plan, and report progress.	1.1	Research programme is presented to committee by 30 June 2021				
		Water quality attributes are assessed by FMU annually.	1.2	Report annually against national standards, indicate trends and identify issues				
		The Catchment Advisory Group will adopt a position on how ORC will support groups.	1.3	The Catchment Advisory Group makes recommendations to Council by December 2020				
		Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.	1.4	Areas of support are identified and progress reported				
		Work with Friends of Lake Hayes and other stakeholders to review the Lake Hayes Management Strategy and develop a programme of work for managing the water quality and flood hazard of Lake Hayes.	1.5	Complete the Review and prepare the programme no later than 31 March 2021				
		Water Plan/s Implementation Action Plan and National Direction is progressed.	1.6a	Implementation Plan is finalised in line with Plan Changes being made operative				
			1.6b	Actions are implemented according to approved timeframes once Water Plan/s are operative				
	Biodiversity and Biosecurity	Service statement 2: Collaborate with the regional community to potentially invest and fund environmental enhancement projects that deliver good environmental and social outcomes						
		The ECO Fund is administered to support community-led projects across Otago that protect and enhance the environment	2.1a	The agreed funding of \$250,000 for the 2020-21 year is fully allocated to approved projects				
			2.1b	Report to Council twice yearly on the allocation of the fund, status of fund recipients and summary of project outcomes				
		Service statement 3: Implement the Biodiversity Action Plan						
		Implement the Biodiversity Strategy and Action Plan and review actions as required.	2.2	Priority targets within the Biodiversity Strategy and Action plan are identified and achieved as scheduled				
		Service statement 4: Establish controls over animal and plant pests to maintain and enhance biodiversity, protect productive capacity and community health						
	Implement the current Biosecurity Operational Plan.	2.3	All targets within the Biosecurity Operational Plan are achieved					
	Review the Biosecurity Operational Plan	2.4	Complete a review of the Biosecurity Operational Plan by 31 March 2021					
	Air	Service statement 5: In targeted towns we work to reduce PM10 emissions for ambient air quality						
		Review Air Strategy implementation approach.	3.1	Programme review reported to Committee by 30 June 2021				
	State of the Environment Reporting	Service statement 6: Provide high quality and timely environmental information, indicators and advice to key decision makers and the community						
		Monitor air quality to assess compliance with the National Environmental Standard requirement of no more than one daily average reading of PM10 per annum to be higher than 50 micrograms per cubic metre.	4.1	Regulatory obligations met and annual report presented to committee by December 2020				
Data quality and data availability monitored through Quarterly Reports shows compliance to relevant standards for sites defined in the "Monitoring Schedule for 2018-29 Long Term Plan"		4.2	90% of data has a Quality Code of fair or better 95% of all data has been captured 95% of data shall be quality assured in three months of collection					
Changes and trend in natural resource availability and quality are analysed and reported to the Council as per the schedule entitled "Monitoring Schedule for 2018-28 Long-Term Plan"		4.3	Reports are provided to Council as per the schedule.					

Finance Committee Agenda - 25 August 2021 - MATTERS FOR CONSIDERATION

		Measures	Targets	Q1	Q2	Q3	Q4	
Regional Leadership	Governance and Community Engagement	Service statement 1: Governance support and process that enables a robust and transparent democratic practice for Council's elected members and the community						
		Percentage of official information requests responded to within statutory timeframes	5.1	100%				
		Percentage of council agendas that are publicly available two working days or more before a meeting	5.2	100%				
		Conduct meetings in accordance with Standing Orders and the Local Government Official Information and Meetings Act 1987	5.3	All meetings				
		Service statement 2: Council has clearly articulated policy, purpose and activity to encourage participation in decision-making by the community						
	Regional Planning & Urban Development Strategy	Council's Long-Term Plan, Annual Plans and Annual Reports are fit for purpose and accessible	5.4	All Local Government Act statutory planning requirements and financial reporting standards are met				
		Hosting Mayoral Forum secretariat to coordinate Triennial agreement between Otago Territorial Local Authority mayors and ORC chair	5.5	Four meetings per year				
		Service statement 3: Establish and maintain a robust, integrated and consistent environmental planning framework						
		Complete review of existing Regional Policy Statement (RPS) and notify the new one.	6.1	Ministerial target: November 2020. <i>Extended to: June 2021</i>				
		Deliver against the Land and Freshwater programme as agreed with the Minister for the Environment to implement the National Policy Statement for Freshwater Management.	6.2	Report to Committee on progress against work programme (adopted November 2019)				
Service statement 4: Develop with our key partners an Urban Development Strategy								
Provide region-wide direction on urban development in conjunction with the Territorial Local Authorities.	6.3	Report to Committee on the preparation of an urban work programme						
Regulatory	Consenting, Monitoring, Investigations and Enforcement	Service statement 1: Deliver consenting processes efficiently and effectively under the Resource Management Act 1991 to enable the lawful use of natural and physical resources						
		Percentage of resource consents application processed within Resource Management Act 1991 legislative timeframes.	7.1	100%				
		Service statement 2: Administering and assessing performance monitoring data provided by consent holders						
		Percentage of performance monitoring returns received this year that will be assessed for compliance with consent conditions and rules within the year.	7.2	85%				
		Service statement 3: Acting on non-compliances identified through consent audit or performance monitoring returns						
		Percentage of significant non-compliance found that has been followed up by staff.	7.3	100%				
		Service statement 4: Investigations and response to notifications of non-compliance and incidents						
		Maintain 24-hour/7 day a week response for environmental incidents.	7.4	100%				
		Facilitate/carry out appropriate response training for staff and contractors.	7.5a	Hold at least one pollution incident response training exercise for each of the following: · desktop exercise · a field exercise for pollution incident response · an equipment training day				
			7.5b	Hold at least one marine oil spill incident response training for each of the following: · desktop exercise; · a field exercise for marine oil incident response				
Service statement 5: Enable safe use and navigation for all users of Otago Harbour. Take appropriate action in response to notifications of non-compliance and incidents								
Consenting, Monitoring, Investigations and Enforcement	Major incidents on Otago's harbours and waterways will be responded to promptly and appropriately.	7.6a	Average response time after notification is no more than one hour for Otago Harbour and within four hours for other locations					
		7.6b	Major incidents and Harbourmaster's response will be reported to council quarterly					

		Measures	Targets	Q1	Q2	Q3	Q4	
Flood Protection & River Management	Flood and Drainage Schemes	Service statement 1: Manage flood risk to people and property. Maintain, repair and renew drainage assets to maintain and improve the productive capacity of land						
		8.1a	Performance against defined standards of the flood protection schemes and primary scheme assets reported by 30 June 2021.					
		8.1b	Planned renewal works completed on programme and budget, and progress reported quarterly.					
		8.1c	Planned maintenance works completed on programme and budget, and progress reported quarterly.					
		8.1d	Complete review including recommendations on the performance of the Lower Taieri River and primary tributaries.					
		8.1e	The Shotover River delta is managed to ensure the surface profile of the river is consistent with the target profile for the delta					
		8.2a	Performance against defined standards of the drainage schemes and primary scheme assets reported by 30 June 2021.					
		8.2b	Planned renewal works completed on programme and budget, and progress reported quarterly.					
		8.2c	Planned maintenance works completed on programme and budget, and progress reported quarterly.					
	River and Waterway Management	Service statement 2: Achieve a balance between maintaining channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways						
		9.1a	Investigate all reported blockages and obstructions along scheduled rivers and waterways and determine appropriate action within 20 working days	Report annual status of scheduled rivers and waterways by 30 June 2021				
		9.1b		100% of investigations have action determined within 20 days				
Safety and Hazards	Emergency Management	Service statement 1: Provide a region-wide coordinated response in the event of civil defence emergency to reduce the impacts on people						
		10.1a	ORC has suitably trained staff available to respond for any activation of the Group Emergency Coordination Centre at the direction of the group controller in response to a civil defence event or emergency.	At least one function manager trained in each of the six Coordinator Incident Management Systems (CIMS) areas at all times				
		10.1b		Group CDEM controller or alternate controller is available				
		10.2	CDEM is available to respond appropriately to foreseeable and sudden onset events.	Duty officer is on call 24 hours, 7 days a week, 365 days a year				
		Service statement 2: Prepare and implement robust integrated suite of issue focused and community-based plans and strategies						
		10.3	An operative Group CDEM Plan is reviewed within statutory timeframes and fully implemented	Achieved				
		10.4	Full suite of community plans across the region is in place and remain under continuous review	Status and progress on the plans are reported to the Coordinating Executive Group (CEG) and Council				
10.5	Region-wide issues plans in place and reviewed according to each plan. Status and progress reported to the CEG and Council on the following: <ul style="list-style-type: none"> <li>•Regional Dam Failure Plan</li> <li>•Regional Animal Welfare Plan</li> <li>•South Island Alpine Fault Response Plan</li> <li>•Coastal Tsunami Plan</li> </ul>	Status and progress on the agreed issues plans are reported to the Coordinating Executive Group (CEG) and Council						



	Measures	Targets	Q1	Q2	Q3	Q4	
Safety and Hazards	<b>Natural Hazards &amp; Climate Change Adaptation</b>						
	<b>Service statement 3: Investigate and respond to priority natural hazard events</b>						
	Natural hazards events and consequences are properly and timely investigated and reported on so that appropriate measures to reduce risk are taken.	11.1	All priority natural hazards events are investigated and reported	On track	On track	On track	Achieved
	<b>Service statement 4: Delivering information to the community and decision-makers about natural hazards</b>						
	Natural hazard information is available to the public and to communities via an effective web-based Otago Natural Hazards Database.	11.2	Otago Natural Hazards Database is available 24 hours a day, 7 days a week	On track	On track	On track	Achieved
	<b>Service statement 5: Provide timely warnings of potential flood events</b>						
	Accurate and reliable rainfall, lake levels, and river flow information is provided to potentially affected groups and communities and is provided in an efficient and timely fashion.	11.3	All flood warning that exceed trigger levels are published on Otago Regional Councils website when notified	On track	On track	On track	Achieved
	<b>Service statement 6: Assist communities to understand and adapt to the effects of climate change</b>						
	Establishment of a Climate Change Adaptation Programme.	11.4	Progress on programme development is reported to council by 30 June 2021	On track	On track	On track	May not achieve
	Transport	<b>Transport Planning and Public Passenger Transport</b>					
<b>Service statement 1: To provide efficient and reliable public transport services that meet community needs</b>							
Reliability of service – at least 95% of monitored services leave the terminus on time* (as defined by NZTA).		12.1	Average of at least 95% per month	On track	May not achieve	May not achieve	Achieved
Vehicle quality - 100% of vehicle fleet complies with Regional Passenger Transport Vehicle quality standards at annual audit.		12.2	100%	On track	On track	On track	Achieved
Public Satisfaction – at least 85% of bus users surveyed annually for each network are satisfied with the overall standard of service.		12.3	85%	Delayed/Not measured	Delayed/Not measured	Delayed/Not measured	Achieved
Patronage recovery, post COVID-19 in Dunedin and Queenstown, will be reported to Council quarterly for 2020-21.	12.4	Reported quarterly	On track	On track	On track	Achieved	
Implement a trial Lake Wakatipu Ferry service as per community consultation feedback and Council directive.	12.5	Trial commences in 2020-21 financial year	On track	On track	On track	May not achieve	
The Regional Public Transport Plan (RPTP) is prepared in accordance with the Land Transport Management Act 2003 and any guidance issued by the Waka Kotahi New Zealand Transport Agency (NZTA).	12.6	Regional Public Transport Plan (RPTP) completed and adopted by Council by 30 June 2021	On track	On track	On track	Achieved	
<b>Service statement 2: Facilitate and support prioritised investment in Otago's transport network by local and central government</b>							
The Regional Land Transport Plan (RLTP) is prepared and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency (NZTA)	12.7	Regional Land Transport Plan (RLTP) completed and adopted by Council by 30 June 2021	On track	On track	On track	Achieved	
Collaborate with Environment Southland and other South Island local authorities to establish and deliver on pan-regional priorities for transport investment	12.8	Pan-regional priorities presented to government/NZTA	On track	On track	On track	Achieved	
<p style="text-align: center;"> <span style="color: green;">●</span> Achieved,                      <span style="color: lightgreen;">●</span> On track,                      <span style="color: yellow;">●</span> May not achieve,                      <span style="color: red;">●</span> Will not achieve,                      <span style="color: grey;">●</span> Delayed/Not measured                 </p>							

