



Otago  
Regional  
Council

SUMMARY

# Annual Report 2021-2022





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## Acknowledgements

We thank the district and city councils, other institutions, urban and rural industries, Kāi Tahu and the communities of Otago for working constructively with us to ensure the best possible outcomes for our region and its people.



**Andrew Noone**  
CHAIRPERSON



**Dr Pim Borren**  
INTERIM CHIEF EXECUTIVE



🕒 Chairperson, Andrew Noone and Interim Chief Executive, Dr Pim Borren.

# Message from the Chair and Chief Executive

**Tēnā koutou, there have been many challenges during the 2021-22 financial year. The most significant being ongoing work to develop our Regional Policy Statement (RPS) and the proposed Land and Water Regional Plan (LWRP). Both pieces of work required enormous workload on the part of staff and governance.**

The challenges are due to a range of reasons, not least of all the changing landscape the Otago Regional Council is working within. The proposed Land and Water Regional Plan (LWRP) is challenging partly because ORC has not reviewed its existing Plan for such a long time and partly because this council is now the first “cab off the rank” in terms of leading the sector to get the new Plan notified on current timelines.

There have been many changes in both legislation and national policy statements (NPS) as central and regional government grapple with the challenges of greater protections for our environment as well as the onset of climate change and the range of added concerns such change creates across all countries.

As a result of ORC stepping up to these significant responsibilities, the Council has increased resourcing to meet this increased work requirement. We appreciate the significant impact this increased commitment placed on our ratepayers but largely feel our communities across the region understand the need for ORC to lift its game.

Another significant achievement has been signing a new formalised MOU with local mana whenua Kāi Tahu and the closer governance partnership manifested through regular Mana to Mana meetings, as well as the contribution of two representatives on our Strategy and Planning Committee. Our relationship with mana whenua continues to evolve in positive and constructive ways and we look forward to continuing progress in the years ahead.

As we take a breath following a busy year, we notice two words, ‘ramping up,’ mentioned repeatedly throughout this report describing the Otago Regional Council’s 2021-22 performance.

Additional to our increased activity, we have also shared with the rest of NZ the challenges and delays caused by the Covid-19 pandemic. Notwithstanding these challenges our workload increased during this financial year, as did public-facing engagement, public transport work and governance and accountability across the board.

Much of this year's growth, such as in consents arising from stricter on-farm grazing requirements, reflects relatively recent Government policy coming into effect for the first time. Also, community aspirations for how waterways should be safeguarded from pollutants. Other work streams, such as managing plant and animal pests like wallabies and rabbits and moving to protect our nationally important wetlands such as Lake Tuakitoto near Kaitangata, which literally brims with indigenous bird and plant biodiversity, also reflected the consulted pathway Otago people set for us.

Moving to online public consultation due to Covid-19 meant we could still press ahead with plans to help safeguard Otago's environment and manage the jewels in Otago's crown, our rivers and lakes. This occurred for public consultation for the LWRP.

We are proud that despite the complex, multi-layered and often controversial nature of this task, the dedication across ORC teams has been second to none as we move steadily towards notifying our draft LWRP at the end of 2023.

We are committed and on track to deliver a robust, high-quality plan that will help to manage our precious freshwater resource in the face of climate change and population growth and provide for the commercial and recreational needs of Otago in the years to come.

Challenges this year especially affected quarter one, with Covid-19 alert level 4 (lockdown) restricting fieldwork activities and impacting planned programmes for flood protection, biosecurity, environmental monitoring and some regulatory work.

Although we completed a review of our flood protection bylaw required after 10 years and gazetted a new 2022 version. We also kept up maintenance on our flood and drainage infrastructure – although our schemes did not need testing in what was a dry 12 months.

Covid-19, illness and driver shortages also played havoc with our public transport services in Dunedin and Queenstown, reducing patronage numbers and driver availability in the latter part of the year.

Despite all these challenges, the Council as a whole nevertheless delivered and met 65% of our service targets for the year. Also, we saw a massive effort put in by our staff at the Environment Court as new provisions were rigorously tested and validated, in most cases.

We would like to thank all ORC staff for their dedicated mahi, and our public for their support of our work. Community engagement levels with the council have continued to be strong, for positive and for negative, and this is testament to the interest in us our communities throughout Otago maintain.

It's important here to acknowledge compliance of new rules and regulations – especially landowners and farming communities. The pace of change has been demanding, with the ORC needing to respond to Central Government reforms, all the while balancing community expectations. We are delighted that communities we represent clearly care as much for our environment as we do.

We would especially like to acknowledge our Council members for their ongoing commitment to our communities across the region. At the end of this triennium we will farewell Michael Deaker after seven terms and Hilary Calvert after one term and would like to acknowledge their contribution to ORC. During the year we also farewell Sarah Gardner, Chief Executive and acknowledge her significant contribution to ORC. We wish all of them well for their futures.

Next year will be another big year for ORC, and the words 'ramping up' will come back to this report we have no doubt. Keep an eye out for major restoration projects of Lake Hayes and the Te Hākapupu/Pleasant River – the latter courtesy of significant funding from the Ministry for the Environment. Also, our new Land and Water Regional Plan!

Kā mihi nui,

**Andrew Noone**  
CHAIRPERSON



**Dr Pim Borren**  
INTERIM CHIEF EXECUTIVE





# Councillors and their Constituencies

Your elected Otago Regional Councillors represent the region's four constituencies – Dunedin, Dunstan, Moeraki and Molyneux.

**Chair** – Andrew Noone. **Deputy Chair** – Michael Laws (July-March), Kevin Malcolm (April-June)

## Dunedin constituency

Six councillors represent the Dunedin constituency.

Six Councillors represented the Dunedin constituency for the first four months of the financial year; Cr Marian Hobbs resigned from her position on 01 November 2021 and was not replaced. Dunedin comprises central Dunedin and the Waikouaiti Coast, West Harbour, Otago Peninsula and Saddle Hill community board areas located within the Dunedin City territorial area.

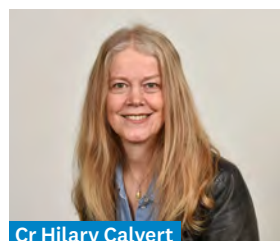
**Cr Hilary Calvert, Cr Gretchen Robertson, Cr Bryan Scott, Cr Michael Deaker, Cr Andrew Noone**



Cr Andrew Noone  
CHAIR



Cr Kevin Malcolm  
DEPUTY CHAIR



Cr Hilary Calvert



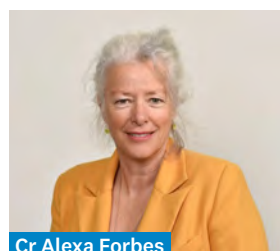
Cr Michael Deaker

## Dunstan constituency

Three councillors represent the Dunstan constituency.

Dunstan comprises the Central Otago District and Queenstown Lakes District territorial areas.

**Cr Alexa Forbes, Cr Gary Kelliher, Cr Michael Laws**



Cr Alexa Forbes



Cr Carmen Hope

## Moeraki constituency

One councillor represents the Moeraki constituency.

Moeraki comprises the Otago portion of Waitaki District territorial area, being part of the Ahuriri and Corriedale wards, and the entirety of the Oamaru and Waihemo wards.

**Cr Kevin Malcolm**



Cr Gary Kelliher



Cr Michael Laws

## Molyneux constituency

Two councillors represent the Molyneux constituency.

Molyneux comprises the Clutha District territorial area and the Mosgiel-Taieri and Strath-Taieri community board areas located within the Dunedin City territorial area.

**Cr Carmen Hope, Cr Kate Wilson**



Cr Gretchen Robertson



Cr Bryan Scott



Cr Kate Wilson

# Development of Māori Capacity to Contribute to Decision Making

**He Mahi Rau Rika, Council's Significance, Engagement and Māori Participation policy, expresses our intentions to go beyond our minimum statutory responsibilities through engagement with Māori. This includes actively seeking to provide for meaningful engagement with mana whenua, based on the principles of partnership in Te Tiriti o Waitangi. He Mahi Rau Rika was adopted in October, replacing the 2017 Significance and Engagement policy.**

Over 2021-22 we have worked with our iwi partners and their resource consultancy arms (Aukaha and Te Ao Marama) to give effect to the Treaty of Waitangi partnership, strengthen it and acknowledge the unique, enduring relationship mana whenua have with this land.

The acknowledged practice of Te Rūnanga o Ngāi Tahu is that consultation in the first instance is with Papatipu Rūnanga. There are four Kāi Tahu ki Otago Rūnaka:

- Te Rūnanga Moeraki
- Kati Huirapa Rūnanga ki Puketeraki
- Te Rūnanga o Ōtākou
- Hokonui Rūnaka

There are three Ngāi Tahu ki Murihiku Rūnanga with interests in the region as well, which are:

- Awarua Rūnanga
- Waihopai Rūnanga
- Ōraka-Aparima Rūnanga

This year saw more engagement with Southland Rūnanga, and representatives were invited to join Mana to Mana and the Land and Water Regional Plan Governance Group.

We are committed to supporting and facilitating mana whenua participation in our workstreams and decision making, and building the work we do in partnership.

At the governance level this is reflected in the Mana to Mana group, which enables councillors and Rūnaka Chairs/Upoko to regularly meet to identify and agree key areas for engagement and to review the development of the partnership. In June 2022 refreshed Terms of Reference for Mana to Mana were signed at Puketeraki Marae, as a commitment to the partnership.

At an operational level there has been increasing, active engagement on a range of issues, including land, water and air quality, biodiversity, natural hazards infrastructure, compliance and consenting, climate change and emergency management.

For 2021-2022 key opportunities included:

- Implementation of He Mahi Rau Rika (Significance, Engagement and Māori Participation Policy)
- Strengthening governance engagement in the partnership, via four meetings of Mana to Mana (and refreshed Terms of Reference)
- Iwi representation on the Strategy and Planning Committee (two iwi seats with full voting rights)
- Implementation of the Strategic Directions 2021-31
- Rūnaka feedback on ORC values translations and graphic development
- Development of Integrated Catchment Management and Catchment Action Plan frameworks
- Land and Water Regional Plan Governance Group (ongoing)
- Members of the Land and Water Regional Plan project team, including chapter development, community consultation and the Māori economy work programme (ongoing)
- Partnership with rūnaka in 'Jobs for Nature' funded projects, such as Te Hakapupu/Pleasant River restoration project
- Engagement in Council's 'Whare Rūnaka Dunedin' project
- Ongoing working relationships in the consenting, compliance and regulatory teams
- 'Te Mana o Taiari' governance, alongside Iwi and the Department of Conservation (ongoing)
- Biodiversity Regional Hui cooperation (ongoing)
- Development of improved social procurement processes and policies
- Direct engagement between Civil Defence Emergency Management, Rūnaka and Iwi

We recognised the need to invest in building the bicultural competence of our staff. ORC entered into an agreement with the Otago Polytechnic to provide bicultural competency training which includes modules on Te Reo, Tikaka, and the Treaty of Waitangi. There has been strong interest and uptake amongst staff this year.



