

Finance Committee Agenda - 23 Feb 2022



Meeting conducted in the Council Chamber at Lvl 2, Philip Laing House
144 Rattray St, Dunedin (Councillors and participating staff only)

Members of the public may view via livestream at: [Otago Regional Council YouTube Channel](#)

Members:

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

Senior Officer: Sarah Gardner, Chief Executive

Meeting Support: Liz Spector, Governance Support Officer

23 February 2022 10:00 AM

Agenda Topic

Page

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 governance@orc.govt.nz 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 previous Finance Committee meetings will be considered as a true and accurate record with or without corrections.

5.1 [Minutes of the 24 November 2021 Finance Committee meeting](#)

6. PRESENTATIONS

6.1 Port Otago Half-Year Report

Port Otago CE Kevin Winders, Board Chair Paul Rea, and Port CFO Stephen Connolly will present the report.

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7.	ACTIONS	10
	The Committee will review outstanding actions of resolutions of the Finance Committee.	
8.	MATTERS FOR CONSIDERATION	13
8.1	QUARTERLY ACTIVITY AND FINANCE REPORT - 31 DECEMBER 2021	13
	This reports on operational performance by activity and financial performance for Quarter 2 of the 2021/22 Financial Year.	
8.1.1	Activity Performance Report Q2 Dec 2021	15
8.1.2	Activity Financial Report Dec 2021	29
8.1.3	Statement of Comprehensive Revenue and Expenses Dec 2021	34
8.1.4	Statement of Financial Position Dec 2021	37
8.1.5	Treasury Report Dec 2021	39
8.1.6	Detailed Activity Financial Report Dec 2021	40
8.2	DRAFT ANNUAL PLAN 2022/23 AND ENGAGEMENT APPROACH	42
	This report enables Council to achieve a draft position for adjustments to the financial forecasts contained in the LTP 2021-31 and provides a basis for community engagement and final decisions prior to adopting the Annual Plan 2022/23 in June 2022.	
8.2.1	Annual Plan Timetable	53
8.3	TAIERI FLOOD AND DRAINAGE RATES	54
	To report back to the following a meeting of a working party on ways to pilot a review of the Taieri flood and drainage rates.	
8.4	ENVIROSCHOOLS PROGRAMME FUTURE OPTIONS	56
	The report provides Council with options for potential expansion of the Enviroschools programme within Otago to be considered as part of the 2022/23 Annual Plan process.	
8.4.1	Enviroschools report to 11 Aug 2021 Governance, Comms & Engagement Committee	61
9.	RESOLUTION TO EXCLUDE THE PUBLIC	66
	The Committee may resolve to move into public excluded session under LGOIMA (1987) to consider the following items:	
	* Minutes of the public excluded portion of the 24.11.2021 Finance Committee meeting	
	* LGFA Lending	
9.1	Public Excluded Reasons Table	66
10.	CLOSURE	



Minutes of a meeting of the
Finance Committee held in the
Council Chamber on Wednesday, 24 November 2021,
commencing at 10:00 AM

Membership

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

Welcome

Co-Chair Kevin Malcolm welcomed Councillors, those watching the livestream, and staff to the meeting at 10:02 am. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gwyneth Elsum (GM Strategy, Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Amanda Vercoe (GM Governance, Culture and Customer), Liz Spector (Governance Support), Sarah Munro (Manager Finance - Reporting), Sarah Harrisson (Manager Finance - Revenue) and Mike Roesler (Manager Corporate Planning).

1. APOLOGIES

There were no apologies. Cr Kate Wilson and Cr Michael Deaker were present via electronic link.

2. PUBLIC FORUM

There were no requests to address the Committee under Public Forum.

3. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

Moved: Cr Hope

Seconded: Cr Calvert

Motion Carried

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. CONFIRMATION OF MINUTES

Resolution: Cr Calvert Moved, Cr Noone Seconded

That the minutes of the public Finance Committee meeting held on 25 August 2021 be received and confirmed as a true and accurate record.

MOTION CARRIED

Resolution: Cr Calvert Moved, Cr Noone Seconded

That the minutes of the public Finance Committee meeting held on 13 October 2021 be received and confirmed as a true and accurate record.

MOTION CARRIED

6. ACTIONS

Actions on previous resolutions of the Finance Committee were reviewed.

7. MATTERS FOR CONSIDERATION

7.1. Quarterly Activity Report - 30 September 2021

This report was provided to update the Committee on operational performance by activity for the period ended 30 September 2021 being quarter one (Q1) for the 2021-22 financial year. Jasmin Lamorie, Corporate Planning Business Partner, and Nick Donnelly, GM Corporate Services/CFO, were available to respond to questions.

Following questions from Councillors which were responded to by Ms Lamorie, Mr Donnelly and Chief Executive Gardner, Cr Kelliher moved:

Resolution FIN21-122: Cr Kelliher Moved, Cr Hope Seconded

That the Finance Committee:

- 1) *Notes the Council Activity Performance Report for the period 1 July to 30 September 2021 (Q1).*

MOTION CARRIED

7.2. Finance Report - 30 September 2021 Including Public Treasury Report

This paper provided Council's Finance Report for the 3-month period ended 30 September 2021 to the Committee. Sarah Munro, Manager Finance - Reporting, and Nick Donnelly, GM Corporate Services/CFO were present to respond to questions about the report.

Following a discussion of the report, Cr Calvert moved:

Resolution FIN21-123: Cr Calvert Moved, Cr Noone Seconded

That the Finance Committee:

- 1) *Notes this paper and the Finance Report 30 September 2021.*

MOTION CARRIED

7.3. Rates Strike, Collection - 31 October 2021

This report provided the Finance Committee with an update on rates struck for the 2021/22 financial year. Sarah Harrison, Manager Finance - Revenue, and Nick Donnelly, GM Corporate Services/CFO, were present to respond to questions.

Several questions were asked by Councillors and it was noted by Ms Harrison that a substantial increase in the number of rates paid by direct debit had been realised this year. She also mentioned that the number of ratepayers requesting their rates invoice by email had increased by 1000, indicating that ratepayers were becoming more comfortable using electronic technology for receiving and paying their rates invoices.

Following further discussion, Cr Hope moved:

Resolution FIN21-124: Cr Hope Moved, Cr Calvert Seconded

That the Finance Committee:

- 1) *Notes this report.*

MOTION CARRIED

7.4. Annual Plan 2022-2023 - Proposed adjustments to the Long-term Plan

This report was provided to enable Council to advance the Annual Plan 2022/23 (AP) process by considering and directing Council staff on proposed adjustments to the financial forecasts adopted as part of the Otago Regional Council Long-Term Plan 2021-31 (LTP). Mike Roesler, Manager Corporate Planning, and Nick Donnelly, GM Corporate Services/CFO, were present to respond to questions.

Debate was conducted by Councillors about potential rates impact of any significant changes made to the adopted 2021-2031 Long-term Plan. Following the discussion, Cr Calvert submitted a motion:

Resolution FIN21-125: Cr Calvert Moved, Cr Hope Seconded

That the Finance Committee:

- 1) **Endorses** a maximum 18% increase in total rates for year 2 of the LTP and requests a staff report on options for achieving the same, in particular, any assumptions made which would affect the increase.
- 2) **Agrees** that this proposal does not represent a significant or material change as assessed against the ORC Significance and Engagement Policy.
- 3) **Notes** a future report to Council is planned and will enable it to decide an engagement approach.

MOTION CARRIED

7.5. Annual Plan 2022-23 Rating Considerations

This report was provided to update Council on two rating and funding-related resolutions made during deliberations for the LTP 2021-31 on 26 May 2021 and to provide options. Nick Donnelly, GM Corporate Services/CFO, was present to respond to questions.

Resolution FIN21-126: Cr Malcolm Moved, Cr Laws Seconded

- 1) *That this report be laid on the table until a future meeting to be called by the Finance Co-Chairs in consultation with the Chief Executive.*

MOTION CARRIED

Resolution: Cr Malcolm Moved, Cr Laws Seconded

That the Finance Committee:

- 1) *Adjourn this meeting at 12:38pm and reconvene the meeting after the close of the 24 November 2021 1pm Council Meeting.*

MOTION CARRIED

The meeting reconvened at 5:07pm, 24 November 2021.

Cr Hope was an apology for the reconvened meeting due to a previously scheduled ORC commitment.

7.6. Working Party Unbudgeted Expenditure

This report was submitted by Audit and Risk Subcommittee Chairperson Hilary Calvert as a report back from the Subcommittee on proposed actions to manage future unbudgeted expenditures. Cr Calvert asked to take the paper as read. After a discussion about how the proposed process would work, Chief Executive Sarah Gardner asked that the proposal be trialed to allow Councillors to manage their expectations for approving expenditure overruns. Cr Calvert agreed and noted she anticipated the proposal would apply for unbudgeted requests for new work, from both staff and governors, not for business-as-usual work plan overruns which were not significant. After a discussion, Councillors agreed to trial the programme and Cr Laws moved:

Resolution FIN21-127: Cr Laws Moved, Cr Kelliher Seconded

That the Finance Committee:

- 1) **Notes** this report.
- 2) **Endorses** the following trial measures for Council in carrying out its budgetary functions:
 - a. *That during the year when a new expenditure item is identified which is not budgeted for the following procedure is adopted:*
 - i. *The item is identified for discussion and approval before expenditure is approved.*
 - ii. *Consideration is given to substitution of an existing budget item, i.e., move an existing item to a future year.*
 - iii. *Consideration is given to offsetting against another item which will likely be an underspend during the financial year.*
 - iv. *If substitution or offsetting is not used then approval must be actively sought to fund from another funding source, which could include from reserves. The intention here is that Council be comfortable with any variances to the work plan (over and underspends) so that it may actively make decisions around such variances occurring and be in a position to thoughtfully reprioritise these pieces of work.*
 - b. *That significant unbudgeted expenditure is reported as a separate line in the quarterly report to allow for sufficient monitoring.*

MOTION CARRIED

8. RECOMMENDATIONS OF MEETINGS

8.1. Recommendations of the Audit and Risk Subcommittee (public)

Resolution FIN21-128: Cr Calvert Moved, Cr Noone Seconded

That the Finance Committee adopts the resolutions of the 14 October 2021 public Audit and Risk Subcommittee meeting.

MOTION CARRIED

9. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Cr Noone Moved, Cr Kelliher Seconded:

That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987) namely:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<p>Adoption of the recommendations of the public excluded portion of Audit and Risk Subcommittee meetings held on 14/10/2021 and 11/11/2021.</p>	<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 maintain legal professional privilege – Section 7(2)(g)</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>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section</p>	<p>Section 48(1)(a);</p> <p>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>

	7(2)(i) To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)	
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MOTION CARRIED

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

10. CLOSURE

There was no further business and Co-Chair Malcolm declared the public meeting closed at 5:26pm.

Co-Chairperson

Date

Finance Committee Agenda - 23 Feb 2022 - ACTIONS

FINANCE COMMITTEE REGISTER OF RESOLUTION ACTIONS AT 15 FEBRUARY 2022

Meeting Date	Meeting Type	Item	Status	Action Required	Assignees	Action Taken	Date Due
23/11/2021	Finance Committee	GOV2153 Annual Plan 2022-2023 - Proposed adjustments to the Long-term Plan	Completed	Provide a staff report on options to achieve a maximum 18% increase in total rates for year 2 of the LTP to include any assumptions made which would affect the increase. Enable Council to decide an engagement approach along with this report. Res FIN21-125	General Manager Corporate Services and CFO, Manager Corporate Planning	8/12/2021 Nick Donnelly - Staff have undertaken an initial review post this resolution and a revised paper and position is going to Council on 9 December noting changes to date and that staff will continue to review and revise to ensure the 18% limit is achieved. 13/02/2022 Nick Donnelly - This review has been completed and an updated Annual Plan is being provided to the Finance Committee meeting on 23 February 2022.	28/02/2022
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Completed	Develop a region-wide methodology for water improvement funding for the 2022/23 Annual Plan. Res FIN21-106	General Manager Corporate Services and CFO	8/12/2021 Nick Donnelly - A paper went to the Finance Committee meeting on 24 November 2021 and this matter was adjourned to be further discussed at the Council meeting on 9 December 2021. 13/02/2022 Nick Donnelly - This matter was considered by Council at the 9 December 2021 Council meeting. Council resolved not to amend water improvement rating as part of the Annual Plan 2022/23.	30/06/2022
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	Completed	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	2/11/2021 Dianne Railton - Workshop undertaken on 14 October 2021. 8/12/2021 Nick Donnelly - A paper went to the Finance Committee meeting on 24 November 2021 and this matter was adjourned to be further discussed at the Council meeting on 9 December 2021. 13/02/2022 Nick Donnelly - This was reported to the Finance Committee on 24 November 2021 and re-tabled at the Council meeting on 9 December 2021 where it was resolved to have a working group consider options for a review. That action is covered in a separate Council resolution.	31/12/2021
23/11/2021	Finance Committee	GOV2133 Annual Plan 2022-23 Rating Considerations	Completed	This report will be reconsidered at a future meeting to be called by the Finance Co-Chairs in consultation with the Chief Executive. Res FIN21-126	Chief Executive	10/01/2022 Liz Spector - This report was reconsidered at the 9/12/2021 Council Meeting.	10/11/2021

Finance Committee Agenda - 23 Feb 2022 - ACTIONS

Meeting Date	Meeting Type	Item	Status	Action Required	Assignees	Action Taken	Date Due
23/11/2021	Finance Committee	CS2155 Working Party Unbudgeted Expenditure	Completed	<p>Trial the following measures when new unbudgeted expenditures are identified:</p> <p>1. The item is identified for discussion and approval before expenditure is approved.</p> <p>a. The item is identified for discussion and approval before expenditure is approved.</p> <p>b. Consideration is given to substitution of an existing budget item, i.e., move existing item to a future year.</p> <p>c. Consideration is given to offsetting against another item which will likely be an underspend during the financial year.</p> <p>d. If substitution or offset is not used, then approval must be actively sought to fund from another funding source, which could include from reserves. The intention is that Council be comfortable with any variances to the work plan (over- and underspends) so that it may actively make decisions around such variances occurring and be in a position to thoughtfully reprioritise these pieces of work.</p> <p>2. That significant unbudgeted expenditure is reported as a separate line in the quarterly report to allow for sufficient monitoring. Res FIN21-127</p>	General Manager Corporate Services and CFO	<p>8/12/2021 Nick Donnelly - This action will be progressed as the financial year progresses. Reporting for Q1 was already enhanced to include analysis on variances greater than \$100,000. This reporting will continue through future financial reports and Q2 financial reporting will include forecasts for the full year.</p> <p>13/02/2022 Nick Donnelly - The quarterly report being provided to the Finance Committee on 23 February 2022 includes variance analysis as requested.</p>	30/06/2022
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	9/12/2021 Gwyneth Elsum - On track.	
26/05/2021	Finance Committee	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	In Progress	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	9/12/2021 Gwyneth Elsum - On track.	28/02/2022