## 7.2. Finance Report 30 June 2021 - Preliminary Year-end Result

**Prepared for:** Finance Committee  
**Report No.** CS2136  
**Activity:** Governance Report  
**Author:** Sarah Munro, Manager Finance, Reporting  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 16 August 2021

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### PURPOSE

- [1] To provide Council's Finance Report for the 2021 financial year which includes the preliminary financial result for the 12-month period ended 30 June 2021.

### EXECUTIVE SUMMARY

- [2] The Finance Report is made up of the following sections:
- Statement of Comprehensive Revenue and Expenses for the 12-month period ended 30 June 2021.
  - Statement of Financial Position on 30 June 2021.
  - Treasury Report – June 2021, which provides information on the management and performance of the Council's short-term deposits and managed fund for the period ended 30 June 2021.
  - Summary of Expenditure and Funding by Activity for the 12-month period ended 30 June 2021.
- [3] Commentary on the Finance Report, including variances to budget is included in the body of this paper.
- [4] The finance result in this paper is preliminary and is subject to the following known adjustments:
- Small adjustments required for overhead variance
  - The valuation of Port Otago Limited
  - The valuation of Council investment property

### RECOMMENDATION

*That the Finance Committee:*

- 1) **Notes** this report and the attached Finance Reports.

### BACKGROUND

#### FINANCE REPORT COMMENTARY

#### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

- [5] The statement of Comprehensive Revenue and Expenses shows a year-to-date deficit of \$10,039,000 which is \$3,474,000 higher than the budgeted deficit of \$6,565,000.
- [6] This variance is the net result of the following:
-

## Revenue

- [7] Subsidies and Grants revenue is \$7,533,000 above budget due to the following:
- Wilding pine eradication grants from the Ministry of Primary Industry is \$4,991,000 above budget due to the work program being higher than budgeted. Council was awarded a grant of \$5,901,000 and had brought forward grant funds of \$138,000 of grants awarded but not spent in the 2019/2020 financial year. Expenditure in the current year was \$5,817,000. It is expected that the unspent funds of \$222,000 will be rolled forward to be completed in the 2021/2022 financial period.
  - A \$1,614,000 increase in New Zealand Transport Authority (NZTA) grant revenue to cover increased operational costs. It was originally budgeted that \$9,789,000 grant funds would be received. Bus operational costs have increased due to an increase in fuel costs, COVID-19 free fares and cleaning costs which had been funded by NZTA. Bus fares have been reinstated since September 2020.
  - An increase of \$672,000 in engineering grant revenue for the Lower Clutha flood protection scheme which is grant money received for the Climate Resilience Project.
  - A \$282,000 grant from Ministry of Primary Industries for wallabies.
  - There were also smaller reductions in other subsidies and grant revenue which resulted in \$26,000 below budget grant revenue.
- [8] Other Income is \$2,269,000 below budget due to the following:
- \$883,000 below budget revenue from Dunedin bus network due to the impact of COVID-19 on patronage numbers and the impact of less money being received with \$2 flat fares.
  - A \$1,588,000 reduction in compliance revenue from budget. There has been a small reduction in expenditure of \$373,000, however most of the expenditure has still occurred with resources being focused on business improvements including the Aquarius project (Hilltop replacement) and Plan Change 7, which is non-chargeable.
  - Incident response revenue was \$214,000 above budget.
  - \$159,000 reduction from budgeted income for Alexandra Flood protection scheme.
  - \$219,000 of insurance proceeds were received for the flood damaged to assets caused by the January 2020 flood event which was not budgeted.
  - There were also small increases in other income which resulted in a \$72,000 reduction in other income from budget.
- [9] Interest and Investment income is \$562,000 less than budget due to:
- The reversal of a prior period over accrual of interest of \$96,000 and
  - The remaining \$466,000 decrease was caused by two factors: a decrease in cash held in term deposits, and the interest rate of term deposits being lower than budget due to a significant drop in term deposit rates.

## Expenditure

- [10] Employee Benefits expense is \$133,000 below budget due to the timing of hiring budgeted staff not being at the start of the financial year which has been partially offset by the hiring of additional staff which was not budgeted (16 FTE Consent staff were approved by Council during the year).

[11] FTEs compared to the budget for each directorate is detailed below:

Directorate	20/21 FTE Budget	30 June 2021 FTE
CE	2	2
Corporate Services	42.7	41
Operations	62.1	64.1
Governance, Culture and Customer Engagement	15.9	14.4
Strategy, Policy and Science	52.4	55.4
Regulatory and communications	68.7	73.9
	<b>243.8</b>	<b>250.8</b>

Note: The Regulatory budgeted FTEs in the table above does not include the 16 FTEs which were approved after adoption of the Annual Plan by Council.

[12] Other Expenses is \$10,801,000 above budget due to the following:

- There was \$4,986,000 above budget expenditure in wilding pines other costs due to the grant money being higher than budgeted from MPI.
- Unbudgeted expenditure of \$784,000, for the estimated cost of paying the living wage for the period 1 July 2020 to 30 June 2021 for bus drivers. This is an estimated cost and have been recorded in the Statement of Financial Position as a provision.
- Reclassification of LiDAR/aerial imagery as a vested asset of \$564,000. This was budgeted as capital expenditure however due to the nature of this asset it is now being treated as a vested assets for accounting purposes and is being expensed rather than capitalised.
- Legal Expenses is \$2,572,000 above budget due to the following:
  - Regional water plan and regional policy planning legal expenses are \$1,861,000 above budget due to unbudgeted costs for Plan change 7 and RPS work on freshwater visions and mediation.
  - Consent appeals is \$178,000 above budgeted legal expense of \$15,000
  - Incident response is \$197,000 above budgeted legal expense of \$85,000.
  - Policy legal response to issues is \$345,000 above budgeted legal expenses of \$36,000.
  - There were also small decreases in other legal expenses which resulted in a \$9,000 reduction in legal expenses from budget.
- Consultant Expenditure was above budget with the two main areas of council above budget being:
  - Consents consultant expenditure was \$1,507,000 above budget
  - Policy consultant expenditure was \$543,000 above budget
- The remaining \$155,000 variance in other expenses was caused by small variances in multiple areas of council.

[13] Other Gains/(Losses) was \$3,101,000 above budget due to the following:

- A \$834,000 gain on the sale of fixed assets with the majority of this, \$807,000, being the profit made on the sale of Kuriwao land. Profits from Kuriwao land sales are held in the Kuriwao Reserve for the sole benefit of the Lower Clutha District.
- The remaining gain above budget was the gain on the valuation of the managed fund due to market movements caused by the effect of COVID-19. The treasury report section later in this paper provides more detail and commentary on the managed fund.

**STATEMENT OF FINANCIAL POSITION**

- [14] Cash and cash equivalents have decreased by \$3,518,000 from the 30 June 2020 position of \$7,898,000. Details of the cash levels at Council for the last 18-month period is discussed in the Treasury section.
- [15] Trade receivables have decreased by \$1,127,000 from the 30 June 2020 position of \$9,412,000. Most of this reduction in trade receivables has been caused by a reduction in sundry debtor accruals (Council-billed time that has not yet been invoiced) due to a focus on interim billing in June 2021.
- [16] Other financial assets are the managed fund asset held with JB Were. The managed fund has increased by \$1,877,000 from the 30 June 2020 position balance of \$23,436,000 due to a gain made in the investment fund as the share market recovers from the impact of COVID-19. Refer to the Treasury section for more detail on the managed fund.
- [17] Other current assets have increased by \$185,000 from the 30 June 2020 position of \$514,000 due to an increase in prepayments.
- [18] Property, plant, and equipment is \$3,291,000 greater than the prior year. This increase is caused by:
- Additions of \$7,092,000, the majority being RITS hardware \$2.6mil and infrastructure additions \$2.5mil
  - Disposals of \$776,000 with the majority being \$715,000 disposed of from Kuriwao endowment land
  - Depreciation of \$3,025,000
- [19] Intangible assets is \$2,051,000 lower than the 30 June 2020 position of \$4,699,000. This decrease is caused by:
- Additions of \$1,007,000, the majority being Aquarius software \$600,000
  - Reclassification of software WIP to RITS hardware (PPE addition classification) upon RITS go-live of \$2,574,000
  - Amortisation of \$484,000
- [20] Investment property and shares in subsidiary (our investment in Port Otago) have not been revalued at the time of this preliminary report. These investments will be revalued for the 30 June 2021 Financial Statements.
- [21] Trade and other payables have increased by \$6,591,000 from the 30 June 2020 position. This movement has been caused by the following:
- Fees received in advance is \$785,000 greater than the prior year.
  - The remaining variance has been caused by a higher accruals and accounts payable balance due to increase expenditure in June due to climate change reliance project expenditure and costs in relation to the environment court for plan change 7.
- [22] At 30 June 2021, a new Statement of Financial Position current liability account, provision, has been made to provide for the likely costs of paying the living wage for bus employees from 1 July 2020 to 30 June 2021. This is still being discussed with the bus operators and has been recorded as a provision instead of an accrual as we are

uncertain of the final cost of this expense however the best estimate at 30 June 2021 is the provision balance of \$784,000.

- [23] Employee entitlements liability has increased by \$328,000 from the prior year 30 June 2020 balance. \$121,000 of this increase is due to the timing of payroll at 30 June with a larger accrual for payroll needed at 30 June 2021 than at 30 June 2020. The remaining increase of \$207,000 has been caused by an increase in accrued leave.
- [24] Reserves have increased by \$245,000 from the 30 June 2020 position.
- [25] Public Equity has decreased by \$8,801,000 from the 30 June 2020 position. Much of this decrease was caused by funding the operating deficit of Council activities.

#### **TREASURY REPORT**

- [26] The treasury report provides information on the management and performance of the Council's short-term deposits and the managed fund held with JB Were.

