

Finance Committee Agenda - 25 August 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: Dr Pim Borren, interim Chief Executive

Meeting Support: Liz Spector, Governance Support Officer

25 August 2022 01:00 PM

Agenda Topic	Page
1. APOLOGIES No apologies were submitted 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.	
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. PRESENTATIONS 5.1 Annual Report from Investment Manager JBWere	
6. CONFIRMATION OF MINUTES Minutes of previous Finance Committee meetings will be considered as a true and accurate record with or without corrections.	3
6.1 Minutes of the 25 May 2022 Finance Committee Meeting	3
6.2 Minutes of the 1 June 2022 Finance Committee Meeting	9
7. OPEN ACTIONS FROM RESOLUTIONS OF THE FINANCE COMMITTEE The Committee will review open actions of resolutions of the Finance Committee.	14

8.	MATTERS FOR CONSIDERATION	19
8.1	QUARTERLY REPORT - 30 JUNE 2022	19
	This report provides the Activity and Financial Performance reports for the 12-month period ended 30 June 2022 and includes the preliminary financial result for the year ended 30 June 2022.	
8.1.1	Activity Performance Report Q4, 30 June 2022	21
8.1.2	Activity Financial Summary, June 2022	35
8.1.3	Statement of Comprehensive Revenue and Expenses June 2022	41
8.1.4	Statement of Financial Position 30 June 2022	46
8.1.5	Treasury Report June 2022	49
8.1.6	Detailed Financial Activity Report June 2022	50
8.2	ANNUAL RETURNS OF INACTIVE SUBSIDIARIES	52
	Section 214 of the Companies Act 1993 requires that an Annual Return be completed for the inactive companies Regional Services Ltd, Regional Pest Services Ltd, and Regional Monitoring Services Ltd, each year by 30 September. The Annual Return includes providing information on shareholding, auditors and Annual General Meetings.	
8.3	ANNUAL PLAN 2023/24 PROCESS AND TIMETABLE	55
	This report enables the Committee to consider and provide feedback on the AP 2023/24 process, being Year 3 of the LTP 2021/31.	
8.3.1	Initiation Report	60
9.	RESOLUTION TO EXCLUDE THE PUBLIC	61
	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 25 May 2022 Finance Committee Meeting	
9.1	Public Excluded Reasons Table	61
10.	CLOSURE	



Minutes of a meeting of the
Finance Committee held in the
Council Chamber on Wednesday 25 May 2022,
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

Chairperson Kevin Malcolm welcomed Councillors, members of the public and staff to the meeting at 10:01 am. Staff present included Amanda Vercoe (GM Customer, Culture and Customer), Gavin Palmer (GM Operations) and Liz Spector (Governance Support). Present electronically included Nick Donnelly (acting Chief Executive), Anita Dawe (GM Policy and Science), Richard Saunders (GM Regulatory and Communications), Sarah Munro (Manager Finance - Reporting), Mike Roesler (Manager Corporate Planning), Sean Garry (Management Accountant), and David Cooper (Principal Advisor iwi and Stakeholder).

1. APOLOGIES

Resolution: Cr Noone Moved, Cr Robertson Seconded:

That the apologies for Cr Calvert, Cr Hope, Cr Laws be accepted.

MOTION CARRIED

Cr Michael Deaker attended the meeting electronically.

2. PUBLIC FORUM

Dunedin Mayor Aaron Hawkins attended the meeting electronically to speak to the Dunedin City Council submission to the draft ORC 2022/2023 Annual Plan. Following questions by Councillors, Chairperson Malcolm thanked Mayor Hawkins for the DCC submission.

Representatives of Federated Farmers Simon Davies (former Otago Provincial President) and Eleanor Linscott (South Island Policy Manager) joined the meeting electronically and spoke to their submission to the draft ORC 2022/23 Annual Plan. Following questions from Councillors, Chairperson Malcom thanked them for the submission by Federated Farmers.

Queenstown Lakes District Council Chief Executive Mike Theelen attended the meeting electronically to speak to QLDC's submission to the draft ORC 2022/23 Annual Plan. Following questions by Councillors, Chairperson Malcolm thanked him for joining the meeting to speak to the QLDC submission.

Mr. Simon Parks joined the meeting electronically to speak to a request to review the Taieri Flood and Drainage Ratings Scheme. He said was speaking in support of a group of sixteen farmers who felt they were responsible for paying the burden of the rates scheme even though many other residents of the community also benefitted from the scheme. He urged the Council to ensure the proposed review went ahead. Chairperson Malcolm thanked Mr Parks for his comments and said he would follow up with him personally about his concerns.

3. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. CONFIRMATION OF MINUTES

Resolution: Cr Noone Moved, Cr Forbes Seconded

That the minutes of the (public portion of the) meeting held on 23 February and continued 24 February 2022 be received and confirmed as a true and accurate record.

MOTION CARRIED

6. ACTIONS

Open actions from resolutions of the Finance Committee (public) were reviewed.

7. MATTERS FOR CONSIDERATION

7.1. Quarterly Report - 31 March 2022

This report was provided to present the Council's Activity and Financial Performance Reports for the nine-month period ended 31 March 2022. Sarah Munro (Manager Finance - Reporting), Mike Roesler (Manager Corporate Planning) and Nick Donnelly (acting Chief Executive) were present to respond to questions about the report.

Following questions and a discussion of the report, Cr Noone moved receipt of the report.

Resolution FIN22-107: Cr Noone Moved, Cr Kelliher Seconded

That the Finance Committee:

- 1) **Notes** this paper and the Activity and Financial Performance Reports for the period 1 July 2021 to 31 March 2022 (quarter 3 of the 2021-22 financial year).

MOTION CARRIED

8. RECOMMENDATIONS OF MEETINGS

8.1. Recommendations of the Audit and Risk Subcommittee meeting 24 February 2022

Resolution FIN22-108: Cr Wilson Moved, Cr Noone Seconded

That the Finance Committee:

- 1) *Adopts the recommendations made by the 24 February 2022 Audit and Risk Subcommittee meeting.*

MOTION CARRIED

8.2. Recommendations of the Audit and Risk Subcommittee meeting of 12 May 2022

Resolution FIN22-109: Cr Kelliher Moved, Cr Wilson Seconded

That the Finance Committee:

- 1) *Adopts the recommendations made by the 12 May 2022 Audit and Risk Subcommittee meeting.*

MOTION CARRIED

9. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Cr Wilson Moved, Cr Forbes Seconded

That the Finance Committee move into public excluded under LGOIMA (1987) to consider the following items:

- o *Minutes of the public-excluded portion of the 24 February 2022 Finance Committee meeting*
- o *Recommendations of the public-excluded 24 February 2022 Audit and Risk Subcommittee*
- o *Recommendations of the public-excluded 12 May 2022 Audit and Risk Subcommittee*

MOTION CARRIED

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

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>Minutes of the 24 February 2022 public-excluded Finance Committee Meeting</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 7(2)(i)</p> <p>To prevent the disclosure or use of official information for improper gain</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

	or improper advantage – Section 7(2)(j)	
Adoption of the recommendations of the 24 February 2022 public-excluded Audit and Risk Subcommittee	<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 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) To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
Adoption of the recommendations of the 12 May 2022 public-excluded Audit and Risk Subcommittee	<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</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

	<p>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 7(2)(i)</p>	
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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 Chairperson Malcolm declared the public meeting closed at 11:18 a.m.

Chairperson

Date



Minutes of a meeting of the
Finance Committee held in the
Council Chamber on Wednesday 1 June 2022,
commencing at 9:00 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 Hilary Calvert welcomed Councillors, members of the public and staff to the meeting at 9:03 am. Staff present included Amanda Vercoe (GM Governance, Culture and Customer) Anita Dawe (GM Policy and Science), Gavin Palmer (GM Operations), Liz Spector (Governance Support), and Mike Roesler (Manager Corporate Planning). Present electronically were Nick Donnelly (acting CE/GM Corporate Services), Richard Saunders (GM Regulatory and Communications), and Sean Garry (Management Accountant).

1. APOLOGIES

There were no apologies. Cr Gary Kelliher, Cr Michael Laws, Cr Kevin Malcolm, and Cr Kate Wilson were present electronically.

2. PUBLIC FORUM

There were no requests to speak during Public Forum.

3. CONFIRMATION OF AGENDA

Resolution: Cr Calvert moved, Cr Noone seconded

That the agenda be confirmed as presented.

Motion Carried

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. MATTERS FOR CONSIDERATION

5.1. Annual Plan 2022-23 Deliberation and Recommendations

This report was provided to enable deliberation on public feedback on the ORC's draft Annual Plan 2022-23. Nick Donnelly (acting Chief Executive and GM Corporate Services) and Mike Roesler (Manager Corporate Planning) were available to respond to questions about the report.

Following in depth discussion of the submissions, Cr Calvert adjourned the meeting at 10:40am for 30 minutes to allow Councillors time to formulate their proposed motions.

Cr Calvert Moved, Cr Wilson Seconded

That the meeting be adjourned until 11:10 a.m.

MOTION CARRIED

Co-Chair Calvert called the meeting back to order at 11:20 a.m. She asked for all the motions that had been submitted to be displayed on the screen and requested the Committee members review any requests with financial impacts first, followed by any non-financial motions.

Cr Wilson spoke to the first motion. Following discussion and refinement of the motion, it was moved:

Resolution FIN22-112: Cr Wilson Moved, Cr Hope Seconded

That the Committee:

- 1) **Requests** staff report to the Governance, Comms and Engagement Committee on 15 September 2022 as to how nominated community members and councillors work with staff and their preferred timetables for meetings for liaison committees (for example, Dunedin bus users, Central Lakes work, Pomahaka River Management, and a flood protection liaison committee) as trials for community engagement and communication on upcoming work schedules.
- 2) **Requests** a draft timeline for staff and Councillors to work together on nominating community members and proposing terms of references.

A division was called:

Vote

For:	Cr Calvert, Cr Deaker, Cr Hope, Cr Kelliher, Cr Laws, Cr Malcolm, Cr Noone, Cr Scott and Cr Wilson
Against:	Cr Forbes and Cr Robertson
Abstained:	Nil

MOTION CARRIED 9 - 2

Cr Wilson then spoke to a second motion. She said there were concerns expressed by a submitter that climate change action KPIs weren't strong enough and she asked for a better way to measure them going forward. She requested the record reflect that this will happen, and that it be noted Councillors agreed.

Resolution FIN22-113: Cr Wilson Moved, Cr Noone Seconded

That the Committee:

- 1) **Notes** that staff will bring back internal advice for consideration of better measures for Climate Change Action for the 2023/24 Annual Plan.

MOTION CARRIED

Cr Wilson spoke to a motion related to public access to flood and drainage infrastructure for cycling and walking. She said the motion was intended to narrow staff focus to ensure they provide advice on the specific issue. Cr Robertson and Cr Kelliher suggested the motion be amended to request a staff report on what is being proposed prior to going to the community for input. Cr Wilson and Cr Hope agreed to the amendment.

Resolution FIN22-114: Cr Wilson Moved, Cr Hope Seconded

That the Committee:

- 1) **Requests** staff prepare a report on potential sites for public access to flood and drainage schemes.
- 2) **Requests** staff along with Councillors consult with landowners and cycleway/walkway proponents together before completing development of the policy on cycleway/walkway development on flood and drainage infrastructure.

MOTION CARRIED**Cr Noone Moved, Cr Hope Seconded**

That the meeting be adjourned to 1:30 p.m.

MOTION CARRIED

Co-Chair Calvert called the Finance Committee meeting back to order at 1:30 p.m.

Cr Forbes was an apology for lateness.

Cr Deaker spoke to a proposed motion requesting staff to provide advice on bringing forward work on a business case analysis for upper Clutha public transport in time to be included in work on the 2023/24 Annual Plan. After refinement of the motion following discussion of the area under consideration, the motion was put.

Resolution FIN22-115: Cr Deaker Moved, Cr Wilson Seconded

That the Committee:

- 1) **Requests** staff advice in time for consideration for consultation on the draft 2023/24 Annual Plan process the costs and work required to develop a business case for Central/Lakes Public Transport.

MOTION CARRIED

Cr Scott spoke to a motion he submitted related to ORC funding for various community projects. After a discussion, of the motion, Cr Malcolm and Cr Calvert stressed that when the requested report comes to the Committee, budget implications of any decision must be strongly considered.