Finance Committee Agenda - 23 Feb 2022 - ACTIONS

Meeting Date	Meeting Type	Item	Status	Action Required	Assignees	Action Taken	Date Due
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
25/08/2021	Finance Committee	PPT2113 Outcome of Interim \$2 Dunedin Fare	In Progress	Write to the Dunedin City Council and Waka Kotahi to invite them to participate in an independently facilitated (likely public) workshop to consider: a. A joint objective of public transport in Dunedin, which levers that we and others can use to promote those objectives, e.g., parking options and costs; b. Timing of review of fares, with consideration of routes, usage and flexibility of bus services and patronage; c. Coordination of building of planned complementary infrastructure; and, d. Coordination of travel demand management across large city business. Res FIN21-120	Chairperson	17/11/2021 Liz Spector - Discussions are ongoing between the Chair and GMs of Corporate Services and Operations to progress this action. 9/02/2022 Chair Noone - DCC Councillors have agreed to meet with ORC Councillors to discuss PT issues and this item will be discussed when a meeting occurs.	30/11/2021
25/08/2021	Finance Committee	PPT2113 Outcome of Interim \$2 Dunedin Fare	In Progress	Have discussions with DCC and WK in time to include potential financial outcomes in Annual Planning processes prior to end of October. Resolution FIN21-120	Chairperson	17/11/2021 Liz Spector - Discussions are ongoing between Chair and GMs of Corporate Services and Operations to progress this action. 9/02/2022 Chair Noone - DCC Councillors have agreed to meet with ORC Councillors to discuss PT issues and this item will be discussed when a meeting occurs.	30/11/2021
25/08/2021	Finance Committee	PPT2113 Outcome of Interim \$2 Dunedin Fare	Assigned	Invite a standing group of ORC and DCC councillors and officers to enhance and guide Dunedin public transport. Res FIN21-120	Chairperson	9/02/2022 J Chair Noone - DCC Councillors have agreed to meet with ORC Councillors to discuss PT issues and this item will be discussed when a meeting occurs.	12/08/2021

8.1. Quarterly Activity and Finance Report - 31 December 2021

Prepared for: Finance Committee
Report No. CS2202
Activity: Governance Report
Author: Sarah Munro, Finance Manager – Reporting
Jasmin Lamorie, Corporate Planning Business Partner
Nick Donnelly, General Manager Corporate Services
Endorsed by: Nick Donnelly, General Manager Corporate Services
Date: 23 February 2022

PURPOSE

- [1] To present the Council's Activity and Financial Performance Reports for the six-month period ended 31 December 2021.

RECOMMENDATION

That the Finance Committee:

- 1) Notes** this paper and the attached Activity and Financial Performance Reports for the period 1 July 2021 to 31 December 2021 (quarter 2 of the 2021-22 financial year).

BACKGROUND

- [2] This report includes financial and non-financial performance information relating to the major aspects of service delivery as outlined in the Long-term Plan 2021-31. Progress over the 2021-22 financial year is reported to the Finance Committee on a quarterly basis.
- [3] The following Activity and Finance Reports are attached:
- Activity Performance Report
 - High-level overview of performance against LTP measures and targets by group activity.
 - Report is exceptions based and commentary provides explanations for performance that is not on track.
 - Activity Financial Summary
 - Includes variance analysis and expenditure forecast
 - Statement of Comprehensive Revenue and Expenses
 - Statement of Financial Position
 - Treasury Report
 - Detailed Activity Financial Report

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [4] Not applicable.

Financial Considerations

[5] Not applicable.

Significance and Engagement Considerations

[6] Not applicable.

Legislative and Risk Considerations

[7] Not applicable.

Climate Change Considerations

[8] Not applicable.

Communications Considerations

[9] Not applicable.

ATTACHMENTS

1. Activity Performance Report Q2 Dec 2021 [**8.1.1** - 14 pages]
2. Activity Financial Report Dec 2021 (2) [**8.1.2** - 5 pages]
3. Statement of Comprehensive Revenue and Expense Dec 2021 (2) [**8.1.3** - 3 pages]
4. Statement of Financial Position Dec 2021 (2) [**8.1.4** - 2 pages]
5. Treasury Report Dec 2021 [**8.1.5** - 1 page]
6. Detailed Activity Financial Report Dec 2021 [**8.1.6** - 2 pages]

Activity Performance Report

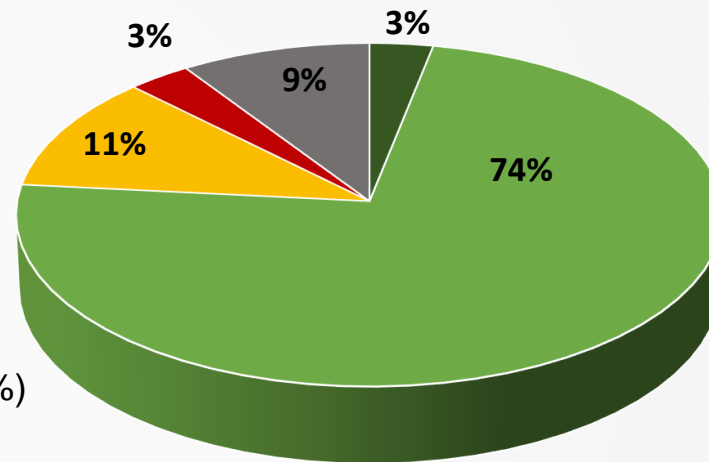
QUARTER TWO – DECEMBER 2021



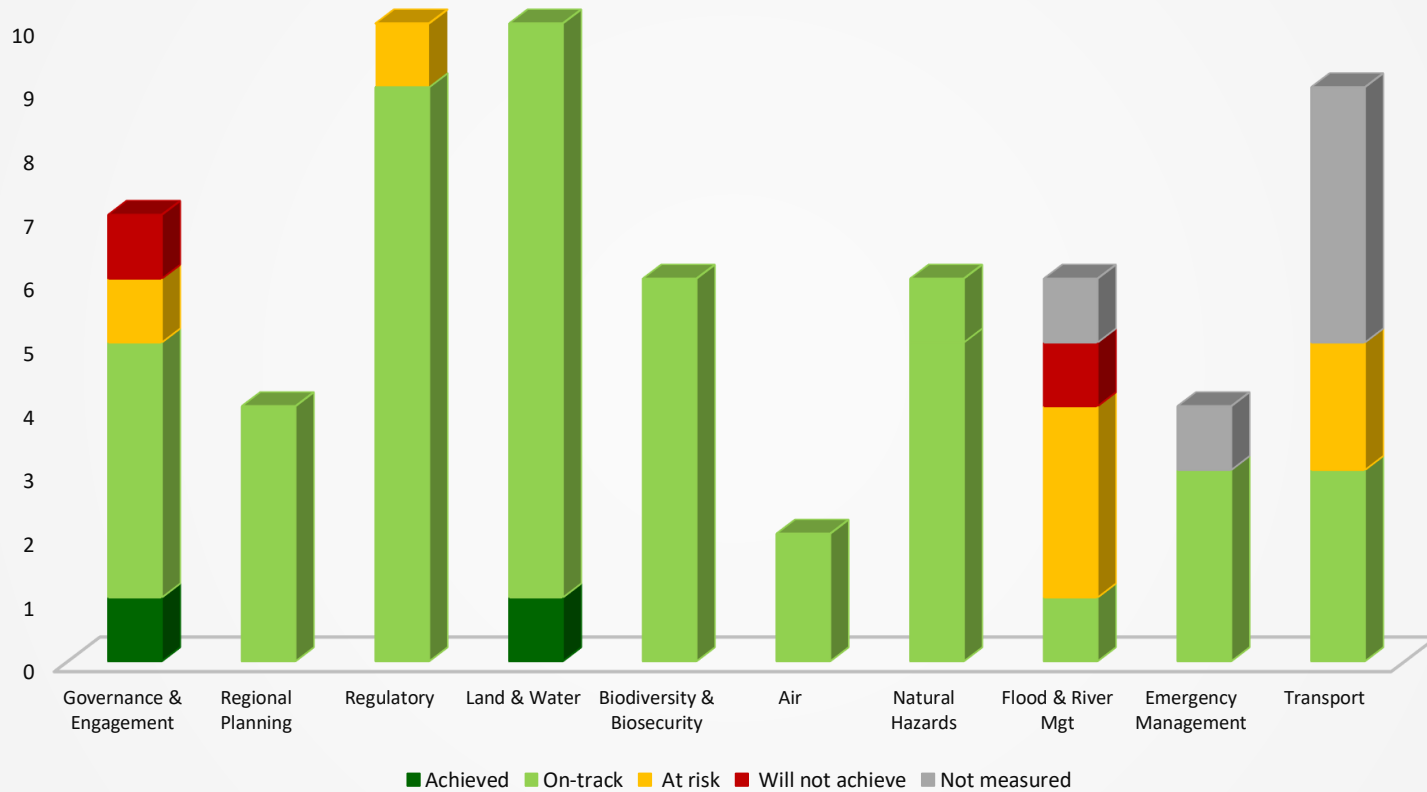
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Service Delivery Performance

- 2** measures have been achieved (3%)
- 47** measures are on track (74%)
- 7** measures are at risk of not being achieved by year-end (11%)
- 2** measures will not be achieved (3%)
- 6** measures are not able to be reported against at this stage (9%)



Service Performance by Activity



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QUARTER TWO - December 2021

Service Delivery Highlights

Quarter two delivery highlights:

- ★ Electric bus trial completed; 3,000 passengers
- ★ Community survey conducted and reported
- ★ Land & Water Regional Plan consultation launched in the Catlins & Upper Lakes
- ★ Pleasant river remediation funding \$4M secured
- ★ Taieri Scheme Review Community meetings occurred; Robson's Lagoon and Contour channel contracts finalised and works underway
- ★ Lake Hayes restoration underway; including culvert upgrade
- ★ LiDAR project capture completed and data processing underway

Service Delivery Challenges & Risks

Quarter two challenges:

- ❑ **Flood Protection, Drainage & River Management:** Timing of maintenance and capital works; some have been re-scheduled to Q3-4, largely due to contractor and resourcing availability including lower uptake of Requests for Tender, particularly with technical works.
- ❑ **Transport:** Patronage for the YTD in Dunedin and Queenstown continues to be lower than previous year, primarily due to the impacts of COVID-19. Delays to infrastructure and improvement works/services is largely due to timing of Waka Kotahi grants.






Potential future risks:

- ❑ **RPS High Court outcome:** The outcome of the High Court case may impact timeframes and delivery of RPS and the Land & Water Regional Plan.
- ❑ **Engagement:** COVID-19 restrictions will impact face to face engagement opportunities, requiring a change in approach for the Land and Water Regional Plan and other engagement and consultation processes.
- ❑ **Contractor performance:** Heavy reliance on contractors to deliver within timeframes, across a range of Council activities including Land & Water and Flood Protection, Drainage & River Management.

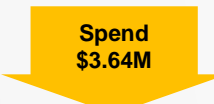
Performance Summary by Activity Group




Key:

Service Delivery Results:

	achieved	The number in each 'traffic-light' shows the results for this quarter for the activity. Commentary is exceptions based and provides detail regarding measure that are not on track, will not be achieved or where performance has not been able to be measured. A full list of results for each measure is included at the end of this report.
	on track	
	not on track/ at risk	
	will not achieve	
	not measured	

Financial Performance:



- The numbers in the arrows show the **actual** expenditure or revenue for the year to date (includes operational and capital).
- Colours indicate the **percentage variance** against budget:
 -  Favourable less than 5%
 -  Unfavourable 5-10%
 -  Unfavourable over 10%
- Direction of arrows show whether there is a **deficit** (down) or **surplus** (up) against budget. (square if the variance is between 0 - 1%)
- The example above shows that the actual expenditure for the year to date is \$3.64M and that this is an underspend of between 5 -10% against what was budgeted for the activity.