#### **Short Term Investments – Term Deposits**

- [27] Short term investments held by Council are in the form of term deposits held with banking institutions and managed on the Council's behalf by a separate investment arm of the BNZ under a multi-bank arrangement.
- [28] The day-to-day working capital cash requirement of the Council, including forecasting cash movements in the short-term based on forecast revenues and expenditure, is managed by Finance staff.
- [29] Council's cash-flow, in terms of receipts and payments, fluctuates significantly during the year, particularly with significant revenue streams such as rates and dividends coming in at particular times, and large payments such as GST output tax collected on rates income, becoming payable at one time.
- [30] Funds surplus to immediate cash requirements are deposited into the term deposit portfolio. There were \$nil term deposits at 30 June 2021.
- [31] The attached Treasury Report shows in Graph 1 the amount held at the end of each month during the 18 months to 30 June 2021, identifying the term deposit amount and the amount held on-demand with the BNZ.

#### **Long Term Investments – Managed Fund**

- [32] The Council's managed fund comprises a portfolio of financial instruments managed externally by JB Were.
- [33] The Asset Class Allocation (Treasury Report Table 1) shows the valuation and the percentage of each asset class held compared to the asset allocation percentage specified in the Statement of Investment Policies and Objectives (SIPO).
- [34] Asset allocations remained within the ranges specified in the SIPO at 30 June 2021.
- [35] The Portfolio performance (Treasury Report Table 2) shows the performance of the management fund compared to quarter 1. The full year 12-month movement in market value of the managed fund was \$2,538,000. The total movement in the value of the

managed fund with fees, dividends, interest, and withdrawals taken into account was \$1,877,000.

- [36] During quarter 1, \$1,000,000 was withdrawn from the fund and put into Council operating cash to fund operations.

#### **EXPENDITURE AND FUNDING BY ACTIVITY**

- [37] This report provides information expenditure and funding by activity. Further information and commentary is provided in the Activity Report presented separately to this Committee meeting.

- [38] Note expenditure in this report includes operational and capital expenditure.

#### **CONSIDERATIONS**

##### **Strategic Framework and Policy Considerations**

- [39] There are no Strategic Framework and Policy considerations.

##### **Financial Considerations**

- [40] There are no Financial considerations.

##### **Significance and Engagement Considerations**

- [41] There are no Significance and Engagement considerations.

##### **Legislative and Risk Considerations**

- [42] There are no Legislative or Risk considerations.

##### **Climate Change Considerations**

- [43] There are no Climate Change considerations.

##### **Communications Considerations**

- [44] There are no Communications considerations.

#### **ATTACHMENTS**

1. Statement of Comprehensive Revenue and Expenses for the year ending 30 June 2021 [7.2.1 - 1 page]
2. Statement of Financial Position as at 30 June 2021 [7.2.2 - 1 page]
3. Treasury Report - June 2021 [7.2.3 - 1 page]
4. Activity Report as at 30 June 2021 [7.2.4 - 1 page]

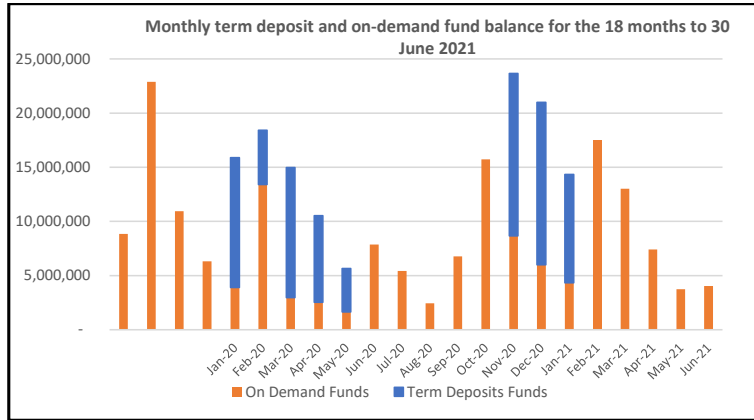
<b>Statement of Comprehensive Revenue and Expenses for year ending 30 June 2021</b>				
Prior Year		Actual YTD	Annual Plan 2021	Variance
\$000		\$000	\$000	\$000
June 2020	Revenue	June 2021	June 2021	
26,501	Rate revenue	27,015	26,957	58
12,235	Subsidies and grant revenue	19,007	11,474	7,533
13,917	Other income	14,383	16,752	(2,369)
9,830	Dividends	10,439	10,100	339
563	Interest and investment income	138	1,000	(862)
<b>63,046</b>	<b>Total Revenue</b>	<b>70,982</b>	<b>66,283</b>	<b>4,698</b>
<b>Expenditure</b>				
(18,089)	Employee benefits expense	(22,876)	(22,743)	(133)
(2,841)	Depreciation and amortisation	(3,509)	(2,967)	(542)
-	Finance costs	(0)	(2)	2
(47,780)	Other expenses	(58,148)	(46,156)	(11,992)
<b>(68,710)</b>	<b>Total Expenditure</b>	<b>(84,533)</b>	<b>(71,868)</b>	<b>(12,665)</b>
<b>(5,664)</b>	Surplus/(deficit)	<b>(13,552)</b>	<b>(5,585)</b>	<b>(7,967)</b>
1,557	Other gains/(losses)	3,413	417	2,996
2,129	Revaluation gain/(loss)- shares of subsidiary	-	7,000	(7,000)
101	Income tax benefit/(expense)	100	-	100
<b>(1,877)</b>	<b>Surplus/(deficit) before tax</b>	<b>(10,039)</b>	<b>1,832</b>	<b>(11,871)</b>



<b>Statement of Financial Position as at 30 June 2021</b>				
	Actual YTD	Prior Year	Variance	Budget YTD
	\$000	\$000	\$000	\$000
	June 2021	June 2020		June 2021
<b>Current Assets</b>				
Cash and cash equivalents	4,380	7,898	(3,518)	6,985
Trade receivables	8,285	9,412	(1,127)	9,591
Property intended for sale	-	-	-	-
Other financial assets	25,313	23,436	1,877	17,502
Other current assets	699	514	185	442
<b>Total Current Assets</b>	<b>38,677</b>	<b>41,260</b>	<b>(2,583)</b>	<b>34,520</b>
<b>Non-current Assets</b>				
Property, plant and equipment	96,236	92,945	3,291	98,254
Investment property	14,948	14,948	-	14,323
Shares in subsidiary	536,364	536,364	-	548,235
Deferred tax asset	98	98	0	98
Intangible assets	2,647	4,699	(2,052)	5,326
<b>Total Non-current Assets</b>	<b>650,294</b>	<b>649,054</b>	<b>1,240</b>	<b>666,236</b>
<b>TOTAL ASSETS</b>	<b>688,971</b>	<b>690,314</b>	<b>(1,343)</b>	<b>700,756</b>
<b>Current Liabilities</b>				
Trade and other payables	(16,909)	(10,318)	(6,591)	(12,503)
Borrowings (current)	-	-	-	-
Provision	(784)	-	(784)	-
Employee entitlements current	(2,143)	(1,815)	(328)	(1,639)
<b>Total Current Liabilities</b>	<b>(19,836)</b>	<b>(12,133)</b>	<b>(7,703)</b>	<b>(14,142)</b>
<b>NET ASSETS</b>	<b>669,135</b>	<b>678,181</b>	<b>(9,046)</b>	<b>686,614</b>
<b>Equity</b>				
Reserves	(557,405)	(557,650)	245	(569,244)
Public equity	(111,730)	(120,531)	8,801	(117,370)
<b>Total Equity &amp; Reserves</b>	<b>(669,135)</b>	<b>(678,181)</b>	<b>9,046</b>	<b>(686,614)</b>

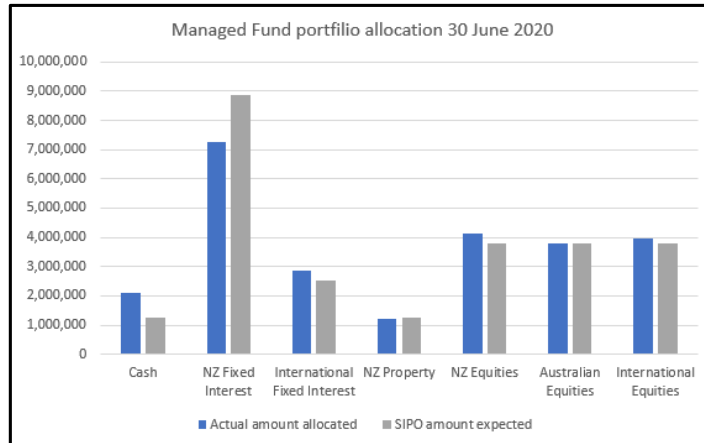
## Treasury Report

### Term Deposits - Portfolio Composition



(Graph 1)

### Managed Fund – Portfolio Allocation



(Graph 2)

### Asset Class Allocation - as at 30 June 2021

Asset Class	Actual amount allocated	%	SIPO amount expected	SIPO target	SIPO acceptable range	SIPO met
Cash	2,113,156	8%	1,265,625	5%	0% - 25%	Yes
NZ Fixed Interest	7,254,408	29%	8,859,373	35%	25% - 45%	Yes
International Fixed Interest	2,853,612	11%	2,531,249	10%	5% - 15%	Yes
<b>Defensive Total</b>	<b>12,221,177</b>	<b>48%</b>	<b>12,656,247</b>	<b>50%</b>	<b>40% - 60%</b>	<b>Yes</b>
NZ Property	1,216,331	5%	1,265,625	5%	2% - 8%	Yes
NZ Equities	4,115,338	16%	3,796,874	15%	10% - 20%	Yes
Australian Equities	3,811,845	15%	3,796,874	15%	10% - 20%	Yes
International Equities	3,947,802	16%	3,796,874	15%	10% - 20%	Yes
<b>Growth Total</b>	<b>13,091,316</b>	<b>52%</b>	<b>6,545,658</b>	<b>50%</b>	<b>40% - 60%</b>	<b>Yes</b>
<b>Total</b>	<b>25,312,493</b>					

(Table 1)

### Portfolio Performance- for the year ended 30 June 2021

Managed Fund Income	Q1 2021 YTD	Q2 2021 YTD	Q3 2021 YTD	Q4 2021 FYTD
Interest on managed fund	1,710	53,233	103,956	153,975
Dividends	47,425	150,874	226,686	309,784
Other	(31,507)	(63,014)	(63,014)	(125,000)
Market Value movement gain/(loss)	770,063	2,115,648	1,956,856	2,538,193
Withdrawal	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Total increase/(decrease) in managed fund</b>	<b>(212,309)</b>	<b>1,256,741</b>	<b>1,224,483</b>	<b>1,876,952</b>

(Table 2)