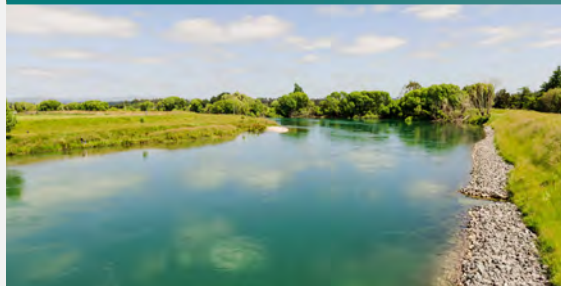
# Our Activities and Performance

Otago Regional Council's ten activities are arranged into four groups:



## Regional Leadership

- Governance and Community Engagement
- Regional Planning
- Regulatory



## Environment

- Land and Water
- Biodiversity and Biosecurity
- Air



## Safety and Resilience

- Natural Hazards and Climate Change
- Flood Protection, Drainage and River Management
- Emergency Management



## Transport

- Transport (including Regional Transport and Public Passenger Transport)

# Community Outcomes



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



An environment that supports healthy people and ecosystems



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



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



Sustainable, safe and inclusive transport






A sustainable way of life for everyone in Otago

ORC's Community Outcomes describe what is valued as important for a good quality of life in Otago. In our 2021-31 Long-term Plan the Otago Regional Council identified these six Community Outcomes which the Council seeks to achieve through the delivery of our activities.

# Performance Snapshot

## TRANSPORT

### Passenger satisfaction:

-  **98%** in Queenstown
-  **89%** in Dunedin (Target 93%)
-  **87%** for Total Mobility scheme

Patronage was

**2,367,099**

for Dunedin

**806,820**

for Queenstown

(targets not met)



**e-bus trial**  
conducted in **Dunedin**



**100% of fleet met PT**  
**vehicle quality** standards



**Transit real time bus**  
**information app** upgraded



**New weekend service**  
added between Dunedin  
and Palmerston



**98%** of scheduled  
services were **delivered**



Lake Whakatipu ferry  
service patronage  
topped **60,000**

## REGIONAL LEADERSHIP

Regional Policy  
Statement (RPS)  
**pre-hearing**  
**discussions held**



**1,097** on-site  
audits completed  
and **243** dairy  
inspections



**19** projects/outputs  
from working in  
**partnership**  
**with iwi**



Development of an  
**integrated catchment**  
**management**  
**framework** progressed



**Principal Climate Change**  
Advisor appointed



**6,945** compliance  
monitoring returns graded



Responded to **2,534**  
consent enquiries



**103** media releases issued



**97.5%** of official information  
requests responded to within  
statutory time frames  
(target 100%)



## ENVIRONMENT

97% of air monitoring network data was captured



Water quality was assessed at **107 river sites** and **8 lake sites** across Otago



Enabled wilding conifer control operations across **68,000 ha.**



95% of groundwater monitoring sites sampled



**2,389 pest plant inspections** completed



Wallaby search and eradication programme covered **300,000 ha.**



Stage one consultation for the LWRP **completed in all FMUs**



ECO Fund supported **25 projects**



**Restoration projects progressed** for Tomahawk Lagoon, Lake Tuakitoto and Lake Hayes.



## SAFETY AND RESILIENCE

78% of planned river maintenance actions achieved (target 90%)



30% of flood protection renewals **completed** as planned (target 90%)



24/7 Flood response system operated



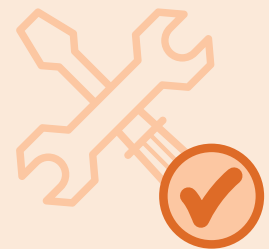
Regional Coastal Tsunami Plan was delivered



LiDAR mapping captured data across **4,253sq. km**



80% of planned flood scheme maintenance works **completed**



South Dunedin **Future program plan confirmed**



Climate resilience projects **progressed**

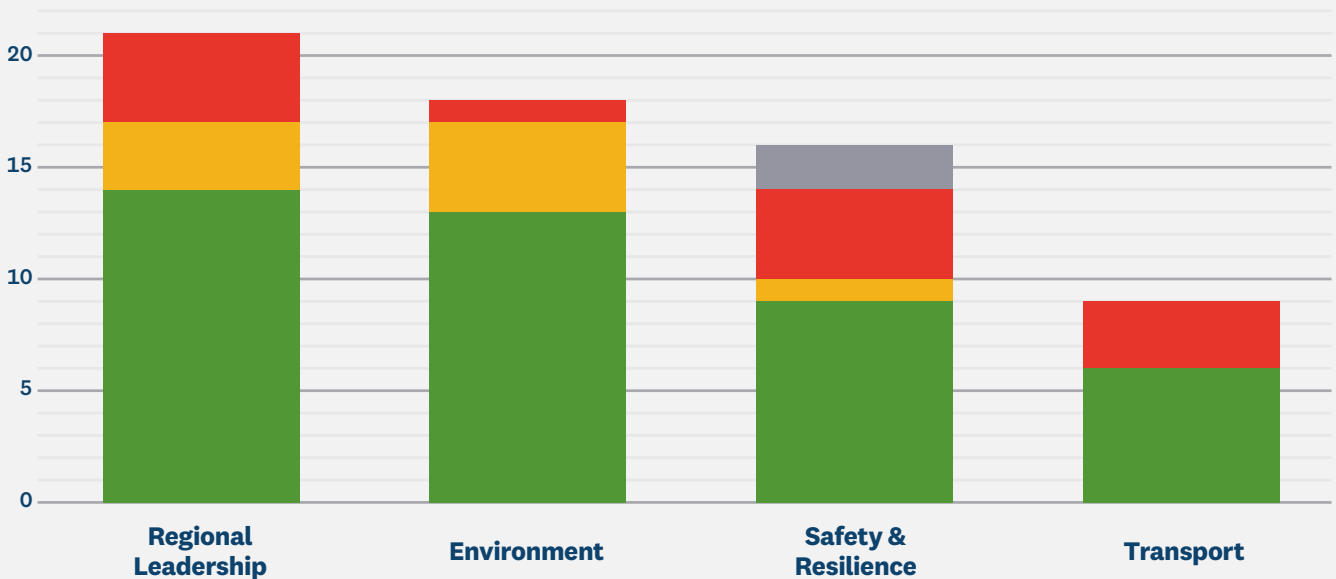
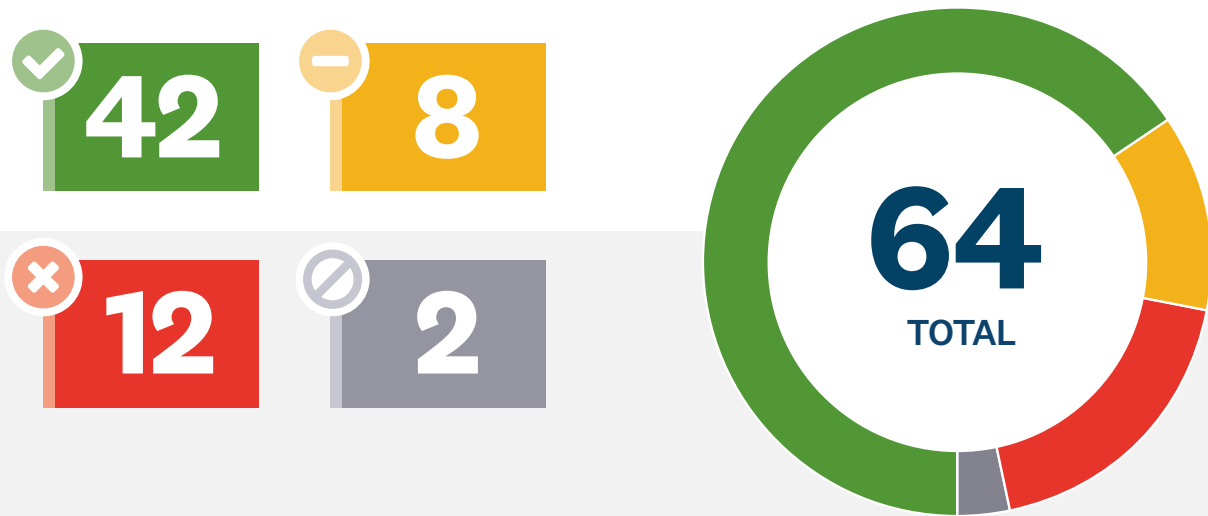


# Performance Results

This section reports on Council’s performance against service measures adopted in the Long-term Plan (LTP) 2021-31.

The LTP contains 36 level-of-service statements, 64 measures and 72 targets; of these, 64 relate to activities delivered in the 2021-22 year.

The full audited Annual Report 2021-2022 contains further details on the measures, targets and performance. Copies are available on our website [www.orc.govt.nz](http://www.orc.govt.nz) or by calling our customer experience team.

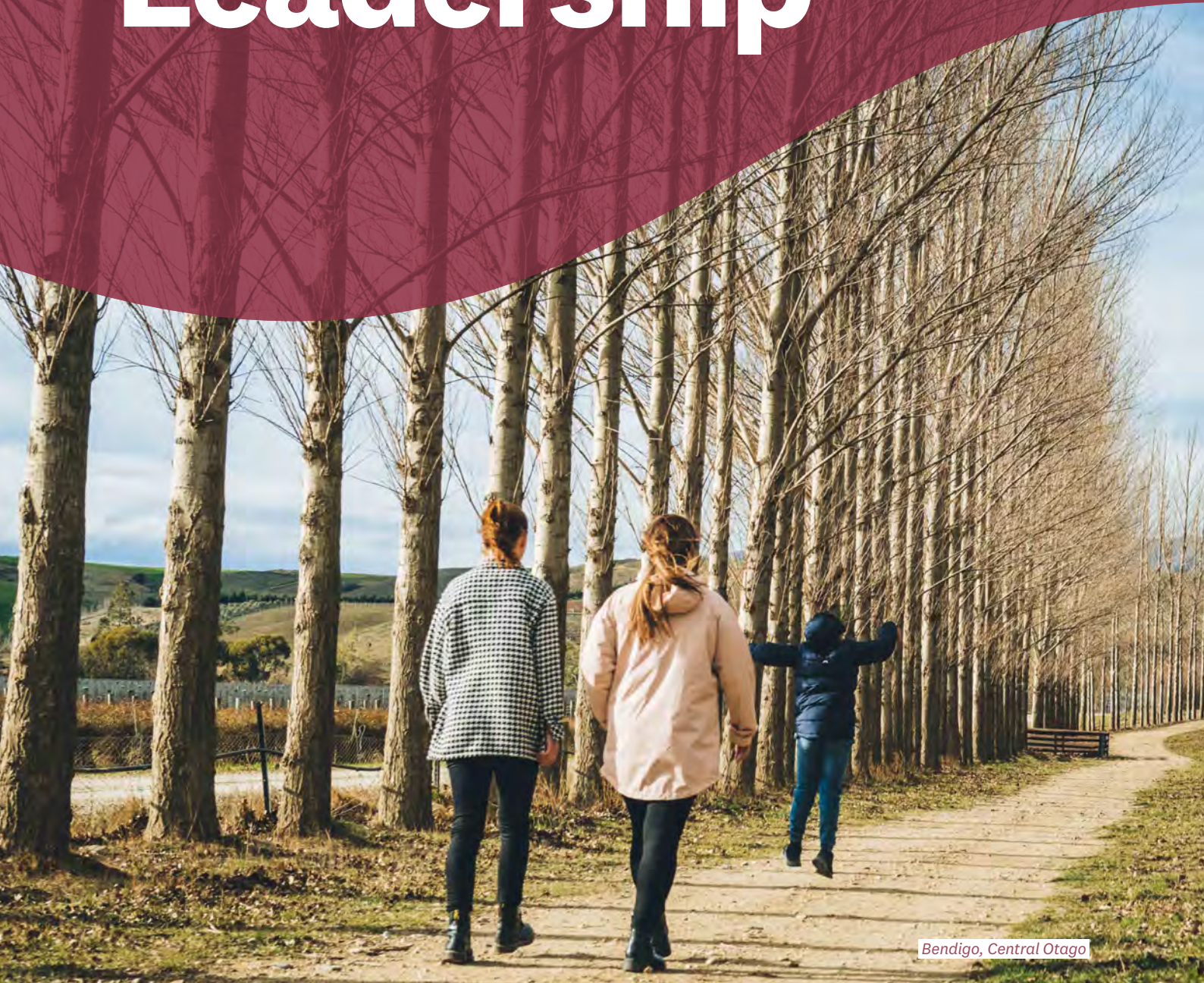


- Targets **achieved**
- Targets **partially achieved**
- Targets **not achieved**
- Targets **not able to be measured**





# Regional Leadership



Bendigo, Central Otago

## Community Outcomes

Our Regional Leadership activities contribute to:

✓	✓	✓	✓	✓	✓



# Governance and Community Engagement

Through our elected representatives and our communication and engagement activities, the many diverse voices from around Otago can be heard and be part of our decision-making processes.