Resolution FIN22-116: Cr Scott Moved, Cr Malcolm Seconded

That the Committee:

- 1) **Requests** an issues discussion paper for potential funding of large site-led community biosecurity projects be brought to the 14 September 2022 Implementation Committee.

MOTION CARRIED

Cr Scott moved a motion that had been submitted by Cr Forbes. He said the motion was intended to facilitate communications and actions related to the annual plan process to the involved staff groups and for clarity to any newly elected Councillors following the 8 October 2022 election.

Resolution FIN22-117: Cr Scott Moved, Cr Noone Seconded

That the Committee:

- 1) **Requests** staff group the suggestions and ideas raised in the submission comments to the 2022/23 Annual Plan as they relate to our strategic directions and highlight them to the new council prior to developing the 2023/24 Annual Plan.

MOTION CARRIED

Cr Forbes rejoined the meeting at 2pm.

Cr Laws spoke to a motion he submitted to reduce the rates increase on the draft 2022-23 Annual Plan by delaying or deferring any non-essential staffing increases. Following discussion of the motion, Co-Chair Calvert put the motion.

Cr Laws Moved, Cr Hope Seconded

That the Committee:

- 1) **Notes** in light of the cost-of-living crisis, which is expected to worsen in coming months, this Committee resolves upon a 9% rates rise for the 2022/23 financial year and directs staff to delay or defer any staffing number increases unless deemed essential to the performance of ORC statutory or national policy obligations.

A division was called:

Vote

For:	Cr Calvert, Cr Hope, Cr Kelliher and Cr Laws
Against:	Cr Deaker, Cr Forbes, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott, and Cr Wilson
Abstained:	Nil

MOTION FAILED 4 - 7

Cr Forbes moved adoption of the draft Annual Plan as provided which was to be funded with an 18% rates increase. Cr Wilson requested an amendment to the proposed motion which requested staff report quarterly to Council on any savings made to the adopted budget for 2022/23. Cr Calvert then requested an additional action which noted Council expected a balanced budget be achieved for the 2022/23 financial year. The mover and seconder agreed to the additions to the motion.

The motion was taken in two parts.

Resolution FIN22-118: Cr Forbes Moved, Cr Scott Seconded

That the Committee:

- 1) **Resolves** that the Annual Plan be confirmed at an 18% rise for 2022/23 as proposed, but with any savings being reported quarterly to the Council.

A division was called:

Vote

For:	Cr Calvert, Cr Deaker, Cr Forbes, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott and Cr Wilson
Against:	Cr Hope, Cr Kelliher and Cr Laws
Abstained:	Nil

MOTION CARRIED 8 - 3

Resolution FIN22-119: Cr Forbes Moved, Cr Scott Seconded

That the Committee:

- 1) **Advises** staff that we expect a balanced budget will be achieved for the 2022/23 financial year which may mean savings will need to be made to allow for any unforeseen costs which will inevitably arise.

A division was called:

Vote

For:	Cr Calvert, Cr Deaker, Cr Forbes, Cr Hope, Cr Kelliher, Cr Laws, Cr Malcolm, Cr Noone, Cr Robertson, Cr Scott, and Cr Wilson
Against:	Nil
Abstained:	Nil

MOTION CARRIED 11 - 0

Cr Calvert asked for a motion noting the submissions and the upcoming action for the draft Annual Plan.

Resolution FIN22-120: Cr Hope Moved, Cr Wilson Seconded

That the Committee:

- 1) **Notes** the public feedback on the Otago Regional Council Draft Annual Plan 2022/23.
- 2) **Notes** that the Council rates resolution will be provided to the 29 June 2022 Council meeting following adoption of the Annual Plan 2022/23.

MOTION CARRIED

6. CLOSURE

There was no further business and Co-Chair Calvert declared the meeting closed at 2:54pm.

Finance Committee Co-Chair

Date

Action Register

Search Criteria

Showing Completed Items: Yes

Include Items Completed From: 25/05/2022

Applied Filters

Meeting Types: Finance Committee

Generated By: Liz Spector

Generated On: 17/08/2022 at 3:08pm

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
23/02/2022	COMS2201 Enviroschools Programme Future Options	Completed	Allow consideration of options presented for the future of Enviroschools for inclusion in the 2023/24 Annual Plan. FIN22-105	General Manager Corporate Services and CFO, General Manager Regulatory and Communications	07/03/2022 General Manager Regulatory and Communications Paper on Enviroschools expansion options presented to Council. Resolved the Chair Noone was to take this matter to the Mayoral forum for discussion	
25/08/2021	PPT2113 Outcome of Interim \$2 Dunedin Fare	Completed	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 businesses. Res FIN21-120	Chairperson	17/11/2021 Governance Support Officer Discussions are ongoing between the Chair and GMs of Corporate Services and Operations to progress this action. 09/02/2022 Personal Assistant to CE & Chairperson DCC Councillors have agreed to meet with ORC Councillors to discuss PT issues and this item will be discussed when a meeting occurs. 29/03/2022 Personal Assistant to CE & Chairperson Meeting held with DCC Councillors 24/3/22.	28/02/2023
25/08/2021	PPT2113 Outcome of Interim \$2 Dunedin Fare	Completed	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 Governance Support Officer Discussions are ongoing between Chair and GMs of Corporate Services and Operations to progress this action. 09/02/2022 Personal Assistant to CE & Chairperson DCC Councillors have agreed to meet with ORC Councillors to discuss PT issues and this item will be discussed when a meeting occurs. 29/03/2022 Personal Assistant to CE & Chairperson Meeting held with DCC 24/3/2022.	25/05/2022

Finance Committee Agenda - 25 August 2022 - OPEN ACTIONS FROM RESOLUTIONS OF THE FINANCE COMMITTEE

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	In Progress	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	23/02/2022 Executive Assistant Opportunities are being provided through community engagement sessions. The first sessions were held in December 2021. The next sessions will be held in late 2022.	01/06/2022
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	In Progress	Group suggestions and ideas raised in 2022/23 Annual Plan submission comments by how they relate to the ORC's strategic directions and highlight them to the new council prior to developing the 2023/24 Annual Plan. Res FIN22-117	General Manager Corporate Services and CFO, Manager Corporate Planning	17/08/2022 General Manager Corporate Services and CFO This will be included as part of the Annual Plan 2023-24 process.	28/02/2023
26/05/2021	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 Policy and Science, General Manager Strategy, Policy and Science, Manager Science	09/12/2021 General Manager Strategy, Policy and Science On track.	30/06/2022
26/05/2021	CS2126 Long Term Plan 2021-2031 Deliberation and Recommendations	In Progress	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 Operations	09/12/2021 General Manager Strategy, Policy and Science On track. 16/03/2022 Governance Support Officer <i>This action was reassigned to the GM Operations on 16/3/2022.</i> 28/03/2022 Executive Assistant An approach to developing the plan is being scoped. Initial discussion held with Port Otago Ltd's consultant. The consultant is arranging staff to meet with Port Otago.	30/06/2023
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	Assigned	Provide an issues discussion paper on potential funding of large site-led community biosecurity projects to the 14 September 2022 Implementation Committee. Res FIN22-116	General Manager Operations	02/08/2022 Executive Assistant, Operations In preparation.	19/05/2022

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	Assigned	Provide staff advice on potential costs and work required to develop a business case for Central/Lakes public transport in time for consideration during consultation on the draft 2023/24 Annual Plan. Res FIN22-115	General Manager Operations, Manager Transport	02/08/2022 Executive Assistant, Operations To Start.	01/03/2023
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	Assigned	Report to Governance, Comms & Engagement on 15 Sept 2022 as to how nominated community members and councillors work with staff and their preferred timetables for meetings of liaison committees, e.g., bus users, central lakes works, river management groups, etc. as trials for community engagement and communications on upcoming work schedules. Include a draft timeline for staff/councillors to work together on nominating community members and proposing ToRs. Res FIN22-112	General Manager Governance, Culture and Customer	17/08/2022 GM Manager Governance, Culture and Customer Underway.	15/09/2022
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	Assigned	Prepare a report on potential sites for public access to flood and drainage schemes. Staff and Councillors to consult with landowners/cycleway/walkway proponents before completing development of the policy on public access to flood and drainage infrastructure. Res FIN22-114	General Manager Operations	02/08/2022 Executive Assistant, Operations Staff are liaising with the proponents of the Mosgiel to Dunedin Cycleway.	
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	Assigned	Ensure a balanced budget is achieved for the 2022/23 financial year. This may mean savings will need to be made to allow for inevitable unforeseen costs which may arise. Res FIN22-119	Interim Chief Executive		31/08/2022
01/06/2022	CS2232 Annual Plan 2022-23 Deliberation and Recommendations	Assigned	Provide internal staff advice for consideration of better measures for Climate Change Action in time for preparation of the 2023/24 Annual Plan. Res FIN22-113	General Manager Policy and Science, Manager Corporate Planning		01/03/2023
23/02/2022	COMS2201 EnviroSchools Programme Future Options	Assigned	The Chair to present a discussion of expansion of the EnviroSchools Programme for consideration at the 1 April 2022 Otago Mayoral Forum meeting. FIN22-105	Chairperson	29/03/2022 Personal Assistant to CE & Chairperson To be actioned.	01/04/2022

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
25/08/2021	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	09/02/2022 Personal Assistant to CE & Chairperson DCC Councillors have agreed to meet with ORC Councillors to discuss PT issues and this item will be discussed when a meeting occurs. 29/03/2022 Personal Assistant to CE & Chairperson Meeting held with DCC 24/03/2022.	12/08/2021
26/05/2021	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

8.1. Quarterly Report - 30 June 2022

Prepared for: Finance Committee
Report No. CS2244
Activity: Governance Report
Author: Sarah Munro, Finance Manager – Reporting
Jasmin Lamorie, Corporate Planning Business Partner
Endorsed by: Nick Donnelly, General Manager Corporate Services
Date: 25 August 2022

PURPOSE

- [1] To present the Council's Activity and Financial Performance Reports for the 12-month period ended 30 June 2022 which includes the preliminary financial result for the year ended 30 June 2022.

RECOMMENDATION

That the Finance Committee:

- 1) Notes this paper and the attached Activity and Financial Performance Reports for the period 1 July 2021 to 30 June 2022 (quarter 4 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 financial result shown in the attachments is the preliminary year end results for Council. There are some financial adjustments that are yet to be completed being the valuation of Port Otago Limited and Council's investment property.
- [4] The activity and finance reports are also yet to be audited and any adjustments that result from this process and the valuation adjustments noted above will be included in the final results be presented to Council when the Annual Report is considered for adoption on 28 September 2022.
- [5] The following Activity and Finance Reports are attached:
- Activity Performance Report
 - High-level overview of service performance against LTP measures and targets by activity.
 - High-level overview of financial performance by activity.
 - Report is exceptions based and commentary provides explanations for performance that was not on track.
 - Activity Financial Summary
 - Includes variance analysis and forecast
 - Statement of Comprehensive Revenue and Expenses

- Statement of Financial Position
- Treasury Report
- Detailed Activity Financial Report

CONSIDERATIONS

Strategic Framework and Policy Considerations

[6] Not applicable.

Financial Considerations

[7] Not applicable.

Significance and Engagement Considerations

[8] Not applicable.

Legislative and Risk Considerations

[9] Not applicable.

Climate Change Considerations

[10] Not applicable.

Communications Considerations

[11] Not applicable.