# Finance Committee Agenda - 25 August 2021 - MATTERS FOR CONSIDERATION

2021/02			Actual			Budget			Variance			General rates			Targeted rates			Actual			Grants			Variance			Other income			Total Revenue			Surplus / (Deficit)			General Reserves			Targeted Reserves			Variance			Other Reserves			Total Funding		
			Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance			
<b>Regional Leadership</b>																																																		
<b>Governance</b>	Public Awareness	G1	3,297	3,370	-73	2,769	2,750	19	-	-	25	-	-	25	28	15	13	2,822	2,768	57	-475	-605	130	475	605	-130	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,297	3,370	-73			
	Financial Contributions	G3	350	350	-	194	192	2	-	-	-	-	-	-	100	116	-16	390	308	-84	57	-42	-14	57	-42	-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	350	-		
	Response to Issues	G4	858	498	360	411	408	3	-	-	-	-	-	-	4	415	408	7	-	-	-	443	90	-353	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	858	498	360			
	Dunedin Head Office Replacement (Financials & Governance)	G5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
		G6	2,361	2,200	161	1,675	1,650	25	-	-	-	-	-	-	17	17	0	1,800	1,650	150	-	-	130	450	330	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,361	2,200	161		
	<b>Total Governance</b>		<b>6,865</b>	<b>6,418</b>	<b>448</b>	<b>5,249</b>	<b>5,211</b>	<b>38</b>	-	-	<b>25</b>	-	-	<b>25</b>	<b>148</b>	<b>131</b>	<b>18</b>	<b>5,422</b>	<b>5,341</b>	<b>81</b>	<b>-1,449</b>	<b>-1,076</b>	<b>-367</b>	<b>1,443</b>	<b>1,076</b>	<b>-367</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>6,865</b>	<b>6,418</b>	<b>448</b>		
<b>Planning</b>	Regional Plan Water	W1	6,020	3,841	2,179	3,170	3,148	22	-	-	-	-	-	-	32	-	32	3,201	3,148	53	-2,818	-693	-2,126	2,818	693	2,126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,020	3,841	2,179		
	Regional Planning	P1	1,417	513	904	423	420	3	-	-	-	-	-	-	4	-	4	427	420	7	-989	-92	-897	988	92	896	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,417	513	904		
	Urban Development Strategy	U1	337	326	11	269	267	2	-	-	-	-	-	-	2	-	2	272	267	5	-65	59	6	65	59	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337	326	11				
	Strategy	S1	707	589	117	487	483	4	-	-	-	-	-	-	4	-	4	491	483	8	-216	-106	-109	216	106	109	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	707	589	117			
	<b>Total Planning</b>		<b>8,481</b>	<b>5,289</b>	<b>3,192</b>	<b>4,349</b>	<b>4,318</b>	<b>31</b>	-	-	<b>25</b>	-	-	<b>25</b>	<b>42</b>	<b>-</b>	<b>42</b>	<b>4,911</b>	<b>4,813</b>	<b>98</b>	<b>-4,089</b>	<b>-950</b>	<b>-3,138</b>	<b>4,089</b>	<b>950</b>	<b>3,138</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>8,481</b>	<b>5,289</b>	<b>3,192</b>		
<b>Total Regional Leadership</b>			<b>15,945</b>	<b>11,686</b>	<b>4,259</b>	<b>9,598</b>	<b>9,529</b>	<b>69</b>	-	-	<b>25</b>	-	-	<b>25</b>	<b>191</b>	<b>131</b>	<b>60</b>	<b>9,913</b>	<b>9,659</b>	<b>254</b>	<b>-5,511</b>	<b>-2,026</b>	<b>-3,485</b>	<b>5,511</b>	<b>2,026</b>	<b>3,485</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>15,945</b>	<b>11,686</b>	<b>4,259</b>			
<b>Environmental</b>																																																		
<b>Water</b>	Freshwater Implementation	W3	1,784	2,327	-544	1,204	1,194	9	680	680	0	67	77	-10	11	-	11	1,961	1,951	10	178	-376	554	231	313	81	-409	-	-409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,784	2,327	-544	
	<b>Total Water</b>		<b>1,784</b>	<b>2,327</b>	<b>-544</b>	<b>1,204</b>	<b>1,194</b>	<b>9</b>	<b>680</b>	<b>680</b>	<b>0</b>	<b>67</b>	<b>77</b>	<b>-10</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>1,961</b>	<b>1,951</b>	<b>10</b>	<b>178</b>	<b>-376</b>	<b>554</b>	<b>231</b>	<b>313</b>	<b>81</b>	<b>-409</b>	<b>-</b>	<b>-409</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,784</b>	<b>2,327</b>	<b>-544</b>
<b>Air</b>	Air Strategy Implementation	A2	110	222	-112	105	104	1	-	-	-	-	-	-	1	-	1	106	104	2	-4	-118	114	-43	23	-66	47	95	-48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110	222	-112			
	<b>Total Air</b>		<b>110</b>	<b>222</b>	<b>-112</b>	<b>105</b>	<b>104</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>106</b>	<b>104</b>	<b>2</b>	<b>-4</b>	<b>-118</b>	<b>114</b>	<b>-43</b>	<b>23</b>	<b>-66</b>	<b>47</b>	<b>95</b>	<b>-48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110</b>	<b>222</b>	<b>-112</b>		
<b>State of Environment</b>	Ambient Air Monitoring	A1	371	296	75	195	194	2	-	-	-	-	-	-	2	-	2	197	194	3	-174	-103	-71	64	43	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	371	296	75			
	LWA	G6	442	432	10	12	12	0	-	-	-	-	-	-	36	-	36	361	364	-4	409	377	32	-33	-55	22	33	3	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	442	432	10				
	Water Quality & Quantity SDE	W2	4,881	4,289	593	2,887	2,864	23	-	-	-	-	-	-	309	309	0	3,196	3,133	63	-1,686	-1,155	-530	1,206	630	576	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,881	4,289	593	
	<b>Total State of Environment</b>		<b>5,694</b>	<b>5,017</b>	<b>677</b>	<b>3,095</b>	<b>3,070</b>	<b>24</b>	-	-	<b>36</b>	-	-	<b>36</b>	<b>371</b>	<b>634</b>	<b>37</b>	<b>3,801</b>	<b>3,704</b>	<b>98</b>	<b>-1,310</b>	<b>-814</b>	<b>-579</b>	<b>1,303</b>	<b>673</b>	<b>627</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>5,694</b>	<b>5,017</b>	<b>677</b>		
<b>Biodiversity/Biosecurity</b>	Biodiversity Implementation	L1	910	795	114	594	590	5	-	-	-	-	-	-	5	-	5	600	590	10	-310	-206	-104	310	130	180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	910	795	114		
	Security	L2	2,284	1,904	380	1,573	1,561	12	-	-	-	-	-	-	282	14	-	4	1,889	1,866	23	-374	-343	-31	374	343	31	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,284	1,904	380		
	Environmental Enhancement	L6	350	350	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	350	350	0		
	Wiring Poles	L7	6,111	1,104	5,007	-	-	-	-	-	-	211	210	1	5,819	828	4,991	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,111	1,104	5,007	
	<b>Total Biodiversity/Biosecurity</b>		<b>8,655</b>	<b>4,153</b>	<b>4,502</b>	<b>2,677</b>	<b>2,169</b>	<b>17</b>	<b>211</b>	<b>210</b>	<b>1</b>	<b>5,819</b>	<b>828</b>	<b>4,991</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>40</b>	<b>8,149</b>	<b>8,088</b>	<b>61</b>	<b>-1,186</b>	<b>-964</b>	<b>-172</b>	<b>784</b>	<b>473</b>	<b>311</b>	<b>81</b>	<b>65</b>	<b>16</b>	<b>250</b>	<b>350</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>8,655</b>	<b>4,153</b>	<b>4,502</b>		
<b>Total Environmental</b>			<b>17,242</b>	<b>13,719</b>	<b>3,523</b>	<b>6,570</b>	<b>6,519</b>	<b>52</b>	<b>891</b>	<b>890</b>	<b>1</b>	<b>6,204</b>	<b>905</b>	<b>5,298</b>	<b>722</b>	<b>634</b>	<b>89</b>	<b>14,388</b>	<b>14,347</b>	<b>4,400</b>	<b>-2,855</b>	<b>-2,772</b>	<b>-83</b>	<b>2,276</b>	<b>1,484</b>	<b>792</b>	<b>-281</b>	<b>-213</b>	<b>-484</b>	<b>860</b>	<b>1,075</b>	<b>-215</b>	<b>17,242</b>	<b>13,719</b>	<b>3,523</b>															
<b>Regulatory</b>																																																		
<b>Incident Response</b>	Incident Response	I1	2,007	1,819	279	1,255	1,245	10	-	-	-	-	-	-	534	300	234	1,788	1,545	243	-309	-274	-35	304	274	30	-	-	-	-	-																			

### 7.3. Annual Plan 2022-23 Process and Timetable

<b>Prepared for:</b>	Finance Committee
<b>Report No.</b>	CS2123
<b>Activity:</b>	Governance Report
<b>Author:</b>	Mike Roesler, Corporate Planning Manager
<b>Endorsed by:</b>	Nick Donnelly, General Manager Corporate Services
<b>Date:</b>	16 August 2021

#### PURPOSE

- [1] This report enables Council to consider and provide feedback on the Annual Plan 2022-23 (AP) process and timetable.

#### EXECUTIVE SUMMARY

- [2] Council staff will provide a short presentation to introduce the Annual Plan 2022-23 process.
- [3] The presentation slides are provided as an attachment to this report. Questions and feedback will be invited at this meeting and the approach amended or refined where required.

#### RECOMMENDATION

*That the Finance Committee:*

- 1) **Notes** this report and the Council staff presentation about the Annual Plan 2022-23 process.

#### BACKGROUND

- [4] The Long-term Plan 2021-31 (LTP) cycle includes the 2022-23 (Year 2) and 2023-24 (Year 3) Annual Plans. The Annual Plan 2022-23 will be completed with reference to the adopted content of the LTP, including:
- Community outcomes (i.e., ORC Strategic Directions)
  - Financial forecasts and associated work programme
  - Level of Service content (i.e., service statements, measures, and targets)
  - LGA Strategy and Policy (i.e., Financial Strategy; Infrastructure Strategy; Revenue and Financing Policy; Significance and Engagement Policy; Māori Participation Policy)
  - Committee resolutions that direct staff on our LTP work programme (e.g., key funding policy matters of Flood and Drainage, Water body remediation)
- [5] The process or approach to complete these Annual Plans will enable Council to give effect to the LTP as adopted and introduce change where needed.

## DISCUSSION

- [6] Attachment 1 of this report provides presentation slides about the proposed Annual Plan 2022-23 process. Council staff will present the slides and invite questions and discussion about the process.
- [7] Some points to note regarding the approach (i.e., slides 5 and 6) include:
- **Identify (Sept – Oct 2021):** Council will need to consider changes to the LTP that might be deemed significant in terms of public interest and/or expenditure/funding implications. It is important to identify these items early in the process to enable considered decision-making (e.g., what are the implications for existing priorities, work programmes and resourcing).
    - Considering these matters will also influence how Council decides to consult with the community. If there isn't significant change to the LTP, Council has the option to simply communicate its intent to implement year 2 of the LTP as consulted in April 2021.
  - **Build (Oct – Dec 2021):** Staff will present the revised financial forecasts and work programmes at the 24 November 2021 Finance Committee meeting.
  - **Finalise (Feb – May 2022):** This stage of the approach will be heavily influenced by Council's earlier decision about community consultation. If consultation is not required, then it is likely that less time will be required of Councillors and staff in this stage.

## OPTIONS

- [8] At this stage of the AP process there are no options to decide. This report does however foreshadow different approaches as to whether there is a need for community consultation. Council staff will prepare a recommending report on this matter during the AP process.

