

Finance Committee Agenda - 23 February 2023



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 Kevin Malcolm, Co-Chair	Cr Andrew Noone
Cr Tim Mepham, Co-Chair	Cr Gretchen Robertson
Cr Alexa Forbes	Cr Bryan Scott
Cr Gary Kelliher	Cr Alan Somerville
Cr Michael Laws	Cr Elliot Weir
Cr Lloyd McCall	Cr Kate Wilson

Senior Officer: Dr Pim Borren, interim Chief Executive

Meeting Support: Liz Spector, Governance Support Officer

23 February 2023 09:00 AM

Agenda Topic

Page

1. WELCOME

2. APOLOGIES

Cr Bryan Scott has submitted his apologies.

3. 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.

4. 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.

5. DECLARATIONS 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. [Councillor Register of Interests is published to the ORC website.](#)

6. PRESENTATIONS

6.1 Presentation of Port Otago Ltd Interim Report

Members of the Executive Leadership Team and the Board of Directors will present the Interim Report.

7. MATTERS FOR CONSIDERATION

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7.1	QUARTERLY FINANCIAL REPORT - 31 DECEMBER 2022	3
	To present the Council's Activity and Financial Performance Reports for the 6-month period ended 31 December 2022.	
7.1.1	Activity Performance Report	5
7.1.2	Activity Financial Summary	19
7.1.3	Statement of Comprehensive Revenue and Expenditure	27
7.1.4	Statement of Financial Position	29
7.1.5	Treasury Report December 2022	32
7.1.6	Detailed Activity Report	33
7.2	RATES STRIKE, COLLECTION - 31 OCTOBER 2022	35
	This report provides the Finance Committee with an update on rates struck for the 2022/23 financial year.	
7.3	ORC ENVIRONMENT AWARDS PROPOSAL	38
	This paper provides options for Council to consider as part of the 2023/2024 Annual Plan process, for launching Otago Regional Council awards that recognise and encourage kaitiakitanga of Otago's natural environment.	
7.3.1	List of categories for existing Council awards programmes	47
8.	CLOSURE	

7.1. Quarterly Financial Report - 31 December 2022

Prepared for:	Finance Committee
Report No.	CS2301
Activity:	Governance Report
Author:	Sarah Munro, Finance Manager - Reporting Jasmin Lamorie, Corporate Planning Business Partner
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	23 February 2023

PURPOSE

- [1] To present the Council's Activity and Financial Performance Reports for the 6-month period ended 31 December 2022.

RECOMMENDATION

That the Finance Committee:

- 1) **Notes** this paper and the Activity and Financial Performance Reports for the period 1 July 2022 to 31 December 2022 (quarter 2 of the 2022-23 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 Annual Plan 2022-23. Progress over the 2022-23 financial year will be reported to the Finance Committee on a quarterly basis.
- [3] The following Activity and Finance Reports are attached:
- Activity Performance Report
 - High-level overview of service performance against Annual Plan measures and targets by activity
 - High-level overview of financial performance by activity
 - Report is exceptions based and commentary provides explanations for performance that is 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

- [4] Not applicable.

Financial Considerations

- [5] Not applicable.
-

Significance and Engagement Considerations

[6] Not applicable.

Legislative and Risk Considerations

[7] Not applicable.

Climate Change Considerations

[8] Not applicable.

Communications Considerations

[9] Not applicable.

NEXT STEPS

[10] Not applicable.

ATTACHMENTS

1. Activity Performance Report [7.1.1 - 14 pages]
2. Activity Financial Summary [7.1.2 - 8 pages]
3. Statement of Comprehensive Revenue and Expenses [7.1.3 - 2 pages]
4. Statement of Financial Position [7.1.4 - 3 pages]
5. Treasury Report December 2022 [7.1.5 - 1 page]
6. 7.1.6 Detailed Activity Report [7.1.6 - 2 pages]

Activity Performance Report

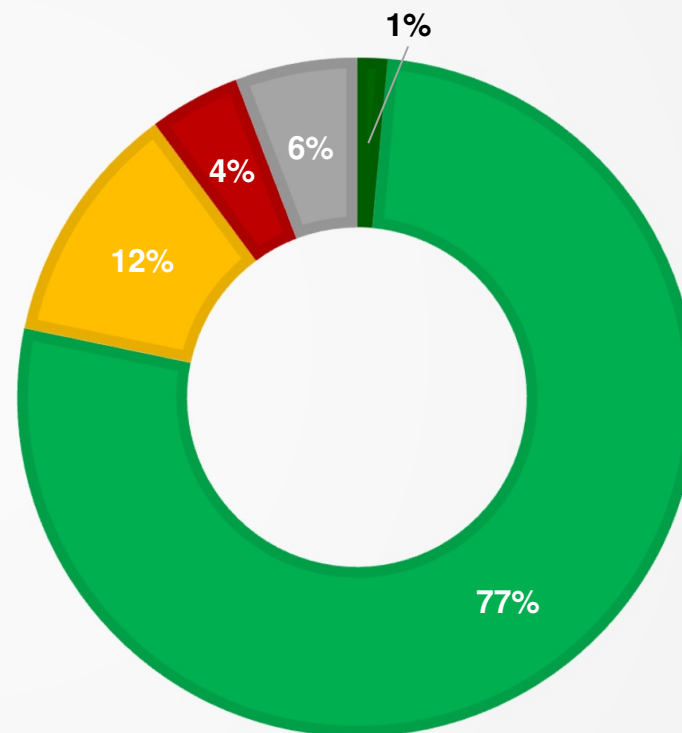
2022-23 QUARTER TWO – December 2022

Service Delivery Performance

The 2022-23 Annual Plan contains 36 level of service statements, 62 measures and 69 targets related to activities being delivered in the 2022-23 year.

Results:

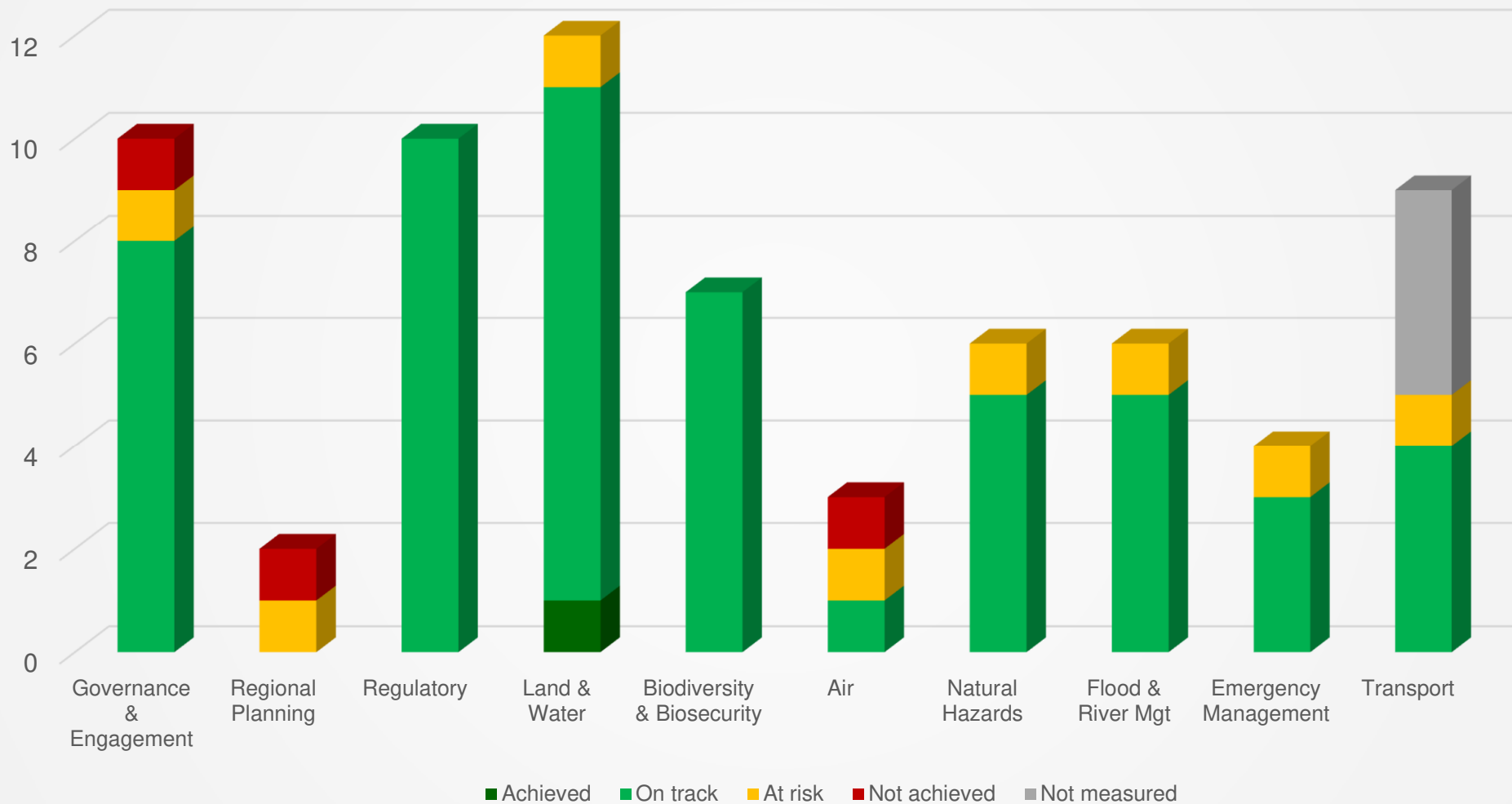
- 1** achieved/completed
- 53** on track
- 8** at risk/may not achieve
- 3** will not achieve
- 4** not measured