## Performance Results:



Bethune's Gully, Dunedin





# Performance and Delivery

## Media and Communications

We have a dedicated team providing easy-to-understand communication that encourages and drives engagement with communities in Otago. This year our work crucially provided information people needed to keep doing business with ORC during Covid-19 restrictions.

We also promoted and drove participation in the online consultation process for the pivotal first phase of engagement leading to a new Land and Water Regional Plan - a priority for ORC, and the 2022-23 Annual Plan. We maintained our media presence, responding to media enquiries and telling the positive stories about ORC's work and programmes wherever possible. Our media releases and promotion of council papers assisted ORC's profile in a dynamic year.

Our responsibility under the Local Government Official Information and Meetings Act is to provide the public with transparency about our work. This year we responded to 244 media enquiries and issued 103 releases to media. We received 124 requests under LGOIMA and fulfilled 121 (97.5%) within the statutory time frame.

We conducted Council's inaugural community perceptions survey to understand community awareness, perceptions and expectations of the Council. This will provide a baseline for understanding community perceptions of the organisation, the work we do and the impact it is having for the Otago communities and the environment. The research consultants recommended four key considerations and a subsequent action plan was developed and is being implemented.

## Enviroschools

Council coordinates the Enviroschools programme in Otago, which aims to foster a generation of young people who instinctively think and act sustainably. Our support of over 100 schools and Early Childhood Centres throughout Otago continued this year, although Covid-19 restrictions limited the number and types of events we were able to run.

## Customer Experience

Although there were challenges from the pandemic and Council's in-person customer service points were closed during Covid-19 alert levels three and four, we continued to provide services and respond to enquiries online and via phone. Our two public facing offices at Queenstown and Dunedin reopened to the public in September. Over the year, general enquiries continued at a steady rate with over 57,000 enquiries via phone, email, social media and in person. As in other years, the main focus for our customer interactions continued to be transport, rates, and consents.

## Governance and Democracy

The year saw a sustained pace of governance work to support Council priorities, we held 17 Council meetings, 33 committee meetings, plus four subcommittee meetings. There was change around the council table during the year with Councillor Marian Hobbs resigning on 1 November 2021 and after considering options under the Local Government Act, the Council decided not to fill the vacancy. Councillor Michael Laws resigned as Deputy Chair in May, with Councillor Kevin Malcolm voted in as the new Deputy Chair. Council also reviewed its Code of Conduct, adopting a new version, which added mediation as a requirement and established an independent person to run the process.

The Council also kept an eye on Local Government reform driven by Central Government. This meant briefings, submissions and engagement on Three Waters, Resource Management and the Future for Local Government Review. ORC continued to submit six-monthly reports to the Minister for the Environment, David Parker on progress towards achieving his November 2019 recommendations related to the Land and Water Regional Plan.

In December Council initiated an independent inquiry into demolition material deposited into the Clutha Mata-Au River in March 2021. Sir Graham Panckhurst was appointed to lead this and in June, following a review of the relevant information and interviews, he delivered his findings. The inquiry resulted in learnings for the organisation.

## Iwi Engagement

We are particularly proud of our committed support of mana whenua participation in ORC workstreams, in our decision-making, and building the work we do in partnership. This year there were 19 projects or outputs from the Council's partnership with iwi. More detail on our partnership work is included earlier in this Summary Annual Report.

An important aspect of working in partnership is building bicultural competency. Bicultural competence is the ability to work alongside Te Ao Māori (Māori worldview) with confidence and understand how it is relevant to Council's work. Biculturally competent people can relate to varied ideas and people in a more flexible and adaptable manner. So in addition to working towards a greater relationship between Council and mana whenua, it is also a fantastic soft skill for our staff.

Council entered into an agreement with Otago Polytechnic to provide bicultural competency training over three years. This includes training modules on Te Reo, Tikaka, and the Treaty of Waitangi, with associated assessment and micro-credentials to demonstrate learning. Interest and uptake has been strong this year with 57 participants, some enrolled in multiple courses.



# Regional Planning

We set strategic direction on Otago's natural resources through a robust resource planning framework that guides how people interact with the environment.

## Performance Results:



# Performance and Delivery

The Regional Policy Statement (RPS) identifies the significant resource management issues for Otago and explains how national direction on resource management will be applied. It sets out what we want for Otago, what's stopping us achieving this, and how we will solve those problems.

In recent years much work was done to review the RPS, with a draft notified at the end of 2020-21. However, the next steps in the processes were put on hold after interested parties made procedural challenges. Council subsequently brought proceedings in the High Court to determine whether the proposed RPS was a freshwater planning instrument, in its entirety, in terms of the Resource Management Act.

Although the hearings process was suspended awaiting the outcome of the High Court declaratory proceedings, an RPS Hearings Panel was appointed in January. In April the Panel directed parties to undertake pre-hearing discussions to resolve or narrow points of difference. ORC led this process with interested parties and pre-hearing discussions started in June. At the end of 2021-22 the High Court decision was still pending and the RPS Hearings were expected to start in September 2022.

## Plan Changes

Our wider planning programme progressed this year with continued work on a range of plan changes. In May the Environment Court endorsed Plan Change 1 provisions and Council subsequently ratified proposed changes to the Regional Plan: Waste, set to become operative in July 2022. This was the result of a constructive mediation process and has meant a good environmental and policy outcome. Plan Change 7 to the Water Plan is operative and the rural provisions of Plan Change 8 to the Water Plan have also taken effect.

## Urban Development

There has been important work in urban development with the Housing Bottom Lines for Queenstown and Dunedin added to the partially operative RPS in April. Staff provided support for QLDC and DCC Future Development Strategies (FDS).

Partnership agreements have progressed and these are expected to be formalised in July 2022. Support was also provided to the Waitaki District Council on an urban focused growth strategy.

## Responding to Issues

It has been a busy year for our staff responding to potential issues arising from new government standards and legislation. Council has lodged submissions on a range of central government proposed policies and laws, including the National Environmental Standards for Drinking Water, Environmental Monitoring and Reporting Act, the

National Waste Strategy, and proposed changes to the Emissions Trading Scheme. Also, the Council was involved in two district plan reviews and concluded a complex appeal process involving significant natural hazard risk management matters.

## Strategy Work

Our strategy team has provided oversight to ORC responses to legislative reforms, including Council briefings, and led collaborative work with district councils responding to Resource Management Act reform. With approval of the Council's Strategic Directions in October, work began to incorporate these across the organisation.

Strategy work on the Land and Water Regional Plan focused on improving understanding of the interaction between natural resources and the economy. This work has multiple workstreams including a farmer/grower workstream to develop a baseline economic report on Otago's primary industries, plus establishing an Industry Advisory Group; a "catchment stories" project to understand how Otago's communities manage land and water; a project in partnership with Aukaha and Te Ao Marama to understand the Māori economy; and an economic profile of land and water in Otago. Reports from these workstreams will feed into the economic impact assessment of the Land and Water Regional Plan.

We have been working collaboratively on a wellbeing framework for Otago with Kāi Tahu, Te Ao Marama, District Councils, and others including the Southern District Health Board and Kāinga Ora. The work will inform development of community wellbeing indicators and although a planned report on the project was not available before the end of the year, it is expected in September 2022.

## Climate Change

Climate change is a major focus for the Council and a Principal Advisor Climate Change was appointed this year. Work has included programme development and workshops with local councils. An inventory of local government climate change initiatives is complete, and a Council stocktake underway, all of which support development of a climate change road map expected early in the new financial year. We also submitted on the draft National Adaptation Plan and the Emissions Reduction Plan.

## Integrated Catchment Management

Good progress has been made towards our integrated catchment management framework. Six key work areas for developing Catchment Action Plans (CAPs) were identified and ongoing development is underway to finalise this framework and collaboration options with the community.



# Regulatory

As a Regulatory authority, ORC supports the sustainable management of water, land, air and the coast.

## Performance Results:





# Performance and Delivery

Regulatory work ramped up this year, processing more consents and exceeding targets for compliance monitoring audits. The quality of our regulatory processes was endorsed by the Courts, which ruled in ORC's favour on some notable cases related to consent conditions and enforcement.

## Consent Processing

This year saw an increase in both consent applications and number of consents processed. ORC received 603 consent applications, compared to 587 in 2020-21, and we processed 55 resource consents each month on average. Despite the high workload, our Consent team met performance targets, processing 100% of resource consents within legislative timeframes. Decisions were issued on 665 consents, up from 404 the year before.

The higher volume of consents issued largely resulted from Plan Change 8, requiring consents for activities such as residential earthworks and discharges from dairy farms. Most applications that were related to deemed permits had been lodged in the previous year, but decisions came this financial year following the Plan Change 7 outcome. Since the Court approved this plan change, we issued decisions on 40 related applications to replace 58 deemed permits.

New consent requirements resulting from the National Environmental Standard for Freshwater (NES-FW) also contributed to a busy year. In preparation for the new requirement of consent applications for intensive winter grazing (IWG), the

team developed information, held public workshops on dairy farm storage and provided landowners with advice. We also had a strong focus on staff training to prepare for the changes and meet demands.

The team received more than 200 enquiries a month on average, responding to over 80% within two working days and resolving 99% within seven working days. This is the first year we tracked response times and results will inform future baseline targets. We also provided more information on our website about the consents process and made copies of consent documents available online.

The quality of our consent processing was endorsed following a High Court appeal on consent duration for water takes by the Clutha District Council. The court found in ORC's favour and supported our approach to these types of applications. Our investigation and enforcement work was similarly recognised when the Court of Appeal dismissed an application by Wānaka developer Northlake Investments to overturn a 2017 conviction and fine for polluting the Clutha River. The win is not only important for ORC but for others involved in resource management compliance and enforcement.

## Compliance Monitoring

As with other areas, compliance monitoring and enforcement also increased this year. We exceeded compliance monitoring targets and graded 6,945 performance monitoring returns. Compliance monitoring included 1,097 onsite audits and site inspections, 243 dairy inspections, and 37 forestry inspections. All non-compliance found was followed up by staff and appropriate action taken, or investigations are ongoing.