## CONSIDERATIONS

### Strategic Framework and Policy Considerations

- [9] The Strategic Directions work initiated with Councillors in 2020 has been embodied in the adopted LTP. The Annual Plan process will reference this work.

### Financial Considerations

- [10] There are no financial considerations at this stage of the process.

### Significance and Engagement

- [11] Adjustments to the LTP will be assessed against the Significance and Engagement Policy during the AP process and reported to Council.

### Legislative and Risk Considerations

- [12] The process outlined in this report is consistent with the relevant planning requirements under the Local Government Act 2002.

### Climate Change Considerations

- [13] There are no climate change considerations relating to this report.

**Communications Considerations**

- [14] A decision of Council about consultation requirements will be required during the AP process. Council staff will prepare a recommending report to enable this decision.

**NEXT STEPS**

- [15] The **Identify** step will include a Council workshop to consider significant adjustments, priorities, and overriding funding.

**ATTACHMENTS**

1. Annual Plan 2022-23\_Finance Committee 25Aug [7.3.1 - 5 pages]



# **Annual Plan 2022/23**

**Finance Committee  
25-Aug-2021**



[www.orc.govt.nz](http://www.orc.govt.nz)

## ■ Purpose

Initiate the Annual Plan process

- What & why (recap)
- Approach
- Timing



## ■ What and why (recap)

### Process to:

- Review and refine LTP forecast budgets & associated work programmes
  - *adapt to change eg better information; evolving or emerging issues; changing regulations; partnerships*
- Amend the LTP if required (significant or material change)
- Consult with community on significant proposals

### Process delivers:

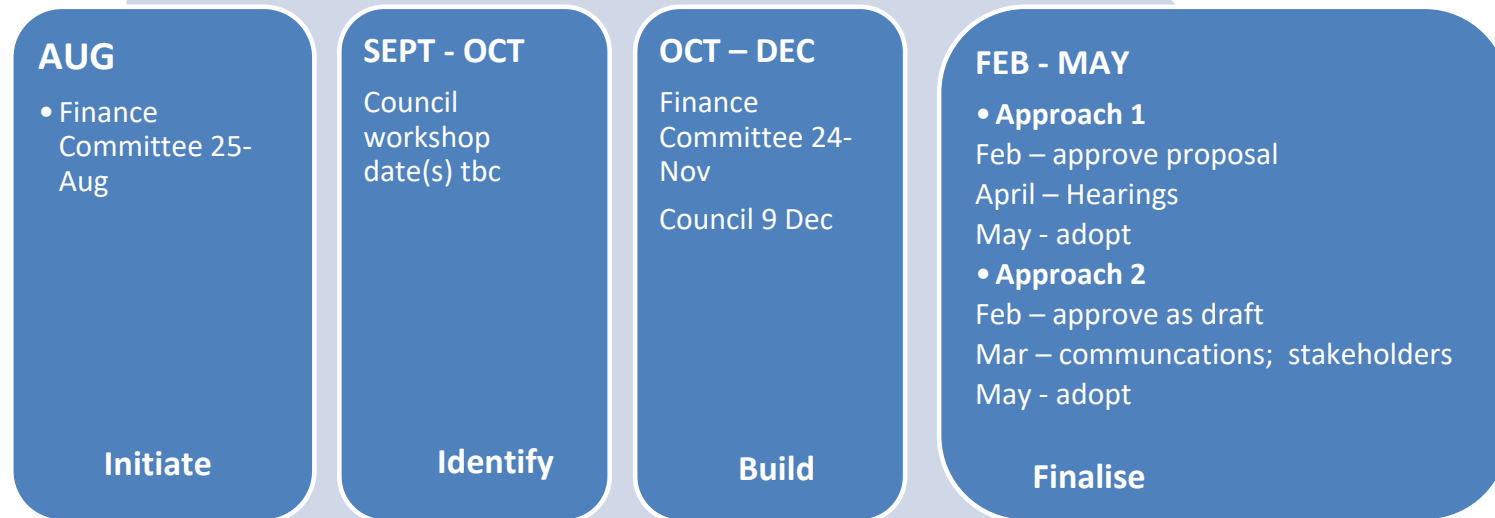
- Information and advice about Council's work programme and resourcing
- Amendment(s) to the LTP ie via statement of proposal
- Special Consultative Procedure (if required)
- The 2022-23 Annual Plan including revised financial statements

### Process is not about recasting / reconsulting the LTP

# ■ Approach

1. **Initiate** – introduce process
2. **Identify**
  - Amendments or significant adjustments
  - Priorities and funding constraint
3. **Build**
  - Refine Year 2 budgets
  - Model detailed expenditure and funding impacts
  - Refine measures targets
  - Stakeholder engagement (where appropriate)
4. **Finalise** – 2 possible approaches:
  - Approach 1: agree proposal(s) for consultation and consult, **or**
  - Approach 2: consider and adopt Annual Plan (no formal consultation; stakeholder engagement)
  - Report progress on policy review work (eg funding policy)

# ■ Timing



  
**We are here**

#### 7.4. Outcome of Interim \$2 Dunedin Fare

<b>Prepared for:</b>	Finance Committee
<b>Report No.</b>	PPT2113
<b>Activity:</b>	Transport: Public Passenger Transport Transport: Transport Planning
<b>Author:</b>	Garry Maloney, Manager Transport
<b>Endorsed by:</b>	Gavin Palmer, General Manager Operations
<b>Date:</b>	11 August 2021

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#### PURPOSE

- [1] This paper seeks decisions from Council on the bus fares that will apply in Dunedin following the end of the Phase 2 (transitional) fare period that was put in place to enable deployment of the new electronic ticketing system.

#### EXECUTIVE SUMMARY

- [2] Prior to the COVID-19 pandemic, the Dunedin bus fares were based on zones reflecting distance travelled.
- [3] In August 2020, Council resolved<sup>1</sup> to implement on an interim basis for Dunedin, a flat Bee Card fare of \$2.00 for adults, \$1.20 for youth and a \$3.00 cash fare (extended by Council in December 2020). The objective sought from simplifying the fares was to enable the earlier and easier implementation of the new electronic ticketing system (achieved - Otago has about 100,000 issued cards and over \$50,000 of those that are registered) and to test the impact of the simplified fare in terms of patronage and revenue implications.
- [4] The outcome of the interim \$2.00 fare has been:
- while total network patronage decreased by 5%, on the longer bus routes (1, 14, 18, 70 and 77), the decrease was only about 1% (but of those longer routes, some routes lost patronage while others gained); and
  - monthly fare revenue decreased by an average of about \$98,000 per month, equating to an annual decrease of \$1.174 million.
- [5] Compared to other regions around the country, the Dunedin \$2.00 bus fare seems to have been more successful in limiting the reduction in patronage as a result of the pandemic. However, it also came at significant cost.
- [6] While bus fares are an important factor in determining patronage, they are not the most important one. There are other factors at play that can be more influential in delivering

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<sup>1</sup> PT1912 Hearing Panel Recommendation on Interim Trial Simplified Dunedin Fares Consultation, 12 August 2020 Council Meeting. The resolution adopted by Council approved the flat fare system per the paper, reduced the children's fare to \$1.20 and reduced the fare for not tagging off to \$3.00.

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specific travel behaviour outcomes, than fares in isolation (for example parking supply and cost).

- [7] Council's Shaping Future Dunedin Transport business case work will provide direction relating to fares that is most likely to be implemented in Year 3 of the 2021-31 Long Term Plan. That work will also be done in parallel to work by Dunedin City Council on fares and bus priority (which also influence mode shift).
- [8] The decisions that Council will make as to what should happen to fares in Dunedin in the 2021/22 year will also likely apply in the 2022/23 year.
- [9] Council's current policy documents (LTP, RPTP) set out the outcomes that it is seeking for public transport. Fares are one means to deliver those and that is addressed in particular by the RPTP.
- [10] For example, Council is seeking carbon reduction from reduction in single occupant vehicles, but the evidence shows that implementing low fares in isolation to any other measure is unlikely to generate much in the way of carbon reduction. Rising petrol and diesel prices are likely to be more effective achieving this outcome (based on what has happened in the past).
- [11] To determine a way forward for Dunedin bus fares, two options available to Council are:
- Option 1: Determine the outcomes expected of fare to inform future fare-based discussions.
  - Option 2: Council agrees at this meeting the fares to be implemented to replace the current Dunedin Bee Card and cash fares.
- [12] Staff recommend Option 1 (noting this equates to a loss of about \$100,000 per month which may not be recouped and most likely will be borne by the community paying the targeted rate). This will mean the \$2 fare will continue to apply, until Council makes a different fare decision.

## RECOMMENDATION

*That the Committee:*

- 1) **Notes** this report.
- 2) **Agree** the outcomes expected of fares to inform future fare-based discussions.
- 3) **Further** investigate, based on the previous recommendation, fare options to replace the current Dunedin Bee Card and cash fares that give effect to those outcomes.

## BACKGROUND

- [13] Prior to the COVID-19 pandemic, the bus fares applying in Dunedin were (see Table 1):

Zones travelled	Bee Card			Cash	
	Adult	Child	Tertiary student / other	Adult	Child
1	\$1.92	\$1.15	\$1.72	\$2.60	\$1.60
2	\$2.53	\$1.52	\$2.28	\$3.40	\$2.10
3	\$4.44	\$2.66	\$4.00	\$6.00	\$3.60
4	\$7.58	\$4.55	\$6.82	\$10.20	\$6.10
5	\$11.41	\$6.85	\$10.27	\$15.30	\$9.20

Finance Committee 2021.08.25 Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend

Table 1: Dunedin Bus Fares (Pre COVID-19 Pandemic)

- [14] The fare zones were based on distance. Many of the routes acted like two routes because they transition through the bus hub (for example, route 8 starts in St Clair, travels through the Hub and finishes in Normanby).
- [15] As can be seen from the colour-coding in Table 2, there are three general groupings of Dunedin bus routes by distances – up to ten kilometres, 11 to 20 kilometres and in excess of 20 kilometres (see Figure 1). The bulk of routes are less than ten kilometres.