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



Results by Activity



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QUARTER TWO 2022-23 (December)

Service Delivery Highlights

- ★ Increased website and social media reach; higher number of website visits and social media followers than prior year.
- ★ Council elections took place in October 2022. Councillors were sworn in on 26 October, attended a partnership hui at Ōtākou Marae and have undertaken a successful recruitment process for a permanent Chief Executive.
- ★ Compliance monitoring, inspections and audit numbers are exceeding targets and are above prior year levels, as are consent processing numbers.
- ★ Incident response capacity has increased with six new incident responders trained and warranted to respond to pollution complaints.
- ★ Land and Water Regional Plan (LWRP) stage two consultation, and regionwide provisions workshops with key stakeholders were both completed as planned.
- ★ ORC's contact recreation monitoring programme was extended this summer with four new sites added; water quality testing is occurring at 31 popular Otago swimming sites from December until March.
- ★ 12 new soil monitoring sites were established as part of the land monitoring network.
- ★ Biosecurity processes have been bolstered with staff using a new integrated inspection system.
- ★ Public transport patronage across the network has increased despite reduced services. The Lake Whakatipu ferry service ticketing equipment has been installed and the Bee Card is operational.

Service Delivery Challenges and Risks

Quarter two challenges:

- ❑ Staff recruitment and retention continued to present challenges. There has been a strong recruitment drive throughout Q2 and a number of appointments have been made. At the end of Q2 there were 45 fewer staff than budgeted, compared to 65 fewer in Q1. Some areas are relying on contractors and/or work has been pushed out until staff are recruited.






Potential risks or future challenges:

- ❑ Delivery of some ORC work programmes, including 'catch-up' planning and operations, may be impacted by new or ongoing reform (e.g. air, highly productive land, urban/spatial, biodiversity, adaptation planning, RMA reform).

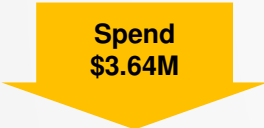
Performance Summary by Activity Group




Key:

Service Delivery Results:

	achieved	<p>The number in each ‘traffic-light’ shows the results for the Annual Plan service measure and targets for each activity this quarter.</p> <p>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	
	at risk/may not be met	
	will not be met	
	not measured	

Financial Performance:




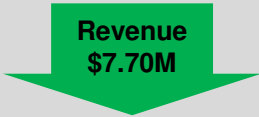
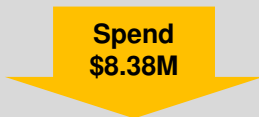

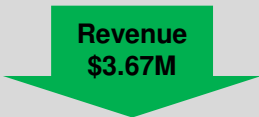
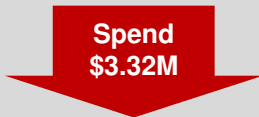

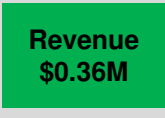

- The numbers in the arrows show the **actual** expenditure or revenue for the year to date (includes operational and capital).
- Colours indicate the **percentage variance** against budget:
 -  within 5%
 -  5-10% variance
 -  more than 10% variance
- Direction of arrows show whether the variance is **under** budget or **over** 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.

Performance Summary by Activity Group

Regional Leadership	Service Delivery Results	Financial Performance	
<p>Governance & Engagement</p> <p>8 1 1</p>	<ul style="list-style-type: none"> ⊖ Community survey completed and target partly met; satisfaction and awareness similar to prior year. ⊗ 97% of LGOIMA requests (72 out of 74) in the YTD responded to on time (target: 100%). 	<p>Revenue \$3.58M</p>	<p>Spend \$3.51M</p> <p>Spend is \$0.3M under, due to timing of external costs and vacancies.</p>
<p>Regional Planning</p> <p>1 1</p>	<ul style="list-style-type: none"> ⊖ Due to vacancies urban programme is largely on hold, aside from supporting FDS development with DCC and QLDC. ⊖ RPS timeframes have been pushed out by the High Court action on the freshwater planning process. 	<p>Revenue \$1.16M</p>	<p>Spend \$1.43M</p> <p>Revenue 3% under budget. Spend \$0.2M over due to legal and consultant costs of revised RPS processes, partly offset by vacancies.</p>
<p>Regulatory</p> <p>10</p>	<p>All measures are currently on track to meet or exceed targets.</p>	<p>Revenue \$5.49M</p>	<p>Spend \$7.08M</p> <p>Revenue \$1.1M under due to additional non-chargeable activity and vacancies. Spend \$0.2M over largely due to increased incident response and enforcement/legal costs; partly off-set by reduced time in other areas.</p>



Performance Summary by Activity Group

Environment	Service Delivery Results	Financial Performance
Land & Water 	<ul style="list-style-type: none"> ⊖ Catchment Action Plan (CAP) approach has been revised; a collaborative focus means drafting of CAP may take longer than anticipated. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Revenue \$7.70M</p> </div> <div style="text-align: center;">  <p>Spend \$8.38M</p> </div> </div> <p>Revenue \$0.2M under due timing of grants plus EMaR project now hosted outside ORC. Spend \$0.5M under, largely due to timing of monitoring site upgrades, remediation works, ICM and reduced EMaR costs.</p>
Biodiversity & Biosecurity 	<p>All measures are currently on track to meet targets.</p>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Revenue \$3.67M</p> </div> <div style="text-align: center;">  <p>Spend \$3.32M</p> </div> </div> <p>Revenue \$0.2M under due to timing of grants and equipment lease fees not realised. Spend \$1.2M under due to vacancies and timing of works.</p>
Air 	<ul style="list-style-type: none"> ⊖ Air data capture rate was 80% due to time offline for planned upgrade/relocation aside from this capture rates met target. ⊗ Review of Regional Plan Air is delayed due to staff vacancies and RPS delays. 	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Revenue \$0.36M</p> </div> <div style="text-align: center;">  <p>Spend \$0.25M</p> </div> </div> <p>Spend \$60k under due timing of projects and monitoring site upgrades.</p>



QUARTER TWO 2022-23 (December)

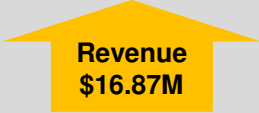
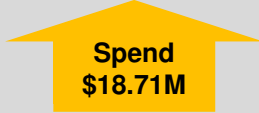
Performance Summary by Activity Group

Safety & Resilience	Service Delivery Results	Financial Performance	
<p>Natural Hazards & Climate Change</p> <p>5 1</p>	<p>⊖ Priority adaptation works at Head of Lake Wakatipu, South Dunedin/ Harbourside, Clutha Delta, are progressing well, however work for Henley and Roxburgh has been delayed due to vacancies.</p>	<p>Revenue \$1.69M</p> <p>Revenue \$60k over.</p>	<p>Spend \$0.87M</p> <p>Spend \$0.6M under due to vacancies and timing of contracted works, including LiDAR delivery delays impacting other work.</p>
<p>Flood Protection, Drainage & River Management</p> <p>5 1</p>	<p>⊖ Renewal programme is currently tracking below target. 81% of projects are on track with the remaining 6 projects undergoing scoping, design or consenting/bylaw processes.</p>	<p>Revenue \$4.98M</p> <p>Revenue \$0.2M under due to grant timing.</p>	<p>Spend \$4.54M</p> <p>Spend \$0.4M under due to timing of capex works and seasonal river/scheme management work which commenced in Q2. Partly offset by unbudgeted flood recovery work.</p>
<p>Emergency Management</p> <p>3 1</p>	<p>⊖ Ongoing recruitment challenges have adversely impacted staff training target.</p>	<p>Revenue \$1.71M</p> <p>Spend \$0.2M under largely due to vacancies, which have also impacted timing and delivery of planned work.</p>	<p>Spend \$1.46M</p>



QUARTER TWO 2022-23 (December)

Performance Summary by Activity Group

Transport	Service Delivery Results	Financial Performance
<p>Regional & Public Transport</p> <p>4 1 4</p>	<ul style="list-style-type: none"> ⊖ Driver shortages impacted on reliability in Q1-2; operating reduced bus timetables has seen some improvement in reliability for Dunedin. ⊖ Satisfaction surveys are scheduled for Q3. 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Revenue \$16.87M</p> </div> <div style="text-align: center;">  <p>Spend \$18.71M</p> </div> </div> <p>Revenue \$1.2M over due to increased covid disruption grants, and community connect funding, partly offset by reduced fare revenue. Spend is \$1.3M over due to driver wage increases with some cost reduction due to reduced services, plus increased regional total mobility and community connect services, partly offset by changes to Queenstown ferry contract from budget assumptions.</p>