## Investigations and Enforcement

Significant investigations and enforcement followed pollution incidents or breaches of consent conditions. These ranged from sediment discharge and outdoor burning to aerial spraying, waste and septic discharge. This year ORC issued 104 formal enforcement actions and an interim enforcement order relating to a domestic wastewater discharge across a neighbouring property. We completed one prosecution, with six prosecutions ongoing. Standard operating procedures for incident responses were developed, improving consistency of service delivery and prioritisation of incident responses.

## Incident Response

High demand for our incident response service continues, with 1,454 service requests through the Pollution Hotline related to 1,206 incidents. Water pollution (326), outdoor burning (278), and odour (174) were the most common issues reported. Our response to all incidents ranged from phone calls and desktop assessments to on-site investigations. Staffing for incident response has increased to better reflect high demand and provide coverage across Otago. Our ability to respond to oil spills has been maintained, with 20 responders attending two training exercises this year. A plan for responders to attend three exercises was untenable this year due to Covid-19 impacting training availability.

## Harbour and Waterway Management

Managing our harbours and waterways involved upgrades to navigation aids and signage across Otago's waters, including in Otago Harbour and Lake Dunstan. Education and engagement included five days on the water for safety campaigns such as the national 'No Excuses' campaign, as well as time spent on the water around Otago interacting with recreational boating users. Educational presentations were made to various groups, and we improved our media campaign around boating safety. The Harbourmaster and/or Deputy Harbourmaster responded to all major and serious incidents within an hour of notification, however these incidents have not yet been formally reported to Council.

ORC has improved the infringement and enforcement process to support the navigational bylaws, and this is with the Minister for Transport for final approval. We maintained compliance with the Port and Harbour Marine Safety Code and completed an internal review in May, which found safety management systems were fully compliant.

*Bendigo, Central Otago*





# Environment



Matau branch of the Clutha River, South Otago

## Community Outcomes

Our Environmental activities contribute to:

✓	✓	✓	✓		✓



# Biodiversity and Biosecurity

Otago is home to unique species that we need to look after. Our biosecurity work supports the control of prolific pests, and our work in biodiversity is strengthening partnerships across the region.

## Performance Results:





# Performance and Delivery

## Biodiversity Science and Monitoring

This year important steps were taken towards developing a monitoring framework and increasing our knowledge of indigenous biodiversity. We established an approach for prioritising ecosystems, an important step that will help focus our resources and actions in order to support biodiversity effectively across Otago. Habitat modelling in waterways began, however, was not completed due to weather and water-flow conditions. A biomonitoring programme to help assess environmental health was established and includes monitoring of macroinvertebrates at 33 sites around Otago. Further development of our biodiversity monitoring programme is ongoing and will feed into our environmental implementation work.

## Biodiversity Implementation

The biodiversity implementation programme this year focused on a regional partnership approach to maintain and enhance indigenous biodiversity in Otago. Our leadership role in the region included facilitating and coordinating regional biodiversity hui in November and April. We engaged with key partners and participated in a National Biodiversity Working group and a sub-group for the National Policy Statement on Indigenous Biodiversity (NPSIB) response. Our commitment to mana whenua saw the Council assisting landowners from Ōtākou rūnaka with their application to Ngā Whenua Rāhui, a contestable fund for protection of indigenous ecosystems on Māori land. Our continued involvement in partnerships projects, such as the government-funded Jobs for Nature projects including (DOC led) Ngā Awa Taiari (Taiari) and Te Hapakupu (Pleasant River catchment) Restoration, are set to benefit Otago.

Our EcoFund continued to foster community-led projects that protect and enhance our flora, fauna and environment across Otago. We had 53 applications, with groups asking for \$1,108,239 – a new high for the fund. More money was on offer than usual as the pool was increased to target community rabbit initiatives, water quality enhancement as well as native planting following wilding pine removal. This brought total funding available to \$470,000. In all, 25 groups had funding applications approved, with projects from Dunedin and Oamaru to Mt Aspiring and Queenstown, and onwards to Tautuku and the Catlins in the south. Initiatives will benefit a range of environmental objectives such as water quality, predator control, native revegetation and environmental education. As well as the EcoFund, Council contributed financially to Predator Free Dunedin.

We are working to meet our Biodiversity Action plan targets; however, some work is on hold to ensure alignment with the National Policy Statement for Indigenous Biodiversity (NPSIB) once finalised. Work has been initiated to develop a common platform

to share biodiversity and biosecurity information, and we continued to build on initiatives to develop and implement large, landscape scale programmes. We participated in regional and national level engagement, while our community-based outreach included work to integrate education and awareness of biodiversity into our farm support programmes.

## Biosecurity

This year we have also increased the resourcing and delivery of biosecurity education, engagement and enforcement. Our work programme has ramped up with more pest inspections along with additional monitoring and support for local rabbit control groups. There have been 2389 pest plant inspections, 66 rook inspections, and 800 rabbit inspections undertaken this financial year. Staff also surveyed 880 freshwater users as part of Council's delivery of the national Check, Clean, Dry campaign, which aims to prevent the spread of invasive freshwater pests.

While we've implemented our Biosecurity Operational Plan and exceeded inspection targets in some areas, we didn't fully meet all targets due to Covid-19 impacts and ongoing development of processes. The Biosecurity Operational Plan includes five priority areas: rabbits, wallaby, wilding conifers, lagarosiphon and the exclusion pest programme. This year we completed, or mostly achieved, 35 of our 37 targets in these areas. Additionally, we are leading work to establish community-led responses to rabbit management, using our resources to facilitate eight community-led responses in places such as Gibbston, Lake Hayes, Moeraki, Queensberry and the Otago Peninsula. More broadly, we attended 22 community events to provide pest-specific advocacy and education.

## Wallaby Eradication

Our wallaby eradication programme accelerated this year with additional national funding. Wallaby control progressed across seven management units with four ground-based contractors using a range of surveillance methods. The successful wallaby search and eradication programme covered around 300,000 hectares. The public reported 38 sightings of wallaby, of which 24 were confirmed and followed up by contractors, with eight destroyed. Wallaby sightings occurred across the region, with most sightings in North Otago.

## Wilding Conifers

Our wilding conifer programme has also received ongoing Government investment and continued activity. Despite delays due to Covid-19 restrictions and contractor pressures, we enabled control operations across 68,000 hectares in Otago, funded through the National Wilding Conifer Control Programme.



# Air

We are responsible for making sure our region complies with the National Environmental Standards for Air Quality and for controlling the discharge of contaminants into the air.

## Performance Results:





# Performance and Delivery

ORC's air science and monitoring this year focused on monitoring site upgrades and region-wide monitoring in winter, the results of which will help inform the review of our Regional Plan Air.

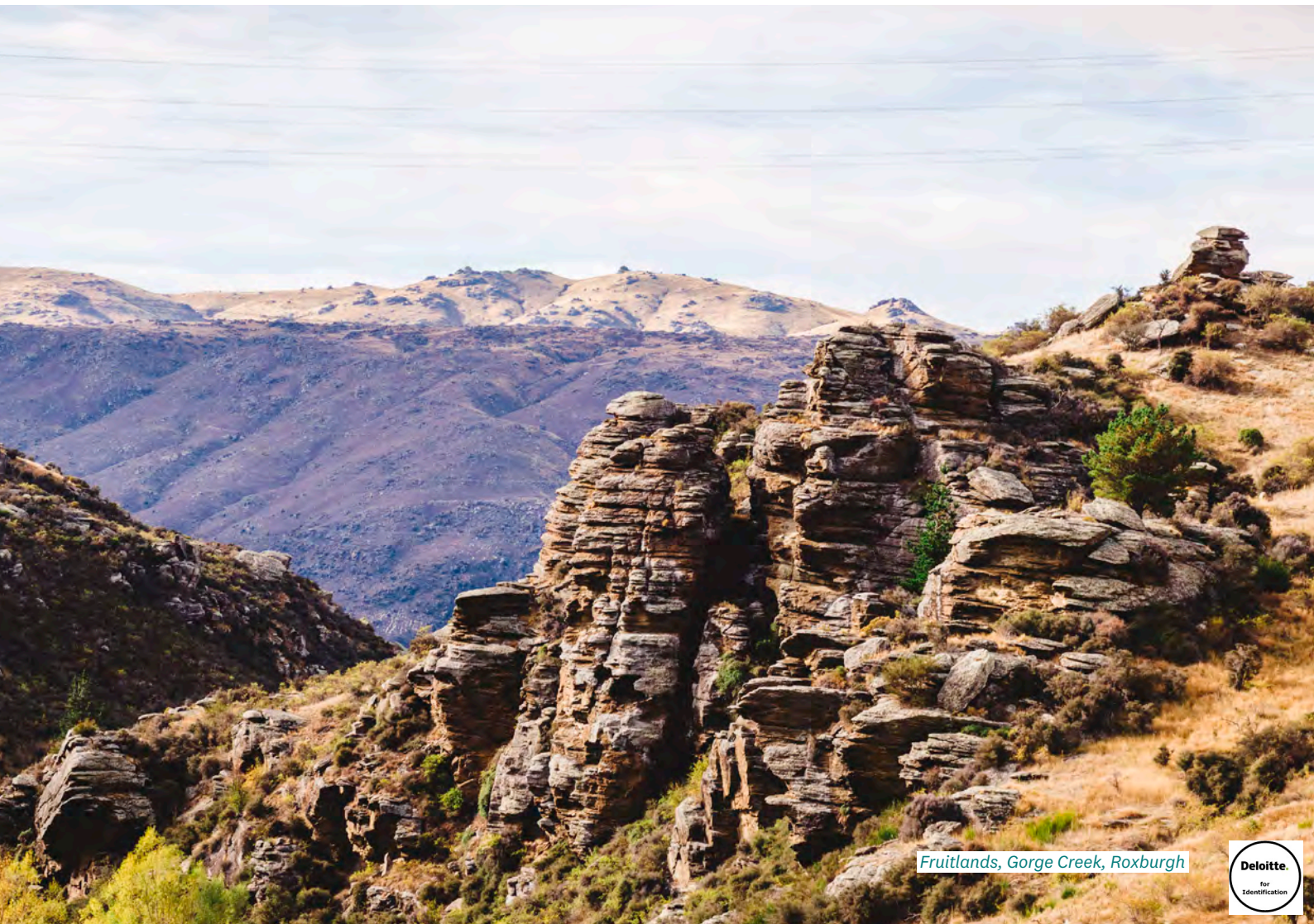
Our monitoring programme operated across four continuous sites in Alexandra, Arrowtown, Dunedin and Mosgiel, and two winter-monitoring sites in Cromwell and Milton. We met our target of 95% data-capture for all sites. The data is publicly available on the LAWA website and all air quality exceedances were reported through news media during the winter months as required.

We made good progress on upgrades to air quality monitoring sites and equipment, despite challenges with availability of consultants, contractors, and consent delays. The upgrades represent a significant improvement to our monitoring network after many years of deferred work and will enable full-year monitoring and data collection at all locations, once completed.

Four new instruments for the year-round monitoring of particulate matter in the air, PM<sup>2.5</sup> were installed at Arrowtown, Clyde, Cromwell and Milton. This will help us understand emissions and particulate matter sources in Otago, as well as prepare for upcoming amendments to the National Environment Standards for Air Quality (NESAQ). The remaining upgrades to the network are scheduled for 2022-23.

The State of the Environment (SOE) State and Trends 2010-2019 report was released this year. The PM<sup>10</sup> trends for this time indicate improving air quality at most monitored sites. However, more work is required to reduce emissions from home heating and meet the NESAQ.