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QUARTER TWO - December 2021

Performance Summary by Activity Group

Regional Leadership	Service Delivery Results	Financial Performance	
Governance & Engagement	<p>1 Residents survey was completed. Customer service survey was delayed due to staff vacancies; now recruited. One LGOIMA response was outside of timeframe; 98.7% compliant (100% target not met).</p> <p>4</p> <p>1</p> <p>1</p>	<p>Revenue \$2.93M</p>	<p>Spend \$2.76M</p> <p>Expenditure variance is due to delay in finalising contract for planned payments.</p>
Regional Planning	<p>4 Results for service measures and targets are on track.</p>	<p>Revenue \$1.85M</p>	<p>Spend \$1.55M</p> <p>Revenue and expenditure are on track; further court costs expected in Q3-4.</p>
Regulatory	<p>9 The number of compliance audits has increased since Q1 and is now on track to meet year-end target. Number of oil spill responders is below target due to staff changes; Maritime NZ training dates TBC.</p> <p>1</p>	<p>Revenue \$5.33M</p>	<p>Spend \$6.12M</p> <p>Revenue variance largely relates to less chargeable consent processing and compliance auditing and the number of consents still in progress.</p>



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QUARTER TWO - December 2021

Performance Summary by Activity Group

Environment	Service Delivery Results	Financial Performance
Land & Water	<p>1 Site specific action plan (water remediation) projects and priorities were set, as per LTP target.</p> <p>9 Results for remaining service measures and targets are on track.</p>	<p>Revenue \$6.72M</p> <p>Spend \$5.88M</p> <p>Expenditure variance is largely timing of external contracts, now expected in Q3-4.</p>
Biodiversity & Biosecurity	<p>6 Results for service measures and targets are on track.</p>	<p>Revenue \$2.32M</p> <p>Spend \$2.46M</p> <p>Expenditure variance is largely due to timing of biodiversity monitoring contracts & programme development.</p>
Air	<p>2 Results for service measures and targets are on track.</p>	<p>Revenue \$0.22M</p> <p>Spend \$0.29M</p> <p>Slight underspend in science due to timing of contract payment, off-set by overspend in monitoring.</p>



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QUARTER TWO - December 2021

Performance Summary by Activity Group

Safety & Resilience	Service Delivery Results	Financial Performance
Natural Hazards & Climate Change	<p>6 Results for service measures and targets are on track.</p>	<p>Revenue \$1.30M</p> <p>Spend \$1.24M</p> <p>Underspend in Climate Change largely due to scoping of additional South Dunedin groundwater modelling yet to be completed, partly offset by additional Hazard work in Glenorchy.</p>
Flood Protection, Drainage & River Management	<p>1 Flood and River maintenance and renewal programmes are currently below targets. 87% of the 47 river issues reported were responded to within 20 days (6% within 21-30 days); target not met. No flood events required a response in Q2.</p> <p>3</p> <p>1</p> <p>1</p>	<p>Revenue \$4.44M</p> <p>Spend \$3.85M</p> <p>Expenditure variance is largely timing of contracted works. Revenue variance is due to timing of grant funding, expected in Q3-4.</p>
Emergency Management	<p>3 Numbers of trained staff were below target in Q1, however training has been completed and staff levels have recovered. The ECC was not activated in Q2; target timeframe not measured.</p> <p>1</p>	<p>Revenue \$1.49M</p> <p>Spend \$1.31M</p> <p>Underspend relates to changes to planned external engagement due to Covid-19 restrictions, remainder is staff vacancies.</p>

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QUARTER TWO - December 2021

Performance Summary by Activity Group

Transport	Service Delivery Results	Financial Performance
<p>Regional & Public Transport</p>	<ul style="list-style-type: none"> 3 Patronage across the network is below target for Q2 due to covid-19 2 Four targets were not measured as they relate to surveys which are scheduled for the Q3-4. 4 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p style="color: white; background-color: #800000; padding: 2px;">Revenue</p> <p style="color: white; background-color: #800000; padding: 2px;">\$12.55M</p> </div> <div style="text-align: center;"> <p style="color: white; background-color: #800000; padding: 2px;">Spend</p> <p style="color: white; background-color: #800000; padding: 2px;">\$13.98M</p> </div> </div> <p>Revenue variance is due to delays with grant funding plus lower fare income (lower patronage and \$2 fares). Spend is down due to delays with planned improvements and some reduced services.</p>



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QUARTER TWO - December 2021

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2
Governance & Community Engagement	Percentage of official information requests responded to within statutory	100%	■	■
	Percentage of council agendas that are publicly available two working days or more before a meeting	100%	■	■
	Deliver our statutory requirements with acceptable process and deliverables to decision-makers and the community	Unmodified audit reports received	■	■
	Work done in partnership with iwi; increase the number of outputs and groups working together on projects	Establish baseline	■	■
	Build the bicultural competency of ORC staff and councillors	50 participants in programme	■	■
	Annual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC	Survey completed to establish baselines and report made public	■	■
	Customers express high levels of satisfaction with customer service provision	Determine methodology and conduct benchmarking of customer satisfaction	■	■
Regional Planning	Develop an integrated planning framework that enables well managed urban growth	Establish partnership agreements with DCC and QLDC	■	■
	Complete review of existing Regional Policy Statement (RPS)	Respond to hearing recommendations within timeframes	■	■
	Lead the development, implementation and review of Integrated Catchment Plans (ICP), in collaboration with iwi and community	Commence development of an Integrated Catchment Planning programme and report to Council on progress	■	■
	Report on community wellbeing indicators	Develop baseline wellbeing indicators and report	■	■
Regulatory	Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes	≥98%	■	■
	Percentage of public enquiries for consent information completed within 7 days	establish baseline	■	■
	Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets	≥90%	■	■
	Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets	≥85%	■	■
	Percentage of significant non-compliance identified where action is taken in accordance with Compliance Policy	100%	■	■
	Maintain 24-hour/7 day a week response for environmental incidents	Pollution hotline staff available/on call 24/7	■	■
	Maintain 20 appropriately trained responders for maritime oil pollution incidents	20 responders attend 3 exercises per year	■	■
	Maintain compliance with Port and Harbour Marine Safety Code	Annual self review is completed by ORC and POL and signed off by the Chief Executives.	■	■
	Major incidents on Otago's Harbours and waterways will be responded to	Major incidents and ORC's response are reported quarterly	■	■
	On-water engagement, education of recreational users and safety campaigns are documented and reported annually	Report to council by 30 June	■	■



● Achieved,
 ● On track,
 ● May not achieve,
 ● Will not achieve,
 ● Delayed/Not measured

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QUARTER TWO - December 2021

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2
Land & Water	Complete the Land and Water Regional Plan(LWRP)	Report to Council on propose management options for 3 rohe or FMU by 30 June		
	Implement a regional coastal environment monitoring programme	Develop regional coastal monitoring programme and report		
	Implement freshwater and estuarine environment monitoring programmes	Annual report on monitoring programme completed		
	Percentage of data from the water monitoring network that is captured	≥95% data capture achieved quarterly		
	Develop and implement a regional land use monitoring programme	Develop monitoring programme and report to Council		
	‘Otago Catchment Communities’ is supported to meet deliverables and targets of funding agreement.	Funding is administered as per agreement		
	Report to Council on deliverables and targets achieved			
Land owner/community led projects promoting best practice land management for soil conservation, water quality and the efficient use of water are identified and supported.	Three or more projects supported per year			
At least three site specific action plans for selected degraded waterbodies are developed, prioritised, and implemented.	Projects confirmed and priority actions identified by 30 September			
	90% of priority actions undertaken as scheduled			
Biodiversity & Biosecurity	Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	Priority actions achieved within timeframes specified in annual work plan		
	Partnerships established in line with the Biodiversity Action Plan and joint projects developed.	Establish baseline number of partnership engagement activities and events, and report to Council		
	Complete a report on the initiatives and organisations supported and the key deliverables achieved.	Joint projects scoped and milestones identified		
	Percentage of funding administered as per agreements.	Report to Council by 30 June		
	100%			
Priority targets within the Biosecurity Operational Plan (BOP) are identified and achieved.	Priority actions achieved within timeframes specified in annual work plan.			
Air	Implement regional air monitoring programme.	Annual report on monitoring programme completed		
	Percentage of data from the air monitoring network that is captured quarterly.	≥95% data capture achieved		

● Achieved,
 ● On track,
 ● May not achieve,
 ● Will not achieve,
 ● Delayed/Not measured



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QUARTER TWO - December 2021

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2
Natural Hazards & Climate Change Adaptation	Complete regional natural hazards risks assessment (NHRA) and develop a regional approach for prioritising adaptation to inform adaptation planning and implementation.	Commence natural hazard risk assessment and investigation of prioritisation approach.	Green	Green
	Implement prioritised natural hazard risks adaptation works.	Work in priority areas is delivered as per plan by 30 June	Green	Green
		The Head of Lake Wakatipu natural hazards adaptation strategy progresses as per annual work plan Collaboration framework for South Dunedin and Harbourside natural hazards adaptation strategy is defined	Green	Green
	Relevant and up to date natural hazards information is available via the web-based Otago Natural Hazards Database	Database information is checked and updated monthly	Green	Green
Flood Protection, Drainage & River Management	Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	Percentage of flood warnings that are issued in accordance with the flood warning manual.	100%	Green
		≥80% of planned maintenance programme completed	Green	Yellow
		Schemes function to their constructed design standards	Green	Green
	Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner.	Programme developed and communicated within 3 months of the event	Grey	Grey
	Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days. (River Management)	100%	Red	Red
Percentage of planned maintenance actions achieved each year (River Mgt)	≥90%	Green	Yellow	
Emergency Management	Support is provided to the Otago CDEM Group as per the CDEM Act and Otago CDEM Partnership Agreement	Fulfil all requirements as the administering authority.	Green	Green
	An adequate Emergency Coordination Centre (ECC) facility and staffing are available	Adequate staff who are trained and available for any activation of the ECC.	Yellow	Green
		An appropriate facility is available for activation at all times	Green	Green
	ECC activated in a timely manner	ECC activated within 1 hour of Group Controller's decision	Grey	Grey

● Achieved,
 ● On track,
 ● May not achieve,
 ● Will not achieve,
 ● Delayed/Not measured



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QUARTER TWO - December 2021

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2
Transport Planning & Public Transport	The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the NZTA.	RLTP implementation progress reported annually to Regional Transport Committee	On track	On track
	Annual public transport boardings in Queenstown per capita	increase	May not achieve	May not achieve
	Annual public transport boardings in Dunedin per capita	increase	May not achieve	May not achieve
	Overall passenger satisfaction with Wakatipu Public Transport system at annual survey	97%	Delayed/Not measured	Delayed/Not measured
	Overall passenger satisfaction with Dunedin public transport system at annual survey	93%	Delayed/Not measured	Delayed/Not measured
	Percentage of scheduled services delivered (reliability)	95%	On track	On track
	Percentage of scheduled services on-time (punctuality – to five minutes)	95%	On track	On track
	Percentage of users who are satisfied with the provision of timetable and services information	establish baseline	Delayed/Not measured	Delayed/Not measured
	Percentage of users who are satisfied with the overall service of the Total Mobility scheme	establish baseline	Delayed/Not measured	Delayed/Not measured

● Achieved,
 ● On track,
 ● May not achieve,
 ● Will not achieve,
 ● Delayed/Not measured



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QUARTER TWO - December 2021

Activity Financial Report – December 2021

YEAR TO DATE ACTUAL VS BUDGET	REVENUE			EXPENSE			SURPLUS / (DEFICIT)		
	Actual 2022	LTP 2022	Variance	Actual 2022	LTP 2022	Variance	Actual 2022	LTP 2022	Variance
	Year to Date \$'000	Year to Date \$'000	\$'000	Year to Date \$'000	Year to Date \$'000	\$'000	Year to Date \$'000	Year to Date \$'000	\$'000
REVENUE									
Governance and Community	2,932	2,928	4	2,763	2,879	-117	169	48	121
Regional Planning	1,849	1,840	9	1,552	1,529	23	297	311	-14
Regulatory	5,333	6,001	-668	6,122	6,231	-109	-789	-230	-559
REGIONAL LEADERSHIP	10,115	10,769	-655	10,437	10,640	-203	-323	129	-452
Land & Water	6,720	6,948	-228	5,880	7,552	-1,672	840	-604	1,444
Biodiversity & Biosecurity	2,324	2,334	-10	2,457	2,700	-243	-133	-366	233
Air	220	219	1	291	279	12	-71	-61	-10
ENVIRONMENT	9,264	9,501	-237	8,628	10,532	-1,904	635	-1,031	1,666
Natural Hazards & Climate	1,299	1,251	48	1,236	1,372	-136	63	-120	183
Flood & Drainage	3,417	4,065	-648	3,045	4,241	-1,196	373	-175	548
River Management	1,020	985	35	802	1,332	-530	217	-348	565
Emergency Management	1,489	1,480	9	1,305	1,390	-85	183	89	94
SAFETY & RESILIENCE	7,225	7,781	-556	6,388	8,335	-1,947	836	-554	1,390
Transport Planning	130	203	-74	61	203	-143	69	0	69
STEDS	61	65	-5	65	65	-0	-4	-0	-4
PT – Dunedin	8,477	9,223	-746	9,389	9,888	-499	-912	-665	-247
PT – Wakatipu	3,056	4,242	-1,186	3,912	4,808	-897	-855	-566	-289
PT – Other	829	1,052	-223	550	1,105	-555	279	-53	332
TRANSPORT	12,552	14,785	-2,233	13,976	16,070	-2,094	-1,424	-1,284	-139
TOTAL	39,155	42,836	-3,682	39,430	45,576	-6,147	-275	-2,740	2,465

REVENUE VARIANCE ANALYSIS		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
REGIONAL LEADERSHIP					
R1	Consent Processing	2,461	2,746	-285	Less revenue billed than budgeted. Expenditure has also decreased compared to budget by \$97k.
R2	Compliance Monitoring & Contaminated Sites	1,734	2,066	-332	Less revenue billed for consent audits and performance monitoring than budgeted. Expenditure has also decreased compared to budget by \$327k.
ENVIRONMENT					
W3	Land & Water Implementation	600	894	-294	Grant income for the Lake Hayes remediation work not received.
SAFETY & RESILIENCE					
F1	Alexandra Flood Protection	3	128	-126	LTP budget assumes Contact Energy pay for 98% of the cost. Not funding has been received for flood protection measures at a similar level to prior years. There is currently no agreement with Council and Contract Energy however this is currently being negotiated.
F4	Lower Taieri Flood Protection Scheme	747	868	-121	Timing delays in the Climate Resilience project and MBIE funding. Funding is received as expenditure is incurred and will be received in the future as the project progresses.
F5	West Taieri Drainage	465	729	-264	
TRANSPORT					
T4	PT – Dunedin	8,477	9,223	-746	Majority due to reduced fare revenue due to \$2 fares and reduced patronage due to a Covid lockdown in Quarter 1.
T5	PT – Wakatipu	3,056	4,242	-1,186	Majority due to reduced fare revenue due to reduced patronage.
T6	PT – Other	829	1,052	-223	Decrease in total mobility service and claims compared to budget.

EXPENSE VARIANCE ANALYSIS		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
REGIONAL LEADERSHIP					
G8	Governance & Financial Contributions	1,246	1,413	-168	Delay in finalising funding agreements. It is expected that this will be completed and resolved by year end.
I1	Incident Response & Enforcement	1,111	811	301	Majority due to higher staff time supporting incident responses due to an increase the number of incidents and investigations. Offset by a corresponding decrease in compliance monitoring costs.
R2	Compliance Monitoring & Contaminated Sites	1,921	2,245	-323	Offsets higher incident response and desk based enforcement work during Q1 lockdown.
ENVIRONMENT					
W2	Land & Water Science and Monitoring	3,784	5,115	-1,331	Spending on this programme is behind schedule, however there are contracts in place to complete this programme.
W3	Land & Water Implementation	650	1,021	-371	Delays in the work program due to staff vacancies. These vacancies have now been recruited.
L8	Biodiversity Science & Monitoring	164	318	-155	Delays in the work program.
SAFETY & RESILIENCE					
N1	Natural Hazards	785	654	131	Unbudgeted consultant expenditure including \$150k for the Dart/Rees strategy.
N3	Climate Change Adaptation	375	547	-172	Delays in the work program.
F3	Lower Clutha Flood Protection & Drainage	843	1,248	-405	Delays in the engineering work program.
F5	West Taieri Drainage	366	891	-525	
T6	East Taieri Drainage	304	534	-230	
F9	Scheme Oversight & Bylaws	452	339	113	Additional bylaws work from what was assumed in the budget.
M2	River Mgt – Clutha	76	232	-156	Delays in the engineering work program.
M4	River Mgt – Wakatipu	64	201	-136	
M5	River Mgt – Wanaka	70	182	-112	
M6	River Mgt – Waitaki	50	189	-139	

EXPENSE VARIANCE ANALYSIS		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
TRANSPORT					
T1	Regional Land Transport Planning	61	203	-143	Delays in the work program.
T4	PT – Dunedin	9,389	9,888	-499	Reduced bus operator costs due to the lockdown during Q1 resulting in reduced service levels.
T5	PT – Wakatipu	3,912	4,808	-897	Includes -\$353k caused by the reduced service level of the ferry service trial and -\$272k managing the Queenstown bus network. Remainder due to bus operator costs due to the lockdown during Q1 resulting in reduced service levels.
T6	PT – Other	550	1,105	-555	Lower total mobility costs.