2022-23 Service Measure Quarterly Results

	Activity	Measures	Targets	Q1	Q2
Regional Leadership	Governance & Community Engagement	Percentage of official information requests responded to within statutory timeframe	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	Maintain or increase (from 2021-22 baseline result: 19)	■	■
		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 results show increased community awareness and improved satisfaction with the performance of ORC.	■	■
		Customers express high levels of satisfaction with customer service provision	Determine methodology for establishing customer satisfaction.	■	■
		Report on community wellbeing indicators	Complete annual report on wellbeing indicators and issues and report to Council by 30 June	■	■
		Information on climate change in Otago is shared with the community and stakeholders.	Complete regional GHG* inventory and report to Council by 30 June	■	■
		Report on regional stakeholder engagement and collaboration on climate change.	Complete annual report on regional climate change collaboration and report to Council by 30 June	■	■
	Regional Planning	Develop an integrated planning framework that enables well managed urban growth across Otago	Develop draft regional Urban Development Strategy by 30 June	■	■
		Complete review of existing Regional Policy Statement (RPS)	Make RPS operative by 30 June	■	■
	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	Maintain or increase (from 2021-22 baseline of 99%)	■	■
		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	≥90%	■	■
		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 ■ At risk ■ Not achieved ■ Not measured

QUARTER TWO 2022-23 (December)

2022-23 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2	
Environment	Land & Water	Complete the Land and Water Regional Plan(LWRP)	Report to Council on proposed management options for all FMUs (including rohe) by 30 June	■	■
		Implement a regional coastal environment monitoring programme	Annual report on monitoring completed and reported to Council by 30 June	■	■
		Implement freshwater and estuarine environment monitoring programmes	Annual report on monitoring programme completed and reported to Council	■	■
		Percentage of data from the water monitoring network that is captured quarterly.	≥95% data capture achieved	■	■
		Develop and implement a regional land use monitoring programme	Annual report on monitoring programme completed and reported to Council	■	■
		Percentage of data from the land-use monitoring network that is captured quarterly.	95% data capture achieved	■	■
		Otago Catchment Communities funding is administered as per agreement.	100%	■	■
		Otago Catchment Communities is supported to meet deliverables and targets of funding agreement	Report to Council on deliverables and targets achieved by 30 June	■	■
		Land owner/community led projects promoting best practice land management for soil conservation, water quality and the efficient use of water are identified and supported.	Three or more projects supported per year	■	■
		At least three site specific action plans for selected degraded waterbodies are developed, prioritised, and implemented.	Projects confirmed and priority actions identified by 30 Sept. 90% of actions undertaken within specified timeframes	■	■
	Integrated Catchment Action Plans (CAP) are developed in collaboration with iwi and community.	One Catchment Action Plan drafted	■	■	
	Biodiversity & Biosecurity	Develop and implement a regional indigenous biodiversity ecosystems monitoring programme.	Develop monitoring programme (including requirements of NPSIB*) and report to Council by 30 June	■	■
		Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	90% of current year actions achieved within timeframes specified	■	■
		Biodiversity and biosecurity partnerships established and joint projects developed and progressed	Maintain or increase number of partnership engagement activities and events and report to Council (from 2021-22 baseline of 4) Projects and progress against milestones reported to Council	■	■
		Percentage of funding administered as per agreements.	100%	■	■
Complete a report on the initiatives and organisations supported and the key deliverables achieved.		Report to Council by 30 June.	■	■	
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed		90% of actions achieved within timeframes specified.	■	■	
Air	Implement regional air monitoring programme.	Annual report on monitoring programme completed and reported to Council	■	■	
	Percentage of data from the air monitoring network that is captured quarterly.	≥95% data capture achieved	■	■	
	Complete review of the Regional Plan – Air.	Issues and options papers developed by 30 June	■	■	



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■ Achieved ■ On track ■ At risk ■ Not achieved ■ Not measured

QUARTER TWO 2022-23 (December)

2022-23 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2	
Safety and Resilience	Natural Hazards & Climate Change	Develop a regional natural hazards risk assessment and a regional approach for prioritising adaptation	Report to Council on progress of natural hazard risk assessment and prioritisation approach.	■	■
		Develop and implement prioritised natural hazard risks adaptation works	Work in priority areas is delivered as per plan by 30 June	■	■
			Head of Lake Wakatipu natural hazards adaptation strategy progresses as per annual work plan	■	■
			ORC contribution to the South Dunedin Future programme progresses as per annual work plan.	■	■
			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.	≥85% 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	■	■
Maintain response functionality to enable operational situational awareness when ECC activated.	Response solutions are checked as scheduled and any issues remedied.	■	■		



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■ Achieved ■ On track ■ At risk ■ Not achieved ■ Not measured

QUARTER TWO 2022-23 (December)

2022-23 Service Measure Quarterly Results

Activity	Measures	Targets	Q1	Q2
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	■ Achieved	■ Achieved
	Annual public transport boardings in Queenstown per capita	increase (2021-22: 806,802 total patronage and 52 trips per capita)	■ Achieved	■ Achieved
	Annual public transport boardings in Dunedin per capita	increase (2021-22: 2,367,099 total patronage and 23 trips per capita)	■ Achieved	■ Achieved
	Overall passenger satisfaction with Wakatipu Public Transport system at annual survey.	97%	■ Not measured	■ Not measured
	Overall passenger satisfaction with Dunedin public transport system at annual survey	97%	■ Not measured	■ Not measured
	Percentage of scheduled services delivered (reliability)	95%	■ At risk	■ At risk
	Percentage of scheduled services on-time (punctuality – to five minutes)	95%	■ On track	■ On track
	Percentage of users who are satisfied with the provision of timetable and services information	maintain or increase (from 2022 baseline: 70% (DN), 88% (QWTN))	■ Not measured	■ Not measured
	Percentage of users who are satisfied with the overall service of the Total Mobility scheme	maintain or increase (from 2022 baseline: 87%)	■ Not measured	■ Not measured



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■ Achieved ■ On track ■ At risk ■ Not achieved ■ Not measured

QUARTER TWO 2022-23 (December)

Activity Financial Report- December 2022

YEAR TO DATE ACTUAL VS BUDGET

	Revenue			Expenses			Surplus/(Deficit)		
	Actual 2023	AP 2023	Variance	Actual 2023	AP 2023	Variance	Actual 2023	AP 2023	Variance
	Year to Date \$'000	Year to Date \$'000	\$'000	Year to Date \$'000	Year to Date \$'000	\$'000	Year to Date \$'000	Year to Date \$'000	\$'000
Governance and Community	3,581	3,610	(29)	3,508	3,767	(259)	73	(157)	230
Regional Planning	1,160	1,196	(36)	1,429	1,219	210	(269)	(23)	(246)
Regulatory	5,486	6,594	(1,108)	7,084	6,889	195	(1,598)	(295)	(1,303)
REGIONAL LEADERSHIP	10,227	11,400	(1,173)	12,021	11,875	146	(1,794)	(475)	(1,319)
Land and Water	7,696	7,941	(245)	8,382	8,905	(523)	(686)	(964)	278
Biodiversity & Biosecurity	3,667	3,830	(163)	3,318	3,972	(654)	349	(142)	491
Air	361	360	1	248	305	(57)	113	55	58
ENVIRONMENT	11,724	12,131	(407)	11,948	13,182	(1,234)	(224)	(1,051)	827
Natural Hazards & Climate	1,686	1,626	60	866	1,424	(558)	820	202	618
Flood & Drainage	3,953	4,220	(267)	3,539	3,744	(205)	414	476	(62)
River Management	1,029	985	44	999	1,237	(238)	30	(252)	282
Emergency Management	1,705	1,668	37	1,461	1,693	(232)	244	(25)	269
SAFETY & RESILIENCE	8,373	8,499	(126)	6,865	8,098	(1,233)	1,508	401	1,107
Transport Planning	177	212	(35)	157	212	(55)	20	-	20
STEDS	66	62	4	80	62	18	(14)	-	(14)
PT- Dunedin	10,152	9,838	314	11,490	10,346	1,144	(1,338)	(508)	(830)
PT- Whakatipu	4,655	4,498	157	5,141	5,631	(490)	(486)	(1,133)	647
PT- Other	1,815	1,091	724	1,842	1,149	693	(27)	(58)	31
TRANSPORT	16,865	15,701	1,165	18,710	17,400	1,310	(1,845)	(1,699)	(146)
TOTAL	47,189	47,731	(541)	49,544	50,555	1,011	(2,355)	(2,824)	(469)

Note: This table includes both operating and capital expenditure.

\$100,000 REVENUE VARIANCE ANALYSIS		Actual 2023 Year to Date \$'000	AP 2023 Year to Date \$'000	Variance \$'000	Comment
REGIONAL LEADERSHIP					
I1	Incident Response	762	866	(104)	Incident response revenue is below budget due to infringements and fines being below budget.
R1	Consent Processing	2,347	2,989	(642)	Consent processing revenue is below budget due to resource consent processing fees being below budget.
R2	Compliance Monitoring	1,941	2,292	(351)	Compliance monitoring revenue is below budget due to compliance audit revenue being \$62,000 below budget and \$290,000 below budget revenue on performance monitoring.
ENVIRONMENT					
W1	Land & Water Planning	1,408	1,529	(121)	This reduction in revenue has been caused by the EMaR (LAWA) project moving from being managed by ORC to being managed centrally. This has resulted in a reduction in revenue and expenditure.
L2	Biosecurity	2,514	2,672	(158)	The majority of this reduction in revenue compared to budget has been caused by a hire program for biosecurity equipment being budgeted but not started in the current year.
SAFETY & RESILIENCE					
F1	Alexandra flood protection	3	152	(149)	This reduction in revenue from budget has been caused by the agreement with Contact Energy for flood protection still in negotiation with no funds received in the current financial year.
F3	Lower Clutha flood protection	874	722	152	This revenue is above budgeted revenue due to grant funding received for flood repairs and Riverbank Road Climate Resilience programmes.
F4	Lower Taieri flood protection	878	1,161	(283)	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.
TRANSPORT					
T4	PT- Dunedin	10,152	9,838	313	PT- Dunedin's increase revenue has been caused by additional grant revenue being received from NZTA to fund paying bus driver's minimum wage. This grant funding is offsetting a reduction in fare revenue caused by \$2 fares and reduced patronage compared to budget due to the reduced bus timetable and covid.