As well as our standard SOE air monitoring programme, Council undertook a PM<sup>2.5</sup> monitoring campaign in winter 2021 with data collected from 14 airsheds around Otago. This information will help inform the Air Plan review.



Fruitlands, Gorge Creek, Roxburgh



# Land and Water

We work with Otago communities to manage water quality and quantity. Our work includes developing robust plans, monitoring the environment and supporting actions to protect and improve the region's water resource.

## Performance Results:



Lake Tuakitoto, South Otago





# Performance and Delivery

## Land and Water Planning

Our planning programme this year has focused on developing a new Land and Water Regional Plan (LWRP). This is due to be publicly notified by the end of 2023, so we are working steadily towards this deadline. This important task to replace an outdated water plan has involved a huge volume and wide range of tasks. We are working in a partnership approach with iwi, which at staff level involves a close working relationship with Aukaha and Te Ao Marama. At a governance level, the partnership is evident through the establishment of the Land and Water Governance Group, which includes Councillors and iwi representatives.

As part of the work to build the LWRP, an economic impact assessment took place, with phase one completed in June and a resulting regional economic profile underway. Work to understand the Māori economy, including a socio-economic narrative on the impacts of freshwater management in Otago on Kāi Tahu, has been scoped.

LWRP development has been split across two key workstreams: developing specific provisions for Freshwater Management Units (FMU), and developing region-wide plan provisions. Work on the region-wide provisions is ongoing, with the bulk of the tasks, including engagement with internal and external stakeholders and drafting the provisions, anticipated to be completed by December 2022.

## Public Engagement

In October 2021 we launched an advertising and engagement campaign as the first public step towards developing the new Land and Water Regional Plan.

In this first stage of consultation we wanted to find out what the public and stakeholders knew about land and water, and what they valued most about lakes, rivers, streams, wetlands and groundwater in their areas. We appreciated that people all over Otago engaged with us and gave their time and feedback.

Over the year the Council's approach to developing FMU specific provisions pivoted, and the initial target to complete proposed management options for three FMUs was revisited. Rather than working through the multi-staged consultation process with FMUs in sequence, we instead completed the first stage of consultation in all FMUs in parallel. This change was intended to achieve greater efficiency in the science modelling work while also limiting the impacts of Covid-19 on the roll-out of the public consultation. This resulted in the completion of the first round of engagement in all of Otago's five FMUs, including the five rohe (sub-areas) of the Clutha/Mata-au FMU.

Science modelling work to support the second round of engagement is progressing well and the consultation will take place in the new financial year.

Science work related to the Manuherehia catchment in Central Otago has continued throughout the year, with the Technical Advisory Group (TAG) contracting additional studies. The results will be presented to Council in the new financial year and will also inform development of provisions in the LWRP.

## Interim Planning Provisions

As well as developing a new LWRP, we have also worked to strengthen the Council's existing policy framework. This has included bringing in interim provisions to the operative Regional Plan: Water for Otago (Water Plan) and the Regional Plan: Waste for Otago (Waste Plan).

Plan Change 7 to the Water Plan and Plan Change 1 to the Waste Plan were made operative in March and July respectively, while Plan Change 8 which affects the Water Plan is scheduled to be fully operative in September 2022. These plan changes are intended to facilitate the transition from the existing Water and Waste Plans to a new fit-for-purpose Land and Water Regional Plan.

## Science and Monitoring

The Council's science team has grown, and this year carried out an enormous amount of work to build the knowledge required for development of the Land and Water Regional Plan. This covered a wide range of areas including hydrology modelling, wetlands mapping, bio-monitoring and developing an urban water work programme.

Our land work has involved contaminant reduction scenarios, collecting groundwater and surface water data, and learning more about land use and soil attributes. As well supporting the LWRP process, we have also continued our State of the Environment (SOE) monitoring and expanded our network.

Our water monitoring programme covers 107 river and eight lake sites across Otago and measures indicators such as rainfall, flow, water level, groundwater as well as water quality attributes and macroinvertebrates.

Our monthly SOE testing was conducted via our network of monitoring sites which measure water quality state and trends across the region. SOE monitoring results are based on five years of data. Current water quality results show that most sites retained the same quality grade as the prior year, with nine sites improving and eight sites degrading.

During the summer months we also carried out weekly recreational water quality monitoring at 25 popular swimming spots around Otago.

We have continued to grow our environmental monitoring programmes. This year we carried out extensive estuary monitoring; however, a planned report was not finalised due to a delay in macrofauna processing. This report will be available in the new financial year.

Our coastal monitoring programme advanced, and a marine mapping project was completed which will inform further development of our coastal state of the environment monitoring programme. A report was presented to Council in June 2021 outlining the draft programme and a follow-up report is expected in the new financial year.

Our groundwater monitoring programme progressed with 95% of sites sampled during the year and additional bores added to the existing network.

The development of a land-use monitoring programme is underway, and a soil SOE monitoring network was established, which includes soil mapping, monitoring and nutrient base load mapping.

## Land and Water Implementation

Our science and monitoring work feeds not only into planning but also into our environmental implementation programmes. These ramped up this year with an expanded team and extensive community education, engagement and remediation works.

Additional staff were recruited in biodiversity, biosecurity, freshwater and integrated catchment management which has enabled us to do more across the region.

We supported landowners and community-led projects reinforcing best-practice land management and intensive winter grazing practices. We also supported catchment groups and continued grant funding to the Otago Catchment Community.

## Water Quality Remediation Projects

We made significant progress this year on key restoration programmes and met the target to deliver 90% of priority actions. Key restoration programmes focused on Tomahawk Lagoon, Lake Tuakitoto and Lake Hayes. In order to make informed decisions and implement high-value actions we developed a strategic framework to assist in prioritisation, before starting on-the-ground restoration works. We engaged with the community about Tomahawk Lagoon in Dunedin, resulting in options being developed and prioritised. Community engagement for Lake Tuakitoto in the Clutha district, which was initially delayed due to Covid-19 impacts, has commenced along with an ecological assessment of the catchment.

The work programme to restore water quality in Wai Whakaata (Lake Hayes) has progressed. A cultural values assessment for the project has been commissioned and will inform a refreshed Lake Hayes strategy. Preparatory work detailing the proposed lake levels and the target range for the lake was completed, along with surveying works and preliminary geotechnical investigation for the culvert site at State Highway 6. Consenting and design of the culvert is underway, with the project expected to be completed in the new financial year.

Through the Jobs for Nature scheme we have received funding for a multi-year remediation programme for Te Hapakupu/Pleasant River. This exciting initiative will see us working in partnership with Kāti Huirapa Rūnaka ki Puketeraki and also working closely with the local community and other stakeholders.

Bob's Cove, Queenstown



# Safety and Resilience



Carey's Bay Wharf, Otago Harbour

## Community Outcomes

Our **Safety and Resilience** activities contribute to:

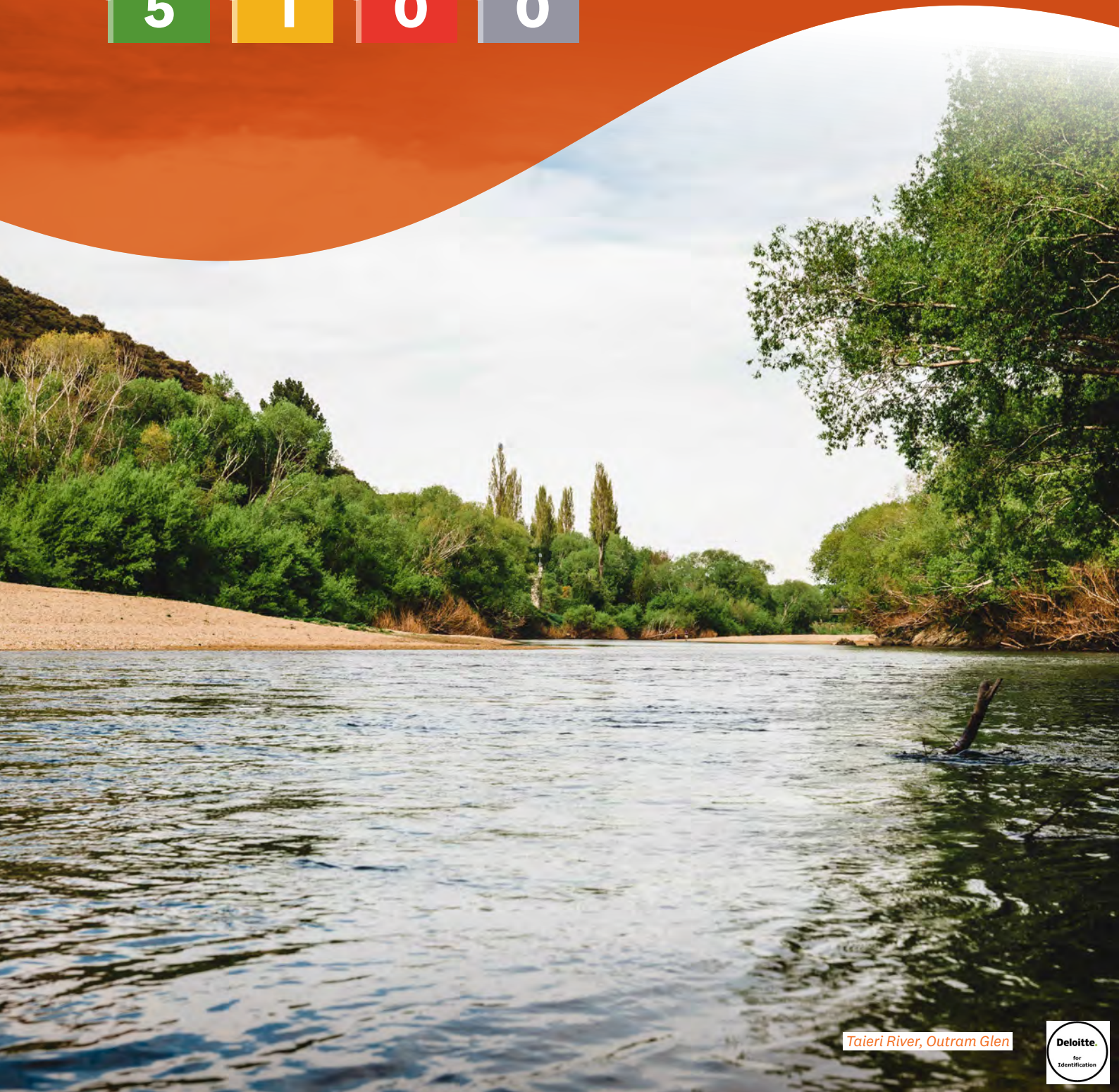
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# Natural Hazards and Climate Change

We set direction on the management of natural hazard risks in Otago and support decision making to mitigate, or reduce the effects of natural hazards, climate change, and other risks.

## Performance Results:



Taieri River, Outram Glen





# Performance and Delivery

We have worked closely with communities across Otago to provide hazard information, technical support and guide adaptation to natural hazards. Work started on a natural hazard risk assessment and prioritisation approach to help inform adaptation planning and actions. This year we defined the problem, scoped the resource requirement, and drafted an initial programme plan.