ATTACHMENTS

1. Activity Performance Report - Quarter 4 June 2022 [**8.1.1** - 14 pages]
2. Activity Financial Summary June 2022 [**8.1.2** - 6 pages]
3. Statement of Comprehensive Revenue and Expenses June 2022 [**8.1.3** - 5 pages]
4. Statement of Financial Position June 2022 [**8.1.4** - 3 pages]
5. Treasury Report June 2022 [**8.1.5** - 1 page]
6. Detailed Financial Activity Report June 2022 [**8.1.6** - 2 pages]

Activity Performance Report

QUARTER FOUR – JUNE 2022



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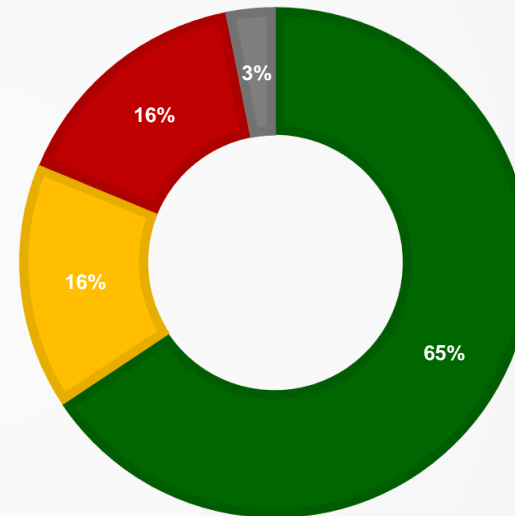
Finance Committee 2022.08.25

Service Delivery Performance

The 2021-31 Long-term Plan contains 36 level of service statements, 64 measures and 72 targets; of these **64 targets relate to activities being delivered in the 2021-22 year.**

Results:

- 42** achieved
- 10** substantially achieved
- 10** not achieved
- 2** not able to be measured



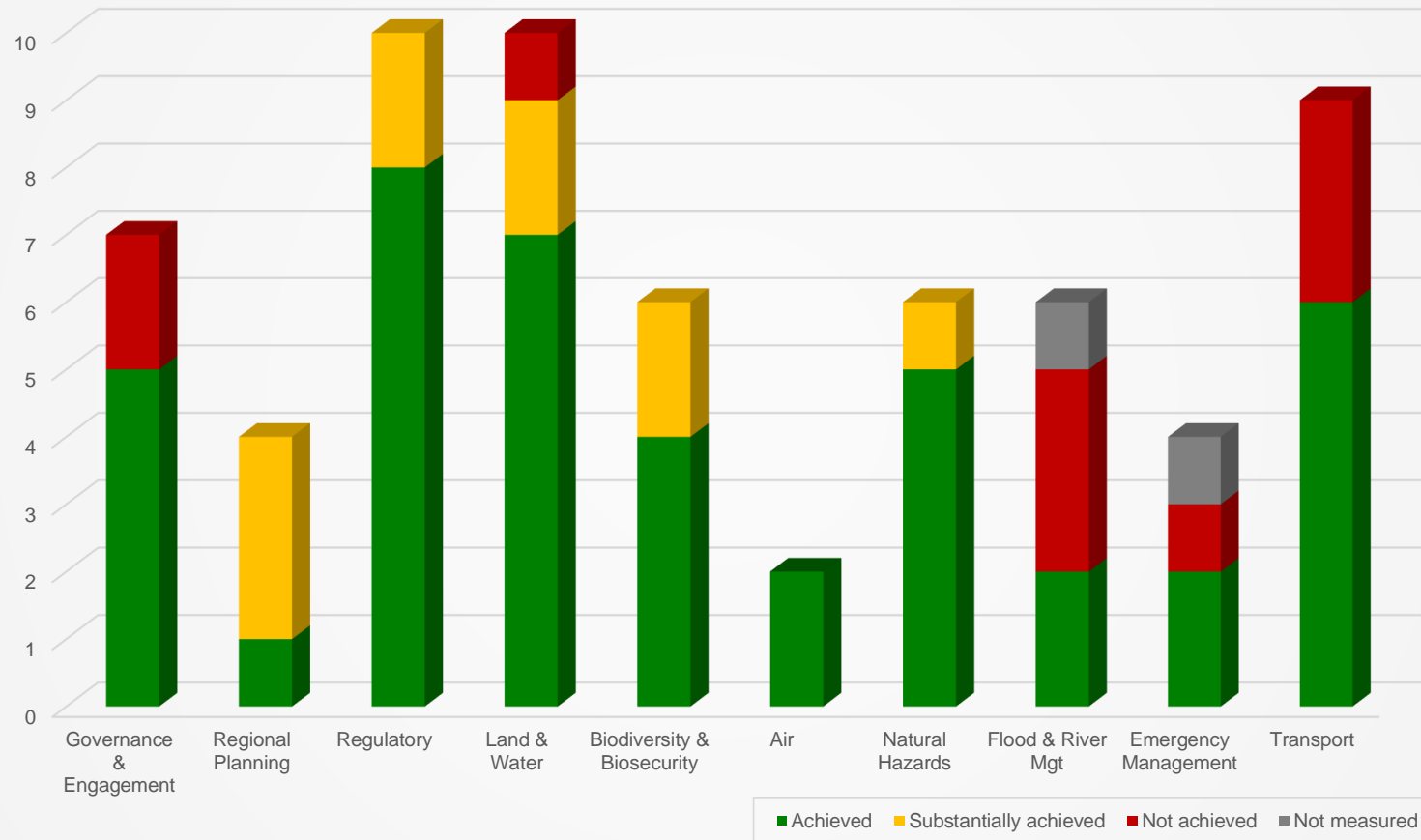
A full list of measures, targets and the results for each quarter is included at the end of this report.



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QUARTER FOUR – June 2022

Results by Activity



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QUARTER FOUR – June 2022

Finance Committee 2022.08.25

Service Delivery Highlights

Quarter four:

- ★ ECO Funding was approved for 25 projects spanning the region and covering environmental objectives such as water quality, predator control, native revegetation and environmental education. A total of 53 applications were received asking for \$1,108,239.
- ★ Rabbit inspections exceeded targets, with 800 conducted this year.
- ★ Jobs for Nature projects are progressing well ('Te Hikapupu/Pleasant River Restoration' project and 'Maintaining the Gains' project to control weeds on QEII covenant land).
- ★ South Dunedin Future (SDF) update completed and programme plan approved by DCC and ORC in July.
- ★ New weekend public transport service between Dunedin and Palmerston started in May, following consultation with the Waikouaiti community.
- ★ Our investigation and enforcement work was endorsed with the Court of Appeal dismissing an application by Northlake Investments to overturn a 2017 conviction and fine for polluting the Clutha River.



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QUARTER FOUR – June 2022

Service Delivery Challenges






Quarter four:

- ❑ Bus reliability has been impacted by nationwide driver shortage and driver illness (Covid-19 and seasonal illness).
- ❑ Recruitment has been challenging; particularly in specialised roles.
- ❑ Covid-19 impacts have continued to be felt across the organisation:
 - ❑ reduced contractor availability,
 - ❑ restricted training opportunities,
 - ❑ disruptions to planned public engagement,
 - ❑ staff illness.

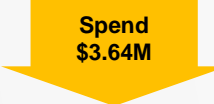
Performance Summary by Activity Group

Key:




Service Delivery Results:

	achieved	<p>The number in each 'traffic-light' shows the results for the LTP service measure and targets for each activity this quarter. Commentary is exceptions based and provides detail regarding targets that are at risk, not achieved or where performance has not been able to be measured.</p>
	on track	
	substantially achieved	
	not achieved	
	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 less than 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 FOUR – June 2022

Performance Summary by Activity Group

Regional Leadership	Service Delivery Results	Financial Performance	
<p>Governance & Engagement</p> <p>5 2</p>	<ul style="list-style-type: none"> ⊗ 121 out of 124 LGOIMA requests responded to within timeframe; 97.5% compliant (target:100%) ⊗ Customer service survey deferred due to staff turn-over and reprioritisation. 	<p>Revenue \$5.86M</p>	<p>Spend \$6.12M</p> <p>Expenditure \$0.4M over, due to non-budgeted Clutha River review.</p>
<p>Regional Planning</p> <p>1 3</p>	<ul style="list-style-type: none"> ⊖ Urban partnerships developed but not formalised by 30 June; delayed due to staff turn-over. ⊖ Development of wellbeing indicators underway but not yet completed due to Covid-19 impacting on engagement. ⊖ RPS: All tasks delivered as requested, however hearings not yet held. 	<p>Revenue \$3.72M</p>	<p>Spend \$3.50M</p> <p>Revenue 1% variance. Expenditure \$0.2M under; due to delays with RPS hearings and timing of strategy and urban work, offset by higher spend in response to issues work.</p>
<p>Regulatory</p> <p>8 2</p>	<ul style="list-style-type: none"> ⊖ Two out of three planned oil spill responders training sessions were held; availability was impacted by Covid-19. ⊖ Major maritime incidents were responded to, but not reported to Council by 30 June. 	<p>Revenue \$10.90M</p>	<p>Spend \$12.83M</p> <p>Revenue \$1.1M under due to more non-chargeable work, plan change prep, permitted activity monitoring and engagement. Spend \$0.5M over largely due to increased enforcement work and associated legal costs.</p>



QUARTER FOUR – June 2022

Performance Summary by Activity Group

Environment	Service Delivery Results	Financial Performance
Land & Water 	<ul style="list-style-type: none"> ⊖ Estuarine monitoring programme delivered, however reporting delayed. ⊖ Coastal monitoring programme developed, however reporting delayed. ⊗ LWRP report on 3 FMU was not completed due to changes to science modelling and consultation approaches. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Revenue \$13.55M </div> <div style="text-align: center;"> Spend \$14.16M </div> </div> <p>Revenue \$0.3M under largely due to Lake Hayes contribution not yet received. Spend \$1.9M under largely due to multi-year science contracts commenced later than planned, remainder is implementation delays.</p>
Biodiversity & Biosecurity 	<ul style="list-style-type: none"> ⊖ Biosecurity actions were largely achieved, with some targets exceeded, however not all targets were met. ⊖ Priority biodiversity actions are underway but some were limited by draft NPS-IB not yet finalised. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Revenue \$9.66M </div> <div style="text-align: center;"> Spend \$10.59M </div> </div> <p>Revenue \$1.6M over due to increased grants for wallabies and wilding pines. Spend \$1.4M over due to corresponding increase in work.</p>
Air 	Targets fully met.	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> Revenue \$0.44M </div> <div style="text-align: center;"> Spend \$0.65M </div> </div> <p>\$0.2M overspend due to upgrades to monitoring site needing additional work to meet required standards.</p>



QUARTER FOUR – June 2022

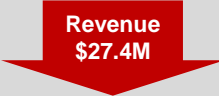

Performance Summary by Activity Group

Safety & Resilience	Service Delivery Results	Financial Performance	
<p>Natural Hazards & Climate Change</p> <p>5 1</p>	<p>⊖ Priority adaptation works largely delivered however slower progress than planned in Roxburgh and Henley and additional South Dunedin modelling not yet able to be scoped.</p>	<p>Revenue \$2.46M</p>	<p>Spend \$2.27M</p>
<p>Flood Protection, Drainage & River Management</p> <p>2 3 1</p>	<p>⊗ Flood & drainage renewals target and river maintenance target not met due to staff vacancies, weather and Covid-19; high risk and value works prioritised.</p> <p>⊗ River response target not met due to delays in Q1-2; Q4 timeframes met.</p> <p>⊙ No flood events YTD, so repair programme not required.</p>	<p>Revenue \$9.49M</p>	<p>Spend \$10.03M</p>
<p>Emergency Management</p> <p>2 1 1</p>	<p>⊗ Trained staff below target due to staff turn-over and Covid-19 impacting on training availability.</p> <p>⊙ ECC not activated; timeframe not able to measured.</p>	<p>Revenue \$2.98M</p>	<p>Spend \$2.66M</p>



QUARTER FOUR – June 2022

Performance Summary by Activity Group

Transport	Service Delivery Results	Financial Performance
<p>Regional & Public Transport</p> <p>6 3</p>	<p>⊗ Patronage in Queenstown and Dunedin below target, largely due to impacts of Covid-19 restrictions, some Q4 recovery.</p> <p>⊗ Dunedin passenger satisfaction was 89%. Target: 93% not met.</p> <p><u>Note:</u> Reliability measure was 92% in Q4 however average reliability across the full-year was 98% (Target: 95%).</p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Revenue \$27.4M</p> </div> <div style="text-align: center;">  <p>Spend \$30.2M</p> </div> </div> <p>Revenue under by \$2.6M due largely to lower fare income (lower patronage and \$2 fare shortfall). Spend is \$2.7M under due to Covid-19 impacting services, Queenstown ferry trial budget assumptions, and business case work delays.</p>



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QUARTER FOUR – June 2022

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2	Q3	Q4
Governance & Community Engagement	Percentage of official information requests responded to within statutory timeframes.	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 a 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 across Otago	Establish partnership agreements with DCC and QLDC by 30 June	■	■	■	■
	Complete review of existing Regional Policy Statement (RPS)	Respond to hearing recommendations within specified 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 by 30 June	■	■	■	■
	Report on community wellbeing indicators	Develop baseline wellbeing indicators and report to Council	■	■	■	■
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 working 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 to Council 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 ■ Substantially achieved ■ Not achieved ■ Not measured