Route #	Route Name	~ Distance (to Hub; kms)
1	Palmerston - City	63
3	Ross Creek - Ocean Grove - Ross Creek	7
5	Pine Hill - Calton Hill	5
6	Calton Hill - Pine Hill	6
8	St Clair - Normanby - St Clair	5
10	Opoho - Shiel hill	6
11	Shiel Hill - Opoho	6
14	Port Chalmers - City	17
15	Ridge Runner	6
18	Portobello - City	34
19	Waverley - Belleknowes - Waverley	5
33	Corstorphine - Wakari - Corstorphine	3
37	Concord - University	5
38	University - Concord	6
44	St Kilda - Halfway Bush - St Kilda	5
50	St Clair Park - Helensburgh - St Clair Park	6
55	St Kilda - Brockville - St Kilda	5
61	City - Kenmure	5
63	Balaclava - Logan Park - Balaclava	4
70	Brighton - Green Island	20
77	Mosgiel - City	19
80	Mosgiel East	8
81	Mosgiel West	6

Table 2: Dunedin bus route distances

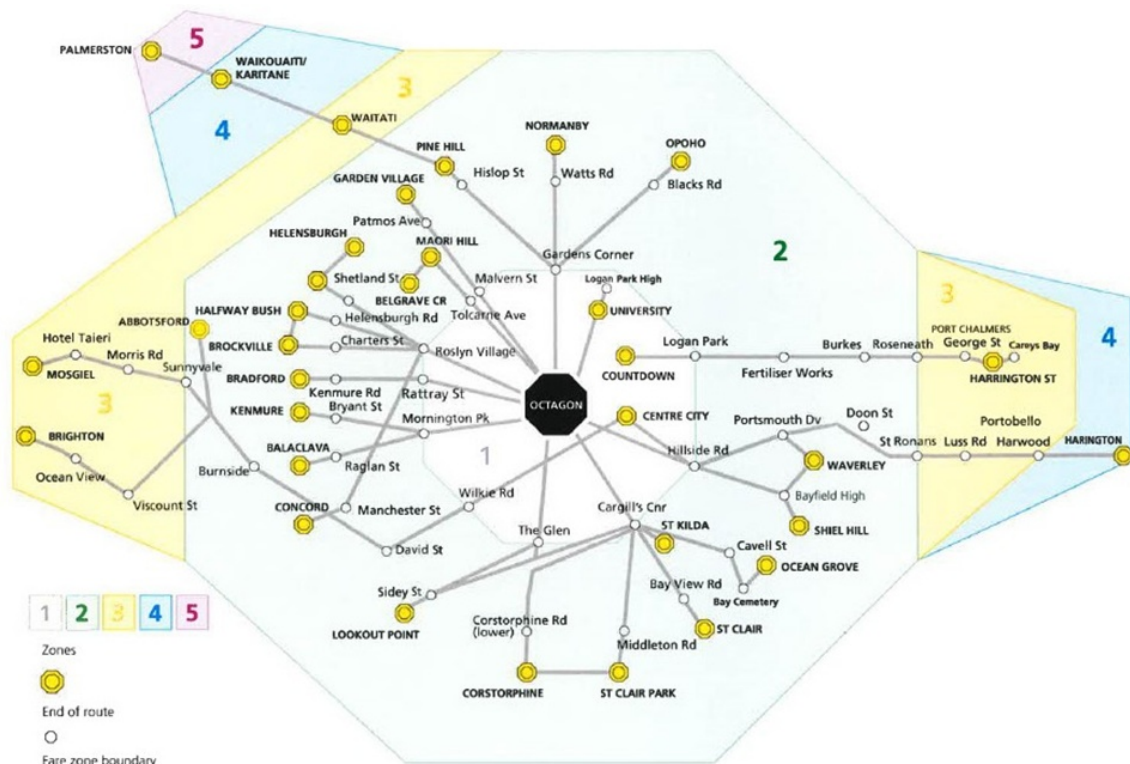


Figure 1: Dunedin Bus Fare Zones (Pre-COVID-19 Pandemic)

- [16] In August 2020 Council resolved to implement the following Phase 1 (transitional) Bee card and cash fares in Dunedin. The objective sought from simplifying the fares was to enable earlier and easier implementation of the new electronic ticketing system.
- [17] A secondary objective was to test the impact of the simplified fare in terms of patronage and revenue implications.
- [18] The August decision removed all five fare zones, effectively increasing fares for Zone 1 passengers, but reducing (and for some, significantly) the cost for passengers travelling two or more Zones.
- [19] The bus routes that benefitted the most from this change were routes 1 (Palmerston – City - Palmerston), 14 (Port Chalmers – City – Port Chalmers), 18 (Portobello – City – Portobello), 70 (Brighton – Green Island – Brighton), 77 (Mosgiel – City – Mosgiel).
- [20] On 9 December 2020, Council further resolved to “approve fare Option D2 (retain the current fares [excluding SuperGold Card] at least until the end of the 2020/21 financial year” for Dunedin (see Table 4).

	Bee Card		Cash
	Adult	Youth	All
All	\$2.00	\$1.20	\$3.00
SuperGold Card	Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend		

Table 4: Phase 2 Dunedin Transitional Fares (Post February 2022)

- [21] On 9 December 2020, Council also received a report on the Council's proposed projects within the wider Shaping Future Dunedin Transport Programme (SFDT)<sup>2</sup>, for consideration for inclusion in the 2021-2031 Long Term Plan (which it agreed).
- [22] A key output of the SFDT Programme is a mode shift programme. For public transport, the aspiration of the programme is to increase travel to work by public transport from 3.4% in 2018, to 8% in 2030.
- [23] To give effect to that mode shift, target one of the actions on Council that it has included in its Long-Term Plan is to prepare a business case to demonstrate the case for investment in improved public transport services (levels of service and fares).
- [24] Council's SFDT business case work will provide direction relating to fares that is most likely to be implemented in Year 3 of the Long-Term Plan (2023/24). As such, the decisions that Council will make as to what happens to fares in Dunedin in the 2021/22 year will also apply in the 2022/23 year.

## **\$2 TRANSITIONAL FARE OUTCOMES**

- [25] As noted, objectives of the \$2.00 fare were to enable the earlier and easier implementation of the new electronic ticketing system (achieved) and to test the impact of that fare in terms of patronage and revenue implications.
- [26] In summary:
- total network patronage decreased by 5% between September 2020 to February 2021, compared to 12 months ago.
  - patronage on the longer bus routes (1, 14, 18, 70 and 77) had mixed results – routes 1 (Palmerston), 70 (Brighton) and 77 (Mosgiel) saw an increase, while routes 14 (Port Chalmers) and 18 (Peninsula) saw decreases. Combined, the five routes decreased by about 1% between September 2020 to February 2021, compared to 12 months ago.
  - monthly fare revenue decreased by about \$98,000 per month and was most evident on the longer routes

### **Patronage**

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<sup>2</sup> In 2018, the announcement of the site for the new Dunedin Hospital was the catalyst for additional transport planning work exploring how the transport network could support access to the site. This initially focussed on the arterial network and whether removing the SH1 one-way system and replacing it with a two-way system would enhance hospital access and deliver other city benefits. This work was further developed through the Shaping Future Dunedin Transport Programme Business Case.

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[27] Comparing September 2020 to February 2021 total patronage with the same period one

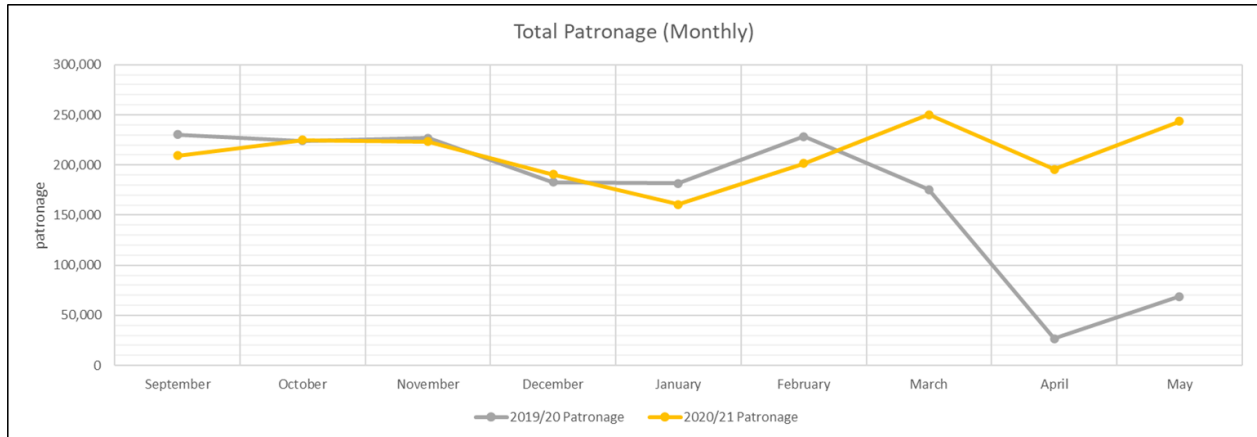


Figure 2: Total Dunedin Bus Network Patronage Comparison

year ago<sup>3</sup>, shows that it has decreased between the two years by 5% (see Figure 2).

[28] For the longer routes (1, 14, 18, 70, 77) that benefitted the most from the flat fare, patronage decreased by 1% (see **Error! Reference source not found.**).

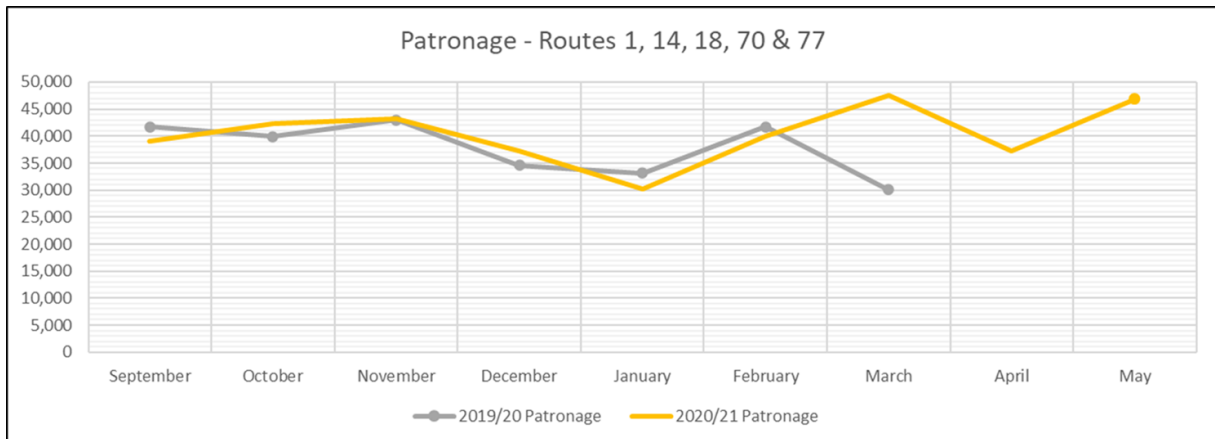


Figure 3: Dunedin Bus Routes 1, 14, 18, 70, 77 Patronage Comparison

[29] Within those longer routes was some variability with route 14 for example, showing a 10% patronage reduction between September 2020 and February 2021 compared to the same period 12 months ago, while route 77 showed a 2% increase.

[30] In terms of patronage class, the youth class showed almost a 7% patronage increase between September 2020 and February 2021 compared to the same period 12 months ago. While the adult class showed a significant increase (21%), it must be remembered that this class also included the former tertiary and Go Card Extra concession groups. SuperGold Card patronage showed a decrease of 8%.

<sup>3</sup> This period has been selected to reflect comparable data. In late March 2020 the COVID-19 Pandemic arrived, and bus fares ceased to be collected on buses until the Bee Card was introduced in September 2020.

- [31] For the Adult and Youth patronage classes, the simplified fares saw passengers move further away from paying cash for their travel to using the Bee Card instead. Previously, about 83% of passengers used the Go Card to pay for their travel, but for the period September 2020 and February 2021, that grew to 94%.
- [32] In terms of fare revenue collected across the Dunedin bus network, Figure 4 shows a comparison for the last two years.
- [33] For September 2020 to February 2021, on average the transitional fares generated about \$98,000 less per month than the same period 12 months ago. On an annual basis, that equates to a loss of \$1.174 million.
- [34] And while the Mosgiel route for example showed patronage growth, it also returned a reduction in fare revenue (as the bulk of passengers went from paying \$4.44 to \$2.00).