\$100,000 REVENUE VARIANCE ANALYSIS

		Actual 2023 Year to Date \$'000	AP 2023 Year to Date \$'000	Variance \$'000	Comment
T5	PT- Queenstown	4,655	4,498	157	<p>The additional revenue received does not fully offset the addition costs in PT- Dunedin.</p> <p>PT-Queenstown has increased revenue for transport services including grant funding to pay bus driver’s minimum wage. This revenue is being offset by reduced revenue of \$617,000 from budget for ferry services.</p> <p>There is also an impact within transport revenue statement of comprehensive income classes caused by the central government 50% fare reduction policy. This has resulted in a reduction in other income (fares are \$1 50% of the \$2 rate) and increase in grant funding (the reduced fares have been funded by the NZTA).</p>
T6	PT- Other	1,815	1,090	725	<p>\$510,000 of this above budgeted revenue is being caused by community connect programme (community services card bus transport discount) which is 100% funded by NZTA.</p> <p>The remaining major variance has been caused by 50% fare grants for total mobility paid by the NZTA.</p>

\$100,000 EXPENDITURE VARIANCE ANALYSIS		Actual 2023 Year to Date \$'000	AP 2023 Year to Date \$'000	Variance \$'000	Comment
REGIONAL LEADERSHIP					
G8	Governance & Financial Contributions	2,454	2,676	(222)	This reduced expenditure is due to timing differences from budget. The expenditure is underspent largely in the governance strategy function (resources have been put into other strategy programmes) and election costs.
P1	RPS, Strategy, Urban Dev & Response to issues	1,429	1,219	210	This increased expenditure from budget has been caused by \$311,000 over budget expenditure on the RPS project, which has been offset by a \$90,000 reduced expenditure from budget on urban development strategy.
R1	Consent Processing	2,842	2,994	(151)	This reduced expenditure has been caused by reduced staff time being spent on consent processing.
R2	Compliance monitoring	2,361	2,471	(110)	This reduced expenditure has been caused by reduced staff time being spent on performance monitoring from budget, with time being spent on incident response.
I1	Incident response	1,246	866	380	Incident response expenditure is above budget due to more staff time being used than budgeted and enforcement/legal costs.
ENVIRONMENT					
W2	Land & water science and monitoring	5,315	5,447	(132)	The majority of this is caused by EMaR (LAWA) project that was budgeted at \$172,000 but is now being managed centrally by the regional sector RSHL office.
W3	Land & water implementation	1,461	1,815	(354)	The majority of the land and water implementation below budget expenditure has been caused by decreased expenditure in catchment management \$215,000 and the Lake Hayes remediation programme \$149,000.
L2	Biosecurity	2,668	3,101	(433)	This reduction in expenditure has been caused by multiple factors including: <ul style="list-style-type: none"> - Timing of work with contracts for the wilding conifer and wallaby programmes - Staff vacancies
L8	Biodiversity science & monitoring	333	454	(121)	This reduction in expenditure has been caused by reduced time costs from budget in environmental monitoring.

\$100,000 EXPENDITURE VARIANCE ANALYSIS

		Actual 2023 Year to Date \$'000	AP 2023 Year to Date \$'000	Variance \$'000	Comment
SAFETY & RESILIENCE					
F2	Leith flood protection scheme	281	398	(117)	This reduction in expenditure compared to budget has been caused by due to contractor work still being scoped. It is expectation that expenditure will still be incurred to the budgeted level at year end.
F3	Lower Clutha flood protection & drainage	830	972	(142)	This variance is caused by timing of the awarding of contracts for work not yet being commenced.
F4	Lower Taieri flood protection	933	765	168	Lower Taieri flood protection scheme above budgeted expenditure has been caused by higher operational staff and supplier costs due to flood repairs.
F5	West Taieri drainage	404	514	(110)	This variance is caused by timing of the awarding of contracts for work not yet being commenced.
N1	Natural Hazards	574	889	(315)	Natural hazards underspend has been caused by reduced staff time and supplier costs on the flood hazard programme. There have been delays in this program due to LIDAR program data delays.
N3	Climate change adaption	183	412	(229)	This underspend has been caused by timing of contracts.
E1	Emergency Management	1,460	1,693	(232)	This underspend has been caused by reduced staff costs due to vacancies, this has also impacted the timing and delivery of planned works.
TRANSPORT					
T4	PT- Dunedin	11,490	10,346	1,143	The majority of this over budget expenditure has been caused by: <ul style="list-style-type: none"> - \$1,102,000 increase in Dunedin bus service costs due to increase bus driver wages - \$135,000 reduction in bus infrastructure costs due to construction/renewals work delayed - \$63,000 increase in costs due to Palmerston weekend services
T5	PT- Queenstown	5,141	5,631	(490)	This under budget expenditure has been caused by: <ul style="list-style-type: none"> - \$914,000 reduced expenditure on the Queenstown ferry operation - \$275,000 increase in Queenstown bus service costs due to increase bus driver wages

\$100,000 EXPENDITURE VARIANCE ANALYSIS

		Actual 2023 Year to Date \$'000	AP 2023 Year to Date \$'000	Variance \$'000	Comment
T6	PT- Other	1,842	1,149	693	- \$191,000 increase in low cost low risk project costs The majority if this over budget expenditure has been caused by the Connect Community implementation programme which was not budgeted but is 100% funded by NZTA.

FORECAST to June 2023	Revenue			Expenditure			Surplus/(Deficit)		
	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance
Governance & Community	7,357	7,473	(116)	7,590	7,775	(185)	(233)	(302)	70
Regional Leadership	2,304	2,293	11	2,903	2,293	610	(599)	-	(599)
Regulatory	11,358	13,101	(1,743)	13,466	13,477	(11)	(2,107)	(375)	(1,732)
REGIONAL LEADERSHIP	21,020	22,867	(1,847)	23,959	23,545	414	(2,939)	(678)	(2,261)
Air	720	720	-	810	810	-	(90)	(90)	-
Biodiversity & Biosecurity	10,260	10,465	(205)	10,662	11,460	(798)	(402)	(995)	593
Land & Water	15,692	16,575	(882)	18,256	18,937	(680)	(2,564)	(2,362)	(202)
ENVIRONMENT	26,672	27,760	(1,087)	29,728	31,206	(1,478)	(3,056)	(3,447)	391
Flood & Drainage	8,239	8,441	(202)	8,370	9,517	(1,147)	(131)	(1,076)	945
River Management	1,971	1,971	-	3,623	3,023	600	(1,653)	(1,053)	(600)
Hazards	3,264	3,253	11	2,407	3,413	(1,006)	857	(160)	1,017
Emergency Management	3,336	3,336	-	3,017	3,336	(319)	319		319
SAFETY & RESILIENCE	16,809	17,000	(191)	17,417	19,289	(1,872)	(608)	(2,289)	1,681
Regional Land Transport Planning	408	424	(16)	300	424	(124)	108	-	108
Stock Truck Effluent Disposal	124	124	-	124	124	-	-	-	-
Public Transport - Dunedin	20,723	19,677	1,047	22,235	20,667	1,568	(1,512)	(991)	(521)
Public Transport - Whakatipu	9,297	9,596	(299)	10,775	11,261	(506)	(1,458)	(1,665)	207
Public Transport - Other	3,526	2,181	342	3,615	2,286	1,329	(89)	(105)	16
TRANSPORT	34,078	32,001	2,077	37,029	34,762	2,268	(2,951)	(2,761)	(190)
TOTAL	98,579	99,627	(1,048)	108,133	108,801	(668)	(9,554)	(9,174)	(379)

Funding of Surplus/(Deficit) Variance

FORECAST to June 2023

	Reserve funding of variance			Total
	General	Targeted	Other	
Governance & Community	20	-	50	70
Regional Leadership	(599)	-	-	(599)
Regulatory	(1,732)	-	-	(1,732)
REGIONAL LEADERSHIP	(2,311)	-	50	(2,261)
Air	-	-	-	-
Biodiversity & Biosecurity	500	13	80	593
Land & Water	(319)	287	(170)	(202)
ENVIRONMENT	181	300	(90)	391
Flood & Drainage	-	(285)	1,230	945
River Management	-	(600)	-	(600)
Hazards	1,017	-	-	1,017
Emergency Management	-	319	-	319
SAFETY & RESILIENCE	1,017	(566)	1,230	1,681
Regional Land Transport Planning	108	-	-	108
Stock Truck Effluent Disposal	-	-	-	-
Public Transport - Dunedin	-	(521)	-	(521)
Public Transport - Whakatipu	-	207	-	207
Public Transport - Other	16	-	-	16
TRANSPORT	124	(314)	-	(190)
TOTAL	(989)	(580)	1,190	(379)

Note: In the reserve funding table above, positive balances are additional funds being transferred into the reserve and negative balances are additional funds being removed from the reserve from budget.