EXPENDITURE FORECAST ACTUAL VS BUDGET	YEAR TO DATE			FORECAST			YTD VS FORECAST 6 Months \$'000
	Actual 2022 6 Months \$'000	LTP 2022 6 Months \$'000	Variance \$'000	Actual 2022 Full Year \$'000	LTP 2022 Full Year \$'000	Variance \$'000	
	REVENUE						
Governance and Community	2,763	2,879	-117	5,728	5,659	-69	48
Regional Planning	1,552	1,529	23	3,681	3,698	17	-6
Regulatory	6,122	6,231	-109	12,363	12,146	-217	-108
REGIONAL LEADERSHIP	10,437	10,640	-203	21,771	21,503	-268	-66
Land & Water	5,880	7,552	-1,672	16,034	14,860	-1,174	499
Biodiversity & Biosecurity	2,457	2,700	-243	9,149	8,935	-214	29
Air	291	279	12	482	465	-17	-29
ENVIRONMENT	8,628	10,532	-1,904	25,665	24,260	-1,405	499
Natural Hazards & Climate	1,236	1,372	-136	2,732	2,547	-185	-49
Flood & Drainage	3,045	4,241	-1,196	9,448	8,443	-1,005	191
River Management	802	1,332	-530	2,561	2,240	-321	208
Emergency Management	1,305	1,390	-85	2,759	2,739	-20	65
SAFETY & RESILIENCE	6,388	8,335	-1,947	17,500	15,969	-1,531	415
Transport Planning	61	203	-143	407	150	-257	-114
STEDS	65	65	-0	131	130	-1	-0
PT – Dunedin	9,389	9,888	-499	20,371	19,782	-589	-90
PT – Wakatipu	3,912	4,808	-897	9,767	8,500	-1,267	-370
PT – Other	550	1,105	-555	2,204	2,000	-204	351
TRANSPORT	13,976	16,070	-2,094	32,880	30,562	-2,318	-224
TOTAL	39,430	45,576	-6,147	97,816	92,294	-5,522	625

Statement of Comprehensive Revenue and Expense for the 6-month period ended 31 December 2021

	Notes	Actual 2022 Year to Date	Long Term Plan 2022 Year to Date	Variance	Long Term Plan 2022 Full Year	Actual 2021 Full Year
REVENUE						
Rates revenue		20,097	20,015	82	40,039	27,015
Subsidies and grant revenue	1	7,173	7,585	(412)	18,856	19,007
Other income	2	5,829	8,544	(2,715)	17,389	15,375
Dividends	3	6,753	6,500	253	13,000	10,439
Interest and investment income		78	375	(297)	750	138
TOTAL REVENUE		39,930	43,019	(3,089)	90,034	71,974
EXPENDITURE						
Employee benefits expense	4	(12,742)	(13,709)	967	(27,417)	(21,956)
Depreciation and amortisation		(1,941)	(1,787)	(154)	(3,574)	(3,360)
Finance costs		(27)	(125)	98	(250)	-
Other expenses	5	(24,127)	(27,752)	3,625	(60,964)	(60,067)
TOTAL OPERATING EXPENDITURE		(38,836)	(43,373)	4,536	(92,206)	(85,383)
OPERATING SURPLUS/(DEFICIT)		1,094	(353)	1,447	(2,172)	(13,409)
Other gains/(losses)		67	185	(118)	740	4,955
Revaluation gain/(loss)—shares of subsidiary		-	-	-	20,935	75,966
Income tax benefit/(expense)		49	-	-	-	100
SURPLUS/(DEFICIT)		1,210	(168)	1,329	19,503	67,612

Notes

- Subsidies and Grant revenue is \$412,000 below budget due to the following:
 - The engineering department's climate resilience projects in the Lower Taieri flood protection scheme, West Taieri drainage scheme and Lower Clutha flood and drainage scheme were slightly behind schedule due to delays in procurement. This is a timing delay with no indication that the grant income will not be received. Grant revenue from MBIE is received as expenditure is incurred in stage of completion milestones.
 - Council received grant funding from Regional Sector Holdings for regional council contributions towards LAWA activities of \$224,000. This funding is to cover LAWA activity costs in Q2. This was budgeted as other income in the LTP but is recorded as grant revenue in the actuals.
 - Council received grant funding from MPI of \$148,000 for wallaby pest control this was budgeted to be other income of \$100,000.

- Public transport Wakatipu grant funding has decreased by \$155,000 and Dunedin public transport grant funding by \$87,000 compared to budget.
 - The remaining variance of \$65,000 was caused by small variance in grant funding received across council activities.
2. Other Income is \$2,715,000 below budget due to the following:
- Alexandra flood protection income is \$125,000 below budget due to the assumption in the budget that Contact Energy would pay for flood protection measures at a similar level to prior years. There is currently no agreement with Council and Contract Energy however this is currently being negotiated.
 - No funds were received for the Lake Hayes remediation work however \$300,000 was budgeted to be received by Q2.
 - Consent processing revenue was \$285,000 below budget revenue of \$1,800,000.
 - Compliance monitoring revenue was \$339,000 below budgeted revenue of \$768,000. Included in this variance was \$247,000 below budgeted revenue for compliance audits and \$92,000 below budget for consent performance monitoring fees.
 - Bus fare revenue was \$840,000 below budgeted revenue of \$2,180,000 for the Dunedin network. This was caused by the effect of \$2 fares and lower patronage for the year to date due to a Covid-19 lockdown during Q1.
 - Bus fare revenue for the Wakatipu network was \$1,034,000 below budgeted revenue of \$1,855,000. This was caused by reduced patronage due to the ongoing impact of Covid-19.
 - There was a \$186,000 reduction in other income due to LAWA regional council contributions now being recorded as grant revenue.
 - The remaining variance of \$130,000 was caused by small variances in other income funding received across council activities.
3. Dividends were \$253,000 above budget and interest and investment income was \$297,000 below budget due to dividends from the JB Were managed fund being budgeted as investment income instead of dividend income. The net below budget dividend and investment income variance was \$44,000, caused by lower interest revenue.
4. Employee benefits expenses is \$967,000 below budget due to budgeted positions in the LTP still being recruited. The following tables shows LTP budgeted FTE's compared to actual FTE's for Q1 (30 September 2021) and Q2 (31 December 2021) and the prior year end FTE's (30 June 2021).

Directorate	21/22 FTE budget	September 2021 FTEs	December 2021 FTEs	December variance from budget	Prior year end 30 June 2021 FTEs
CE	2.0	2.0	2.0	-	2.0
Corporate Services	45.1	42.4	40.6	- 4.49	41.0
Operations	74.2	60.8	70.8	- 3.40	64.1
Governance, Culture & Customer engagement	17.6	15.4	18.4	0.83	14.4
Strategy, Policy and Science	63.9	53.7	55.7	- 8.22	55.4
Regulatory and communications	87.9	74.2	78.2	- 9.66	73.9
	290.7	248.6	265.8	- 24.9	250.8

5. Other expenses is \$3,625,000 below budget due to the following:
- Legal expenses have increased by \$618,000 compared to budgeted costs of \$620,000 the majority of the increase was caused by:
 - \$165,000 increase in incident response legal expenses.
 - \$230,000 increase in land and water planning.
 - \$71,000 increase due to non-budget investigations.
 - Software licenses have increased by \$170,000 compared to budgeted expenditure of \$500,000.
 - Casual labour increased by \$114,000 compared to budgeted expenditure of \$12,500 the majority was in communications and customer services.
 - Decrease of \$4,849,000 in supplies and services compared to budgeted costs of \$11,429,000. The majority of the decreased expenditure was caused by:
 - \$1,279,000 decrease in land and water monitoring programs.
 - \$888,000 decrease in Wakatipu suppliers and services transport.
 - \$995,000 decrease in Dunedin public transport.
 - \$650,000 decrease in total mobility and super gold expenditure.
 - \$939,000 decrease in flood protection services.
 - The remaining variance of \$332,000 was caused by small variances across multiple expense lines.

Statement of Financial Position as at 31 December 2021

	Notes	Actual 2022 Year to Date \$'000	Actual 2021 Full Year \$'000	Variance \$'000	Long Term Plan 2022 Full Year \$'000
CURRENT ASSETS					
Cash and cash equivalents	1	14,242	4,380	9,862	8,466
Trade receivables	2	17,698	8,318	9,380	11,398
Other financial assets	3	25,687	25,313	374	34,022
Other current asset	4	1,101	698	403	514
TOTAL CURRENT ASSETS		58,728	38,709	20,019	54,400
NON- CURRENT ASSETS					
Property, plant and equipment	5	95,884	96,236	(352)	97,646
Investment property		16,490	16,490	-	15,519
Shares in subsidiary		612,330	612,330	-	564,299
Deferred tax asset		147	98	49	98
Intangible asset		1,670	1,888	(218)	6,686
TOTAL NON-CURRENT ASSETS		726,521	727,042	(521)	684,248
TOTAL ASSETS		785,249	765,751	19,498	738,648
CURRENT LIABILITIES					
Trade and other payables	6	(35,885)	(17,031)	(18,854)	(11,918)
Provision	7	-	(783)	783	-
Employee entitlement		(2,359)	(2,143)	(216)	(2,215)
TOTAL CURRENT LIABILITIES		(38,244)	(19,957)	(18,287)	(14,133)
NON CURRENT LIABILITIES					
Other financial instruments		-	-	-	(25,000)
TOTAL NON CURRENT LIABILITIES		-	-	-	(25,000)
NET ASSETS		747,004	745,794	1,210	699,515
EQUITY					
Reserves		635,581	635,622	(41)	576,700
Public Equity		111,423	110,172	1,251	122,815
TOTAL EQUITY AND RESERVES		747,004	745,794	1,210	699,515

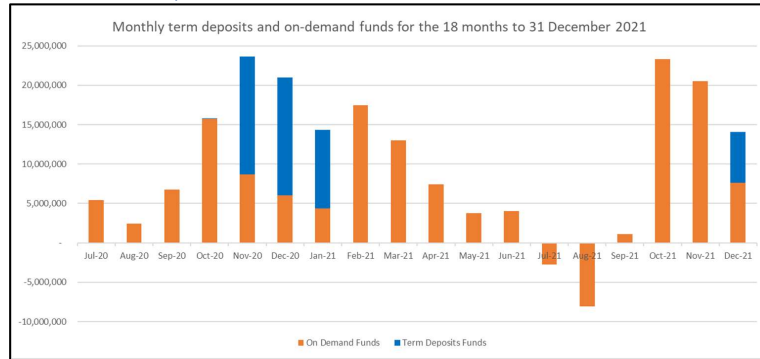
Notes

- Cash and cash equivalents increased by \$9,862,000 from the 30 June 2021 position of \$4,380,000. This increase was caused by the receipt of rates receipts which are invoiced once a year, due 31 October 2021.
- Trade Receivables has increased by \$9,380,000 from the 30 June 2021 position of \$8,318,000. This majority of this increase was caused by:

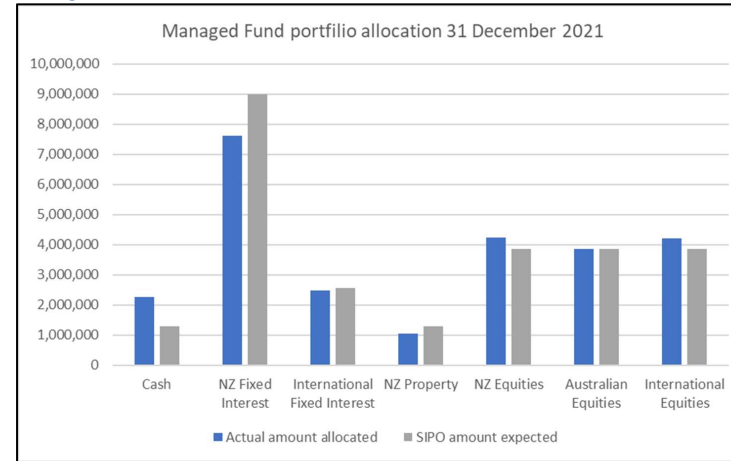
- Dividend receivables from Port Otago increased by \$5,500,000. The dividend receivable balance is the monthly dividend accrual balance to record the dividend revenue that is agreed but not yet paid under the Statement of Corporate Intent with Port Otago Limited. At 30 June 2021 this balance was nil. At the end of Q2, 31 December 2021 \$5,500,000 dividend was accrued but not yet paid.
 - Trade debtors increased by \$2,260,000 due to the timing of debtor invoicing.
 - GST receivables increased by \$559,000.
 - Sundry debtor accrual increased by \$1,172,000 the majority of which was caused by consent and transport revenue accruals.
3. Other financial assets increased \$374,000 from the 30 June 2021 position of \$25,313,000 due to the increase in market value and income received on the investments held in the JB Were long term managed fund.
 4. Other current assets increased by \$403,000 from the 30 June 2021 position of \$698,000. This balance is the prepayments that Council makes for annual licensing and insurance that is used throughout the financial year.
 5. Property plant and equipment decreased by \$352,000 from the 30 June 2021 position of \$96,236,000. This decrease is caused by:
 - Additions of \$1,393,000, the majority being plant and vehicles \$862,000 and Infrastructure WIP \$402,000.
 - Less: Disposals of \$134,000, mainly plant and vehicles.
 - Less: Depreciation of \$1,611,000.
 6. Trade and other payables are \$18,854,000 above the 30 June 2021 position of \$17,031,000 due to:
 - Fees received in advance has increased by \$5,204,000 from the 30 June 2021 position. The majority of this increase has been caused by Ministry of Primary Industries grants received in advance for wilding conifer control (\$3,943,000) and the wallaby program (\$1,265,000). These grant funds are recorded as a liability until Council has performed the activity that the grant funds relate to, at which time they are recorded as grant income.
 - Rates revenue received in advance has increased by \$20,114,000 from a nil position at 30 June 2021. Rates receipts are recorded as liability when they are received until the rates revenue has been earned each month. At 30 June all rates for the year have been earned and there is no liability for rates revenue received in advance.
 - The remaining variance of \$6,464,000 was caused by the timing of supplier invoice payments.
 7. The provision of \$783,000 at 30 June 2021 has reduced to nil due to the bus contractors living wage adjustment being paid in Q2.