QUARTER FOUR – June 2022

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2	Q3	Q4	
Environment	Land & Water	Complete the Land and Water Regional Plan(LWRP)				Not achieved	
		Implement a regional coastal environment monitoring programme				Substantially achieved	
		Implement freshwater and estuarine environment monitoring programmes				Substantially achieved	
		Percentage of data from the water monitoring network that is captured quarterly.	≥95% data capture achieved				Achieved
		Develop and implement a regional land use monitoring programme	Develop regional land use monitoring programme and report to Council				Achieved
		'Otago Catchment Communities' is supported to meet deliverables and targets of funding agreement.	Funding is administered as per agreement				Achieved
			Report to Council on deliverables and targets achieved by 30 June				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				Achieved
			At least three site specific action plans for selected degraded waterbodies are developed, prioritised, and implemented.	Projects confirmed and priority actions identified by 30 Sept.			
	90% of priority actions undertaken as scheduled					Achieved	
	Biodiversity & Biosecurity	Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	Priority actions achieved within timeframes specified in annual work plan				Substantially achieved
		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				Achieved
			Joint projects scoped and milestones identified and reported to Council				Achieved
		Complete a report on the initiatives and organisations supported and the key deliverables achieved.	Report to Council by 30 June.				Achieved
		Percentage of funding administered as per agreements.	100%				Achieved
	Priority targets within the Biosecurity Operational Plan (BOP) are identified and achieved.	Priority actions achieved within timeframes specified in annual work plan.				Substantially achieved	
	Air	Implement regional air monitoring programme.	Annual report on monitoring programme completed and reported to Council				Achieved
		Percentage of data from the air monitoring network that is captured quarterly.	≥95% data capture achieved				Achieved

■ Achieved
 ■ On track
 ■ Substantially achieved
 ■ Not achieved
 ■ Not measured



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QUARTER FOUR – June 2022

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2	Q3	Q4	
Safety and Resilience	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.	■	■	■	■
		Implement prioritised natural hazard risks adaptation works.	Work in priority areas is delivered as per plan by 30 June	■	■	■	■
			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 by 30 June	■	■	■	■
		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	■	■	■	■
	Percentage of flood warnings that are issued in accordance with the flood warning manual.	100%	■	■	■	■	
	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.	≥80% of planned maintenance programme completed	■	■	■	■
			Schemes function to their constructed design standards	■	■	■	■
			≥90% of renewals programme completed	■	■	■	■
		Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner. (Flood Protection)	Programme developed and communicated within 3 months of the event	■	■	■	■
		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%	■	■	■	■
	Percentage of planned maintenance actions achieved each year (River Mgmt)	≥90%	■	■	■	■	
	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.	■	■	■	■
		An adequate Emergency Coordination Centre (ECC) facility and staffing are available	Adequate staff who are trained and available for any activation of the ECC.	■	■	■	■
			An appropriate facility is available for activation at all times	■	■	■	■
ECC activated in a timely manner	ECC activated within 1 hour of Group Controller's decision to activate	■	■	■	■		

■ Achieved ■ On track ■ Substantially achieved ■ Not achieved ■ Not measured



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QUARTER FOUR – June 2022

2021-22 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2	Q3	Q4
Transport 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 New Zealand Transport Agency (NZTA)	RLTP implementation progress reported annually to Regional Transport Committee	On track	On track	On track	Achieved
	Annual public transport boardings in Queenstown per capita	increase	Substantially achieved	Substantially achieved	Not achieved	Not achieved
	Annual public transport boardings in Dunedin per capita	increase	Substantially achieved	Substantially achieved	Not achieved	Not achieved
	Overall passenger satisfaction with Wakatipu Public Transport system at annual survey.	97%	Not measured	Not measured	Not measured	Achieved
	Overall passenger satisfaction with Dunedin public transport system at annual survey	93%	Not measured	Not measured	Not measured	Not achieved
	Percentage of scheduled services delivered (reliability)	95%	On track	On track	On track	Achieved
	Percentage of scheduled services on-time (punctuality – to five minutes)	95%	On track	On track	On track	Achieved
	Percentage of users who are satisfied with the provision of timetable and services information	establish baseline	Not measured	Not measured	Not measured	Achieved
	Percentage of users who are satisfied with the overall service of the Total Mobility scheme	establish baseline	Not measured	Not measured	Not measured	Achieved

■ Achieved
 ■ On track
 ■ Substantially achieved
 ■ Not achieved
 ■ Not measured



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QUARTER FOUR – June 2022

Activity Financial Report- June 2022

YEAR TO DATE ACTUAL VS BUDGET

	Revenue			Expenses			Surplus/(Deficit)		
	Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000
Governance and Community	5,863	5,855	8	6,124	5,728	397	(262)	128	(389)
Regional Planning	3,719	3,681	38	3,505	3,681	(176)	214	-	214
Regulatory	10,896	12,003	(1,107)	12,831	12,363	468	(1,934)	(360)	(1,574)
REGIONAL LEADERSHIP	20,478	21,539	(1,061)	22,460	21,771	688	(1,982)	(233)	(1,749)
Land and Water	13,547	13,896	(349)	14,158	16,034	(1,875)	(612)	(2,138)	1,526
Biodiversity & Biosecurity	9,663	8,019	1,644	10,588	9,149	1,440	(925)	(1,130)	205
Air	439	437	2	650	482	168	(211)	(45)	(166)
ENVIRONMENT	23,649	22,352	1,297	25,397	25,665	(268)	(1,747)	(3,313)	1,565
Natural Hazards & Climate	2,464	2,503	(39)	2,273	2,732	(458)	190	(229)	419
Flood & Drainage	7,468	8,130	(662)	7,961	9,448	(1,488)	(493)	(1,318)	825
River Management	2,022	1,970	52	2,073	2,561	(489)	(51)	(592)	541
Emergency Management	2,977	2,959	18	2,656	2,759	(103)	322	200	122
SAFETY & RESILIENCE	14,931	15,562	(631)	14,963	17,501	(2,538)	(32)	(1,939)	1,907
Transport Planning	289	407	(118)	192	407	(215)	97	-	97
STEDS	133	131	2	151	131	20	(18)	-	(18)
PT- Dunedin	17,346	18,804	(1,458)	19,419	20,371	(952)	(2,073)	(1,567)	(506)
PT- Wakatipu	7,704	8,560	(856)	8,498	9,767	(1,269)	(794)	(1,207)	413
PT- Other	1,962	2,103	(141)	1,892	2,204	(312)	70	(101)	171
TRANSPORT	27,434	30,005	(2,571)	30,151	32,880	(2,729)	(2,717)	(2,874)	157
TOTAL	86,492	89,458	(2,966)	92,970	97,816	(4,846)	(6,478)	(8,358)	1,880

Note: This table includes both operating and capital expenditure.

\$100,000 REVENUE VARIANCE ANALYSIS		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
REGIONAL LEADERSHIP					
I1	Incident Response	1,454	1,587	(132)	Revenue from incident response is below budget however there has been increased expenditure and incident response events.
R1	Consent Processing	5,115	5,492	(377)	Consent processing revenue is below budget however there has been an increase in expenditure due to staff training costs.
R2	Compliance Monitoring	3,564	4,132	(567)	Compliance monitoring revenue is below budget due to staff time being spent on incident response events and more time spent on permitted activity monitoring.
ENVIRONMENT					
G6	Land & Water science and monitoring	501	379	121	This variance in revenue was caused by increase LAWA funding from what was originally budgeted. There is corresponding increased expenditure with LAWA funding matching expenditure.
W3	Land & Water implementation	1,280	1,789	(508)	Revenue is below budget due to funding of \$600,000 for Lakes Hayes not being received.
L2	Biosecurity	4,135	2,636	1,499	This variance in revenue was caused by MPI wallaby program grant funding being higher than budgeted at the time of setting the LTP.
L7	Wilding conifer	4,135	4,000	135	This variance in revenue was caused by MPI wilding pines program grant funding being higher than budgeted at the time of setting the LTP.
SAFETY & RESILIENCE					
F1	Alexandra flood protection	123	283	(160)	LTP budget assumes Contact Energy pay for 98% of the cost. Funding for the current financial year hasn't been received to date. There is currently no agreement with Council and Contract Energy however this is currently being negotiated.
F4	Lower Taieri flood protection	1,935	2,380	(445)	This revenue is below budgeted revenue due to 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.

\$100,000 REVENUE VARIANCE ANALYSIS		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
TRANSPORT					
T1	Regional Land Transport Planning	289	407	(118)	This below budgeted revenue has been caused by reduced grant funding being claimed from NZTA due to decrease expenditure.
T4	PT- Dunedin	17,346	18,804	(1,458)	This decreased revenue compared to budget has been caused by multiple factors however the majority of this below budgeted revenue is due to reduced fare revenue, caused by \$2 fares and reduced patronage due to a Covid lockdown in Quarter 1. There is an impact in transport of the central government 50% fare reduction policy however that has resulted in a drop in other income and increase in grant funding for the same amount as this policy has been funded by the NZTA.
T5	PT- Queenstown	7,704	8,560	(856)	
T6	PT- Other	1,962	2,103	(141)	This variance in budgeted revenue has been caused by reduced expenditure in total mobility resulting in reduced grants being claimed from NZTA.

\$100,000 EXPENDITURE VARIANCE ANALYSIS

		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
REGIONAL LEADERSHIP					
G8	Governance & Financial Contributions	3,244	2,820	424	The majority of this increase in expenditure has been caused by the unbudgeted Clutha River review.
P1	RPS, Strategy, urban planning	3,505	3,681	(176)	This decreased expenditure is due to timing differences from the original spreading of the budget. Costs in relation to the RPS hearing were budgeted in the 2021/2022 year but have been delayed and will be in Q1 of 2022/2023.
R1	Consent Processing	5,681	5,492	189	This increased expenditure has been caused by additional staff training from what was originally budgeted in the LTP.
I1	Incident response	2,226	1,587	640	The majority of the increased costs is due to higher costs supporting incident responses, due to an increase in the number of incidents and investigations. This has been partially offset by a decrease in compliance monitoring costs as staff have not been able to complete as much compliance monitoring work as they have been responding to incidents.
R2	Compliance monitoring	4,080	4,471	(391)	
ENVIRONMENT					
W1	Land & water planning	2,147	2,376	(229)	The majority of this underbudget expenditure has been caused by staff vacancies reducing staff time costs.
W2	Land & water science and monitoring	9,534	11,096	(1,561)	This expenditure is behind the original budgeted due to delays in science projects which are expected to be completed in 2022/2023.
W3	Land & water implementation	1,975	2,132	(156)	Land and water implementation is above budgeted expenditure due to spending on the Lakes Hayes remedial work in relation to the NZTA culvert.
L1	Biodiversity implementation	856	986	(130)	The majority of this underbudget expenditure is caused by the timing of Eco-fund payments, with payments being behind the original budgeted timing.
L2	Biosecurity	4,897	3,386	1,511	This variance in expenditure was caused by MPI wallaby program expenditure and grant funding being higher than budgeted at the time of setting the LTP.