The natural hazard and climate change adaptation programme in 2021-22 focused on South Dunedin, the Head of Lake Whakatipu in the Glenorchy area, and the Clutha Delta, with excellent progress. Planned natural hazard investigation and management for Roxburgh and Henley progressed more slowly than expected. Delays were due to internal resourcing, prioritising extra Head of Lake Whakatipu work, and providing technical assistance to unplanned Environment Court appeals. The work in Roxburgh and Henley is expected to be completed in the new financial year.

## South Dunedin

Our team continued to lead the South Dunedin climate change adaptation project, the South Dunedin Future programme (SDF) in partnership with the Dunedin City Council (DCC). A programme manager for SDF was appointed by the DCC and part-funded by Otago Regional Council.

We progressed with a technical programme to better understand South Dunedin's physical environment and expected changes, with additional groundwater monitoring bores installed and potential sites for vertical ground movement assessment identified. We also initiated a Dynamic Adaptive Pathways Planning (DAPP) process along with DCC. Groundwater modelling was part of the NZ SeaRise research programme; however, due to the complexity of the modelling and Covid-19 related delays, the scope was adjusted and therefore not sufficiently progressed for further interrelated modelling to be commissioned. This is now expected to take place in the new financial year.

A comprehensive update on the South Dunedin Future programme was made public in June and approved by DCC and ORC in July 2022.

## Glenorchy and Head of Lake Whakatipu

We conducted a large body of work to better understand natural hazards around the head of Lake Whakatipu and Glenorchy. Technical studies assessed the liquefaction and flood hazards, as well as flood mitigation options. The liquefaction

investigation was not planned but was prioritised given the potential significance of this hazard for Glenorchy, along with its importance to the development of the natural hazard adaptation strategy. The results of the liquefaction investigation confirmed the severity of this hazard for parts of Glenorchy.

Community engagement sessions were held in April and June, and a Dynamic Adaptive Pathways Planning approach begun to support community engagement and develop the way forward.

## Clutha Delta

Clutha Delta natural hazard and climate change adaptation work progressed well. Work focused on establishment of an initial groundwater monitoring network to better understand the geological and groundwater characteristics of the area. This work complemented a coastal hazards investigation presented to the ORC Data and Information Committee in December.

## Flood Response

We operated a 24-hour flood management and response system during the year. Although no significant flood events occurred, our monitoring helped provide timely forecasts, warnings and relevant weather, flow and water level information to Emergency Management Otago, district and city councils and the public. The information also helped inform decisions on the preparedness and management of flood protection schemes.

We expanded our monitoring, installing additional flow recorders in the Lower Clutha and Rees Rivers and a new rain gauge in the Mt Teviot area in collaboration with NIWA. Using radar data in our flood forecasting models also progressed.

## Capturing Data

We continued to progress our LiDAR mapping programme as planned. This year we captured elevation data across about 4,000 sq. km of the Otago coast, including Dunedin and Mosgiel urban areas. Much of this information is now available to the public and the remainder is undergoing further processing, and will be available early in the new financial year.

# Emergency Management

ORC administers and coordinates the work of the Otago CDEM Group; we aim to maintain and improve Otago communities' resilience to emergencies.

## Performance Results:



CDEM Vehicle, Otago Peninsula





# Performance and Delivery

This year we embedded a new operational structure, created and implemented a new community engagement framework, and participated in national sector reform. We clarified and reaffirmed shared service partnership arrangements between all Otago's councils.

We have delivered a Regional Coastal Tsunami Plan and integrated Alpine Fault preparations into our annual planning. We developed and delivered a regional solution that will support welfare registration and needs assessments during emergencies. We supported national education campaigns such as the 'Shake Out' earthquake drill and tsunami hīkoi in October and also delivered the Clued-up Kids programme to primary school-age children in Queenstown Lakes, Waitaki and Clutha districts.

However, Covid-19 restrictions impacted planned community engagement activities, meaning a 50% reduction in delivery. This allowed for extra work to overhaul our community response group framework with refreshed resilience plans, community emergency hub guides and community response plans.

Readiness outcomes have historically been difficult to quantify, but as an outcome of our work this year, we can more objectively measure community groups' capability across all Otago's districts.

## Emergency Events

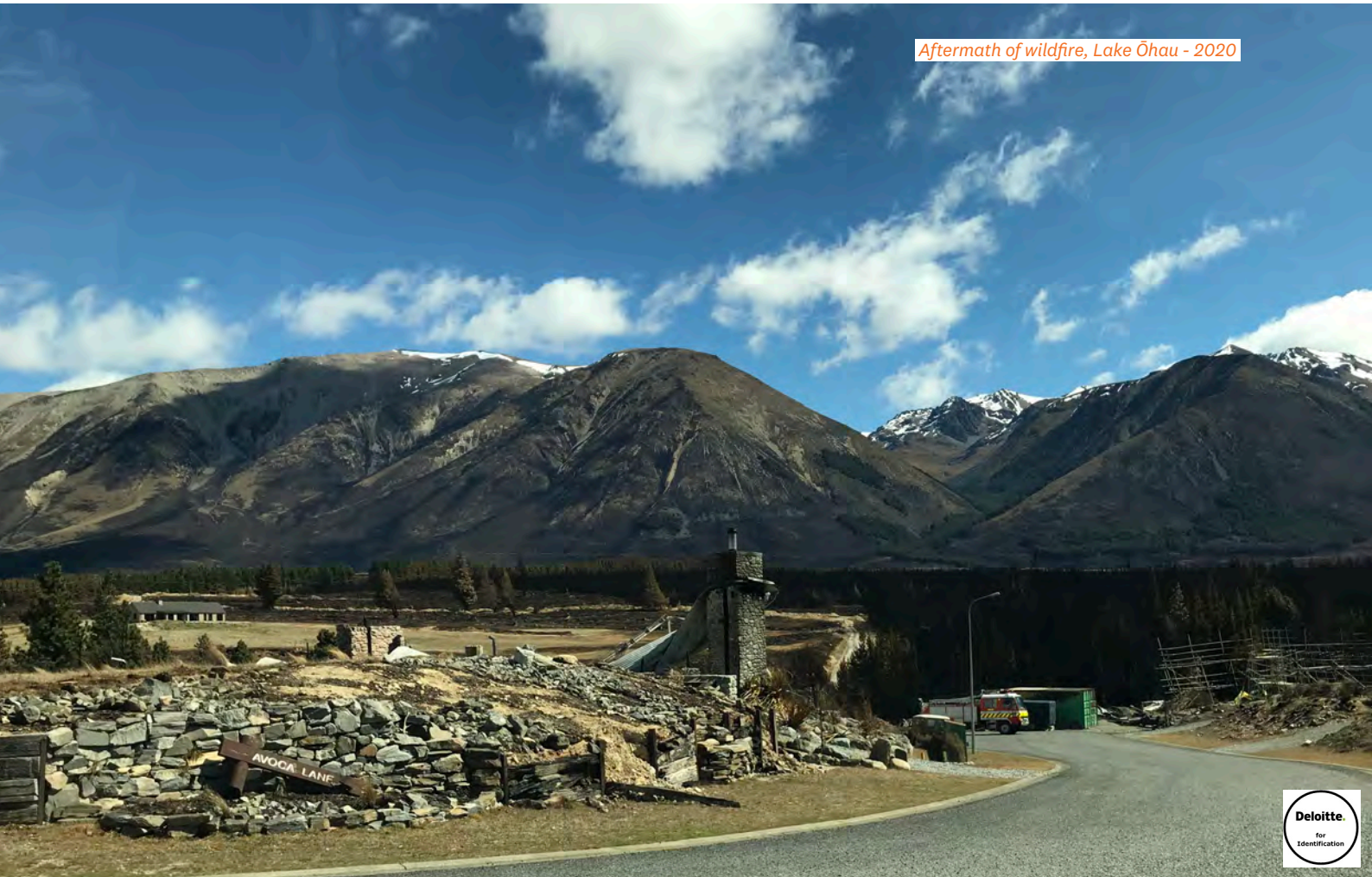
There were no emergency events this year that required the regional Emergency Coordination Centre (ECC) to be activated. However, we now have the resources and processes for any activation of the ECC to be instantaneous and connected online.

We also enabled operational collaboration between all the regions council's through funding and providing a common operating platform, D4H.

## Staff Training

It has been challenging to build staff capability through training as Covid-19 restrictions prevented many planned activities. Staff turn-over and recruitment challenges further impacted the number of trained staff. ECC trained staff were below target numbers for fully trained Function Leads and Team Members; however, we exceeded targets for fully trained controllers.

Aftermath of wildfire, Lake Ōhau - 2020





# Flood Protection, Drainage and River Management

Our flood protection schemes help protect people and their livelihoods in adverse weather events, and our drainage schemes help maintain the productive capability of land.

## Performance Results:





# Performance and Delivery

## Flood Protection Works

2021-22 has been a mixed year delivering our flood protection works. We achieved most of our planned maintenance for flood protection and drainage and met our performance target of 80%.

Schemes have continued to perform to their constructed design standards, with no breaches. Pumps were available as specified in our outage plan, with 100% compliance.

However, our planned capital renewals programme was not fully delivered. Although we actioned priority works our renewals did not progress as planned and most projects did not fully meet targets. The team focused on projects with a high priority and known scope, where positive progress could be made. The remaining projects required further investigations into scope and delivery requirements. Where consenting or more detailed scoping have prevented full delivery, the projects will be prioritised for the new financial year.

We are pleased our schemes remained resilient in weather events, and we monitor this as part of our maintenance work. The deferral of some renewal works is not critically detrimental to scheme performance.

## Climate Resilience Projects

A priority has been delivering the Climate Resilience programme, and we have made considerable progress. These multi-year projects are part-funded through a national programme, led by the Ministry of Business, Innovation and Employment (MBIE), which is investing in infrastructure to support New Zealand's economic recovery from Covid-19.

Four projects make up our Climate Resilience programme; two located within the Lower Clutha flood protection scheme (Robson's Lagoon and Riverbank Rd) and two within the Lower Taieri flood protection scheme (Outram and Contour Channel).

Work largely progressed as planned. The Riverbank Rd project was completed in December 2021, with major instream structures for Robson's Lagoon completed ahead of schedule. The Contour Channel stages 5 and 6 flood-bank works were also finished.

The Outram Climate Resilience project has progressed slowly due to further design considerations along with a lengthy consenting process, which required diligent landowner negotiations and permissions. While the project has progressed, this has been slower than anticipated, resulting in some of the programme being deferred to the new financial year.

## Taieri Scheme Review

The Taieri scheme review has been under development for several years and was officially launched in June 2021. The first phase of the project involved scoping and assessing scheme performance and reviewing existing information and modelling data. We engaged with the community on this, with a successful workshop in November. However, the scheme review has faced some delays, which is being addressed by a focused project management resource.

A risk analysis and assessment are scheduled for completion early in the new financial year.

## New Flood Protection Bylaw

A 2022 Flood Protection Management Bylaw was adopted in June after community consultation and hearings. This replaces the 2012 bylaw and helps the Council manage, regulate and protect the effective operation of flood protection works. The bylaw controls activities which may affect the integrity or operation of flood protection works, such as plantings and earthworks and will take effect from September 2022.

## River Management Works

The Council's river and waterway management programmes also faced challenges. In order to support fish-passage and biodiversity in waterways, our maintenance programme has a narrow time frame when work can occur. The Covid-19 alert level four restrictions in quarter one reduced this operating window. There were also delays to the heavily committed programme in some catchments due to weather and river conditions, low-flows, accessibility, gravel consent requirements, contractor availability and staff shortages. This resulted in 78% of our planned programme being delivered, below the 90% target for the year.