Treasury Report – December 2021

Cash and Term Deposits



Managed Fund – Portfolio Allocation



Managed Fund – Portfolio Performance

Managed Fund Income	Q1 2022 YTD	Q2 2022 YTD
Interest on managed fund	42,242	77,862
Dividends	135,963	253,065
Other	(32,117)	(63,624)
Market Value movement gain/(loss)	25,360	94,630
Withdrawal		
Total increase/(decrease) in managed fund	171,448	361,933

Managed Fund – Asset Class Allocation

Asset Class	Actual amount allocated	%	SIPO amount expected	SIPO target	SIPO acceptable range		SIPO met
Cash	2,256,668	9%	1,284,325	5%	0%	25%	Yes
NZ Fixed Interest	7,621,823	30%	8,990,278	35%	25%	45%	Yes
International Fixed Interest	2,480,872	10%	2,568,651	10%	5%	15%	Yes
Defensive Total	12,359,363	48%	12,843,255	50%	40%	60%	Yes
NZ Property	1,034,397	4%	1,284,325	5%	2%	8%	Yes
NZ Equities	4,223,231	16%	3,852,976	15%	10%	20%	Yes
Australian Equities	3,869,089	15%	3,852,976	15%	10%	20%	Yes
International Equities	4,200,430	16%	3,852,976	15%	10%	20%	Yes
Growth Total	13,327,147	52%	12,843,255	50%	40%	60%	Yes
Total	25,686,509						

Finance Committee Agenda - 23 Feb 2022 - MATTERS FOR CONSIDERATION

ACTIVITY DETAIL DEC-2021				Operating Expenditure			Capital Expenditure			Other Expenditure			Total Expenditure			General rates			Targeted rates			Grants			Other income			Total Revenue			
	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	
REGIONAL LEADERSHIP																															
Communications & Engagement	1,422	1,466	(44)	-	-	-	95	0	95	1,517	1,466	51	1,456	1,449	7	-	-	-	4	-	4	-	5	(5)	1,460	1,454	6				
Governance & Financial Contributions	1,236	1,413	(178)	-	-	-	10	-	10	1,246	1,413	(168)	1,423	1,416	7	-	-	-	-	-	-	49	58	(9)	1,472	1,474	(2)				
Total Governance & Community	2,658	2,879	(221)	-	-	-	105	0	105	2,763	2,879	(117)	2,879	2,865	14	-	-	-	4	-	4	-	63	(14)	2,932	2,928	4				
RPS, Strategy, Urban Dev & Response to Issues	1,559	1,529	29	-	-	-	(6)	-	(6)	1,552	1,529	23	1,869	1,840	29	-	-	-	-	-	-	-	-	-	1,849	1,840	9				
Total Regional Planning	1,559	1,529	29	-	-	-	(6)	-	(6)	1,552	1,529	23	1,849	1,840	9	-	-	-	-	-	-	-	-	-	-	1,849	1,840	9			
Incident Response & Enforcement	11	904	763	141	1	-	1	207	48	159	1,111	811	301	646	643	3	-	-	-	-	-	-	-	115	150	(35)	761	793	(32)		
R1	2,418	2,767	(349)	-	-	-	252	-	252	2,669	2,767	(98)	946	942	5	-	-	-	-	-	-	-	-	1,514	1,805	(290)	2,461	2,745	(285)		
Compliance Monitoring & Contaminated Sites	R2	1,726	2,229	(503)	-	-	15	(15)	196	1	195	1,921	2,245	(323)	1,210	1,204	6	96	94	2	-	-	-	428	768	(339)	1,734	2,066	(332)		
Harbours Management	R4	419	388	32	2	10	(8)	(1)	11	(13)	420	409	11	360	358	2	-	-	-	-	-	13	38	(24)	4	377	396	(19)			
Total Regulatory	5,466	6,146	(680)	3	25	(22)	653	61	592	6,122	6,231	(109)	3,163	3,148	15	96	94	2	13	38	(24)	2,061	2,722	(661)	5,333	6,001	(668)				
Total Regional Leadership	9,683	10,554	(872)	3	25	(22)	751	61	691	10,437	10,640	(203)	7,891	7,853	38	96	94	2	17	38	(20)	2,110	2,785	(674)	10,115	10,769	(655)				
ENVIRONMENTAL																															
Land & Water Planning	W1	1,139	1,201	(62)	-	-	-	-	-	4	-	4	1,143	1,201	(58)	1,194	1,188	6	-	-	-	-	-	-	1,194	1,188	6				
Land & Water Science and Monitoring	W2	3,184	4,694	(1,511)	205	273	(67)	395	148	247	3,784	5,115	(1,331)	4,698	4,676	23	-	-	-	-	-	(4)	-	(4)	4,694	4,676	18				
Land & Water Implementation	W3	635	837	(203)	-	180	(180)	15	3	12	650	1,021	(371)	188	187	1	370	369	2	42	39	3	-	300	(300)	600	894	(294)			
LAWA	G6	303	215	88	-	-	-	-	-	-	303	215	88	8	8	0	-	-	-	-	-	224	-	224	182	(182)	232	190	42		
Total Land & Water	5,261	6,948	(1,687)	205	453	(247)	414	152	262	5,880	7,552	(1,672)	6,088	6,059	29	370	369	2	266	39	227	(4)	482	(486)	6,720	6,948	(228)				
Biodiversity Implementation	L1	261	348	(87)	-	-	-	4	-	4	265	348	(83)	350	348	2	-	-	-	81	-	81	(79)	-	(79)	351	348	3			
Biosecurity	L2	1,610	1,705	(95)	-	-	-	109	4	105	1,719	1,709	10	-	-	-	1,222	1,218	4	148	-	148	10	100	(90)	1,380	1,318	62			
Environmental Enhancement	L6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Wilding Pines	L7	308	325	(17)	-	-	-	2	-	2	310	325	(15)	-	-	-	101	100	1	147	225	(78)	-	-	-	248	325	(77)			
Biodiversity Science & Monitoring	L8	152	291	(139)	-	-	-	11	7	4	164	318	(155)	345	343	2	-	-	-	-	-	-	-	-	-	345	343	2			
Total Biodiversity & Biosecurity	2,331	2,670	(339)	-	20	(20)	126	11	116	2,457	2,700	(243)	695	691	3	1,323	1,318	5	376	225	151	(69)	100	(169)	2,324	2,334	(10)				
Air Monitoring	A1	234	244	(10)	34	23	11	24	13	11	291	279	12	220	219	1	-	-	-	-	-	-	-	-	-	220	219	1			
Total Air	234	244	(10)	34	23	11	24	13	11	291	279	12	220	219	1	-	-	-	-	-	-	-	-	-	-	220	219	1			
Total Environmental	7,825	9,862	(2,036)	239	495	(256)	564	175	389	8,628	10,532	(1,904)	7,003	6,969	34	1,693	1,687	7	641	264	378	(73)	582	(656)	9,264	9,501	(237)				
SAFETY AND RESILIENCE																															
Natural Hazards	N1	785	412	372	-	235	(235)	-	7	(7)	785	654	131	415	413	2	-	-	-	188	148	39	-	-	-	602	561	41			
Flood & Low Flow Risk Management	N2	73	171	(98)	-	-	-	3	-	3	76	171	(95)	172	171	1	-	-	-	3	-	3	-	-	-	175	171	4			
Climate Change Adaptation	N3	300	546	(246)	73	-	73	2	1	1	375	547	(172)	522	519	3	-	-	-	-	-	-	-	-	-	522	519	3			
Total Climate Change & Hazards	1,158	1,130	29	73	235	(162)	5	7	(2)	1,236	1,372	(136)	1,109	1,103	5	-	-	-	190	148	42	-	-	-	1,299	1,251	48				
Alexandra Flood Protection	F1	82	108	(26)	-	-	-	23	21	2	105	129	(24)	3	3	0	-	-	-	-	-	-	-	126	(126)	3	128	(126)			
Leith Flood Protection Scheme	F2	83	134	(51)	-	-	-	195	200	(5)	278	334	(56)	90	90	0	731	730	1	-	-	-	-	-	-	822	820	1			
Lwr Clutha Flood Protection & Drainage	F3	550	596	(46)	177	548	(370)	115	104	11	843	1,248	(405)	117	116	1	426	425	1	73	155	(81)	83	89	(5)	699	784	(85)			
Lwr Taieri Flood Protection Scheme	F4	347	427	(80)	238	175	63	34	31	3	619	633	(14)	115	114	1	479	475	4	152	278	(126)	1	1	1	747	868	(121)			
West Taieri Drainage	F5	267	409	(142)	2	383	(380)	97	99	(2)	366	891	(525)	62	62	0	365	365	0	0	270	(270)	38	33	5	465	729	(264)			
East Taieri Drainage	F6	256	369	(113)	-	143	(143)	49	23	26	304	534	(230)	46	45	0	301	290	11	0	-	0	2	1	1	349	336	13			
Tokomariu Drainage	F7	74	116	(42)	-	15	(15)	3	2	1	77	133	(56)	-	-	-	75	75	0	-	-	-	-	-	-	75	75	0			
Shotover River Delta	F8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Scheme Oversight & Bylaws	F9	386	339	47	-	-	-	66	-	66	452	339	113	-	-	-	-	-	-	-	-	-	-	-	-	257	324	(67)			
Total Flood Protection	2,045	2,498	(453)	417	1,263	(845)	582	480	102	3,045	4,241	(1,196)	433	431	2	2,378	2,360	17	225	702	(477)	381	572	(191)	3,417	4,065	(648)				
River Mgt - Dunedin	M1	184	144	41	-	-	-	10	7	3	194	151	43	-	-	-	140	140	0	-	-	-	-	-	-	140	140	0			
River Mgt - Clutha	M2	72	229	(157)	-	-	-	4	3	1	76	232	(156)	-	-	-	180	175	5	1	-	1	-	-	-	181	175	6			
River Mgt - Central	M3	206	254	(48)	-	-	-	1	-	1	207	254	(47)	-	-	-	161	160	1	0	-	0	-	-	-	161	160	1			
River Mgt - Wakatipu	M4	62	201	(139)	2	-	2	0	0	0	64	201	(136)	-	-	-	100	100	(0)	0	-	0	-	-	-	100	100	0			
River Mgt - Wanaka	M5	70	180	(110)	-	-	-	0	2	(1)	70	182	(112)	-	-	-	100	100	(0)	27	-	27	-	-	-	127	100	27			
River Mgt - Waitaki	M6	48	187	(139)	-	-	-	2	2	0	50	189	(139)	-	-	-	200	200	0	-	-	-	-	-	-	200	200	0			
Lwr Waitaki Flood Protection & River Control	M7	106	110	(4)	-	-	-	2	-	2	108	110	(2)	10	9	0	86	86	0	-											