\$100,000 EXPENDITURE VARIANCE ANALYSIS		Actual 2022	LTP 2022	Variance	Comment
		Year to Date \$'000	Year to Date \$'000	\$'000	
L7	Wilding conifer	4,254	4,000	254	This variance in expenditure was caused by MPI wilding pine program expenditure and grant funding being higher than budgeted at the time of setting the LTP.
L8	Biodiversity science & monitoring	582	777	(195)	This underbudget expenditure has been caused by delayed services in environment monitoring and science programs from what was originally budgeted in the LTP.
A1	Air monitoring	650	482	168	The above budget expenditure was caused by upgrades to air monitoring sites.
SAFETY & RESILIENCE					
F4	Lower Taieri flood protection	2,106	2,748	(641)	Lower Taieri flood protection scheme below budgeted expenditure due to delays in the capital projects.
F5	West Taieri drainage	1,201	1,302	(100)	West and East Taieri drainage schemes are under budgeted expenditure due to decreased infrastructure costs.
F6	East Taieri drainage	971	1,138	(167)	
M2	River management-Clutha	593	423	169	Clutha river management cost is above budgeted expenditure due to river repair work that was required due to prior year floods.
M4	River Management- Wakatipu	141	441	(300)	River management expenditure is behind schedule due to staff vacancies, weather and covid restrictions resulting in maintenance not being able to be perform within the river consent and safe working river level condition windows.
M5	River Management Wanaka	153	313	(160)	
M6	River Management- Waitaki	150	357	(207)	
N1	Natural Hazards	1,508	1,295	213	This overbudgeted expenditure has been caused by additional non budgeted hazard work on the Dart/Rees strategy.
N2	Flood and low flow risk management	213	342	(129)	This underspend has been caused by the projects being behind schedule.
N3	Climate change adaption	552	1,093	(542)	This underspend has been caused by the South Dunedin modelling project being delayed.
E1	Emergency Management	2,655	2,759	(103)	This underspend has been caused by the impact of covid on community engagement programmes.
TRANSPORT					

\$100,000 EXPENDITURE VARIANCE ANALYSIS

		Actual 2022 Year to Date \$'000	LTP 2022 Year to Date \$'000	Variance \$'000	Comment
T1	Regional Land Transport Planning	192	407	(215)	This underspend has been caused by a delay in RTLP work.
T4	PT- Dunedin	19,419	20,371	(952)	This under budget expenditure has been caused by reduced bus operator costs due to the lockdown during Q1 resulting in reduced service levels and budget business case delays.
T5	PT- Queenstown	8,497	9,767	(1,270)	This under budget expenditure has been caused by 3 factors; 1. The reduced bus operator costs due to the lockdown during Q1 resulting in reduced service levels. 2. \$500,000 of the variance was caused by reduced service from original budgeted levels in the LTP for the ferry trial. 3. Delays in the budgeted business case.
T6	PT- Other	1,892	2204	(312)	This under budget expenditure has been caused by reduced total mobility expenditure due to the impact of covid on service demands and a reduction in RPTP due to staff vacancies.

Statement of Comprehensive Revenue and Expense for the 12 month period ended 30 June 2022

	Notes	Actual 2022 12 month period	Long Term Plan 2022 12 month period	Variance 12 month period	Actual 2021 12 month period
REVENUE					
Rates revenue		40,211	40,039	172	27,015
Subsidies and grant revenue	1	21,691	18,856	2,835	19,007
Other income	2	11,115	17,389	(6,274)	15,375
Dividends	3	13,469	13,000	469	10,439
Interest and investment income	3	344	750	(406)	138
TOTAL REVENUE		86,830	90,034	(3,205)	71,974
EXPENDITURE					
Employee benefits expense	4	(26,645)	(27,417)	772	(21,956)
Depreciation and amortisation		(3,949)	(3,574)	(375)	(3,360)
Finance costs		(224)	(250)	26	-
Other expenses	5	(59,346)	(60,964)	1,618	(60,067)
TOTAL OPERATING EXPENDITURE		(90,164)	(92,205)	2,041	(85,383)
OPERATING SURPLUS/(DEFICIT)		(3,334)	(2,171)	(1,153)	(13,409)
Other gains/(losses)		(2,258)	740	(2,998)	4,955
Revaluation gain/(loss)—shares of subsidiary		-	20,935	(20,935)	75,966
Income tax benefit/(expense)		100	-	100	100
SURPLUS/(DEFICIT)		(5,492)	19,502	(24,996)	67,612

Notes

- Subsidies and Grant revenue is \$2,835,000 above budget due to the following:
 - Council received grant funding from MPI of \$3,943,000 for wilding conifer control work in the 2021/2022 year and \$161,000 of grant funding from the 2020/2021 year was approved to be rolled forward to be spent in the 2021/2022 year making a total grant funding allocation for 2021/2022 financial year of \$4,104,000.

The grant funding allocation is recorded as a balance sheet liability - revenue in advance, until the services required to receive the grant funding are completed. Council had recorded \$3,933,000 of revenue for wilding conifer pest control for the period ended 30 June 2022 as this level of services was completed. The budgeted revenue to be spent was \$3,800,000, wilding conifer revenue is \$133,000 above budget.

- Public transport totally mobility grant funding is \$144,000 below budgeted revenue due to a reduction in total mobility trips resulting in a reduction in expenditure and grant money claimed from Waka Kotahi NZTA.
 - Wakatipu public transport grant funding has increased by \$757,000 and Dunedin public transport grant funding by \$557,000 compared to budget. This increased grant funding was caused by the central government 50% bus fare discount scheme that was introduced in April 2022.
 - 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, grant revenue from MBIE is received as expenditure is incurred in stage of completion milestones. Grant revenue from MBIE was \$448,000 below budget.
 - Council received grant funding from Regional Sector Holdings for regional council contributions towards LAWA activities of \$397,000. This funding is to cover LAWA activity costs, was budgeted as \$364,000 other income in the LTP but has been reclassified as grant income for accounting purposes.
 - Council earned grant funding from MPI of \$1,663,000 for wallaby control work in the 2021/2022 year. This level of funding was not agreed when the LTP was set. The revenue was estimated in the LTP as other income of \$100,000.
 - Regional land transport planning grant revenue was \$118,000 below budgeted revenue of \$208,000.
 - The remaining variance of \$38,000 was caused by small variances in grant funding received across other council activities.
2. Other Income is \$6,274,000 below budget due to the following:
- Public transport revenue was \$2,171,000 below budgeted revenue of \$4,300,000 for the Dunedin network. Dunedin network reduced fare revenue was caused by:
 - Continuation of flat \$2 fares. NZTA is not funding any of the fare difference between budgeted fares and the \$2 flat fares.
 - Lower patronage for the year to date due to a covid (including no fare revenue during the covid lockdown in Q1). NZTA has funded some of the impact from covid on fares in NZTA grant revenue.
 - Central government's 50% fare revenue initiative (which was applied to the already reduced \$2 flat fares). The effect of the 50% fare reduction has been funded through grant revenue from NZTA but only from the \$2 level and not from the originally budgeted fare level.
 - Public transport revenue for the Wakatipu network was \$1,591,000 below budgeted revenue of \$2,750,000. The Wakatipu network reduced fare revenue was caused by:

- Lower patronage due to covid and the central government 50% fare reduction as outlined for Dunedin above.
 - Note, \$2 flat fares were not a factor as Queenstown already operated a \$2 flat fare structure.
 - The Queenstown ferry service accounted for \$630,000 of the reduction. This was budgeted to be an operational route in the 2021/2022 financial year with Council receiving gross fare revenue, however this is still in trail phase with revenue being received under the contract by the operator and Council providing a net cost subsidy.
- Alexandra flood protection income is \$160,000 below budget
 - Rates penalty income was \$330,000 above budget.
 - No funds were received for the Lake Hayes remediation work. Council the LTP budgeted to receive \$600,000 funds.
 - Consent processing revenue was \$414,000 below budget revenue of \$3,599,000.
 - Compliance monitoring revenue was \$585,000 below budgeted revenue of \$1,535,000.
 - Incident responses and enforcement was \$138,000 below budgeted revenue of \$300,000.
 - Public transport revenue for totally mobility and RTPT planning was \$597,000 below budgeted revenue.
 - There was a \$277,000 reduction in other income due to:
 - LAWA regional council contributions of \$364,000 being budgeted as other income but reclassified as grants income for accounting purposes.
 - A \$88,000 non budgeted of grant being received in the current year from the Ministry for the Environment.
 - The remaining variance of \$73,000 was caused by small variances in other income funding received across council activities.
3. Dividends were \$469,000 above budget and interest and investment income \$406,000 below budget due to the total return from the JB Were managed fund being budgeted as investment income and actual dividends reclassified and shown separately for accounting purposes.
 4. Employee benefits expenses is \$772,000 below budget due to vacancies in budgeted positions in the LTP. The following tables shows LTP budgeted FTEs compared to actual FTEs for the Q1 (30 September 2021), Q2 (31 December 2021), Q3 (31 March 2022), Q4 (30 June 2022) and the prior year FTEs (30 June 2021).

Directorate	21/22 FTE Budget	Q1 2022 September 2021 FTEs	Q2 2022 December 2021 FTEs	Q3 2022 March 2022 FTEs	Q4 2022 June 2022 FTEs	June variance from budget	Prior year end 30 June 2021 FTEs
Chief Executive	2	2	2	2	1	-1	2
Corporate Services	45.1	42.4	40.6	42.6	46.3	1.2	41
Operations	74.2	60.8	70.8	75.8	79.5	5.3	64.1
Governance, Culture & Customer	17.6	15.4	18.4	19.4	18.9	1.3	14.4
Strategy, Policy and Science	63.9	53.7	55.7	63.7	57.6	-6.3	55.4
Regulatory & Communications	87.9	74.2	78.2	78.8	76.6	-11.3	73.9
	290.7	248.5	265.7	282.3	279.8	-10.8	250.8

5. Other expenses is \$1,618,000 below budget due to the following:

- Legal expenses have increased by \$952,000 compared to budgeted costs of \$1,240,000 the majority of the increase was caused by:
 - \$277,000 increase in incident response legal expenses
 - \$210,000 increase in RPS legal costs
 - \$80,000 increase in human resource legal costs
 - \$65,000 increase in legal counsel external legal costs
 - \$27,000 increase in legal expense for Lower Clutha flood scheme
 - \$34,000 increase in legal expense for strategy and management
 - \$216,000 increase due to non-budgeted investigations

Land and water planning legal costs in Q3 were above budget however in Q4 the actual costs from the Environment Court were received and a discount of \$569,000 was given which resulted in a reduction in the costs which had previously been accrued at \$1,178,000.

- Insurance costs increase by \$103,000 from budget of \$284,000 due to increase insurance costs internationally.
- Courses and conferences expense was \$338,000 below budget due to covid restricting the courses that were available to staff.
- Rent was \$122,000 above budget.
- Accommodation and travel expenses decrease by \$423,000 from budgeted costs of \$699,000 due to decrease travel caused by cancelled education events and conferences due to covid.
- Bank charges increased from budget by \$219,000
- Casual labour increased by \$170,000 compared to budgeted expenditure of \$25,000
- Council contributions is \$819,000 above budget due to the following major variances:
 - \$150,000 increase in consent processing for iwi related consultation costs
 - \$359,000 increase in land and water implementation

- \$190,000 increase in wilding pines and wallaby contributions which were great due to increases funding from MPI from what was budgeted in the LTP.
- Decrease of \$3,640,000 in supplies and services (including repairs and maintenance and bus contractors costs) compared to budgeted costs of \$50,280,000. The majority of the decreased expenditure was caused by:
 - \$1,684,000 decrease in land and water monitoring programs due to the timing of projects being changed from single year to multiple year projects and availability of consultants and contractors delaying expenditure.
 - \$1,486,000 decrease in Wakatipu public transport due to missed bus trips reducing the cost of bus contractors
 - \$1,682,000 decrease in Dunedin public transport due to missed bus trips reducing the cost of bus contractors
 - \$732,000 decrease in climate change adaption, this underspend has been caused by the South Dunedin modelling project being delayed.
 - \$622,000 decrease in river management expenditure due to staff vacancies, weather and covid restrictions resulting in maintenance not being able to be performed with the river consent and safe working river level conditions window.
 - \$705,000 increase in natural hazards caused by \$480,000 of LiDAR scanning costs that were budgeted as capital costs but due to a change in accounting standards are now treated as operating costs and \$249,000 of unbudgeted Dart River hazard strategy costs.
 - \$1,229,000 increase in biosecurity spend due to additional grants being received from MPI than originally budget which increased spending to suppliers for control work.
 - \$403,000 increase in flood protection

The remaining variance of \$229,000 was caused by small variances across multiple expense ledger groups.