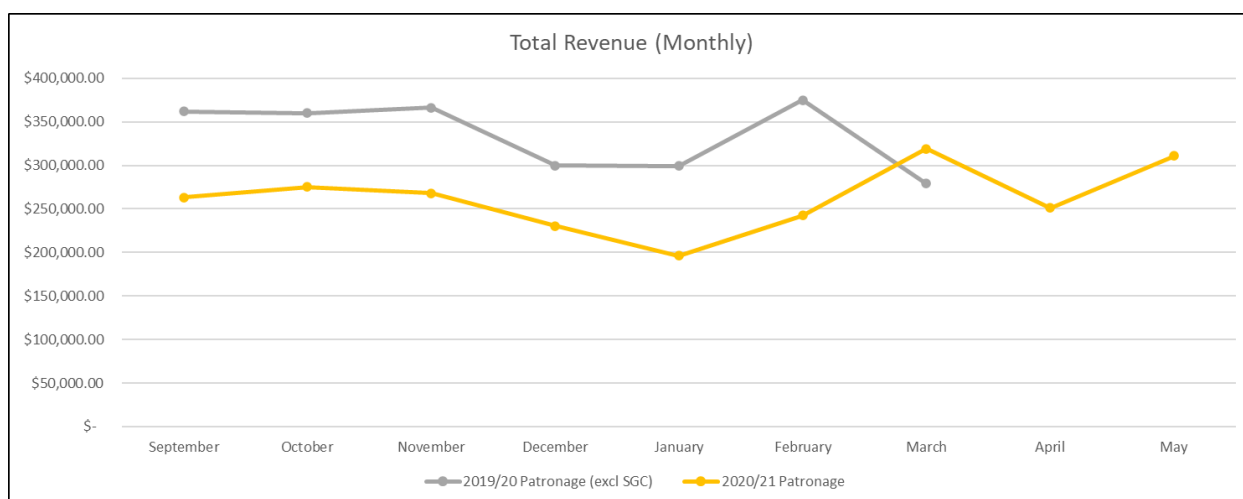


Figure 4: Total Dunedin Bus Network Fare Revenue Comparison

### LONG TERM PLAN

- [35] *“The purpose of the Long-term Plan is to provide direction for Council decision making and set Council work programme priorities and detailed budgets for the first three years, in less detail to ten years and beyond” (page 4, 2021-31 ORC LTP).*
- [36] Council’s 2021-31 Long Term Plan (LTP) contains a community outcome for sustainable, safe and inclusive transport. That means:
  - *“People travel safely in Otago, on land and on water. Otago’s people transition away of fossil-fuel private cars, and increasingly choose to travel by bus, on foot or on a bike.*
  - *Public transport is accessible, and offers a sustainable, safe and inclusive means of transport.”*
- [37] Council will measure delivery of outcome above by a range of performance measures, one of which is to annually increase Dunedin public transport boarding’s per capita.

## REGIONAL PUBLIC TRANSPORT PLAN

- [38] The new Regional Public Transport Plan (RPTP) seeks to:
- contribute to carbon reduction (goals 2 and 8 in paragraph [58] below);
  - contribute to social and economic prosperity (goals 6 and 7);
  - retain and attract new customers that are highly satisfied with the service (goal 2); and
  - deliver affordable fares (goals 1, 3, 4, 6 and 7).
- [39] The RPTP addresses the matter of fares in section 5.5. The policies in this section give effect to the Objective of:
- *“deliver fares that are affordable for both users and communities.”*
- [40] Policy 5.5.1 states that we will *“deliver fares that are affordable for both users and communities”* by providing *“a simple and easy to understand fare structure across the regional public transport network”* and reward *“customers for frequent travel through fare capping”*.
- [41] Fare capping limits how much a passenger pays for all their trips in a day, week or month. Once their purchases in a day, week or month add up to a certain value, their travel for the remaining period of time is free.
- [42] Policy 5.5.2 states that we will *“regularly review fares to ensure they meet customer expectations and are financially viable.”* In reviewing those fares Council will give regard to the desire to fund the bus network equitably, increase bus patronage, affordability, and convenience of bus travel, along with the need to fund service level improvements”.
- [43] Policy 5.5.3 states that Council will *“provide and apply consistent fare concessions to targeted groups to improve community access to the public transport network,”* through continuing to support the SuperGold Card free-travel concession, a concession for youth (up to and including 18 years old) and Total Mobility.
- [44] Greater fare concessions were sought in submissions to the Draft RPTP, especially for tertiary students and members of our community that were disabled.
- [45] Policy 5.5.4 states that Council will *“ensure that public transport users make a fair contribution to the operation of the public transport network.”*
- [46] In summary, key themes running through the RPTP policy are that fares should be affordable for users and the resulting net cost of services to the wider community; they should be simple, consistent and reward frequent use.

## BUS SATISFACTION SURVEYS

- [47] Council has conducted passenger satisfaction surveys of Dunedin bus users in 2019 and 2021. One of the questions posed to customers is whether they think the cost of using the service (the fare) offers value for money.

- [48] In 2019 (based on the five fare zones), 82% of passengers were of the view that the fare did offer value for money and in 2021 (based on the \$2.00 fare), 94% held that view.
- [49] Clearly a higher proportion of customers think \$2.00 offers better value for money than the former five zone adult fares, but the 82% value from two years ago is also significant.
- [50] As part of the 2021 Dunedin bus satisfaction survey<sup>4</sup>, staff also took the opportunity to ask adult customers about the \$2.00 fare. In summary:
- for 70% of passengers that responded, before Council introduced the \$2 Bee card fare, their bus fare normally cost more;
  - for 71% of passengers would normally make their trip by bus, 14% by car (driver or passenger) and 8% by walking and cycling; and
  - for 67% of passengers, the \$2 Bee card fare encouraged them to use the bus more.

### **CONNECTING DUNEDIN**

- [51] As noted earlier in the report, Council is part of the Connecting Dunedin partnership with Dunedin City Council (DCC) and Waka Kotahi NZ Transport Agency (WKNZTA).
- [52] Both submitted on the Draft RPTP about fares.
- [53] A summary of the DCC submission relating to the \$2.00 fare is:
- (DCC) support simple and affordable bus fares. Would like \$2 to remain or lower. Suggest trialling \$1 fares or free to address the issue where short trips are now more expensive than prior to the introduction of the Bee card. Lower fares will encourage mode shift and contribute to Dunedin's goal of being net carbon zero by 2030. DCC seeks clarity on fares from July 2021 and welcome opportunity to work collaboratively to ensure affordable fares are maintained. DCC sees low fares as major contributor to achieving these goals in Objective one.
- [54] A \$1 fare across the network (instead of a \$2 fare) would further reduce the amount of fare revenue collected by Council and that would equate to about an additional (on the cost of the \$2 fare revenue reduction) monthly loss of \$73,000 - \$96,000 (\$0.9 million - \$1.15 million per annum).
- [55] Subsequent to the RPTP process, Council officers engaged with DCC colleagues to further discuss Dunedin bus fares. Consistent with the above position, those colleagues at an officer level indicated some support for fare-capping and suggested implementation of a fare-free zone between the Museum and The Exchange.
- [56] The WKNZTA submission referred to the national position on fare recovery.

### **FARES AS A CONTRIBUTOR TO SUCCESSFUL PUBLIC TRANSPORT SYSTEMS**

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<sup>4</sup> Survey sample of 204; conducted across the Dunedin bus network and on week and weekend days. Children were not included in the on-street survey because they are minors.

[57] The main objective of any public transport fare system is to charge passengers to recover some of the cost of providing the services they use.

[58] Determining what to charge passengers requires balancing competing goals such as:

1. *“maintain or increase revenue ...;*
2. *maximise patronage/public transport mode share ...;*
3. *diversify ridership, by purpose and demographic ...;*
4. *offer simplicity ...;*
5. *use network resources efficiently ...;*
6. *provide for social inclusion ...;*
7. *be ‘fair’ or ‘equitable:*
  - 7.1. *equity between communities. Distance-based fares mean residents of more remote communities, who travel longer distances on average, tend to pay more. This may seem ‘inequitable’ for those people especially if they are living remotely because they cannot afford to live closer to the city centre. Users in these areas may also be people who have fewer transport options to choose from.*
  - 7.2. *Equity by ability to pay. People with low incomes or fixed incomes may be less able to afford public transport services. It may be considered ‘equitable’ to provide targeted subsidies to these people to ensure that they have the ability to reach employment, education, and social services. This relates to the desire to provide for social inclusion mentioned above.*
  - 7.3. *Equity by usage. Another point of view would say that it is perfectly equitable to charge higher fares for longer trips. A person who rides further on the transit system appears to be consuming more of it, so should pay more. On this view, people who live in outlying communities where average commutes are longer should expect to, and may be willing to, pay more for transit, just as they would pay more in fuel costs to drive.*
  - 7.4. *Equity by share of cost of providing service. Some services are much more expensive to offer than others. Should these services cost more? A system that really tried to be equitable by cost would divide the cost of providing a service by the number of people using it, in the same way that several passengers sharing a taxi would divide the taxi fare ...*
8. *Contribute to a sustainable urban form and cleaner environment’<sup>5</sup>.*

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<sup>5</sup> See: Behaviour change and patronage growth initiatives, 2018, pages 6 -9, prepared by MR Cagney for BoPRC.

- [59] Bus fares are an important factor in determining patronage, but not the most important (frequency and reliability are)<sup>6</sup>.
- [60] In general, all other factors being equal, the lower the bus fare, the greater the patronage growth. However, patronage growth does not necessarily equate to greater mode shift from motor vehicles and/or carbon reduction.
- [61] For example, a review of free public transport in Europe as a means to achieve transport policy objectives such as mode shift to public transport was undertaken by Nils Fearnley<sup>7</sup>. While “free” is different from “low”, his conclusions on the value of “free” are generally transferable to “low” fares to some degree. He concluded:
- *“... reductions in car traffic are best obtained through restrictions on car use (for example, parking supply and pricing). It follows that public transport fares are well suited to influence public transport passenger demand volumes, and less effective in changing anything else ...*
  - *Free public transport can greatly improve public transport modal share, not by taking passengers from other motorised modes, but through the generation of substantial amounts of new travel and by substituting walk and cycle trips.”*
- [62] Much has been made of the impact of the introduction of the \$2.00 fare in Queenstown in November 2017, but it needs to be remembered that prior to that date:
- standard adult single fares ranged from \$5.50 to \$15.00.
  - compared to Auckland, Wellington, Christchurch, and Dunedin, on a fare price per kilometre basis Queenstown was significantly more expensive (for example, two to three times more expensive than Dunedin).
  - parking fees in Queenstown had remained unchanged since 2010 and were considered to be very low (on-street parking was about \$2.00 per hour). Additionally, there was a large amount of free car parking available within walking distance. Immediately following the introduction of the new bus service, parking charges doubled (for example, on-street parking went from \$2.00 per hour to \$4.00).
  - the demand for an improved public transport system was driven by significant, sustained commercial and residential development and a corresponding increase in tourism and traffic congestion.
  - the new fares were introduced at the same time as a revamped bus network was implemented. The new service was based on a newer fleet with air conditioning, bike racks and free Wi-Fi, greater frequency and a simple legible timetable and route structure that eliminated or minimised route variations.