Finance Committee Agenda - 23 Feb 2022 - MATTERS FOR CONSIDERATION

ACTIVITY DETAIL DEC-2021		Surplus / (Deficit)			General Reserves			Targeted Reserves			Other Reserves		
		Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
REGIONAL LEADERSHIP													
Communications & Engagement	G1	(56)	(12)	(44)	56	-	56	-	-	-	-	-	-
Governance & Financial Contributions	G8	226	60	166	(226)	(64)	(162)	-	-	-	-	-	-
Total Governance & Community		169	48	121	(169)	(64)	(106)	-	-	-	-	-	-
RPS, Strategy, Urban Dev & Response to Issues	P1	297	311	(14)	(297)	-	(297)	-	-	-	-	-	-
Total Regional Planning		297	311	(14)	(297)	-	(297)	-	-	-	-	-	-
Incident Response & Enforcement	I1	(350)	(17)	(333)	349	-	349	-	-	-	1	-	1
Consent Processing	R1	(208)	(21)	(188)	208	-	208	0	-	0	-	-	-
Compliance Monitoring & Contaminated Sites	R2	(187)	(179)	(8)	190	134	56	(3)	21	(24)	-	15	(15)
Harbours Management	R4	(43)	(13)	(30)	41	-	41	-	-	-	2	10	(8)
Total Regulatory		(789)	(230)	(559)	788	134	654	(2)	21	(24)	3	25	(22)
Total Regional Leadership		(323)	129	(452)	322	70	252	(2)	21	(24)	3	25	(22)
ENVIRONMENTAL													
Land & Water Planning	W1	52	(13)	64	(52)	-	(52)	-	-	-	-	-	-
Land & Water Science and Monitoring	W2	909	(440)	1,349	(1,115)	-	(1,115)	-	-	-	205	873	(667)
Land & Water Implementation	W3	(50)	(126)	77	73	-	73	(23)	121	(145)	-	50	(50)
LAWA	G6	(72)	(26)	(46)	72	-	72	-	25	(25)	-	-	-
Total Land & Water		840	(604)	1,444	(1,022)	-	(1,022)	(23)	146	(170)	205	923	(717)
Biodiversity Implementation	L1	86	(0)	86	(86)	-	(86)	-	-	-	-	150	(150)
Biosecurity	L2	(339)	(391)	52	-	-	-	339	375	(36)	-	-	-
Environmental Enhancement	L6	-	-	-	-	-	-	-	-	-	-	-	-
Wilding Pines	L7	(62)	-	(62)	-	-	-	62	-	62	-	-	-
Biodiversity Science & Monitoring	L8	182	25	156	(182)	-	(182)	-	-	-	-	45	(45)
Total Biodiversity & Biosecurity		(133)	(366)	233	(268)	-	(268)	401	375	26	-	195	(195)
Air Monitoring	A1	(71)	(61)	(10)	38	-	38	-	-	-	34	23	11
Total Air		(71)	(61)	(10)	38	-	38	-	-	-	34	23	11
Total Environmental		635	(1,031)	1,666	(1,252)	-	(1,252)	378	521	(144)	239	1,140	(901)
SAFETY AND RESILIENCE													
Natural Hazards	N1	(183)	(93)	(89)	183	-	183	-	-	-	-	87	(87)
Flood & Low Flow Risk Management	N2	99	0	99	(99)	-	(99)	-	-	-	-	-	-
Climate Change Adaptation	N3	147	(27)	174	(338)	-	(338)	-	-	-	191	27	164
Total Climate Change & Hazards		63	(120)	183	(254)	-	(254)	-	-	-	191	114	77
Alexandra Flood Protection	F1	(102)	(0)	(102)	-	-	-	102	-	102	-	-	-
Leith Flood Protection Scheme	F2	544	486	57	-	-	-	(544)	(486)	(57)	-	-	-
Lwr Clutha Flood Protection & Drainage	F3	(144)	(463)	320	-	-	-	(96)	251	(347)	240	175	65
Lwr Taieri Flood Protection Scheme	F4	128	234	(107)	-	-	-	(365)	84	(449)	238	-	238
West Taieri Drainage	F5	99	(161)	261	-	-	-	(102)	344	(446)	2	-	2
East Taieri Drainage	F6	45	(198)	243	-	-	-	(45)	233	(278)	-	-	-
Tokomario Drainage	F7	(2)	(58)	56	-	-	-	2	58	(57)	-	-	-
Shotover River Delta	F8	-	-	-	-	-	-	-	-	-	-	-	-
Scheme Oversight & Bylaws	F9	(195)	(15)	(180)	-	-	-	195	-	195	-	-	-
Total Flood Protection		373	(175)	548	-	-	-	(852)	484	(1,336)	480	175	305
River Mgt - Dunedin	M1	(54)	(11)	(43)	-	-	-	54	59	(5)	-	-	-
River Mgt - Clutha	M2	105	(57)	162	-	-	-	(105)	37	(142)	-	-	-
River Mgt - Central	M3	(46)	(94)	48	-	-	-	46	45	1	-	-	-
River Mgt - Wakatipu	M4	36	(101)	136	-	-	-	(38)	121	(159)	2	-	2
River Mgt - Wanaka	M5	57	(82)	139	-	-	-	(57)	57	(114)	-	-	-
River Mgt - Waitaki	M6	151	11	139	-	-	-	(151)	(21)	(129)	-	-	-
Lwr Waitaki Flood Protection & River Control	M7	(13)	(15)	2	-	-	-	13	-	13	-	-	-
Non Scheme Management	M8	(18)	0	(18)	18	-	18	-	-	-	-	-	-
Total River Management		217	(348)	565	18	-	18	(238)	296	(534)	2	-	2
Emergency Management	E1	183	89	94	-	-	-	(183)	(100)	(83)	-	-	-
Total Emergency Management		183	89	94	-	-	-	(183)	(100)	(83)	-	-	-
Total Safety and Resilience		836	(554)	1,390	(236)	-	(236)	(1,274)	680	(1,954)	673	289	384
TRANSPORT													
Regional Land Transport Planning	T1	69	0	69	(69)	-	(69)	-	-	-	-	-	-
Stock Truck Effluent Disposal	T3	(4)	(0)	(4)	4	-	4	-	-	-	-	-	-
Public Transport - Dunedin	T4	(912)	(665)	(247)	-	-	-	912	783	129	-	-	-
Public Transport - Wakatipu	T5	(855)	(566)	(289)	-	-	-	855	603	252	-	-	-
Public Transport - Other	T6	279	(53)	332	(279)	-	(279)	-	50	(50)	-	-	-
Total Transport		(1,424)	(1,284)	(139)	(343)	-	(343)	1,767	1,437	330	-	-	-
Total Transport		(1,424)	(1,284)	(139)	(343)	-	(343)	1,767	1,437	330	-	-	-
TOTAL ACTIVITIES		(275)	(2,740)	2,465	(1,510)	70	(1,580)	869	2,660	(1,791)	916	1,454	(539)

8.2. Draft Annual Plan 2022-23 and Engagement Approach

Prepared for:	Finance Committee
Report No.	CS2209
Activity:	Governance Report
Author:	Mike Roesler, Manager Corporate Planning
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	14 February 2022

PURPOSE

- [1] This report enables Council to achieve a draft position for adjustments to the financial forecasts contained in the Otago Regional Council Long-Term Plan 2021-31 (LTP). Doing so provides a basis for engaging with the community and for final decisions prior to adopting the Annual Plan 2022-23 (AP) in June 2022.

EXECUTIVE SUMMARY

- [2] The Council has progressed to a stage in the AP process where it needs to decide a draft position for adjustments to the financial forecasts and associated activity contained in the LTP. The discussion section shows the impact of the refinements staff have made to the financial estimates to achieve the Council 9 December 2021 meeting resolution on rating.
- [3] Deciding a draft position provides all those associated with the process, including external parties, certainty around the scope of proposed adjustments to the LTP. The timing of the recommendations in this report also provides Council with more options in how it decides to engage with the community.
- [4] Given that the proposed adjustments to the LTP are not 'significant' and do not include substantive changes to Council activity, the legal requirement to formally consult does not apply.
- [5] Nonetheless, Council staff are recommending an engagement option that both communicates Council's service intentions for 2022-23 and enables community feedback. This recommendation reflects a perceived sentiment that Council staff took from the November/December 2021 committee cycle that broad community engagement was desired.
- [6] Since then, staff have become more aware of how the COVID-19 pandemic relates to the timing of both the preferred AP engagement option and the Council's overall consultation programme, including the Regional Land and Water Plan. The advantages and disadvantages listed under each AP engagement option provide important considerations including the level of benefit in proceeding with the preferred option.

RECOMMENDATION

That the Finance Committee:

- 1) **Notes** the position reached by Council at the 9 December 2021 meeting on proposed adjustments to the Long-Term Plan 2021-31 as presented in 'Background' section of this report.
- 2) **Notes** the post 9 December 2021 proposed adjustments to the Long-Term Plan 2021-31 as presented in 'Discussion' section of this report.
- 3) **Notes** the funding impacts of the post 9 December 2021 adjustments as summarised in this report.
- 4) **Approves** the proposed draft financial estimates and that supports the Long-term Plan year 2 work programme as a basis for engaging with the community about any further refinement that may be required to the Long-term Plan 2021-31.
- 5) **Approves** the proposed adjustments to Council's Fees and Charges.
- 6) **Agrees** the post 9 December 2021 adjustments as summarised in this report do not represent significant or material changes to the Long-term Plan 2021-31.
- 7) **Approves** Option 1 being 'targeted community engagement' as the approach Council staff will implement for engagement on the Proposed Annual Plan for 2022/23.
- 8) **Directs** staff to prepare the supporting information for community engagement and for Council's endorsement at its 23 March 2022 meeting.

BACKGROUND

- [7] To date, this Annual Plan process has involved Council's consideration and input on the following occasions:
- 25 August 2021 Finance Committee – endorsing steps and timelines.
 - 14 October 2021 Council workshop - provided a recap on the LTP Year 2 work programme and financial estimates.
 - 24 November 2021 Finance Committee – proposed adjustments to the LTP year 2 financial estimates provided for consideration. The Committee resolved for staff to work within an 18% total rates cap.
 - 9 December 2021 Council meeting – provided a progress report on work to achieve the above 24 November 2021 Committee resolution. The Council resolved for staff to keep the Council Chair and Finance Chair informed of progress leading into the February 2022 Committee reporting cycle.
- [8] Table 1 shows the expenditure position reported to the 9 December 2021 meeting and as captured in the financial model at that point. This position made progress towards achieving the 24 November Finance Committee 'rate cap' resolution. Staff also expressed confidence that further refinements would be made to achieve that resolution.
- [9] The proposed draft expenditure for LTP Year 2 at the activity level was reported as \$109.1m. When compared to the LTP Yr2 estimate of \$106.2m, it represented an increase in total expenditure of \$2.9m.

Table 1 Previously Reported Expenditure Estimates (at 9 December 2021)

Group	Activity	21/22 LTP	22/23 LTP	22/23 AP
Regional Leadership	Governance & Community	5,727,740	6,327,198	6,475,081
	Regional Planning	3,680,724	3,499,905	3,524,258
	Regulatory	12,362,841	13,301,086	13,491,202
		21,771,305	23,128,190	23,490,540
Environmental	Air	482,429	815,215	822,649
	Biodiversity & Biosecurity	9,148,619	9,389,729	11,528,643
	Land & Water	16,033,592	18,039,896	19,034,848
		25,664,639	28,244,839	31,386,140
Safety & Resilience	Emergency Management	2,759,065	2,795,918	3,315,804
	Flood & Rivers	12,009,596	12,400,171	12,660,025
	Climate Change & Hazards	2,731,772	3,762,670	3,378,360
		17,500,434	18,958,759	19,354,190
Transport	Transport	32,879,550	35,840,147	34,847,025
Total		97,815,928	106,171,935	109,077,895

[10] The key expenditure items and funding impacts were detailed in the 23 November 2021 Finance Committee and 9 December 2021 Council reports. A summary recap of those key matters includes:

- External grants funded work including the Jobs for Nature programme, the Mt Pleasant/Te Haka Pupu River restoration project, and the Wallabies Pest Contract Management programme. Note this represents most of the additional LTP year2 expenditure.
- Targeted rates have increased compared to the LTP due to additional staffing for Emergency Management Activity.
- General rates have increased compared to the LTP due to additional staff in Governance and Communication Activity and the Hazards Team; and the addition of an economic workstream to support the development of the Land and Water Plan; and LIDAR work programme expenditure reclassified from capital to operational expenditure.
- The net impact of these changes in expenditure equated to a total average rate requirement of 18.7% (compared to the 18.1% LTP year 2 estimates.)

DISCUSSION

Post 9 December 2021 Adjustments

[11] Since the 9 December 2021 Council meeting, staff have made further adjustments to reduce the proposed year 2 financial estimates.

[12] Expenditure has been reduced by adjusting inflation and depreciation assumptions with the reductions totalling \$278k. Table 2 shows that this reduction achieves an average rate funding requirement of 18% which equates to the adopted LTP year 2 estimate.

Table 2: Impact on Rates

Averaged	LTP Yr2	22/23 AP (draft)
General Rates	18.1%	18.1%
Targeted Rates	18.0%	18.0%
Total Average Rate	18.0%	18.0%

Draft Estimates

[13] This section relates to recommendations 4 of this report.

[14] Table 3 provides the proposed draft expenditure estimates at the activity level. It totals \$108.8 million compared to the \$106.2m as consulted and agreed with the community for the LTP yr2. The proposed total expenditure represents an increase of \$ 2.6 million compared to the year 2 Long-term Plan forecast. Most of this increase is comprised of external grant funded work that does not impact rates.

Table 3: Total Expenditure

Group	Activity	21-22 LTP (yr1) (000's)	22/23 LTP (yr2) (000's)	22/23 AP (draft) (000's)
Regional Leadership	Governance and Community Engagement	5,728	6,327	6,585
	Regional Planning	3,681	3,500	3,484
	Regulatory	12,363	13,301	13,477
	Sub total	21,771	23,128	23,545
Environment	Land and Water	16,034	18,040	18,937
	Biodiversity and Biosecurity	9,149	9,390	11,454
	Air	482	815	816
Sub total	25,665	28,245	31,206	
Safety and Resilience	Flood Protection, Drainage and River Management	12,010	12,400	12,540
	Climate Change and Hazards	2,732	3,763	3,413
	Emergency Management	2,759	2,796	3,336
Sub total	17,500	18,959	19,289	
Transport	Transport	32,880	35,840	34,762
TOTAL		97,816	106,172	108,801

[15] The proposed sources of revenue budgeted to cover the cost of Council activity are shown in Table 4.

Table 4:

Funding Source	21-22 LTP (yr1)	22/23 LTP (yr2)	22/23 AP (draft)
	<i>(000's)</i>	<i>(000's)</i>	<i>(000's)</i>
General rates	19,577	23,113	23,127
Targeted rates	20,462	24,128	24,101
Fees & charges; Grants	35,501	36,002	37,472
Reserves	8,348	8,000	9,174
Port Otago dividends; investment interest	13,928	14,928	14,928
Total Revenue	97,816	106,172	108,801

- [16] The proposed total rating revenue (general and targeted) is \$47.2 million. This is in line with the adopted LTP Yr2 estimated revenue. Compared to the LTP Yr1 the proposed total rates have increased by \$7.2 million (18%). This adopted increase is comprised \$3.6 million (18.1%) general rates, and \$3.6 million targeted rates. The general rate component relates to a range of key service deliverables agreed in the LTP including:
- Water state of the environment monitoring
 - Biodiversity and environmental enhancement
 - 2022 Elections
- [17] The targeted rate component relates to a range of key service deliverables agreed in the LTP including:
- Emergency Management
 - Pest management
 - Drainage and flood protection
- [18] Importantly, this proposed rating requirement includes a dividend 'offset' from Port Otago of \$14 million. Dividends increased over year 1 and 2 of the LTP to reduce rating impacts on the region's ratepayers.
- [19] The proposed revenue estimates while including provision for expenditure on the proposed Regional Policy Statement Freshwater Hearing Panel process, it is highly likely that actual costs will exceed LTP Yr2 budget by approximately \$400k. This expected adjustment has been determined after ORC nominations to the panel and submission of the proposed RPS have closed.

Fees and Charges

- [20] The key changes to schedule of fees and charges are the scale of charges listed in the table below and relate to recommendation 5 of this report.

Table 6

Scale of Charges	Current	Proposed
Staff time per hour:		
- Management	\$190	\$205
- Team Leader/Principal	\$170	\$185
- Senior Technical	\$150	\$165
- Technical	\$130	\$145
- Field staff	\$130	\$145

- Administration	\$100	\$110
- Specialist Expert Services (Science/Hazards/Engineering)		\$165

[21] Other minor amendments to deposits are listed below:

Table 7

Deposits	Current	Proposed
Publicly Notified Applications Deposit	\$10,000	\$15,000
Deemed Permitted Activity (New)		\$1,750
Section 417 Certificate	\$500	remove

Community Engagement

- [15] The Council completed its decision-making on the LTP following community wide consultation in June 2021. A Consultation Document presenting the key proposals, an overview of proposed activity and financial impacts attracted 560 submissions. The final decisions of Council were reported back to submitters in July 2021.
- [16] At a very broad level community feedback on the LTP could be characterised by the points below with Council taking confidence from the level and nature of support from partnering organisations, groups and individuals.
- Clear support for Council direction and funding approach.
 - Qualified support or ambivalence to Council's direction with the caveat being resources must be managed more prudently given the funding steps.
 - Mixed feedback and messaging about direction, with requests to do more of the same or expand our role. Both these perspectives requiring additional funding to that proposed.
 - Not supporting direction and largely because of the impact on rates.
- [17] The Council restated its commitment to the LTP during the October 2021 Annual Plan workshop. It provided a recap on the adopted LTP programme.
- [18] Subsequent decisions of Council resolved that no significant change was required to the adopted LTP. The Local Government Act 2002 provides discretion to councils about the approach to community engagement where no significant change is planned. In fact, the intent is for councils to engage more comprehensively only where there are specific proposals that are deemed significant. The Special Consultative Procedure, as defined in the LGA, is utilised in these situations.
- [19] Importantly the Council is now at a stage in the AP process where it must direct staff on the community engagement approach. Doing so ensures that sufficient time is available to implement an agreed approach.
- [20] Accordingly, and as related to recommendation 8, staff are seeking to complete consultation and/or communication material for endorsement at the 23 March 2022 Council meeting. This ensures community engagement can start and be implemented to meet the time constraints.
- [21] Achieving recommendation 8 is dependent on the level of certainty staff gain from this 23 February 2022 committee meeting about the draft estimates and engagement approach.
- [22] Attachment 1 shows the steps and timelines.