Statement of Financial Position as at 30 June 2022

	Notes	Actual 2022 12 month period	Actual 2021 12 month period	Variance	Long Term Plan 2022 12 month period
CURRENT ASSETS					
Cash and cash equivalents	1	13,243	4,380	8,863	8,466
Trade receivables	2	11,079	8,318	2,761	11,398
Other financial assets	3	23,435	25,313	(1,878)	34,022
Related party loan- Port Otago Ltd	5	51,684	-	51,684	-
Other current asset	4	749	698	51	514
TOTAL CURRENT ASSETS		100,190	38,709	61,481	54,400
NON- CURRENT ASSETS					
Property, plant and equipment	6	97,032	96,236	796	97,646
Investment property	7	16,790	16,490	-	15,519
Shares in subsidiary	7	612,330	612,330	-	564,299
Deferred tax asset		98	98	-	98
Related party loan- Port Otago Ltd	5	48,410	-	48,410	-
Intangible asset		1,450	1,888	(438)	6,686
TOTAL NON-CURRENT ASSETS		775,810	727,042	48,768	684,248
TOTAL ASSETS		876,000	765,751	110,249	738,648
CURRENT LIABILITIES					
Trade and other payables	8	(18,197)	(17,031)	(1,166)	(11,918)
Borrowings	5	(66,746)	-	(66,746)	-
Provision	9	-	(783)	783	-
Employee entitlement		(2,408)	(2,143)	(265)	(2,215)
TOTAL CURRENT LIABILITIES		(87,289)	(19,957)	(67,332)	(14,133)
NON CURRENT LIABILITIES					
Borrowings	5	(48,410)	-	(48,410)	-
Other financial instruments		-	-	-	(25,000)
TOTAL NON CURRENT LIABILITIES		(48,410)	-	(48,410)	(25,000)
NET ASSETS		740,301	745,794	42,917	699,515
EQUITY					
Reserves		635,194	635,622	(428)	576,700
Public Equity		105,107	110,172	(5,065)	122,815
TOTAL EQUITY AND RESERVES		740,301	745,794	(5,493)	699,515

Notes

1. Cash and cash equivalents increased by \$8,863,000 from the 30 June 2021 position of \$4,380,000. This increase was caused by the draw down of funds from the LFGA (refer to note 5 below) to fund Council operating cashflow requirements.

2. Trade Receivables has increased by \$2,761,000 from the 30 June 2021 position of \$8,318,000. This majority of this increase was caused by:
 - Rates receivable in advance increased by \$262,000. Rates are held in advance when ratepayer pays Council rates early before they are struck for the 2022/2023 financial year. The balance of rates receivable in advance is \$1,040,000.
 - GST receivables increased by \$677,000
 - Sundry debtor accrual increased by \$1,712,000 the majority of which was caused by consent and transport revenue accruals
 - The remaining variance was in trade debtors increased due to the timing of debtor invoicing.
3. Other financial assets decreased \$1,878,000 from the 30 June 2021 position of \$25,313,000 due to the decrease in market value on the investments held in the JB Were long term managed fund. Refer to the treasury section for more detail on the managed fund.
4. Other current assets increased by \$51,000 from the 30 June 2021 position of \$698,000. This balance is prepayments that Council makes for annual licensing and insurance that is released throughout the license or insurance period.
5. During quarter 4 Council has drawn down \$15,000,000 current loans from the LGFA for Council cashflow requirements. At 30 June \$62,000 of accrued interest was owing on Council loans.

Funding was also draw down and on-lent to Port Otago Limited during quarter 4. Council approved the lending of LGFA funds to Port Otago in March 2022. \$98,750,000 of loans and \$1,210,000 of LGFA borrower note funding (a security required for lending) was drawn down in quarter 4 from the LGFA and on-lent to Port Otago Limited. At 30 June there was \$134,000 of interest accrued on the LGFA loan and related party loan to Port Otago Limited.

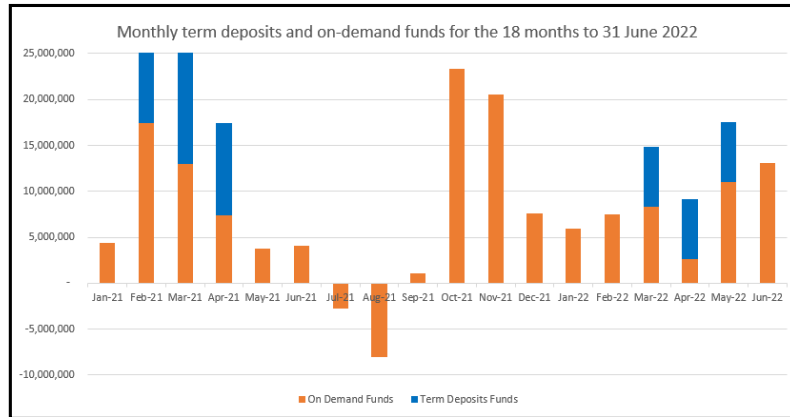
This is recognised on the balance sheet as:

- \$51,684,000 current related party loan to Port Otago Limited for loans which mature within 12 months of balance date.
 - \$48,410,000 non-current related party loan to Port Otago Limited for loans which mature more than 12 months from balance date.
6. Property plant and equipment increased by \$796,000 from the 30 June 2021 position of \$96,236,000. This increase is caused by:
 - Additions of \$4,423,000, the majority being plant and vehicles \$2,482,000 and Infrastructure WIP \$1,023,000
 - Less: Disposals of \$2,033,000, mainly plant and vehicles
 - Less: Reclassification of \$82,000 between WIP and prepayments due to a change in the nature of ownership of lake buoys
 - Less: Net depreciation of \$1,512,000

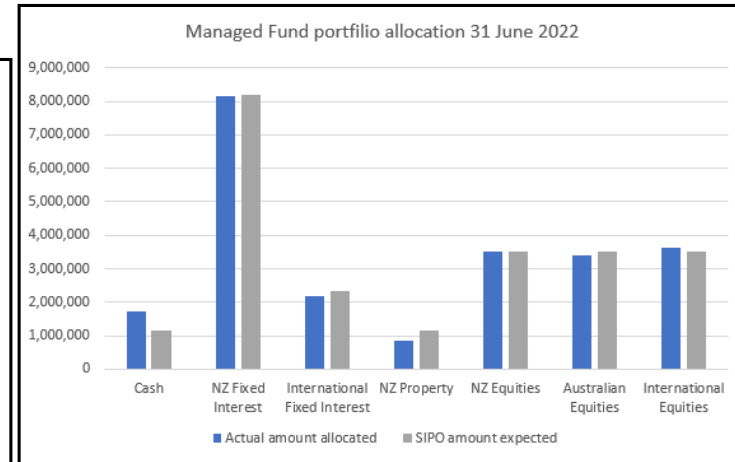
7. Investment property and shares in subsidiary (Port Otago Limited) have not been revalued at the time of this preliminary report. These investments will be revalued for the final 30 June 2022 Financial Statements.
8. Trade and other payables is \$1,166,000 above the 30 June 2021 position of \$17,031,000 due to the timing of payments.
9. The provision for bus driver living wages of \$783,000 at 30 June 2021 has reduced to nil due to the bus contractors living wage cost being paid in Q2.

Treasury Report

Term Deposits - Portfolio Composition



Managed Fund – Portfolio Allocation - as at 30 June 2022



Portfolio Performance- for the year ended 30 June 2022

Managed Fund Income	Q1 2022 YTD	Q2 2022 YTD	Q3 2022 YTD	Q4 2022 YTD
Interest on managed fund	42,242	77,862	120,878	190,543
Dividends	135,963	253,065	339,647	468,725
Other	(32,117)	(63,624)	(94,446)	(125,000)
Market Value movement gain/(loss)	25,360	94,630	(1,084,983)	(2,412,211)
Withdrawal				
Total increase/(decrease) in managed fund	171,448	361,933	(718,904)	(1,877,943)

Asset Class Allocation - as at 30 June 2022

Asset Class	Actual amount allocated	%	SIPO amount expected	SIPO target	SIPO acceptable range	SIPO met
Cash	1,714,333	7%	1,171,727	5%	0% - 25%	Yes
NZ Fixed Interest	8,144,834	35%	8,202,092	35%	25% - 45%	Yes
International Fixed Interest	2,194,677	9%	2,343,455	10%	5% - 15%	Yes
Defensive Total	12,053,844	51%	11,717,275	50%	40% - 60%	Yes
NZ Property	843,961	4%	1,171,727	5%	2% - 8%	Yes
NZ Equities	3,497,784	15%	3,515,182	15%	10% - 20%	Yes
Australian Equities	3,403,319	15%	3,515,182	15%	10% - 20%	Yes
International Equities	3,635,642	16%	3,515,182	15%	10% - 20%	Yes
Growth Total	11,380,705	49%	11,717,275	50%	40% - 60%	Yes
Total	23,434,550					

Finance Committee Agenda - 25 August 2022 - MATTERS FOR CONSIDERATION

ACTIVITY DETAIL - 2022 FINANCIAL YEAR		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	
REGIONAL LEADERSHIP																													
Governance & Community		G1	2,796	2,908	(141)	-	-	-	114	0	114	2,881	2,908	(27)	2,912	2,888	24	-	-	7	-	-	10	10	2,919	2,908	11		
		G8	3,158	2,820	338	-	-	-	46	-	46	3,244	2,820	424	3,246	2,832	414	-	-	-	-	-	98	116	2,944	2,847	97		
Total Governance & Community			5,954	5,728	227	-	-	-	160	0	160	6,124	5,728	397	6,158	5,720	438	-	-	7	-	-	108	126	5,863	5,855	8		
Regional Planning		P1	3,494	3,681	(187)	-	-	-	11	-	11	3,525	3,681	(157)	3,629	3,681	(52)	-	-	-	-	-	20	-	3,719	3,681	38		
Total Regional Planning			3,494	3,681	(187)	-	-	-	11	-	11	3,525	3,681	(157)	3,629	3,681	(52)	-	-	-	-	-	20	-	3,719	3,681	38		
Regulatory		R1	1,850	1,490	360	1	-	1	376	96	280	2,227	1,587	640	1,793	1,287	506	-	-	-	-	-	162	300	1,454	1,587	(132)		
		R2	5,187	5,493	(306)	-	30	(30)	515	515	515	5,682	5,493	189	4,893	4,884	9	192	188	4	-	-	3,222	3,699	(477)	5,115	5,493	(377)	
		R4	3,351	4,439	(108)	-	-	-	130	2	127	4,080	4,472	(391)	3,929	4,080	(151)	-	-	-	-	-	953	1,235	(282)	3,564	4,137	(572)	
Total Regulatory			11,392	12,102	(800)	1	30	(30)	1,021	123	898	12,889	12,552	337	10,621	10,251	370	192	188	4	-	-	4,477	5,134	(657)	10,896	12,003	(1,107)	
Total Regional Leadership			20,899	21,609	(709)	3	30	(30)	1,656	123	1,488	22,469	21,771	698	25,782	25,706	76	192	188	4	-	-	4,611	5,370	(759)	20,678	21,539	(861)	
ENVIRONMENTAL																													
Land & Water Planning		W1	2,111	2,377	(266)	-	-	-	36	-	36	2,147	2,377	(229)	2,388	2,377	11	-	-	-	-	-	(5)	-	(5)	2,384	2,377	7	
		W2	8,135	9,955	(1,820)	628	845	(217)	772	296	475	9,344	11,062	(1,718)	9,396	9,351	45	741	737	4	-	-	(14)	-	(14)	9,382	9,351	31	
		W3	1,961	1,475	486	(0)	450	(450)	14	7	7	1,975	2,132	(156)	376	374	2	-	-	-	-	-	60	60	(60)	1,280	1,789	(509)	
		W6	500	429	71	-	-	-	1	-	1	501	429	72	15	15	0	-	-	-	-	-	397	364	(33)	501	379	121	
Total Land & Water Planning			12,707	14,435	(1,728)	628	1,295	(667)	823	303	520	14,118	16,034	(1,915)	12,176	12,117	59	741	737	4	-	-	560	77	483	10	964	(954)	
Biodiversity & Biosecurity		B1	950	986	(136)	-	-	-	8	-	8	958	986	(130)	699	696	3	-	-	-	-	-	4	-	4	703	696	7	
		B2	4,765	3,378	1,387	-	-	-	132	7	124	4,897	3,386	1,511	4,444	2,436	2,008	1,663	1,663	1,663	1,663	29	200	(171)	4,135	2,636	1,499		
		B6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		B7	4,352	4,000	352	-	-	-	2	-	2	4,354	4,000	354	202	200	2	3,913	3,800	113	-	-	-	-	-	4,185	4,080	105	
		B8	156	673	(517)	48	90	(42)	18	14	4	152	777	(625)	690	687	3	-	-	-	-	-	-	-	-	690	687	3	
Total Biodiversity & Biosecurity			10,883	9,937	946	48	90	(42)	157	21	136	10,588	9,149	1,439	1,889	1,888	1	2,646	2,636	10	5,600	3,800	1,800	29	200	(171)	9,663	8,619	1,044
Air		A1	488	411	77	150	45	105	42	26	16	650	482	168	440	437	3	-	-	-	-	-	-	-	-	440	437	3	
Total Air			488	411	77	150	45	105	42	26	16	650	482	168	440	437	3	-	-	-	-	-	-	-	-	440	437	3	
Total Environmental			23,548	23,884	(337)	826	1,430	(604)	1,023	350	673	25,397	25,665	(268)	14,605	13,938	667	3,386	3,373	13	6,160	3,877	2,283	99	1,164	(1,066)	23,649	23,352	2,977
FLOOD & RIVERS																													
Flood Protection		F1	216	216	(0)	-	-	-	50	41	9	266	257	9	5	5	0	-	-	-	-	-	118	252	(134)	123	257	(134)	
		F2	257	268	(10)	-	-	-	480	400	80	637	648	(11)	181	180	1	1,483	1,481	2	-	-	35	-	35	1,699	1,641	58	
		F3	1,656	1,213	443	607	1,000	(393)	258	208	49	2,481	2,422	59	234	233	1	852	850	2	321	309	12	293	177	115	1,700	1,569	131
		F4	1,010	820	190	995	1,865	(870)	101	62	39	2,106	2,748	(642)	230	229	1	957	950	7	634	1,095	(461)	113	1	112	1,935	2,275	(340)
		F5	993	753	240	34	350	(316)	214	199	15	1,200	1,302	(102)	124	123	1	730	730	0	0	0	0	170	86	184	1,024	919	105
		F6	852	732	120	-	380	(380)	119	46	73	971	1,138	(167)	91	91	0	602	580	22	0	0	0	115	1	114	809	672	137
		F7	266	233	33	-	30	(30)	11	4	7	277	267	11	-	-	-	151	150	1	-	-	-	28	-	28	179	150	29
		F8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
		F9	648	648	(0)	-	-	-	-	-	-	648	648	(0)	-	-	-	-	-	-	-	-	-	-	-	648	648	(0)	
Total Flood Protection			5,170	4,863	307	1,637	3,625	(1,988)	1,153	961	193	7,860	9,448	(1,588)	865	861	4	4,755	4,721	35	956	1,404	(448)	891	1,145	(254)	7,468	8,130	(662)
River Management		M1	422	384	39	-	-	-	18	14	4	440	397	43	-	-	-	281	280	1	-	-	-	-	-	281	280	1	
		M2	586	618	(167)	-	-	-	7	5	2	593	423	170	360	350	10	1	1	0	-	-	-	-	-	361	350	11	
		M3	333	410	(77)	-	-	-	2	-	2	335	410	(74)	-	-	-	322	320	2	0	0	0	-	-	322	320	2	
		M4	138	441	(303)	2	-	-	1	0	1	142	441	(300)	-	-	-	200	200	0	0	0	4	-	-	204	200	4	
		M5	152	310	(158)	-	-	-	1	3	(2)	153	313	(160)	-	-	-	200	200	0	27	4	-	-	-	231	200	31	
		M6	146	354	(208)	-	-	-	4	3	1	150	357	(208)	-	-	-	401	400	1	-	-	-	-	-	403	400	3	
		M7	212	190	22	-	-	-	2	-	2	214	190	24	39	39	0	171	171	0	-	-	-	-	-	190	180	10	
		M8	47	30	17	-	-	-	0	-	0	47	30	17	30	30	0	-	-	-	-	-	-	-	-	30	30	0	
Total River Management			2,036	2,537	(501)	2	-	-	35	25	10	2,073	2,561	(489)	49	49	0	1,935	1,921	14	28	-	28	11	-	2,022	1,970	53	
Total Flood and Rivers			7,205	7,399	(194)	1,439	3,625	(1,988)	1,188	986	203	10,011	12,010	(1,979)	914	910	4	6,691	6,642	49	984	1,404	(420)	901	1,145	(243)	9,400	10,100	(699)
SAFETY AND RESILIENCE																													
Climate Change & Hazards		N1	1,392	812	579	-	470	(470)	116	13	103	1,508	1,295																