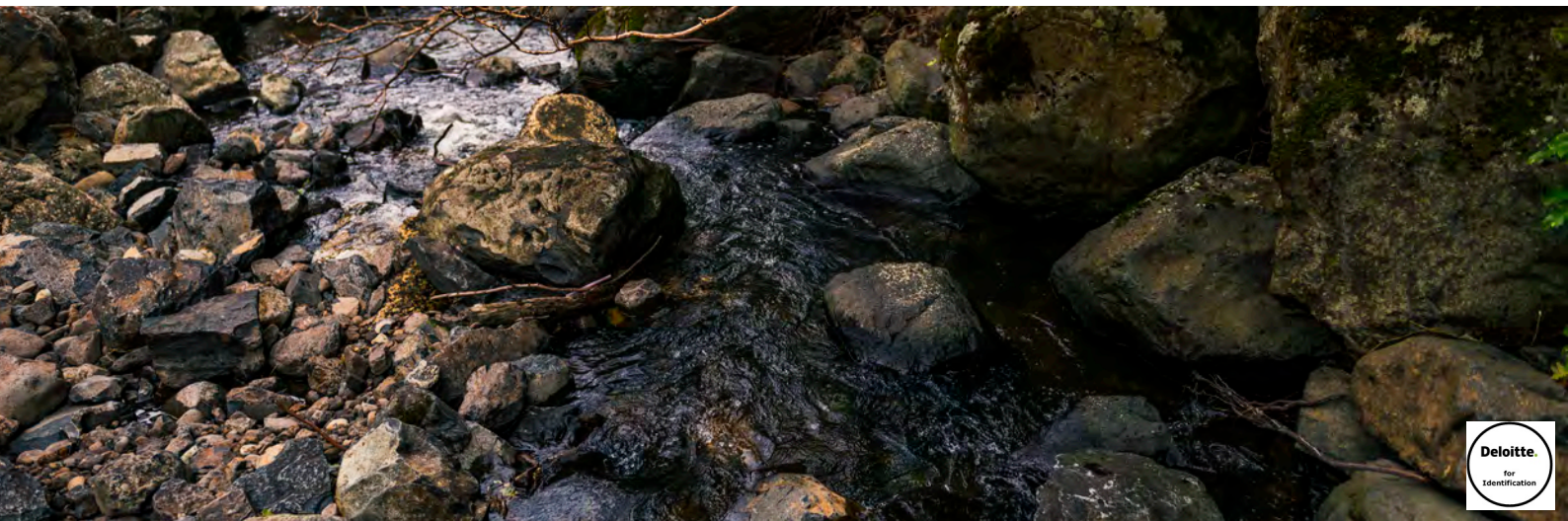
After multiple years of weather events resulting in flooding, this year proved stable with no significant events. This meant less unplanned work than previous years, contributing in part to reduced expenditure. However, unplanned action was still required, with 33 reactive works prioritised due to risk. Reactive works may take place following erosion, or gravel build-up, or blockages, which can occur at any time but especially during higher flow or weather events such as high winds. Reactive work is often identified through staff inspections or public information.

We responded to all 103 public enquiries relating to blockages and obstructions in rivers and waterways, assessing 94% of these within 20 days.

## Work Programme Progress

AREA	PROGRESS/PERFORMANCE
ALEXANDRA FPS	100% of planned maintenance completed. No capital works projects.
LEITH FPS	100% of planned maintenance completed. Two capital works projects; neither progressed as planned, further scoping and investigation is required.
LOWER CLUTHA FP&DS	68% of planned maintenance completed. 13 capital works projects; four progressed as planned, others experienced delays.
LOWER TAIERI FPS	39% of planned maintenance completed. Six capital works projects; two progressed as planned, others experienced delays.
WEST TAIERI DS	85% of planned maintenance completed. Seven capital works projects; two progressed as planned, others experienced delays.
EAST TAIERI DS	100% of planned maintenance completed. Nine capital works projects; one progressed as planned, others experienced delays.
TOKOMAIRO DS	74% of planned maintenance completed. One capital works project; progressed as planned.
DUNEDIN RIVERS AND WATERWAY MANAGEMENT	92% of planned works completed.
CLUTHA RIVERS AND WATERWAY MANAGEMENT	72% of planned works completed.
CENTRAL OTAGO RIVERS AND WATERWAY MANAGEMENT	80% of planned works completed.
WHAKATIPU RIVERS AND WATERWAY MANAGEMENT	100% of planned works completed.
WĀNAKA RIVERS AND WATERWAY MANAGEMENT	89% of planned works completed.
WAITAKI RIVERS AND WATERWAY MANAGEMENT	52% of planned works completed.

**FPS:** Flood Protection Scheme    **DS:** Drainage Scheme





# Transport



EV Bus Open Day, Dunedin

## Community Outcomes

Our **Transport** activities contribute to:

				✓	✓



# Transport Planning and Public Passenger Transport

ORC aims to provide efficient, reliable public transport services to meet community needs.

## Performance Results:



EV Bus Open Day, Dunedin





# Performance and Delivery

Like elsewhere in New Zealand, this has been a challenging year to provide public transport. Driver shortages, coupled with seasonal illness and Covid-19, affected service reliability, particularly in the last quarter of the year. Covid-19 negatively influenced patronage rates and affected Total Mobility scheme uptake. The Government's introduction of half-price fares in April, along with easing border restrictions, resulted in some recovery from these impacts. An extra challenge was a delay in Waka Kotahi adopting the National Land Transport Plan (NLTP) with flow-on effects for the timing and implementation of the approved Regional Land Transport Plan (RLTP). Despite the challenges in 2021-22, we've achieved a great deal towards sustainable, safe and inclusive transport for Otago.

Public transport services were delivered in Dunedin and Queenstown throughout the year, along with customer experience initiatives such as free travel to key events, allowing pets on buses (off-peak and enclosed in carriers), continuation of the \$2-fare trial, improvements to our Transit app which shows bus movements, and installing an e-stop at Arthurs Point, Queenstown. The Council also continued to contract a ferry service on Lake Whakatipu. Ferry service patronage for the 2021-22 year topped 60,000 users, a 12% increase on 2020-21.

## E-bus Trial

Steps were taken to reduce our carbon footprint. In October 2021 Council trialled an electric 'e-bus'. The trial, a collaboration between the Otago Regional Council and Go Bus Transport, tested the viability of the e-bus on Dunedin's public transport routes, including some of our steeper hills, the city centre and motorways. The e-bus travelled 3,148km and carried over 3,000 passengers, proving popular with passengers. It is estimated to have saved 2,511kg of CO2 emissions over the course of the trial. The trial results will support scoping a path to transition to a zero-emission public transport fleet in future.

Our current fleet was 100% compliant with Regional Passenger Transport Vehicle quality standards at the annual audit. With a specialist accessibility advisor we conducted an extra set of accessibility inspections to ensure the standard of public transport we were providing was consistently high.

## Feedback

Council is proud of its responsiveness to community feedback, particularly when we stepped in extending Orbus services to fill the gap when a commercial company ceased operating services to Dunedin schools, affecting some Mosgiel, Taieri, Brighton and Green Island students. Also in response to community demand, and to the delight of bus travellers, a new weekend bus service was introduced between Palmerston and Dunedin in May.

Positive results of annual passenger surveys show high levels of satisfaction. In Queenstown overall passenger satisfaction was 98%. Dunedin had 89% passenger satisfaction, a reduction from 91% in 2021 and slightly below target for this year. It was great to see that more than 97% of respondents across the network thought catching the bus was value for money. Staff also initiated a new survey to understand users' perceptions of the Total Mobility scheme, with 87% overall satisfaction with the service.

## Challenges

Bus services were punctual and reliable for most of the year, with increasing challenges in quarter four as cancelled services escalated following driver illness and driver shortages. Just 92% of trips operated in April-June. In March, Council approved services to run on a reduced timetable if reliability rates dropped below 90% for three consecutive weekdays. Although this wasn't required in the 2021-22 financial year, this threshold was triggered in July 2022, the new financial year.

The higher level of missed services has had a minor impact on patronage rates. However, in the first half of the year major factors hit patronage, mostly related to the Covid-19 pandemic. Despite some recovery, the network and the region remain impacted with annual patronage rates below target. Queenstown patronage was down by 9% to 806,820 compared to 2020-21; and Dunedin patronage was down by 13% to 2,367,099 compared to 2020-21. Half-price fares from central government in April led to a slight increase in patronage, but not sufficient to counteract the patronage shortfall from earlier in the year.

This was the first year of the Council's 2021-31 Regional Land Transport Plan (RLTP). The RLTP enables Waka Kotahi NZ Transport Agency to provide financial assistance to regional and district councils for qualifying transport activities, such as public transport. Throughout the year, the Otago and Southland Regional Transport Committees continued to meet productively.



# Summary Financial Statements





## Statement of Comprehensive Revenue and Expense for the year ended 30 June 2022

	Council 2022 \$000	Council Budget \$000	Council 2021 \$000	Group 2022 \$000	Group 2021 \$000
<b>REVENUE</b>					
Rates revenue	40,211	40,039	27,015	40,106	26,957
Grant revenue and subsidies	21,691	18,856	19,007	21,691	19,007
Other revenue	11,114	17,389	15,375	99,070	105,196
Dividends, interest and investment revenue	13,813	13,750	10,557	678	477
<b>TOTAL REVENUE</b>	<b>86,829</b>	<b>90,034</b>	<b>71,974</b>	<b>161,545</b>	<b>151,637</b>
<b>EXPENDITURE</b>					
Employee benefits expense	(25,692)	(27,417)	(21,956)	(56,845)	(54,109)
Depreciation and amortisation expense	(3,949)	(3,574)	(3,360)	(15,924)	(15,395)
Finance costs	(224)	(250)	-	(3,012)	(2,608)
Other expenses	(60,300)	(60,964)	(60,067)	(82,903)	(83,533)
<b>TOTAL OPERATING EXPENDITURE</b>	<b>(90,165)</b>	<b>(92,206)</b>	<b>(85,383)</b>	<b>(158,684)</b>	<b>(155,645)</b>
Share of surplus from equity accounted joint ventures	-	-	-	-	-
Other gains/(losses)	(1,953)	740	4,955	59,115	86,690
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>(5,289)</b>	<b>(1,433)</b>	<b>(8,454)</b>	<b>61,976</b>	<b>82,972</b>
Income tax benefit/(expense)	100	-	100	(9,757)	(6,942)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(5,189)</b>	<b>(1,433)</b>	<b>(8,354)</b>	<b>52,219</b>	<b>76,030</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSES</b>					
Revaluation gain/(loss) – shares in subsidiary	87,960	20,935	75,966	-	-
Unrealised movement in hedging interest rate swaps	-	-	-	2,385	1,598
<b>TOTAL OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>87,960</b>	<b>20,935</b>	<b>75,966</b>	<b>2,385</b>	<b>1,598</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>	<b>82,771</b>	<b>19,502</b>	<b>67,612</b>	<b>54,604</b>	<b>77,628</b>