OPTIONS

- [23] Table 8 outlines three community engagement options for consideration. Option 1 is preferred and relates to recommendation 7 of this report.
- [24] Option 3 should also warrant consideration given how the Pandemic is tracking and the level of other Council-wide consultation that is occurring and planned.
- [25] None of the proposed options propose a hard copy hand delivered consultation document for households. All communication to ratepayers would be electronic or targeted through letter, where requested via Council Customer Services.

Table 8: Community Engagement Options

Option 1 (preferred) - Targeted community engagement – no formal submission process or hearings

The approach involves:

- Communicating Council’s intentions to:
 - the public through media channels. Communications would reference information and a feedback form on the ORC website.
 - key partners (organisations and groups) via letters that include an invite to meet face to face or online.
- Digital platform for providing detailed communication material, including a Draft AP and feedback form.
 - ORC ‘Your Say’ online platform for community feedback, noting that requests for hardcopy forms will be advertised and available via calling ORC customer service.
 - The feedback form will be ‘open-ended’ reflecting that there’s no significant proposals to change the LTP.
- Targeted meetings between partners and stakeholders and Council will be arranged where requested .
- No formal hearings but rather a report to Council on general feedback and overview of partnering discussions.
- Staff recommendations on feedback and/or positions with partners where necessary and/or beneficial.

Advantages

- Offers opportunity to anybody to provide feedback to Council ie casts a broad net.
- Utilises elected member time more effectively.
- Focuses more on what currently matters and avoids reconsulting on previous decisions.

Disadvantages

- Community possibly distracted during what is likely to be a peak COVID-19 infection period .
- Potential for community consultation burnout or confusion given the substantive Council-wide consultation programme including the Land & Water Programme.
- A small number of submitters may

- Allows for more authentic messaging to the community about the Council's service and funding intentions for 2022/23.
 - Digital approach for general public ensures adequate time is available to Councillors for decision-making.
 - Reduced cost and reduced carbon footprint.
- have expectations of a full special consultative procedure.

Option 2: Special Consultative Procedure (SCP)

The approach involves:

- Communicating Council's intentions through media channels including inviting submissions on changes to the LTP.
- Communication material developed to support above with a submission form available online or on request.
- Formal Hearings held with an opportunity to all those requesting 'to be heard'.
- Reporting a summary of submissions and associated staff recommendations.
- Council Deliberation on submissions and final decisions on adjustments to the LTP.

Advantages

- Meets the expectations of a small portion of the community wanting a full submission, hearing and deliberation process.

Disadvantages

- The SCP is more appropriate for significant proposals i.e., of scale.
- Opportunity cost associated with Councillor and staff time associated with attending and administering Hearings.
- Less flexibility for decision-makers resulting in reduced time for decision-making.
- Could send confusing signals to the community about the Council's intentions regarding change to LTP year2.

Option 3: Communicating the Council's intentions – no feedback loop

The approach involves:

- Communicating Council's intentions through media channels and letters to previous submitters.

Advantages

- Avoids consultation burnout or overwhelming people given all the other planned and arguably higher priority engagement exercises occurring (ie Land and Water Plan consultation during March & April; Flood Protection Scheme Review).
- Potentially a safer more practical option given COVID predictions.
- Sends a realistic message to the community about the Council's intentions regarding the LTP.
- Utilises elected member time more effectively.
- Staff time redeployed to business improvement issues.
- Least cost options and lowest carbon footprint

Disadvantages

- Some in the community will be aggrieved that they can't submit and verbally submit to Council.
- Council may miss the opportunity to consider various matters that would otherwise have been raised.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[26] Specific resolutions of Council made during the LTP process are also embodied in the AP process, including:

- Revenue and financing Policy considerations are to report back on options around an independent review of the existing rating basis for all flood protection and drainage schemes; and develop a region-wide methodology for water improvement funding for 2022/23 annual plan.
- Establishment and funding of a scoping study for an Otago Lakes Strategic Plan.
- Establishment of an Otago Harbour Facilities and Management Plan.

Financial Considerations

[27] The information provided in this report is based on detailed financial modelling. Staff are seeking approval from this Committee to 'lock down' the model and establish a draft position. At that point more detailed calculations can be completed that show for example, the impact of decisions at a property or rating unit level.

Significance and Engagement

[28] Adjustments to the LTP as reported in the AP process to date have been considered in reference to the Council's *Significance and Engagement Policy/He Mahi Rua Rika*. Recommendation 6 of this report seeks Council agreement, that the post 9 December proposed adjustments to the Long-term Plan 2021-2031 as summarised in the Discussion section of this report do not represent a significant or material change.

Legislative and Risk Considerations

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

Climate Change Considerations

[30] The preferred community engagement option places an emphasis on using Council's digital platform to communicate and enable feedback. Hard copy printed material is minimised which results in a lower greenhouse gas emissions footprint.

Communications Considerations

[31] This has been covered in the discussion section of this report.

NEXT STEPS

[32] Assuming the Committee agrees the recommendations of this report the next steps include:

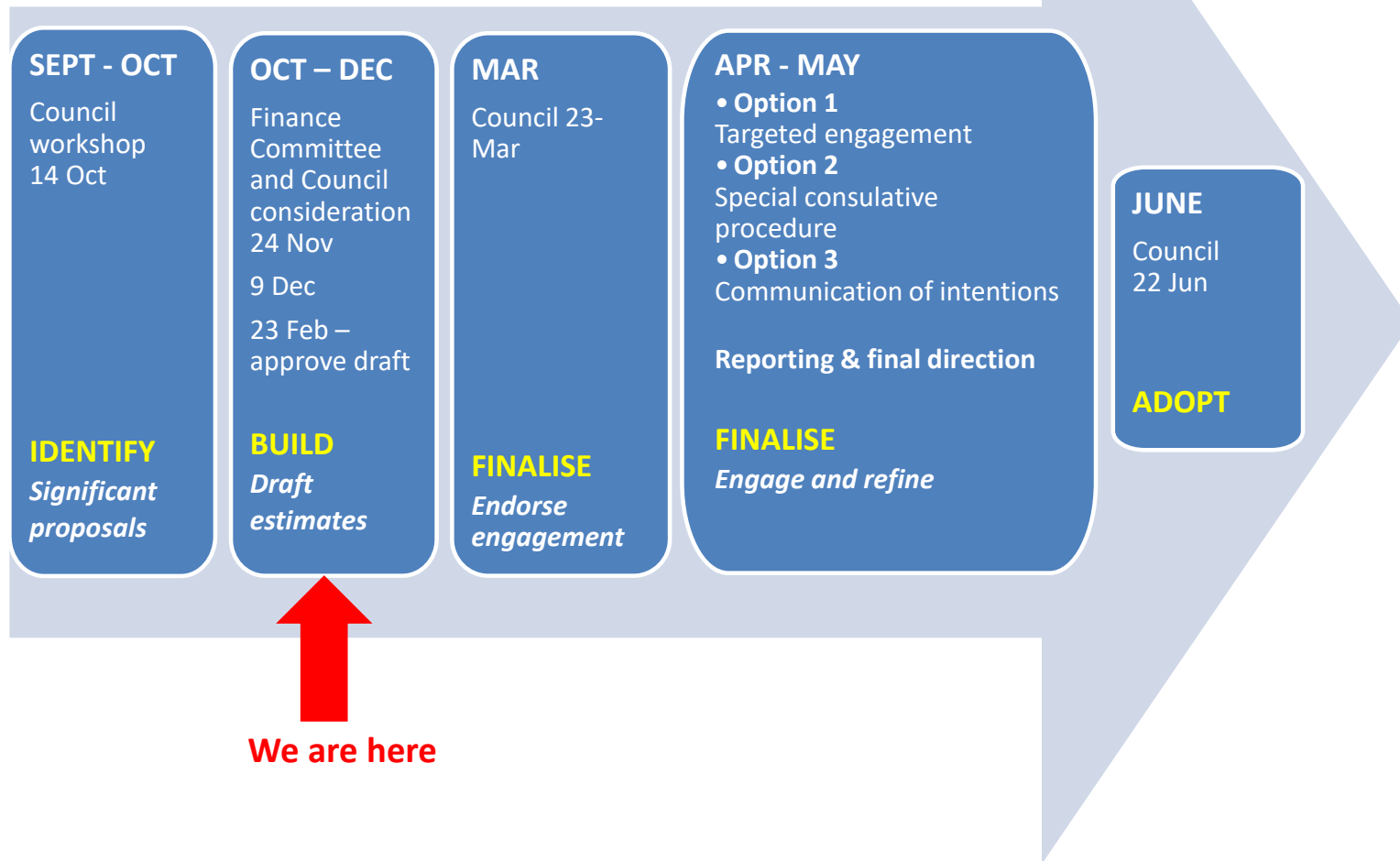
- Council endorse material supporting the communication and engagement approach, including a Draft AP
- Council direct staff to begin engagement with the community
- Engagement (April)
- Final adjustments to the draft estimates (May-early June)

[22] Adoption of the AP 2022/23 (June 2022).

ATTACHMENTS

1. Annual Plan 2022-23 Timeline [8.2.1 - 1 page]

■ Timing



8.3. Taieri Flood and Drainage Rates

Prepared for:	Finance Committee
Report No.	CS2210
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Corporate Services
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	14 February 2022

PURPOSE

- [1] To report back to the Finance Committee following a meeting of the working group to consider ways to pilot a review of the Taieri flood and drainage rates.

RECOMMENDATION

That the Finance Committee:

- 1) **Notes** this report.

BACKGROUND

- [2] At the 9 December 2021 meeting Council resolved:
“To set up a working party of Finance staff, Engineering staff, the Finance Co-Chairs and Molyneux Councillor Wilson, to report back to the first Finance Committee of 2022 on ways to pilot a review of the Taieri drainage and flood schemes rates.”
Resolution CM21-217
- [3] An initial meeting of the working group was held on 2 February 2022.
- [4] The meeting was attended by Councillors Malcolm, Calvert and Wilson, General Managers Nick Donnelly and Gavin Palmer, Finance staff Mike Roesler and Sean Geary and Engineering Manager Michelle Mifflin.

DISCUSSION

- [5] The meeting clarified Councillor expectation around the resolution and the outcome sought from a review.
- [6] As a result, staff are preparing further information to outline how the Taieri schemes work and how that relates to the rating areas and the level of benefit the various rating areas receive.
- [7] Once that material is prepared the working group will meet again to consider that and further discuss options and next steps.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [8] Rates and funding of activities are outlined in the Revenue and Financing Policy. Any changes to rates will require amendment of that policy and depending on the level of significance of proposed changes may require an amendment to the Long-Term Plan.

Financial Considerations

- [9] At this stage no additional spend is proposed in the initial stages of assessing options for a review. Potential costs of a rates review were outlined in the paper provided to the Finance Committee on 24 November 2021 and again to Council on 9 December 2021.

Significance and Engagement Considerations

- [10] Changes to rates may trigger He Mahi Rau Rika, Council's Significance, Engagement and Maori Participation Policy. Significance and engagement considerations will depend on the materiality of any changes to rates being proposed and the number of ratepayers impacted. If the changes were deemed significant, engagement would be required which could involve a full special consultative procedure under the Local Government Act 2002.

Legislative and Risk Considerations

- [11] Legal requirements for setting rates are included in the Local Government (Rating) Act 2002 and the Local Government Act 2002. There is risk associated with setting rates if the processes and requirements outlined in these Acts is not followed.
- [12] At this stage there are no legal or risk considerations around the working group considering options. If recommendations are proposed to amend or create new rates it is important that Council complies with the legal requirements of these Acts.

Climate Change Considerations

- [13] Not applicable.

Communications Considerations

- [14] Not applicable.

NEXT STEPS

- [15] Noted above.

ATTACHMENTS

Nil

8.4. Enviroschools Programme Future Options

Prepared for: Finance Committee
Report No. COMS2201
Activity: Community - Enviroschools
Author: Richard Saunders, General Manager Regulatory and Communications
Endorsed by: Richard Saunders, General Manager Regulatory and Communications
Date: 23 February 2022

PURPOSE

- [1] The purpose of this report is to provide Council with options for the potential expansion of the Enviroschools programme within Otago. These options can be considered as part of the 2022/2023 Annual Plan process.

EXECUTIVE SUMMARY

- [2] The Enviroschools programme is delivered in 97 schools throughout Otago. This equates to 8% of Early Childhood Education (ECE), 60% of Primary and Intermediate, 59% of Secondary and 50% of composite schools.
- [3] The Enviroschools programme is currently supported by eight facilitators and one regional coordinator who are all working at capacity to support schools already in the programme.
- [4] To enable growth in the Enviroschools programme, further investment would be required in both regional coordination and facilitators. The current funding model sees Otago Regional Council fund the coordination role and Territorial Local Authorities funding facilitators.

RECOMMENDATION

That the Finance Committee:

- 1) **Notes** this report.
- 2) **Considers** the options presented for inclusion in the 2022/23 Annual Plan.

BACKGROUND

- [5] Enviroschools was first offered in Otago in 2002. Waitati and Glenorchy primary schools were the first schools to sign up to the programme. The programme now encompasses 97 schools across Otago.
- [6] Enviroschools works collaboratively with a range of organisations across the Otago community to support good quality learning experiences for students and to connect schools with their communities. Enviroschools kaupapa is 'creating a healthy, peaceful, sustainable world through learning and taking action together'.
- [7] At the Governance, Communications and Engagement Committee meeting on the 11th of August 2021 staff provided an update on Enviroschools, including a presentation from
-

school pupils currently engaged in the programme. A copy of the report is included as Attachment 1.