Statement of Comprehensive Revenue and Expense for the 6-month period ended 31 December 2022

	Notes	Actual 2023 6 month period	Annual Plan 2023 6 month period	Variance 6 month period	Actual 2022 12 month period
REVENUE					
Rates revenue		23,510	23,538	(28)	40,211
Subsidies and grant revenue	1	11,212	9,453	1,759	21,691
Other income	2	4,751	7,630	(2,878)	11,114
Dividends		7,262	7,000	262	13,469
Interest and investment income		166	375	(209)	344
TOTAL REVENUE		46,902	47,995	(1,094)	86,829
EXPENDITURE					
Employee benefits expense	3	(14,222)	(16,346)	2,124	(26,692)
Depreciation and amortisation		(2,095)	(2,175)	80	(3,949)
Finance costs		(155)	(125)	(30)	(244)
Other expenses		(31,494)	(31,892)	397	(60,300)
TOTAL OPERATING EXPENDITURE		(47,965)	(50,537)	2,572	(90,165)
OPERATING SURPLUS/(DEFICIT)		(1,064)	(2,542)	1,478	(3,336)
Other gains/(losses)		424	252	172	(1,953)
Revaluation gain/(loss)—shares of subsidiary		-	-	-	87,960
Income tax benefit/(expense)		-	-	-	100
SURPLUS/(DEFICIT)		(640)	(2,291)	1,650	82,771

Notes

- Subsidies and grant revenue has increased \$1,759,000 above budget. The majority of this increased revenue has been caused by a \$2,115,000 increase in grant funding from NZTA for subsidised bus fare revenue. This increase in grant funding is a difference in the allocation of the revenue compared to budget with it being received as subsidies and grant revenue from NZTA instead of bus fare revenue which is other income. NZTA is not funding any of the fare difference between budgeted fares and the \$2 flat fares.
- Other Income is \$2,878,000 below budget due to the following:
 - Consent processing is \$664,000 below the \$1,987,000 budget.
 - Public transport revenue for Dunedin was \$670,000 below budgeted revenue of \$1,660,000 for the Dunedin network. Dunedin network reduced fare revenue was caused by:
 - Continuation of \$2 flat fares.

- 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 Whakatipu network was \$300,000 below budgeted revenue of \$1,208,000. The Whakatipu network reduced fare revenue was caused by:
 - The Queenstown ferry service was \$358,000 below budget. This was budgeted to be an operational route in the 2022/2023 financial year with Council receiving gross fare revenue, however this is still in trial phase with revenue being received under the contract by the operator and Council providing a net cost subsidy.
 - Compliance monitoring and contaminated sites was \$355,000 below budgeted revenue of \$890,000.
 - Land and water science monitoring was \$182,000 below budget due to the national LAWA project being budgeted to be run from ORC in the 2022/2023 year but this activity being centralised outside of ORC.
 - Alexandra flood protection scheme other income was nil compared to the budget position of \$149,000 due to the agreement with Contact Energy still being negotiated.
 - Incident response revenue as \$106,000 below budgeted other income of \$150,000 due to lower incident fines in the 6 month period than budgeted.
 - The remaining \$452,000 below budget other income was caused by small variances over multiple programmes.
3. Employee benefits expenses is \$2,124,000 below budget due to vacancies in budgeted positions in the Annual Plan. The following tables shows Annual Plan budget FTEs compared to actual FTEs for the Q1 (30 September 2022), Q2 (31 December 2022) and the prior year FTEs (30 June 2022).

Directorate	22/23 FTE Budget	Q1 2023 September 2022 FTEs	Q2 2023 December 2022 FTEs	December variance from budget	Prior year end 30 June 2022 FTEs
Chief Executive	2.1	1	1	(1.1)	1
Corporate Services	55.3	41.1	44.3	(11.0)	46.3
Operations	91.7	71.4	80.6	(11.1)	79.5
Governance, Culture & Customer	20.5	19.8	13.7	(6.8)	18.9
Strategy, Policy and Science	73.4	54	59.1	(14.3)	57.6
Regulatory & Communications	91	81.6	90.5	(0.5)	76.6
	334	268.9	289.2	(44.8)	279.9

Statement of Financial Position as at 31 December 2022

	Notes	Actual 2023 6 month period	Actual 2022 12 month period	Variance	Annual plan 2023 12 month period
CURRENT ASSETS					
Cash and cash equivalents	1	16,171	13,243	2,928	2,049
Trade receivables	2	18,778	11,140	7,638	9,304
Other financial assets	3	23,828	23,434	394	36,796
Other current assets	4	1,235	883	352	698
TOTAL CURRENT ASSETS		60,012	48,700	11,312	48,847
NON- CURRENT ASSETS					
Property, plant and equipment	6	96,369	97,032	(663)	106,065
Investment property	7	16,795	16,795	-	16,810
Shares in subsidiary	7	700,290	700,290	-	657,795
Deferred tax asset		98	98	-	98
Related party loan- Port Otago Ltd	5	100,469	99,960	509	-
Intangible asset		1,053	1,450	(397)	3,982
TOTAL NON-CURRENT ASSETS		915,074	915,625	(551)	784,750
TOTAL ASSETS		975,086	964,325	10,761	833,597
CURRENT LIABILITIES					
Trade and other payables	8	(44,140)	(18,196)	(25,944)	(18,614)
Borrowings	5	(53,269)	(67,956)	14,687	-
Provision		-	-	-	-
Employee entitlement		(2,552)	(2,408)	(144)	(2,343)
TOTAL CURRENT LIABILITIES		(99,960)	(88,560)	(11,400)	(20,957)
NON CURRENT LIABILITIES					
Borrowings	5	(47,200)	(47,200)	-	(25,000)
Other financial instruments		-	-	-	-
TOTAL NON CURRENT LIABILITIES		(47,200)	(47,200)	-	(25,000)
NET ASSETS		827,926	828,565	(639)	787,640
EQUITY					
Reserves		724,865	723,546	1,319	666,120
Public Equity		103,060	105,019	(1,959)	121,520
TOTAL EQUITY AND RESERVES		827,926	828,565	(639)	787,640

Notes

1. Cash and cash equivalents increased by \$2,928,000 from the 30 June 2022 position of \$13,243,000. This increase was caused by rates receipts (rates were due 31 October 2022) less the funding Council operating cashflow requirements.
2. Trade Receivables has increased by \$7,638,000 from the 30 June 2022 position of \$11,140,000. The majority of this increase was caused by the following:
 - Dividend receivable increased by \$6,000,000. The dividend from Port is accrued monthly but is paid in 2 instalments during the year.
 - GST receivable/payable decreased by \$350,000.
 - The remaining variance was in trade debtors, which increased due to the timing of debtor invoicing.
3. Other financial assets increased \$394,000 from the 30 June 2022 position of \$23,434,000 due to the increase in market value on the investments held in the JB Were long term managed fund.
4. Other current assets increased by \$352,000 from the 30 June 2022 position of \$883,000. This balance is prepayments that Council makes for annual licensing and insurance that is released throughout the license or insurance period.
5. During the 2021/2022 financial period Council drew down \$15,000,000 current loans from the LGFA for Council cashflow requirements. This was repaid in the quarter two.

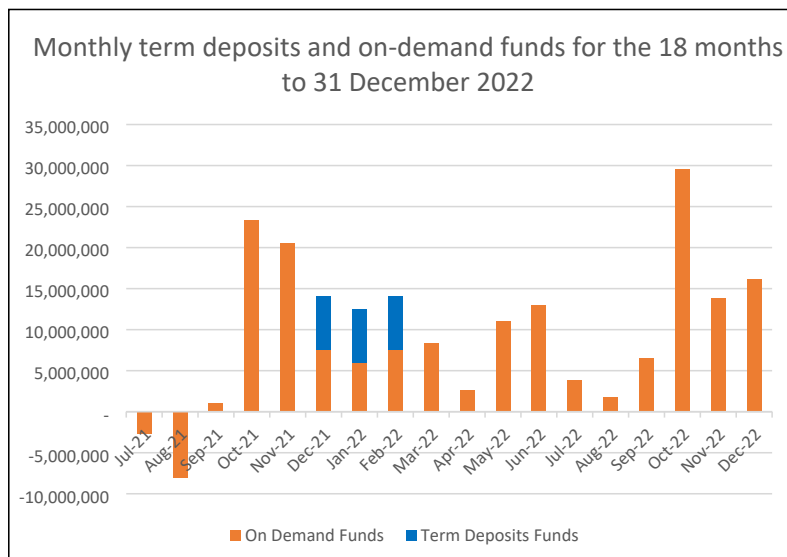
Funding was also drawn down and on-lent to Port Otago Limited during 2021/2022 financial period. Council approved the lending of LGFA funds to Port Otago in March 2022. \$98,750,000 of loans and \$1,210,000 of LGFA borrower note funding (a security required for lending) was drawn down during 2021/2022 from the LGFA and on-lent to Port Otago Limited. At 31 December there was \$508,000 of interest accrued on the LGFA loan and related party loan to Port Otago Limited.