Finance Committee Agenda - 25 August 2022 - MATTERS FOR CONSIDERATION

ACTIVITY DETAIL - 2022 FINANCIAL YEAR			Surplus / (Deficit)			General Reserves			Targeted Reserves			Other Reserves			Total Funding		
REGIONAL LEADERSHIP			Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
REGIONAL LEADERSHIP																	
Governance & Community	Communications & Engagement	G1	39	-	39	(39)	-	(39)	-	-	-	-	-	-	2,881	2,908	(27)
	Governance & Financial Contributions	G8	(300)	128	(428)	300	(128)	428	-	-	-	-	-	-	3,244	2,800	424
	Total Governance & Community		(261)	128	(389)	261	(128)	389	-	-	-	-	-	-	6,124	5,728	397
Regional Planning	RP's Strategy, Urban Dev & Response to Issues	P1	214	(0)	214	(214)	-	(214)	-	-	-	-	-	-	3,505	3,681	(176)
	Total Regional Planning		214	(0)	214	(214)	-	(214)	-	-	-	-	-	-	3,505	3,681	(176)
Regulatory	Incident Response & Enforcement	R1	(773)	0	(773)	772	-	772	-	-	-	-	-	-	2,227	1,587	640
	Consent Processing	R1	(567)	(0)	(567)	557	-	557	10	-	10	-	-	-	5,682	5,493	189
	Compliance Monitoring & Contaminated Sites	R2	(516)	(40)	(476)	464	267	197	52	43	10	30	(30)	4,080	4,472	(393)	
	Harbours Management	R4	(78)	(20)	(58)	76	-	76	-	-	-	2	20	(18)	841	812	29
	Total Regulatory		(1,934)	(60)	(1,874)	1,869	287	1,662	62	43	19	3	50	(47)	12,830	12,363	468
	Total Regional Leadership		(1,963)	(233)	(1,730)	1,917	(240)	1,777	62	43	19	3	50	(47)	22,469	21,771	698
ENVIRONMENTAL																	
Land & Water Planning	Land & Water Planning	W1	236	0	236	(236)	-	(236)	-	-	-	-	-	-	2,147	2,377	(229)
	Land & Water Science and Monitoring	W2	(152)	(1,745)	1,593	(715)	-	(715)	-	-	-	867	1,745	(878)	9,534	11,096	(1,562)
	Land & Water Implementation	W3	(895)	(43)	(938)	(152)	-	(152)	817	243	575	30	100	(70)	1,975	2,132	(156)
	LWA	W6	0	(50)	50	0	-	0	50	50	(0)	-	-	-	501	429	72
	Total Land & Water Planning		(612)	(2,138)	1,520	(1,102)	-	(1,102)	817	293	525	897	1,845	(948)	14,158	16,034	(1,876)
Biodiversity & Bioscience	Biodiversity Implementation	L1	(133)	(290)	157	(137)	-	(137)	-	-	-	290	290	-	808	916	(108)
	Bioscience	L2	(762)	(750)	(12)	-	-	638	750	(112)	123	-	123	-	4,897	3,386	1,511
	Environmental Enhancement	L6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Wilding Pruss	L7	(139)	-	(139)	0	-	0	119	-	119	-	-	-	4,254	4,080	174
	Biodiversity Science & Monitoring	L8	159	(90)	159	(157)	-	(157)	-	-	-	48	90	(42)	582	777	(195)
	Total Biodiversity & Bioscience		(925)	(1,130)	205	(294)	-	(294)	758	750	8	461	380	81	10,588	9,149	1,440
Air	Air Monitoring	A1	(211)	(45)	(166)	60	-	60	-	-	-	150	45	105	650	482	168
	Total Air		(211)	(45)	(166)	60	-	60	-	-	-	150	45	105	650	482	168
	Total Environmental		(1,747)	(1,313)	1,565	(1,336)	-	(1,336)	1,975	1,043	932	1,508	2,270	(762)	25,397	25,665	(268)
FLOOD & RIVERS																	
Flood Protection	Alexandra Flood Protection	F1	(143)	(0)	(143)	-	-	143	-	143	-	-	-	-	266	257	9
	Leith Flood Protection Scheme	F2	1,042	973	69	-	-	(1,042)	(973)	69	-	-	-	-	957	648	309
	Lar Clutha Flood Protection & Drainage	F3	(782)	(853)	71	-	-	174	503	(329)	-	-	-	-	2,481	2,422	59
	Lar Taieri Flood Protection Scheme	F4	(171)	(473)	301	-	-	(824)	168	(992)	-	-	995	-	2,106	2,443	(337)
	West Taieri Drainage	F5	(178)	(383)	205	-	-	143	688	(545)	-	-	34	-	1,202	1,607	(405)
	East Taieri Drainage	F6	(462)	(466)	301	-	-	162	466	(303)	-	-	-	-	971	1,138	(167)
	Tokomairo Drainage	F7	(99)	(117)	18	-	-	99	117	(18)	-	-	-	-	277	267	11
	Shotover River Delta	F8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Scheme Change & Bylaws	F9	-	(0)	0	-	-	-	-	-	-	-	-	-	648	(648)	-
	Total Flood Protection		(493)	(1,318)	825	-	-	(1,144)	968	(2,112)	1,837	350	1,287	-	7,960	9,448	(1,488)
River Management	River Mgt - Dunedin	M1	(160)	(117)	(43)	-	-	160	117	43	-	-	-	-	440	397	43
	River Mgt - Clutha	M2	(231)	(73)	(158)	-	-	232	73	158	-	-	-	-	939	423	516
	River Mgt - Central	M3	(13)	(90)	77	-	-	13	90	(77)	-	-	-	-	335	410	(74)
	River Mgt - Waikaiti	M4	63	(241)	304	-	-	(60)	241	(307)	-	-	2	-	142	441	(300)
	River Mgt - Waikaka	M5	78	(113)	152	-	-	78	113	(35)	-	-	-	-	153	313	(160)
	River Mgt - Waitaki	M6	253	43	210	-	-	(253)	(43)	(210)	-	-	-	-	150	357	(208)
	Lar Waikaka Flood Protection & River Control	M7	(23)	-	(23)	-	-	23	-	23	-	-	-	-	213	130	83
	River Scheme Management	M8	(18)	(0)	(18)	18	-	18	-	-	-	-	-	-	47	30	17
	Total River Management		(51)	(592)	541	18	-	18	31	592	(561)	2	-	2	2,073	2,561	(488)
	Total Flood and Rivers		(442)	(1,910)	1,366	18	-	(1,114)	1,540	(2,672)	1,639	350	1,289	-	10,028	12,010	(1,978)
SAFETY AND RESILIENCE																	
Climate Change & Hazards	Natural Hazards	N1	(435)	(174)	(261)	435	-	435	-	-	-	-	174	(174)	1,508	1,295	213
	Flood & Low Flow Risk Management	N2	133	(0)	133	(133)	-	(133)	-	-	-	-	-	-	213	342	(129)
	Climate Change Adaptation	N3	492	(55)	547	(707)	-	(707)	-	-	-	215	55	160	552	1,094	(542)
	Total Climate Change & Hazards		190	(229)	419	(400)	-	(400)	-	-	-	215	229	(14)	2,273	2,732	(459)
Emergency Management	Emergency Management	E1	322	200	122	-	-	(341)	(200)	(141)	-	-	-	-	2,656	2,759	(103)
	Total Emergency Management		322	200	122	-	-	(341)	(200)	(141)	-	-	-	-	2,656	2,759	(103)
	Total Safety and Resilience		512	(29)	541	(400)	-	(400)	(141)	(200)	(141)	215	229	6	4,939	5,491	(552)
TRANSPORT																	
Regional Land Transport Planning	Stock Truck Effluent Disposal	T1	97	(0)	97	(97)	-	(97)	-	-	-	-	-	-	192	407	(215)
	Public Transport - Dunedin	T2	(18)	(0)	(18)	18	-	18	-	-	-	-	-	-	151	131	20
	Public Transport - Waikaiti	T3	(2,073)	(1,567)	(506)	-	-	2,073	1,567	506	-	-	-	-	19,419	20,371	(952)
	Public Transport - Waikaka	T4	(794)	(1,207)	413	-	-	794	1,207	(413)	-	-	-	-	8,487	9,767	(1,280)
	Public Transport - Other	T5	70	(101)	171	(70)	-	(70)	101	(101)	-	-	-	-	1,892	2,204	(312)
	Total Transport		(2,777)	(2,874)	107	(140)	-	(140)	2,866	2,874	(8)	-	-	-	30,151	32,880	(2,729)
	Total Activities		(6,478)	(8,358)	1,880	44	140	(96)	3,048	5,319	(2,271)	3,385	2,899	487	92,970	97,816	(4,846)

8.2. Annual Returns of Inactive Subsidiaries

Prepared for: Finance Committee
Report No. CS2245
Activity: Governance Report
Author: Sarah Munro, Manager Finance, Reporting
Endorsed by: Nick Donnelly, General Manager Corporate Services
Date: 22 August 2022

PURPOSE

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

EXECUTIVE SUMMARY

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

RECOMMENDATION

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

CONSIDERATIONS

Strategic Framework and Policy Considerations

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

Financial Considerations

[8] There are no financial considerations.