- [8] The Committee resolved the following:
- a. **Notes** the update on the activities of Enviroschools in Otago
 - b. **Requests** staff report to Council in time for the 2022/23 Annual Plan the cost of offering Enviroschools to all schools and other education centres in Otago and the Territorial Authority funding that would be required.
- [9] This paper responds to resolution part b in that it provides cost information on the delivery of Enviroschools to all education centres in Otago. It does not address the strategic question of what such a decision might contribute to ORC's Strategic Direction or why this investment might be a priority over others that might achieve similar or greater outcomes, given any investment is likely to be over and above the proposed budget and 18% rates cap for the 2022/23 financial year Council has already signalled.

DISCUSSION

- [10] Staff have identified 202 schools or education centres in Otago that are not currently part of the Enviroschools programme. 147 of these are ECE and 55 are schools. Table 1 shows the breakdown by TLA area of schools and ECE centres currently within the Enviroschools programme and those that are not.

Current Enviroschools					Non-Enviroschools			
District	ECE	Primary/ Intermediate	Secondary	Area	ECE	Primary/ Intermediate	Secondary	Area
CDC	0	8 40%	1 33%	1 50%	7 100%	12 60%	2 66%	1 50%
CODC	0	11 100%	2 100%	2 100%	16 100%			
DCC	0	27 49%	8 66%	N/A	92 100%	28 51%	4 33%	N/A
QLDC	3 12%	12 100%	2 100%	N/A	22 88%			
WDC	3 23%	11 65%	2 50%	N/A	10 77%	6 35%	2 50%	N/A
Total	6	69	15	3	147	46	8	1

Table 1: ECE Centres and Schools currently included and not included in Enviroschools

- [11] It is not likely that all schools and ECE's will chose to take part in Enviroschools even if the offer was made. Over the last three years there have been 33 ECE and 17 school requests to join the Enviroschools programme. This equates to 22% and 31% of those not currently in the programme.
- [12] It should also be noted that there has been no proactive call for new schools to join Enviroschools as co-ordinator and facilitation resources are not currently available to support an expanded programme. Before any expectation is set with ECE or schools it is important to understand where the required funding for any expanded programme may come from.

Existing staff and funding

[13] The current funding model for Enviroschools involves funding from ORC for the coordination role and funding from TLA's for the facilitators. Funding models for facilitators varies between TLA's.

[14] There is no set ratio of facilitators to schools across Otago. Table 2 shows the current facilitation resource by TLA along with the number of ECE's or schools within the programme.

TLA	Current Facilitator FTE	ECEs / Schools in Programme
Waitaki DC	0.5	3 / 14
Dunedin CC	1.6	0 / 35
Central Otago DC	0.8	0 / 15
Clutha DC	0.25	0 / 10
Queenstown Lakes DC	0.5	3 / 13

Table 2: Current facilitation resource by TLA

[15] Based on the existing number of schools to facilitators one FTE can provide for approximately 23 schools or ECE centres. This ensures high quality support for those schools and ECE centres involved in the programme. These numbers can vary depending on the geographic spread of ECE/schools but are considered suitable to use for the purpose of planning.

[16] To offer Enviroschools to every ECE/school in Otago a total of 8.8 additional FTEs would need to be employed based on the formula above. Table 3 shows where these additional FTEs would need to be based.

TLA	ECE/Schools not currently in Enviroschools	Additional FTE required
Waitaki DC	10 / 8	.8
Dunedin CC	92 / 32	5.4
Central Otago DC	16 / 0	.7
Clutha DC	7 / 15	1
Queenstown Lakes DC	22 / 0	1

[17] The cost of an FTE varies between TLAs as they are employed directly or through a contractor so it is not possible to estimate what the cost would be. Under the current funding model each TLA would be required to fund the additional staff on top of the current commitments.

[18] In addition to the cost of additional facilitators the cost of additional regional coordination resource also needs to be considered. Currently there is .8 regional coordination resource funded by ORC. Planning and delivering any expansion of the programme would require a further .6 coordination resource with the additional resource located in Central Otago. This resource ensures that facilitators are well supported to deliver a high quality Enviroschools programme into Otago schools.

- [19] Further investigations into expanding the coverage of Enviroschools in Otago could be undertaken through an \$85,000 investment in a further 0.6 FTE of Regional Coordination resource over the next financial year. A decision to expand the programme without further investigations would require substantially more investment to meet the costs of the Regional Coordination Resource and additional facilitation resources. Either option would require funding through General Rates.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [20] The Enviroschools programme supports a number of visions contained within the ORC Strategic Directions.
- a. Communities that connect with, and care for, Otago's environment
 - b. An environment that supports healthy people and ecosystems
 - c. Communities that are resilient in the face of natural hazards, climate change and other risks
 - d. A sustainable way of life for everyone in Otago

Financial Considerations

- [21] Budget for the existing Enviroschools coordinator is included in the draft 2022/23 annual plan. There is currently no funding in the draft budget to increase the coordinator resource or to fund or supplement additional facilitators in Otago.

Significance and Engagement Considerations

- [22] When considered against He Mahi Rau Rika engagement should occur with ORC's TLA delivery partners about any potential increase to the Enviroschools programme.

Legislative and Risk Considerations

- [23] There are risk considerations to be weighed up in making this decision. A risk exists in increasing funding of the Enviroschools programme as part of the annual plan process as this will have an impact on rates. This must be weighed up against the risk of not providing adequate resources to enable those schools that wish to join the Enviroschools programme the chance to do so.

- [24] A risk also exists if the programme is allowed to expand without the appropriate coordination resource to support facilitators. The coordinator role provides a key connection to the national programme and ensures that all facilitators are properly supported.

Climate Change Considerations

- [25] The Enviroschools programme supports education of students on climate change.

Communications Considerations

- [26] There are no communications considerations associated with this report.

NEXT STEPS

[27] Councillors will consider this report as part of Annual Plan deliberations. Staff will take the necessary steps in response to the resolution reached.

ATTACHMENTS

1. EnviroSchool report to 2021.08.11 GCE Committee [**8.4.1** - 5 pages]

Report from 11 August 2021 Governance, Communications and Engagement Committee

7.1. Update on Enviroschools

Prepared for:	Governance, Communications and Engagement Committee
Report No.	COMS2104
Activity:	Community: Governance & Community
Author:	Robyn Zink, Enviroschools Regional Coordinator
Endorsed by:	Richard Saunders, General Manager Regulatory and Communications
Date:	26 July 2021

PURPOSE

- [1] To update the Committee on the activities of Enviroschools in Otago.

EXECUTIVE SUMMARY

- [2] ORC supports the delivery of the Enviroschool programme through the funding of the Enviroschools coordinator. The programme has seen significant growth since ORC began funding the coordinator role in 2017.
- [3] While the impacts of COVID-19 did affect the delivery of the Enviroschool programme over the last year, there has been significant delivery across the five Territorial Local Authorities in the Otago region.

RECOMMENDATION

That the Committee:

- 1) **Notes** the update on the activities of Enviroschools in Otago.

BACKGROUND

- [4] Otago Regional Council (ORC) began funding the Enviroschools Regional Coordinator in 2017. Since this time the size of the programme has grown from 57 schools and 4 early childhood centres to 85 schools and 6 early childhood centres. This equates to 21,400 students being involved in the Enviroschools programme.
- [5] All five of the territorial local authorities (TLAs) in the Otago region now support the Enviroschool programme through direct funding of facilitators within their areas.

DISCUSSION

Ka mihi ki a Rakinui, ki a Papatūānuku,
Ka mihi ki te ngao o te wheiao!
Toitū te whenua, toitū te takata ki to wheiao ki te ao mārama.

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Greetings and acknowledgement to Rakinui, to Papatūānuku, to the energy of the universe. May the land be sustained, may the people be sustained – in our universe, in our world of light

The Enviroschools Programme

- [6] Enviroschools is a holistic approach to the development of resilient and sustainable communities. The programme aims to inspire and empower people of all ages through connection, creativity, and action so they are actively engaged in creating a sustainable future. Enviroschools is specifically designed to meet multiple council outcomes through authentic relationships with the community. The long-term holistic approach of Enviroschools resonates with ORC's mission of *'Enriching all life in a way that ensures positive connections between environment, people and place now and for our future'*.
- [7] Enviroschools' kaupapa is delivered through facilitators working with schools, supporting them to identify and take action on issues relevant to the school and their community. Schools consistently identify their relationships with facilitators as key to deepening their sustainability practices and increasing their connections to community. Facilitators are employed by the TLAs directly or through contracts with community organisations.
- [8] At the end of each year an annual review is undertaken with each school. In the 2020 survey teachers were asked what difference Enviroschools made to their school. Common themes from across the region were that Enviroschools provides:
- a. Authentic learning / real leadership – Empowers students
 - b. Changes the way students perceive the world
 - c. Contributes to resilience
 - d. Students designing solutions for local problems
 - e. Connects schools to others and local environment

Impact of COVID 19 on Enviroschools

- [9] COVID-19 caused some disruption over the last year. We had to shift two senior secondary hui to zoom and cancel the Dunedin primary hui at the end of 2020. We managed to run two teacher hui (covering the whole region), a specialist secondary teacher hui, an intermediate hui (for Dunedin City Council (DCC) and Waitaki District Council (WDC) schools) and two primary hui (one for WDC schools and one for Central Otago District Council (CODC) and Queenstown Lakes District Council (QLDC) schools). We also ran teacher cluster meetings in person and via zoom.
- [10] Schools managed to maintain a high level of activity and focus on sustainable actions even with the COVID-19 disruptions. All schools worked to reduce their waste, the majority are involved in growing and sharing kai and many are involved in biodiversity and water projects. Schools across the region have also been focusing on energy, transport, and air quality. Otago Enviroschools also have a strong focus on cultural, social, and economic sustainability. Students and teachers are increasingly asking for support to understand climate change and how to transition to a just, zero-carbon future.

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School Connections with their Communities

- [11] A key role for Enviroschools is facilitating connections between schools and their communities and navigating the different expectations and aspirations of schools and community groups. Enviroschools support many ORC ECO Fund projects by providing advice to community groups on creating high quality learning experiences, connecting projects with schools, and providing teachers with support to integrate learning from the field into inquiry topics. This work all aims to empower students to make a difference in their communities.
- [12] Enviroschools has facilitated consultation processes with both DCC and QLDC this year. Staff worked with two high schools to engage with DCC's consultation on their Coastal Plan enabling the students to share their views on the future of the coast. QLDC are currently refreshing their Climate Change Plan and wanted to hear from a range of young people, including primary students, across the district. Both processes provide productive templates for council to engage with young people.
- [13] There are several other key collaborations with a range of organisations. These include:
- a. Soil your Undies with NOSLAM, East Otago Catchment Group, Beef and Lamb, Federated Farmers, Waitaki Whitestone Geopark and Organics Unearthed. We are currently working toward making this a more widely accessible programme.
 - b. Building with mud with Earth Building Association New Zealand – Developing teaching resources for schools on building with natural and local materials.
 - c. School Energy Project with University of Otago, Mark Mason, Hans Pietish, and Jordana White.
 - d. Sustainable Coastlines on the Litter Intelligence programme <https://litterintelligence.org/>
 - e. Marine Studies Centre on the Red-billed gull study and Marine Metre Squared <https://www.otago.ac.nz/marine-studies/index.html>
- [14] We also have established wide networks across Otago to support the Enviroschools programme. Some of these are:
- a. Whaiao Education for Sustainability Otago <https://tewhaiao.co.nz/>
 - b. Ōtepoti Education Collective
 - c. Port Otago
 - d. Te Kakano <https://www.tekakano.org.nz/>
 - e. Wakatipu Reforestation Trust <https://wrtqt.org.nz/>

Support from Toimata

- [15] Toimata is the National Foundation which supports Enviroschools <http://www.toimata.org.nz/> and is funded by the Ministry for the Environment. Toimata provide resources, professional development and ongoing support for facilitators and Regional Coordinators. Otago was successful in securing an additional \$5000 of funding for this calendar year. This funding will be used for a series of engagement activities with school principals and to support the further development of Otago facilitators. A new

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initiative for 2021 is to fund additional teacher release for teachers to develop a project based on a hui theme.

- [16] With the support of Toimata, an article was published in the Special issue of SET: Research Information for Teachers (NO. 3: 2020) on Climate Change Education titled *Envisioning a better future through interrelatedness and whanaungatanga*. The EnviroSchools Coordinator has also been involved in providing some professional development on climate change education to EnviroSchools' facilitators.
- [17] Toimata recently conducted a nationwide survey on the difference EnviroSchools makes in schools and communities. Findings will be made available shortly and can be shared with Councillors when they are available.

ORC and Education

- [18] Bringing ORC's mission and vision to life requires a focus on the non-material, or ideas and ways of being as well as the delivery of material projects which have a positive impact on the environment. This is where education can make a difference. EnviroSchools provides students with the skills and confidence to take action in their communities to create a just transition to a zero-carbon future.
- [19] Climate change education research has identified that young people do not know about career opportunities related to the transition to zero-carbon, nor are they exposed to local or regional adaptations or mitigations activities. There is considerable opportunity to leverage off current activities to provide young people with greater insight into possible career opportunities and local actions that align with their desire to make a positive difference in this community.
- [20] <https://www.nzcer.org.nz/research/publications/climate-change-what-can-schools-do-research-briefing-1>

OPTIONS

- [21] As this is a report for noting there are no options for consideration.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [22] There are no strategic framework or policy considerations associated with this noting report.

Financial Considerations

- [23] Funding for the EnviroSchools Coordinator was included in the recently approved Long Term Plan 2021-2031.

Significance and Engagement Considerations

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

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Legislative and Risk Considerations

[25] There are no legislative and risk considerations associated with this report.

Climate Change Considerations

[26] There are no climate change considerations associated with this report.

Communications Considerations

[27] There are no communications considerations associated with this report.

ATTACHMENTS

Nil

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<p><i>Minutes of the Public-excluded portion of the 24 November 2021 Finance Committee meeting</i></p>	<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 maintain legal professional privilege – Section 7(2)(g)</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>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial</p>	

	and industrial negotiations) – Section 7(2)(i) To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)	
<i>LGFA Lending</i>	Section 7(2)(h) - To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; Section 7(2)(i) - To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

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