6. Property plant and equipment decreased by \$663,000 from the 30 June 2022 position of \$97,032,000. This decrease is caused by:
 - Additions of \$1,504,000, the majority of additions were plant and vehicles \$866,000 and WIP \$598,000
 - Less: Disposals of \$593,000, the majority being plant and vehicles \$298,000 and Kuriwao endowment land \$295,000
 - Less: Net depreciation of \$1,574,000
7. Investment property and shares in subsidiary (Port Otago Limited) are not revaluation during the financial year. These investments will be revalued for the final 30 June 2023 Financial Statements.
8. Trade and other payables decreased by \$25,994,000 from the 30 June 2022 position of \$18,196,000 due to:

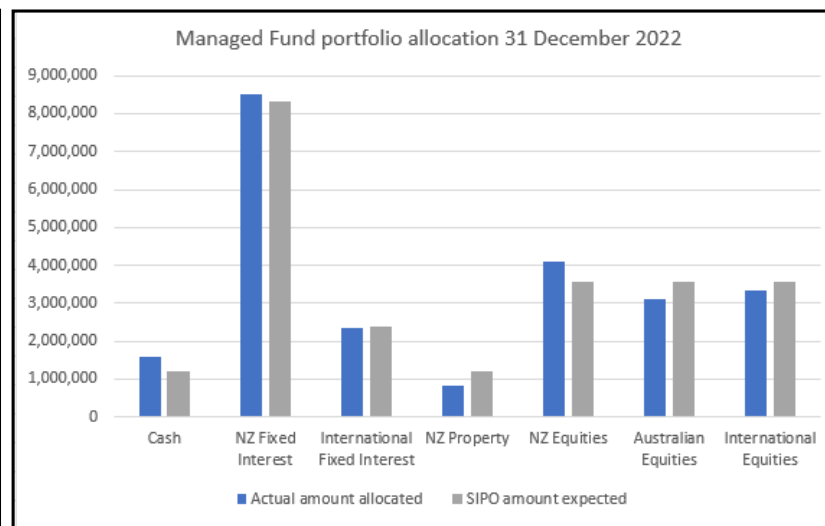
- An increase in rates received in advance of \$23,747,000. Rates are struck on 1 September but are earned over the entire financial period, being held in the liability account of rates received in advance and released monthly as earned by Council.
- The remaining decrease in payables of \$2,247,000 from the 30 June 2022 position was caused by the timing of payments and incurred expenditure in Q2 2023 compared to 30 June 2022.

Treasury Report

Term Deposits - Portfolio Composition



Managed Fund – Portfolio Allocation - as at 31 December 2022



Portfolio Performance- for the year ended 31 December 2022

Managed Fund Income	Q1 2023 YTD	Q2 2023 YTD
Interest on managed fund	53,109	166,369
Dividends	153,373	261,928
Other	(33,794)	(71,446)
Market Value movement gain/(loss)	(22,549)	32,471
Withdrawal		
Total increase/(decrease) in managed fund	150,139	389,322

Asset Class Allocation - as at 31 December 2022

Asset Class	Actual amount allocated	%	SIPO amount expected	SIPO target	SIPO acceptable range	SIPO met
Cash	1,595,533	7%	1,191,425	5%	0% - 25%	Yes
NZ Fixed Interest	8,500,197	36%	8,339,975	35%	25% - 45%	Yes
International Fixed Interest	2,355,430	10%	2,382,850	10%	5% - 15%	Yes
Defensive Total	12,451,161	52%	11,914,249	50%	40% - 60%	Yes
NZ Property	841,718	4%	1,191,425	5%	2% - 8%	Yes
NZ Equities	4,094,678	17%	3,574,275	15%	10% - 20%	Yes
Australian Equities	3,094,739	13%	3,574,275	15%	10% - 20%	Yes
International Equities	3,346,204	14%	3,574,275	15%	10% - 20%	Yes
Growth Total	11,377,338	48%	11,914,249	50%	40% - 60%	Yes
Total	23,828,499					

Finance Committee Agenda - 23 February 2023 - MATTERS FOR CONSIDERATION

		General Revenues			Targeted Revenues			Other Revenues			Total Funding		
		Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
REGIONAL LEADERSHIP													
Governance & Community	Communications & Engagement	63	245	(245)	-	-	-	-	3	(3)	1,075	1,085	(10)
	Government & Financial Contributions	68	290	(290)	-	-	-	-	8	(8)	2,054	2,055	(1)
	Total Governance & Community		535	(535)							3,089	3,085	(4)
Regional Planning	RF, Strategy, Urban Dev & Response to Issues	75	200	(200)	-	-	-	-	-	-	1,079	1,076	(3)
	Total Regional Planning		200	(200)							1,079	1,076	(3)
Regulatory	Incident Response & Enforcement	6	485	(485)	-	-	-	-	-	-	5,246	5,246	
	Public Works	61	600	(600)	4	-	4	-	-	-	2,614	2,609	(5)
	Compliance Monitoring & Enforcement Sites	62	615	(615)	10	15	(20)	10	15	31	2,361	2,410	(49)
	Total Regulatory		189	(189)	14	15	(20)	10	15	31	10,221	10,271	(50)
	Total Regional Leadership		1,672	(1,672)	18	15	(20)	10	15	31	14,979	14,997	(18)
ENVIRONMENTAL													
Land & Water Planning	Land & Water Planning	94	688	(688)	-	-	-	-	-	-	1,607	1,626	(19)
	Land & Water Science and Monitoring	95	1,011	(1,011)	78	(78)	290	541	(434)	(13)	5,315	5,306	(9)
	Total Land & Water Planning		1,700	(1,700)	78	(78)	290	541	(434)	(13)	6,922	6,932	(10)
Resilience & Security	Resilience - Environmental	11	1,041	(1,041)	-	-	-	11	(11)	(11)	1,577	1,586	(9)
	Resilience - Security	13	1,071	(1,071)	148	(148)	(154)	7	-	4	2,688	2,674	(14)
	Total Resilience & Security		2,112	(2,112)	148	(148)	(154)	18	(11)	(7)	4,265	4,260	(5)
Air	Air Monitoring	41	1,181	(1,181)	-	-	-	12	(12)	(12)	3,318	3,312	(6)
	Total Air		1,181	(1,181)				12	(12)	(12)	3,318	3,312	(6)
	Total Environmental		1,790	(1,790)	126	(126)	(157)	166	(166)	(19)	13,496	13,798	(302)
SAFETY AND RESILIENCE													
Hazard Response & Recovery	Hazard Response	91	1,048	(1,048)	-	-	-	-	-	-	574	679	(105)
	Hazard & Low Flow Risk Management	92	1,071	(1,071)	-	-	-	-	-	-	800	845	(45)
	Total Hazard Response & Recovery		2,119	(2,119)							1,374	1,524	(150)
Emergency Management	Emergency Management	93	1,052	(1,052)	-	-	-	7	(7)	(7)	1,067	1,066	(1)
	Total Emergency Management		1,052	(1,052)				7	(7)	(7)	1,067	1,066	(1)
Road Protection	Road Protection Management	94	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	95	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	96	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	97	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	98	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	99	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	100	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	101	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	102	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Asset Condition Management	103	-	-	1,040	(1,040)	17	-	17	1,067	1,068	(1)	
	Total Road Protection		1,040	(1,040)	17	(17)	17	(17)	(17)	10,667	10,668	(1)	
Rural Management	Rural Mgt - Council	94	-	-	90	(90)	(110)	1	-	1	380	290	(90)
	Rural Mgt - Climate	95	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Central	96	-	-	290	(290)	1	-	1	140	290	(150)	
	Rural Mgt - Westland	97	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Northland	98	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Southland	99	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Bay of Plenty	100	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Waikato	101	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Canterbury	102	-	-	150	(150)	1	-	1	150	150		
	Rural Mgt - Otago	103	-	-	150	(150)	1	-	1	150	150		
	Total Rural Management		1,500	(1,500)	17	(17)	17	(17)	(17)	1,500	1,500		
	Total Safety and Resilience		1,790	(1,790)	143	(143)	(140)	183	(183)	(183)	13,496	13,798	(302)
ROADSPORT													
Regional Road Transport Training	Regional Road Transport Training	11	100	(100)	-	-	-	-	-	-	117	117	
	Road Truck Effluent Disposal	12	14	(14)	-	-	-	-	-	-	65	62	(3)
	Public Transport - Waikato	13	-	-	1,100	(1,100)	613	-	-	-	11,400	12,014	(614)
	Public Transport - Waikato	14	-	-	485	(485)	(484)	-	-	-	1,441	1,433	(8)
	Public Transport - Other	15	37	(37)	-	-	-	-	-	-	37	37	
	Total Roadsport		151	(151)	1,100	(1,100)	613	-	-	-	13,170	13,063	(107)
	Total Transport		1,641	(1,641)	1,117	(1,117)	630	-	-	-	14,966	14,861	(105)
Total Projects		Total Above	140	(140)	1,800	(1,800)	1,177	(1,177)	1,008	(108)	49,504	49,532	(28)

Finance Committee 2023.02.23

Finance Committee 2023.02.23

7.2. Rates Strike, Collection - 31 October 2022

Prepared for: Finance Committee
Report No. CS2302
Activity: Governance Report
Author: Sarah Munro – Finance Manager
Endorsed by: Nick Donnelly, General Manager Corporate Services
Date: 22 February 2023

PURPOSE

This report provides the Finance Committee with an update on rates struck for the 2022/23 financial year.