Significance and Engagement Considerations

[9] There are no significance and engagement considerations.

Legislative and Risk Considerations

[10] There are no legislative or risk considerations.

Climate Change Considerations

[11] There are no climate change considerations.

Communications Considerations

[12] There are no communications considerations.

NEXT STEPS

[13] Finance staff will file the Annual Return for the three subsidiary companies by 30 September 2022.

ATTACHMENTS

Nil

8.3. Annual Plan 2023/24 Process and Timetable

Prepared for:	Finance Committee
Report No.	CS2246
Activity:	Governance Report
Author:	Mike Roesler, Corporate Planning Manager
Endorsed by:	Nick Donnelly, General Manager Corporate
Date:	25 August 2022

PURPOSE

- [1] This report outlines the Annual Plan 2023/24 (AP) process being Year 3 of the Long-term Plan 2021-31 (LTP). It provides Council with an opportunity to consider the process noting that the timing of the local body election is a factor.

EXECUTIVE SUMMARY

- [2] The Background section of this report provides information about the purpose an AP, important aspects of decision-making, and the basis for the Year 3 AP. It provides reference material for elected councillors and reflects some questions that were presented during the previous AP.
- [3] The Discussion section provides an overview of the steps and timing of the AP process and in reference to an attached diagram.
- [4] The local body elections occur within the timing of the process and, while this is factored in, Council staff have not locked in detailed AP process dates. This will occur following agreement with Council on its requirements and priorities over the induction period.

RECOMMENDATION

That the Finance Committee:

- 1) **Receives** the report on the Annual Plan 2023-24 process
- 2) **Endorses** the Annual Plan 2023-24 steps and timeline.

BACKGROUND

Purpose

- [5] The Long-term Plan process formalises the community outcomes that Council decides are relevant to its statutory requirements and political aspirations. Flowing from the understanding of community outcomes it formalises Council's role, service, expenditure, and funding to achieve desired results. It does this in detail over 3 years, and less detail for the following 7 years.

- [6] The detail underpins a three-year planning cycle where the LTP is substantively reviewed and consulted with the community triennially. This review falls in Year two, or middle of, the local government political election cycle.
- [7] During the planning triennium annual plans provide a process for Council to amend or change the LTP. There are a variety of reasons why this is necessary, for example: planning assumptions change; level of certainty or clarity on specific matters improves; and changes in community aspirations or needs.

Significance of Change and Decision-making

- [8] As it is such an important decision-making process, the Local Government Act 2002 (LGA) includes principles and specific provisions about how Council should consider both its LTP and changes to it via its AP.
- [9] The LGA seeks to maintain or strengthen democratic behaviour, transparency in decision-making, and accountability for Council resource (e.g., operational assets, rates, grants, investments).
- [10] One legislative safeguard is the idea of applying proportionality within decision-making. That is the effort and resource applied to a decision(s) reflecting the significance of the decision(s). The LGA teases this out to include:
 - The need for a Council Policy about what might be significant and how to engage or consult.
 - Principles of consultation that Council must reflect on when deciding how it engages and with who.
 - The level of resource and effort Council deploys to inform the decision-making process e.g., practicable options; cost benefit; advantages and disadvantages; detail of information and record keeping.
 - The nature and timing of the consultation material available to the public in an AP process.
- [11] The word ‘significance’ when applied within an AP is defined under the LGA as:
 - “... the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:
 - a. the current and future social, economic, environmental, or cultural well-being of the district or region:
 - b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
 - c. the capacity of the local authority to perform its role, and the financial and other costs of doing so.
- [12] ORC’s Significance Policy enables the Council and our communities to understand the importance Council places on certain issues, proposals, assets, decisions, and activities. It states we will involve mana whenua and engage with communities and stakeholders when:
 - There is a statutory requirement

- A matter(s) is deemed significant by Council when assessed against the listed 'key criteria' and Council strategic assets.
- We need the input of community and stakeholders to ensure we make the best decision for the community.
- We need to use an open engagement process to build relationships, ownership of issues and solutions or trust and understanding.

[13] Ultimately, the application of the above policy relies heavily on advice (e.g., about affected parties or community outcomes) and political judgement. The latter includes consideration of how communities are involved and the associated cost/benefit of doing so.

Start Point for AP 2023/2024 (Yr3 LTP)

[14] The Long-term Plan 2021-2031 includes the 2021/22 (Yr1), 2022/23 (yr2) and 2023/24 (yr3) AP processes. Council is currently delivering on Year 2 and it along with LTP content, forms the basis of the Year 3 review.

[15] Content of the LTP that Council considers or has regard to in the Year 3 AP process includes:

- Community outcomes (i.e., ORC Strategic Directions)
- Financial forecasts and associated work programme, including Year 2 AP adjustments
- Level of Service content (i.e., service statements, measures and targets), including Yr2 adjustments
- LGA Strategy and Policy (i.e., Financial Strategy; Infrastructure Strategy; Revenue and Financing Policy; Significance and Engagement Policy; Māori Participation Policy).

[16] Committee resolutions made during Year 1 and Year 2 of the LTP planning cycle are also a key component for Year 3 AP. They reflect Council decisions that direct staff on the work programme. Key recommendations include:

- Revenue and financing policy: advice relating to flood protection and drainage schemes, and water body remediation.
- Public Transport: advice on developing a business case for additional unplanned services for the Central Otago area.
- Flood Protection Infrastructure Assets: advice on use of assets for recreation [e.g., cycling, walking) following community engagement
- Strategic Directions: advice on 2022 AP submission feedback as it pertains to Council's strategic directions.
- Biosecurity: advice relating to potential funding of large site-led community projects
- Financial Strategy: expectation of achieving a balanced budget for 2022/2023 financial year.

DISCUSSION

[17] Attachment 1 of this report provides a Steps and Timing diagram of the AP process. Points to note include:

- **Identify (September - November):** An ideal is for Council to establish a position on potential change to the LTP prior to completing detailed planning. Doing so:
 - Ensures councillors utilise their time more effectively through focusing on what matters most (e.g., key adjustments) and engaging where necessary prior to community-wide consultation.
 - Assists the process to be more efficient (e.g., less avoidable rework) and effective (higher quality output).

In this step councillors consider information from staff about the adopted work programme and associated financial estimates. It is necessary to understand what is planned, strategic drivers (why), and the relationship to resource (i.e., staff, funding sources, and assets).

This sets a foundation for considering what change might be required based on the Council's external operating environment (e.g., community needs and aspirations, national reform, economy, and markets). Reconsidering existing or determining new assumptions, uncertainties and risk regarding Council activity is a critical part of decision-making.

Once consensus for entertaining change is established, this step identifies its significance in terms of public interest and/or expenditure/funding implications. As discussed above, significant change to an LTP requires Council to apply more rigour within its decision-making process. This impacts the 'Build' and 'Finalisation' steps.

Information for this step will be developed by council staff over the local government election period and reported to the new Council as soon as it is in a position to receive it.

- **Build (December - February):** this step delivers draft financial estimates and the associated work programme. It embodies the planning assumptions, uncertainty applied globally across the draft plan and specifically to activity. It also incorporates any change to the LTP including significant proposals.
- **Finalise (March - May):** the approach at this stage of the process is determined by Council's decision about significance and community consultation. Not consulting provides Council with more time to refine the draft budgets and embed the work program with an early adoption date (i.e., early June vs late June).

OPTIONS

[18] This report foreshadows different approaches regarding the need, or not, for community consultation. Council staff will prepare a recommending report on this matter during the AP process.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[19] The visioning elements of the Strategic Directions work initiated with Councillors in 2020 is embodied in the adopted LTP. As such the AP process references this work.

[20] Paragraph [16] identifies resolutions made within previous APs (in this LTP cycle) that are either directly or indirectly embodied in the Year 3 process.

Financial Considerations

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

Significance and Engagement Considerations

[22] This is discussed in the Background section.

[23] Adjustments to the LTP will be assessed against the Significance and Engagement Policy during the AP process and an associated recommending report provided to Council.

Legislative and Risk Considerations

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

[25] Local Body elections have been factored into the AP process. There is a subsequently reduced time (i.e., approx 6 weeks) available for the AP process. In practice this means there is less time available for Council to consider information in Step 1, particularly if there is an expectation or requirement for public consultation.

[26] Any risk associated with reduced time, particularly regarding significant change, can potentially be managed through deferring funding decisions to future planning process. The exception might be where an emergency or crisis needs to be factored into the AP year 3.

Climate Change Considerations

[27] There are no climate change considerations relating to this report

Communications Considerations

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

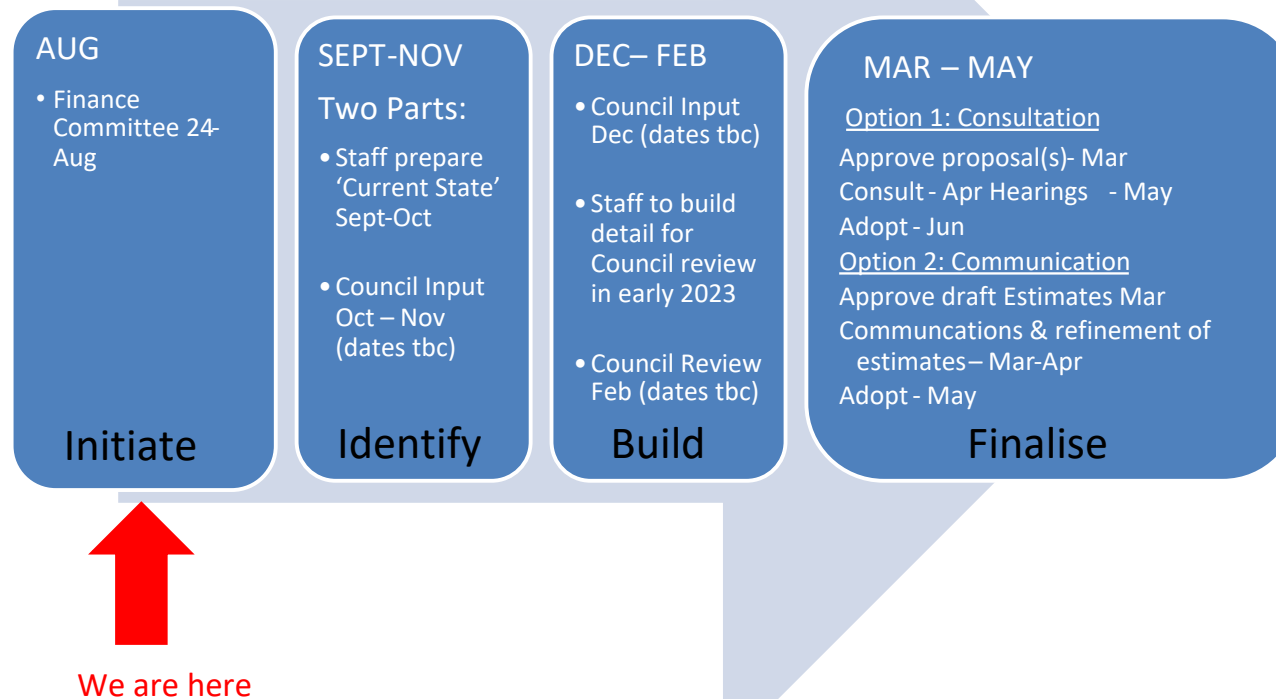
NEXT STEPS

[29] It is proposed that the **Identify** step begins at a political level following local body elections. Council has discretion to begin that step sooner. Either way, staff will begin preparing material for Council's presentation and consideration.

ATTACHMENTS

1. Steps and Timing [8.3.1 - 1 page]

Steps and Timing



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
Minutes of the 25 May 2022 public-excluded Finance Committee meeting	<p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To 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</p>	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (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>activities – Section 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</p>	
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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 are as follows:

Adoption of the recommendations of the public excluded portion of the Audit and Risk Subcommittee meeting held on xxxxxx.

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,
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)
- 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)
- 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)
- To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)
- To maintain legal professional privilege – Section 7(2)(g)
- To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)
- To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)