## Statement of Financial Position as at 30 June 2022

	Council 2022 \$000	Council Budget \$000	Council 2021 \$000	Group 2022 \$000	Group 2021 \$000
Current assets	48,700	54,400	38,709	82,656	76,536
Non-current assets	915,625	684,248	727,042	920,747	820,368
<b>TOTAL ASSETS</b>	<b>964,325</b>	<b>738,648</b>	<b>765,751</b>	<b>1,003,403</b>	<b>896,904</b>
Current liabilities	88,560	14,133	19,957	111,216	36,954
Non-current liabilities	47,200	25,000	-	69,460	91,829
<b>TOTAL LIABILITIES</b>	<b>135,760</b>	<b>39,133</b>	<b>19,957</b>	<b>180,676</b>	<b>128,783</b>
<b>NET ASSETS</b>	<b>828,565</b>	<b>699,515</b>	<b>745,794</b>	<b>822,727</b>	<b>768,121</b>
<b>EQUITY</b>					
Reserves	723,546	577,330	635,622	449,811	387,695
Public equity	105,019	122,185	110,172	372,916	380,426
<b>TOTAL EQUITY</b>	<b>828,565</b>	<b>699,515</b>	<b>745,794</b>	<b>822,727</b>	<b>768,121</b>



## Statement of Changes in Net Assets/Equity for the year ended 30 June 2022

	Opening Balance 1 July 2021 \$000	Other Comprehensive Revenue and Expense \$000	Transfers In \$000	Transfers Out \$000	Closing Balance 30 June 2022 \$000
<b>COUNCIL 2022</b>					
Public Equity	110,172	(5,189)	107,667	(107,631)	105,019
Reserves	635,622	87,960	3,860	(3,896)	723,546
<b>TOTAL EQUITY AND RESERVES</b>	<b>745,794</b>	<b>82,771</b>	<b>111,527</b>	<b>(111,527)</b>	<b>828,565</b>
<b>GROUP 2022</b>					
Public Equity	380,426	52,219	107,667	(167,396)	372,916
Reserves	387,695	2,387	63,625	(3,896)	449,881
<b>TOTAL EQUITY AND RESERVES</b>	<b>768,121</b>	<b>54,606</b>	<b>171,292</b>	<b>(171,292)</b>	<b>822,727</b>
<b>COUNCIL 2021</b>					
	Opening Balance 1 July 2020 \$000	Other Comprehensive Revenue and Expense \$000	Transfers In \$000	Transfers Out \$000	Closing Balance 30 June 2021 \$000
Public Equity	120,531	(8,354)	101,429	(103,434)	110,172
Reserves	557,650	75,966	5,192	(3,186)	635,622
<b>TOTAL EQUITY AND RESERVES</b>	<b>678,181</b>	<b>67,612</b>	<b>106,620</b>	<b>(106,620)</b>	<b>745,794</b>
<b>GROUP 2021</b>					
Public Equity	388,642	76,030	101,603	(185,849)	380,426
Reserves	301,851	1,598	87,432	(3,186)	387,695
<b>TOTAL EQUITY AND RESERVES</b>	<b>690,493</b>	<b>77,628</b>	<b>189,035</b>	<b>(189,035)</b>	<b>768,121</b>

## Cash Flow Statement for the year ended 30 June 2022

	Council 2022 \$000	Council Budget \$000	Council 2021 \$000	Group 2022 \$000	Group 2021 \$000
Cash flows from operating activities	(2,198)	1,409	46	14,762	12,609
Cash flows from investing activities	(4,135)	(17,339)	(3,564)	(49,166)	(22,993)
Cash flows from financing activities	15,196	25,000	-	43,106	6,800
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>8,863</b>	<b>9,070</b>	<b>(3,518)</b>	<b>8,702</b>	<b>(3,584)</b>
Cash and cash equivalents at the beginning of the financial year	4,380	(604)	7,898	4,621	8,205
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>13,243</b>	<b>8,466</b>	<b>4,380</b>	<b>13,323</b>	<b>4,621</b>

# Summary Funding Impact Statements for the year ended 30 June 2022

Whole of Council	Actual	Long Term Plan	Actual	Annual Plan
	2021-22	2021-22	2020-21	2020-21
	\$000	\$000	\$000	\$000
Sources of operating funding	86,829	90,034	71,973	66,282
Applications of operating funding	(86,110)	(89,032)	(81,443)	(69,487)
<b>SURPLUS (DEFICIT) OF OPERATING FUNDING</b>	<b>719</b>	<b>1,002</b>	<b>(9,470)</b>	<b>(3,204)</b>
Sources of capital funding	15,255	410	1,610	410
Application of capital funding	15,974	1,412	(11,080)	(2,794)
<b>SURPLUS (DEFICIT) OF CAPITAL FUNDING</b>	<b>(719)</b>	<b>(1,002)</b>	<b>9,470</b>	<b>(3,204)</b>

Significant Activities	Actual	Long-Term Plan	Actual
	2021-22	2021-22	2020-21
	\$000	\$000	\$000
<b>ENVIRONMENTAL*</b>			
Revenue	23,960	22,352	17,805
Expense	(24,294)	(23,884)	(22,417)
Net operating surplus/(deficit)	(334)	(1,532)	4,612
Capital expenditure	827	1,430	610
<b>REGIONAL LEADERSHIP*</b>			
Revenue	20,722	21,529	13,893
Expense	(22,302)	(21,590)	(20,154)
Net operating surplus/(deficit)	(1,580)	(61)	(6,673)
Capital expenditure	3	50	51
<b>SAFETY AND HAZARDS*</b>			
Revenue	15,000	15,081	12,943
Expense	(12,191)	(11,903)	(10,807)
Net operating surplus/(deficit)	2,809	3,177	2,136
Capital expenditure	1,823	4,095	2,607
<b>TRANSPORT</b>			
Revenue	26,835	30,005	26,858
Expense	(28,698)	(32,300)	(29,225)
Net operating surplus/(deficit)	(1,863)	(2,294)	(2,267)
Capital expenditure	3	-	849

\* Due to the re-grouping of activities, as part of the Long Term Plan 2021/31 process, the prior year period amounts noted above will not agree to the prior period signed summary Annual Report, as they have been reclassified to match the 2021/31 classifications.



# Notes to the Summary Annual Report

## Reporting Entity

The Council is a regional local authority governed by the Local Government Act 2002.

The Council Group (Group) consists of the Council and its subsidiary Port Otago Limited (100% owned). The Port Otago Limited Group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. The principal activities of the Group entities are described in Note 16. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes.

## Full Annual Report

This Summary Annual Report has been extracted from the full audited Annual Report dated 28 September 2022, and authorised for issue by Council on that date. The Summary Annual Report does not include all the disclosures provided in the full Annual Report and cannot be expected to provide as complete an understanding as provided by the full Annual Report.

The full Annual Report has been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The full Annual Report complies with Public Benefit Entity Public Sector (PBE (PS)) standards and has been prepared in accordance with Tier 1 PBE standards.

The full audited Annual Report, which received an unqualified audit opinion, may be found in our Annual Report for the period 1 July 2021 to 30 June 2022, available by telephoning (03) 4740827 or on our website [www.orc.govt.nz](http://www.orc.govt.nz).

This Summary Annual Report has been prepared in compliance with PBE (PS) FRS-43 Summary Financial Statements, and is presented in thousands of New Zealand dollars

## Commitments for Capital Expenditure

At 30 June 2022 the Group had commitments for capital expenditure of \$47 million (2021: \$20.4 million). Included in the above amounts are Council commitments of \$0.3 million (2021: \$0.2 million) relating to property, plant and equipment acquisitions and contracts for capital expenditure.

Port Otago Limited had commitments for capital expenditure of \$46.8 million (2021: \$20.2 million) which relates to purchases and refurbishments of port assets and investment property.

## Related Parties

The Council was involved in related party transactions with Port Otago Limited amounting to \$13 million (2021: \$10.1 million), received as dividends plus other receipts and payments. The Port Otago Limited Group was involved in related party transactions in respect of joint venture financial arrangements.

During the year Council and Port Otago Limited, entered into an agreement whereby Council will provide an unsecured related party loans facility of up to a maximum of \$100 million. The related party loan amounts, interest rates and repayment dates match loans provided by the New Zealand Local Government Funding Agency (LGFA) to Council. Port Otago Limited pays all reasonable costs and expenses incurred by Council in connection with the establishment of its LGFA facility and ongoing fees associated with related party borrowing. Council or Port Otago Limited may terminate the related party loan agreement by giving 24 months notice



to the other party. All related party loans under the agreement are unsecured. As at 30 June 2022 Otago Regional Council had advanced loans of \$99,960,000 to Port Otago Limited (2021: \$Nil). Related party loans are classified as non current due to the Council and Port Otago loan agreement requiring 24 months notice for termination of the facility. Related party loan repayment will match the LGFA loan outlines at Note 21.

Details of these transactions are included in the notes to the financial statements in the full Annual Report.

## Subsequent Events

On 06 September 2022 the Directors declared a final dividend of \$1.0 million for the year ended 30 June 2022. As the final dividend was approved after balance date, the financial effect of the dividend payable of \$1.0 million has not been recognised in the Balance Sheet.

## Contingent Liabilities and Contingent Assets

### Council Only Contingent Liabilities

The Council has been advised of potential claims in relation to the issue of resource consents. The Council does not expect any material uninsured liability to arise from these potential claims, (2021: \$Nil).

Consistent with the nature of the Council's activities, the Council is involved in Environment, High and District Court proceedings resulting from decisions made by the Council as a planning and consenting authority under the Resource Management Act.

### Council Only Contingent Assets

The Council at 30 June has a contingent assets for bus trips which have been paid for but were not performed from the bus operators in June 2022. At 30 June the financial impact of this assets was not able to be quantified.

### Group

There are no contingent liabilities or assets at 30 June 2022 (30 June 2021: \$Nil) other than those arising in the normal course of business.

## Local Government (Financial Reporting and Prudence) Regulations 2014

The Local Government (Financial Reporting and Prudence) Regulations 2014 require that the Council disclose its financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings. The regulations also require the disclosure of rating base information and information regarding the insurance of assets.



Queenstown Gardens, Queenstown





## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF OTAGO REGIONAL COUNCIL AND GROUP'S SUMMARY OF THE ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The summary of the annual report was derived from the annual report of the Otago Regional Council and group (the Regional Council) for the year ended 30 June 2022.

The summary of the annual report comprises the following information on pages 6 to 41:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service performance.

#### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements*.

#### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

#### The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2022 in our auditor's report dated 28 September 2022.

#### Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements*.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out engagement for Debenture Trust Deed Reporting, which is compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Regional Council or its subsidiaries and controlled entities.



Heidi Rautjoki,  
For Deloitte Limited  
On behalf of the Auditor-General  
Dunedin, New Zealand  
28 October 2022





Otago  
Regional  
Council

# Office and depot locations

## Dunedin office - Philip Laing House

**Monday to Friday.**

**Closed on public holidays.**

Level 2

144 Rattray Street

Dunedin 9016

## Queenstown office

**Monday to Friday.**

**Closed on public holidays.**

Terrace Junction

1092 Frankton Road

Queenstown 9300

We have staff located at depots throughout the region including North Taieri, Balclutha, Oamaru, Wanaka, Palmerston, Alexandra and Cromwell. For further details please see our website.

## Contact us:

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

Social media: [facebook.com/OtagoRegionalCouncil](https://facebook.com/OtagoRegionalCouncil), [twitter.com/OtagoRC](https://twitter.com/OtagoRC)

Phone: 0800 474 082 (General Enquiries), 0800 800 033 (Pollution Hotline)

Email: [customerservices@orc.govt.nz](mailto:customerservices@orc.govt.nz)