RECOMMENDATION

That the Finance Committee:

- 1) Notes this report.**

RATES COLLECTION

[1] For the 2022/23 rating period Council struck rates of \$54,415,040, (2021/22 \$46,260,797) of rates (GST inclusive) which were due on 31 October 2022. A total of 122,713 rates notices were sent on 1 September 2022.

[2] At the due date of 31 October 2022 83%, (2021/2022 79%) of the rates struck had been collected.

Penalties

[3] All balances outstanding on 1 November 2022 (excluding those on direct debit) were charged a 10% penalty. There were 19,895 penalty notices sent in the current year (2021/22, 19,563).

Date	Total Penalty Amount	Percentage of 1 September Rates balance
Nov 2022	\$975,683	1.79%
Nov 2021	\$763,616	1.65%
Nov 2020	\$484,814	1.56%
Nov 2019	\$452,085	1.48%
Nov 2018	\$339,168	1.27%

[4] The penalty proportion of rates has increased slightly by 0.14%.

[5] Trends in the debt collection procedures show that most people who have rates overdue by more than 3 months will only make payment once debt collection procedures with a third-party collection agency or mortgage demand have been initiated. Mortgage demands on arrears balance were deferred due to the COVID

pandemic and there has been a small increase in the arrears balance because of this deferral. This has resulted in a small increase in the overall penalty percentage in the current year.

RATEPAYER FEEDBACK

- [6] Council in the current year has actively sought and collated ratepayer feedback through our customer service team queries to try and make improvements in the future for ratepayers. Council is looking to make multiple changes in the 2023/24 rating period to make it easier for ratepayers to pay rates. These initiatives include the following:

Direct debits

- [7] Ratepayers have remarked that our triannual direct debit option and annual direct debit option does not meet the amount and frequency that they would prefer to pay rates. We do have an arrangement to pay option (which allows ratepayers to select an amount and frequency, but this involves the ratepayer setting up a direct credit with their bank).
- [8] Council is investigating with the bank and making changes to our rating system to allow for weekly, fortnightly, monthly and annual direct debits. There are multiple rate system changes that are in the process of being tested to facilitate these changes and although planned, it is subject to the rating system being able to facilitate this in order to be actioned for the 2023/24 rating period.

Email reminder

- [9] We received feedback from some ratepayers who requested a reminder notice for rates. It is uneconomical (due to print and postage costs) to provide a posted manual reminder to all ratepayers. The cost of a manual reminder would be paid by all ratepayers including those who have not requested the service and have paid their rates on receipt of the rates notice.
- [10] We have investigated options in our rating system and can provide an email reminder to ratepayers that receive their rates notices via email. This will be advertised in the 2023/24 rates notice and an email reminder provided 2 weeks before the due date for the 2023/24 rating period.

Rates brochure

- [11] We receive feedback from ratepayers, (and it was included in in our 2022 community survey), that ratepayers would like a detailed description on how Council rates are spent, and a description of the services Council does for the Otago community. Council's communication and marketing department and finance are facilitating a rates brochure insert to provide this detail to ratepayers in the 2023/24 period.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [12] There are no strategic or policy considerations associated with this report.

Financial Considerations

[13] There are no financial considerations other than those already outlined in the report.

Significance and Engagement Considerations

[14] There are no significance and engagement considerations associated with this report.

Legislative and Risk Considerations

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

Climate Change Considerations

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

Communications Considerations

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

NEXT STEPS

[18] No further steps are required as this paper is for information purposes only.

ATTACHMENTS

Nil

7.3. ORC Environment Awards Proposal

Prepared for: Finance Committee
Report No. COMS2301
Activity: Council-wide Communications and Engagement
Author: Richard Saunders, General Manager Regulatory and Comms
Endorsed by: Richard Saunders, General Manager Regulatory and Comms
Date: 23 Feb 2023

PURPOSE

- [1] This paper provides options for Council to consider as part of the 2023/2024 Annual Plan process, for launching Otago Regional Council awards that recognise and encourage kaitiakitanga of Otago's natural environment.

EXECUTIVE SUMMARY

- [2] During considerations for the 2022/2023 Annual Plan Council requested that staff prepare a paper outlining options to reintroduce Otago Regional Council Environmental Awards.
- [3] There are different awards models available should a decision be made to proceed. These options range from a significant one-off awards evening to more community based monthly awards.
- [4] This paper summarises the options available to Council, the rough order of costs for those options and the potential benefits of introducing an awards programme.
- [5] The paper provides as opportunity for Council to consider this topic as part of the 2023/2024 Annual Plan process. There is currently no funding for an awards programme included in the draft budget. If Council wish to progress an option to delivery immediately funding will need to be included in the Annual Plan.

RECOMMENDATION

That the Finance Committee:

- 1) **Notes** this report.
- 2) **Recommends to Council** that the Chief Executive direct staff to undertake further work towards development of an annual awards programme (option 1) including detailed costs.
- 3) **Recommends to Council** that the Chief Executive direct staff to prepare a report for consideration during the upcoming long term plan process.

BACKGROUND

- [6] During deliberations for the 2022/2023 Annual Plan Council requested that staff prepare an options paper for reintroducing ORC Environmental Awards. This paper

responds to that request and provides options for consideration as part of the 2023/2024 Annual Plan process.

- [7] Otago Regional Council (ORC) previously held environment awards prior to 2000. Since that time ORC has been involved as a sponsor of other external awards programmes but has not delivered its own.
- [8] There are several other councils who hold environment/community awards. Attachment 1 shows the categorises for each of these awards programmes.
- Taranaki Regional Council, <https://www.trc.govt.nz/environment/working-together/environmental-awards/>
 - Northland Regional Council, <https://www.nrc.govt.nz/environmentalawards>
 - Kaipara District Council, <https://www.kaipara.govt.nz/residents/community-funding/environmental-awards>
 - Environment Southland (ES) Community Awards, <https://www.es.govt.nz/about-us/community-awards>
 - Auckland Council hold the Ngā Tohu Tiaki Taiao a te Koromatua / Mayoral Conservation Awards, as well as sponsor Tāmaki Makaurau Zero Waste Awards www.ecomatters.org.nz/2022-tamaki-makaurau-zero-waste-awards/
 - Marlborough District Council, <https://www.cmea.org.nz/>. The Awards are run by a charitable trust and are supported by the Cawthron Institute, Marlborough District Council, Department of Conservation, and local sponsors.
- [9] There are also currently a number of local and national awards related to environment and farming that include:
- Ballance Farm Environment Awards, <https://nzfeawards.org.nz>.
 - Bay Of Plenty, Waikato, Gisborne/Hawkes Bay and Wellington are sponsors.
 - Otago Regional Council is a regional partner and sponsors a Quality Water Management Award
 - Ministry for the Environment New Zealand Environmental Hero of the year, <https://nzawards.org.nz/awards/new-zealand-environmental-hero-year/>. A single award within the broader New Zealander of the Year awards recognising a Kiwi who has taken tangible action with proven impact towards protecting and restoring nature and the natural environment in Aotearoa.
 - NZ Biosecurity Awards Community Award: recognise and celebrate outstanding contributions to protecting our country. Running since 2017, they are annual.
 - Sustainable Business Awards, <https://sustainable.org.nz/sustainable-business-awards/>

DISCUSSION

- [10] There are a number of things to consider when deciding whether to commence with a new ORC awards programme. While there are undoubtedly a number of potential benefits there could be some disadvantages which should be considered.

[11] To assist in the deliberations staff have identified a number of benefits and disadvantages and these are set out below.

Benefits for community

- Awards provide organisations, individuals and businesses recognition and respect among peers and in their industry.
- Should prize money be offered it would support the activities of the businesses, group or individual.
- Publicity of the awards helps set high standards and encourages others in the community to meet or exceed these levels. This would lead to improved community outcomes.
- Award events are a great opportunity to network and build relationships with like-minded people.
- Other benefits include being seen as a leader in a given field, greater awareness of your brand or organisation and improved recruitment opportunities.

Benefits for council

- This is an excellent vehicle for raising public awareness of the Regional Council and its role in protecting and enhancing our region's environment.
- An awards programme offers an opportunity for the Council to publicly acknowledge groups and individuals in Otago in a positive way that enriches our region and the work done here.
- Recognising outstanding work shows regional leadership and a caring and collaborative spirit, key organisational values and important brand characteristics.
- Recent recommendations from the 2022 Community Survey results call for ORC to focus on actions which restore confidence in ORC and develop an ORC brand. An awards programme would be one tool to support this.
- Awards give us great stories about our community and our region. There is opportunity in sharing those stories through our marketing channels to engender pride in Otago and in the council and to showcase and enhance the region's reputation on a national scale.

Potential disadvantages or risks

- Any awards programme will need both staff and financial resourcing. The scale of the awards programme selected will determine the direct financial cost and the staff resource required to deliver.

- There may be instances where nominations for awards are not forthcoming from the community. This could reflect negatively on the awards programme and the organisation.
- There may be negative perceptions associated with the awards depending on the type of programme selected and the scale of any event delivered as part of that programme.
- Undertaking an awards programme will create an ongoing commitment for the organisation. This is because the awards would need to be delivered for a number of years to build their profile and get ensure that the identified benefits were realised.
- Nominations may not truly represent the heroes, leaders, innovators, and stewards in our community.