## DISCUSSION

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<sup>6</sup> See BoPRC Public Transport Committee Agenda for 9 November 2018, pages 25-150.

<sup>7</sup> N Fearnley, 2013, Free Fares Policies: Impact on Public Transport Mode Share and Other Transport Policy Goals.

- [63] As noted earlier in the report, in making decisions to try a \$2.00 flat fare in Dunedin, Council's implicit goal seems to have been to grow patronage.
- [64] Compared to other regions around the country, the Dunedin \$2.00 bus fare seems to have been more successful in limiting the reduction in patronage due to the COVID-19 pandemic (so partial success). While it appears to have incentivised extra patronage on some longer bus routes (e.g., Mosgiel), that was not replicated on others. However, it also came at significant cost.
- [65] While bus fares are an important factor in determining patronage, they are not the most important one. There are other factors at play that can be more influential in delivering specific travel behaviour outcomes, than fares in isolation.
- [66] Council's current policy documents (LTP, RPTP) articulate the outcomes that it is seeking for public transport and while fares are one means to deliver those, it is clear from the evidence that further clarity is required on what Council is seeking to achieve from fares.
- [67] For example, if Council is seeking carbon reduction from reductions in single occupant vehicles, implementing low fares in isolation to any other measure is unlikely to generate much in the way of carbon reduction. Rising petrol and diesel prices are likely to be more effective achieving this outcome (based on what has happened in the past).
- [68] To give effect to the mode shift target in the SFDT Programme, one of the actions on Council that it has included in its Long Term Plan is to prepare a business case to demonstrate the case for investment in improved public transport services (levels of service and ***fares***).
- [69] Council's SFDT business case work will provide direction relating to fares that is most likely to be implemented in Year 3 of the Long Term Plan (2023/24). That work will also be done in parallel to work by Dunedin City Council on fares and bus priority (which also influence mode shift).

## OPTIONS

- [70] To determine a way forward for Dunedin bus fares, two options available to Council are:
1. Option 1: Determine the outcomes expected of fares to inform future fare-based discussions.
  2. Option 2: Council agrees at this meeting to fares to be implemented to replace the current Dunedin Bee Card and cash fares.
- [71] Staff recommend Option 1. This will mean the \$2 fare will continue to apply, until Council makes a different fare decision.
- [72] Should Council wish to proceed with Option 2, there are an almost infinite number of options that could be picked from (and they will all have financial implications).
- [73] While Option 1 comes at a cost (loss of about \$100,000 per month which may not be recouped and most likely be borne by the community paying the targeted rate), choosing Option 2 will likely deliver a sub-optimal result. For example, for some

Councillors, setting fares that deliver equity by ability to pay will be most important, while for others, it might be to maximise patronage or increase revenue.

[74] Option 1 will also provide an opportunity for further engagement with Connecting Dunedin partners on this matter.

[75] Should Council wish to proceed with Option 2, some fare sub-options are:

1. Option A: status quo;
2. Option B: pre-COVID-19 fares (excluding the tertiary student/other concession); and
3. Option C: Hybrid – reintroduce zones and weekly fare capping.

#### **Option A**

[76] Option A would see fares remain at the same level as they have been from September 2020 (see Table 4). It comes as an average loss of \$98,000 per month, which is unbudgeted and over a year equates to a reduction of \$1.174 million. The 2021/22 public transport expenditure budget is \$32.7 million.

#### **Option B**

[77] With the exclusion of the tertiary student/other concession, Option B would see fare zones and fares return to the way they were before March 2020 (see Table 1).

[78] The routes most affected by Option 2 would be routes 1 (Palmerston – City - Palmerston), 14 (Port Chalmers – City – Port Chalmers), 18 (Portobello – City – Portobello), 70 (Brighton – Green Island – Brighton), 77 (Mosgiel – City – Mosgiel).

[79] While the financial implications of this option have not been assessed, it should generate a reduction in patronage, but be more likely to generate increased fare revenue.

#### **Option C**

[80] Option C proposes to:

- reintroduce three fare zones:
  - Zone 1 would combine the pre-COVID-19 fare zones 1 and 2 (refer to Figure 1);
  - Zone 2 would replace the pre-COVID-19 fare zone 3 including Harington (refer to Figure 1);
  - Zone 3 would replace the pre-COVID-19 fare zones 4 and 5 (refer to Figure 1);
- raise the single trip Bee Card and cash fares for each Zone; and



- to offset that increase, introduce weekly fare capping for Bee Card users for new Zones 1 and 2 (see Table 5 below):

Bee Card					Cash
	Adult - Single	Adult - Weekly Fare Cap	Youth	Youth - Weekly Fare Cap	All
Zone 1	\$2.50	\$20.00	\$1.50	\$12.00	\$3.00
Zone 2	\$4.00	\$32.00	\$2.50	\$20.00	\$6.00
Zone 3	\$7.50	N/A	\$4.50	N/A	\$10.00
SuperGold Card	Free weekday 9:00 am - 3:00 pm, after 6:30 pm; all weekend				

Table 5: Option C - Phase 3 Dunedin Fares

- [81] The routes most affected by Option 2 would be routes 1 (Palmerston – City – Palmerston), 14 (Port Chalmers – City – Port Chalmers), 18 (Portobello – City – Portobello), 70 (Brighton – Green Island – Brighton), 77 (Mosgiel – City – Mosgiel).
- [82] While the financial implications of this option have not been assessed, it should generate a reduction in patronage, but be next most likely to generate increased fare revenue.
- [83] For the majority of Dunedin City (Zone 1), the introduction of fare capping gives some parity to the current \$2.00 fare (and gives effect to the RPTP).
- [84] A qualitative assessment of options A to C against the goals discussed in paragraph [58] shows:

Goals	Option A	Option B	Option C	
Maintain or increase revenue	x x x	✓✓✓	✓✓	
Maximise patronage	✓✓✓	x x x	✓	
Maximise public transport mode share	✓	x x	x	
Diversify ridership, by purpose and demographic	x	x x	✓✓	
Offer simplicity	✓✓	x x x	x x	
Use network resources efficiently	□	□	□	
Provide for social inclusion	✓	x	x	
Contribute to a sustainable urban form and cleaner environment	✓	x x	x	
Be 'fair' or 'equitable':	Equity between communities	✓✓✓	x x x	x
	Equity by ability to pay	✓	x	x
	Equity by usage	x x x	✓✓✓	✓✓
	Equity by share of cost of providing service	□	□	□

Table 6: Qualitative assessment of Options A to C

- [85] While it appears in Table 6 that Option A may be the best one, it should be noted that all the Goals in the Table have equal weighting. That is unlikely to be the case with respect to the outcomes that Councillors may be seeking and best demonstrates why staff are recommending Option 1.

## CONSIDERATIONS

### Strategic Framework and Policy Considerations

[86] The Council's strategic and policy framework considerations are addressed in the report.

#### **Financial Considerations**

[87] Option 1 comes at a cost of about \$100,000 per month which may not be recouped.

[88] As noted at previous meetings, the Dunedin Passenger Transport Reserve currently has a negative balance of \$6.5 million. That may increase further and as advised at previous meetings will need be rebuilt over the life of the LTP.

[89] The outcomes that Council is seeking from fares may also be different to those that form the basis for the current targeted rate, in that any new outcomes (for example, greater social inclusion and/or equity by ability to pay) may redistribute the benefits. If this is the case, Council should review the basis on how the targeted rate applies to beneficiaries.

#### **Significance and Engagement Considerations**

[90] The LTP and RPTP were consulted on in accordance with the consultation principles set out in the Local Government Act 2002.

[91] There is no requirement in the RPTP to consult on bus fare changes.

#### **Legislative and Risk Considerations**

[92] The proposal has some revenue risk for the current financial year as outlined above.

#### **Climate Change Considerations**

[93] Public transport and mode shift are avenues for greenhouse gas reduction in our communities. Future Council decisions on fares will consider how they give effect to the issue of climate change.

#### **Communications Considerations**

[94] At an Officer level, staff have engaged with DCC.

[95] Following Council decisions on this matter there will need to be communications released to the Council's Connecting Dunedin partners and the Dunedin community.

[96] Regarding staff recommendations in this report, any communications considerations that have a bearing on those have been addressed in this report.

#### **NEXT STEPS**

[97] The next step is to schedule a Council workshop including a timeline to implement new Dunedin bus fares.

#### **ATTACHMENTS**

Nil

## 7.5. Annual Returns of Inactive Subsidiaries

**Prepared for:** Finance Committee  
**Report No.** CS2134  
**Activity:** Governance Report  
**Author:** Sarah Munro, Manager Finance, Reporting  
**Endorsed by:** Nick Donnelly, General Manager Corporate Services  
**Date:** 9 August 2021

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### PURPOSE

- [1] Due to the significance and profile of the Regional Services Business Unit, the Council, solely for name protection purposes, registered the following companies in April 2006:
- Regional Services Limited;
  - Regional Pest Services Limited;
  - Regional Monitoring Services Limited.
- [2] The companies are inactive, and do not have constitutions. The companies are owned 100% by the Otago Regional Council, with a share issue of 100 shares in each company. We consider it important to retain these companies, as this will ensure that the names cannot be used by any other party. The use of these names would suggest a linkage to the Otago Regional Council.
- [3] Section 214 of the Companies Act 1993 requires that an Annual Return be completed for each of the above companies each year by 30 September. The Annual Return includes providing information on shareholding, auditors and Annual General Meetings.

### EXECUTIVE SUMMARY

- [4] Under the Companies Act each company is to have either an Annual General Meeting, or under Section 122 of the Companies Act the shareholders may pass a special resolution that it shall not be necessary for a company to hold an annual general meeting if everything required to be done at that meeting is done by resolution.
- [5] At an Annual General Meeting, the company must decide whether to appoint an auditor. A company need not appoint an auditor if a unanimous resolution is passed by all the shareholders.
- [6] Given that the companies are inactive, it is recommended that Council pass two resolutions for each of the companies, the first to not hold an Annual General Meeting, and the second to not appoint an auditor.

## **RECOMMENDATION**

- 1) *That it shall not be necessary for Regional Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 2) *That no auditors be appointed for Regional Services Limited under section 196 (2) of the Companies Act 1993.*
- 3) *That it shall not be necessary for Regional Pest Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 4) *That no auditors be appointed for Regional Pest Services Limited under section 196 (2) of the Companies Act 1993.*
- 5) *That it shall not be necessary for Regional Monitoring Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 6) *That no auditors be appointed for Regional Monitoring Services Limited under section 196 (2) of the Companies Act 1993.*

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

[7] There are no strategic framework and policy considerations.

### **Financial Considerations**

[8] There are no financial considerations.

### **Significance and Engagement Considerations**

[9] There are no significance and engagement considerations.

### **Legislative and Risk Considerations**

[10] There are no legislative or risk considerations.

### **Climate Change Considerations**

[11] There are no climate change considerations.

### **Communications Considerations**

[12] There are no communications considerations.

## **NEXT STEPS**

[13] Finance staff will file the Annual Return for the three subsidiary companies by 30 September 2021.

## **ATTACHMENTS**

Nil