OPTIONS

[12] There are two broad options identified for a possible ORC awards programme. If Council supports one of these options staff would undertake further work to refine it for consideration as part of the long term plan process.

[13] **Option 1 – annual awards with broad categories**

[14] This is similar to awards programmes run by other Councils in New Zealand. They consist of annual awards across a range of categories with nominations being called for prior to a panel determining the winners.

[15] Most regional councils have five to seven categories covering leadership, education, youth, biodiversity/biosecurity, water, farming, as well as a supreme/overall category, and/or an award for a broader category such as climate change or Business/Industry where the award may be given for leadership or innovation. ORC could consider basing these awards on the categories set out in our vision.



Our vision for Otago - Tā mātau whaika ki Ōtākou



- [16] These awards programmes involve a single event such as an awards evening or lunch where recipients receive their awards. These events provide significant promotional opportunities to highlight great work in our region and promote the ORC awards programme through mainstream media and our own media channels.
- [17] Funding for an annual awards programme could be supplemented by sponsorship. This could be in the form of award sponsorship or sponsorship of the overall event. While ORC would still need to include funding for the delivery of the overall awards programme a sponsorship programme could help to minimise these costs. Existing Regional Council awards programmes around New Zealand are supported by a range of businesses, government departments and Non-Government Organisations.
- [18] **Option 2 – Bi-Monthly Community Awards**
- [19] Councillor Community Awards are awarded for the same reason – recognising organisations or individuals who through their action and work are protecting and/or enhancing the natural environment in Otago. This approach is on a much smaller scale and therefore a lower-cost, lower-administrative exercise but one that generates positive community and media exposure.
- [20] These awards are less likely to have a category and simply be the award, something that is inspirational, for example “The ORC environmental hero awards”.
- [21] The concept that was running successfully for the Northland Regional Council (NRC) many years ago were awards given to groups or individuals by councillors. Councillors

selected the winner, lunched with them, and presented them with a framed certificate. It was monthly. A note: Since at least 2019, NRC now have annual Whakamānawa ā Taiao - Environmental Awards along with an awards dinner.

[22] Our recommendation for smaller community awards would be to provide a monetary prize and therefore hold them every two months to better administer these.

[23] We would look to collaborate with partners such as catchment groups, ECO Fund applicants and staff to identify (and in some instances surprise) recipients rather than a nomination application process, as we may not get nominations.

[24] The awarding of the money, certificate and media coverage would be at the site of the recipient, which would enhance the sense of community outreach and engagement.

[25] It would enhance our collaboration with all manner of groups, small to large, within Otago through regular contact in the administration and awarding of the awards.

[26] **Judging of Awards**

[27] In both options, a judging panel is recommended and might consist of representatives from council and mana whenua as well as invited panellists from key partners or stakeholders, for example a consultancy, an industry or environmental group, or sponsors (for that particular sponsored award).

[28] Council could also consider a member of the press or any other individual to join the panel for the annual awards judging.

[29] Having 'guests' on the judging panel would ensure wider representation, industry input and collaboration. It would provide a greater sense that this is for and by the community.

[30] **Cost indications**

[31] There are a range of costs to consider when delivering an awards programme. The level of spend depends on decisions made during the detailed planning phase.

[32] It is anticipated that costs associated with any awards programme would be higher in year one and then decrease in subsequent years when processes have been established and resources have been designed.

[33] There is also an opportunity to secure sponsorship from local firms and agencies. This is common across other awards programmes and reduces the direct cost to Council.

[34] Table 1 provides a high level overview of the potential costs associated with an awards programme. It should be noted that these are estimated amounts only and further work would be required to provide a greater degree of certainty prior to a final decision being made.

Item	Cost range
Project Management / Staff time	<p>Project manager: includes creation of the awards programme (category definition, criteria, judging process, entries management, trophies/certificates, etc.) and the event management.</p> <p>Between \$5000-\$10 000 for a large-scale event. This may be more in the first year for set up costs.</p> <hr/> <p>Project management of a smaller award programme, i.e. community award lunch and voucher, will be much less at 10-20 hours initially every two months for set up and then less, until potentially absorbed internally.</p>
Venue Hire/Catering	<p>Top range/larger event: \$15 000-\$20 000 for full seated dinner for 100-150 guests including venue hire (full day usually around \$400), staff, catering, possibly guest speaker *.</p> <p>Smaller range event: \$3000-\$5000 for 100 guests cocktail (platters and standing). *.</p> <p>* Additional costs may include insurance, liquor licence, security, parking, cleaning.</p> <hr/> <p>Community awards every two months: ORC hosted lunch every two months for winner (for up to 5 people) at a local venue at around \$500 or \$3000 annually.</p>
Awards	<p>Range of four-seven annual awards ranging from \$2000 to \$10 000*.</p> <p>*funding of annual awards could be sourced from sponsors</p> <hr/> <p>Bi-monthly Councillor Awards could cost approximately \$6000 to \$12000 depending on the value of the prize awarded.</p>
Marketing / Promotion	<p>Major campaign during nominations and announcement.</p> <p>The bulk of the paid marketing campaign would be during nomination calls with a public relations campaign around the awards, ie media coverage, winner interviews.</p> <p>A paid marketing campapign might include print (regional and local community papers), radio, digital advertising and other printed collateral. A marketing campaign would be expected to cost between \$10,000 to \$15000.</p>

	<p>The cost of marketing the bi-monthly Councillor Awards would be less as it would rely on existing social media and community networks supplemented by some targeted advertising. This could be delivered for between \$2000 and \$5000.</p>
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Table 1: Costs estimates for ORC Environmental Awards programme

- [35] The rough order of costs for a large annual awards event (option 1) would be \$22,000 to \$55,000 depending on decisions made during the detailed planning process.
- [36] The rough order of costs for bi-monthly community awards (option 2) would be \$11,000 to \$25,000 depending on decisions made during the detailed planning process.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [37] The establishment and delivery of a new ORC Environmental Awards programme awards individuals or groups that connect with, and care for, Otago’s environment, and is consistent with ORC’s vision for Otago.

Financial Considerations

- [38] There is currently no funding in the budget for an Environmental Awards programme. The staff recommendation is to consider this new spending as part of the upcoming Long Term Plan process.

Significance and Engagement Considerations

- [39] The decision sought in this paper is not considered significant.

Legislative and Risk Considerations

- [40] There are some perception risks should ORC chose to fund an awards programme.

Climate Change Considerations

- [41] There are no climate change considerations associated with the decision sought by this paper however award recipients may be involved in climate related projects.

Communications Considerations

- [42] There are no immediate communications considerations associated with this paper.

NEXT STEPS

- [43] Should the Council approve the recommendations staff will begin to prepare a more detailed paper including costings and timeframes for considerations during the long term plan process.

ATTACHMENTS

1. List of Categories for existing Council award programmes [**7.3.1** - 3 pages]



Appendix 1 – awards at other councils

Taranaki Regional Council:

<https://www.trc.govt.nz/environment/working-together/environmental-awards/>

Has sponsored Ballance in the past (2019 and 2020 on their website)

Their categories:

- Environmental leadership in business
- Environmental leadership in dairy farming
- Environmental leadership in land management
- Environmental action in the community
- Environmental action in education

Northland Regional Council:

<https://www.nrc.govt.nz/environmentalawards>

Their categories:

- Te Tohu Matua Supreme Award
- Environmental action in industry
- Environmental action on climate change
- Kaitiakitanga
- Environmental leadership
- Environmental action in water quality improvement
- Environmental action in education
- Environmental action in pest management
- Environmental action in the community

Kaipara District Council:

<https://www.kaipara.govt.nz/residents/community-funding/environmental-awards>

Environmental Awards Policy:

<https://www.kaipara.govt.nz/uploads/funding/Policy%20Environmental%20Awards%20Adopted%2026022020.pdf>

Their categories:

- Environmental Action in the Community
- Environmental Action in Education
- Environmental Action in Business/Industry
- Environmental Youth Leadership
- Kaitiakitanga

Environment Southland Regional Council:



<https://www.es.govt.nz/about-us/community-awards/2021-environment-southland-community-awards>

Their categories:

- Councillors' Special Award - Supported by Environment Southland Councillors
- Environmental Action in the Community - Supported by Real Journeys
- Individual Environmental Action or Leadership - Supported by ANZ
- Environmental Action in Education - Supported by Department of Conservation
- Environmental Leadership in Farming - Supported by Wynn Williams
- Environmental Action in Biodiversity & Biosecurity - Supported by ILT
- Environmental Action in Water Quality Improvement - Supported by Fish & Game Southland
- Environmental Leadership and Innovation in Business - Supported by AON

Auckland Council:

<https://ourauckland.aucklandcouncil.govt.nz/news/2021/11/mayoral-conservation-awards-finalists-announced/>

Mayoral Conservation Awards. Awarded in:

- Collaboration
- Innovation
- Schools/Youth

Marlborough District Council:

<https://www.marlborough.govt.nz/environment/cawthron-marlborough-environment-awards>

<https://www.cmea.org.nz/>

Cawthron Marlborough Environment Awards – held every 2 years – run by a charitable trust and supported by Cawthron Institute, Marlborough District Council, DOC and local sponsors.

Categories:

- Supreme
- Wine Industry
- Community Innovation
- Marine
- Business Innovation
- Farming
- Forestry
- Landscape and Habitat Enhancement

