

Your feedback please

Otago, we need your input on
some changes we're proposing...

WHAT'S INSIDE?



Changes we're proposing from
the Long Term Plan

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KEY CONSULTATION TOPICS

Civil defence and emergency
management

Rural water quality

Minimum flows and deemed
water use permit replacement

Public transport in
the Wakatipu Basin

Queenstown office

Lower Waitaki River
control scheme



Tēnā koutou katoa. Greetings everyone!

With this document, we're seeking your feedback on changes from the Long Term Plan to the Annual Plan for 2017/2018.

We set out what we were expecting to deliver for 2017-2018 in the Long Term Plan back in 2015. Since then, there's been some changes – to what we're seeing in our environment, and to what we have heard from you about what you want us to deliver. That means an increased workplan.

One of the major reasons for our increased workplan is that two really important deadlines to do with how we manage water are approaching, and there's a lot that needs to be done to be ready for them:

- To keep our rivers and lakes healthy, new thresholds for rural discharges from land to water are coming in 2020. We're working with landholders to be sure they're ready for this.
- In 2021, about 400 permits for water use (some of which date back to goldmining days) will expire and need to be replaced with new resource consents.

To be able to make good resource consent decisions, it's important to know what the minimum amount of water that can be left in a river is – based on factors including preservation of habitats for living things and maintaining the character of the river. We're working with communities to understand what we need to know to set those minimum flows.

Another increase in our workplan has come from a change in the way Civil Defence and Emergency Management is managed in Otago. Instead of district and city councils each employing their own Emergency Management staff, all Civil Defence staff in Otago are now directly employed by the Regional Council.

The water management deadlines and the change to Civil Defence are the biggest changes in the workplan in terms of costs. Other changes, like the big improvements to public transport we're proposing in the Wakatipu Basin, have lesser resource impacts. They're all set out in this document – and we're keen to get your thoughts on all of them.

Our draft annual plan is geared to delivering both what we know we need to do, and what we think you want us to do. Have we got it right?

Your regional councillors



Stephen Woodhead



Gretchen Robertson



Graeme Bell



Doug Brown



Michael Deaker



Carmen Hope



Trevor Kempton



Michael Laws



Sam Neill



Andrew Noone



Bryan Scott

Key dates



Submissions open



Submissions close 5pm



Hearings



2017-18 Plan adopted

Changes in your rates bill

We've been working on figuring out how we can best deliver the increased work plan we're proposing. It will mean some increase to your rates bill (for more detail on this please refer to the financial section, from page 12) but we've looked at ways to ensure that the increase is kept as small as it can reasonably be while achieving our workplan. And we've found some good solutions.

Each year we receive a dividend from Port Otago (owned by the Regional Council). This year we have asked Port Otago for extra help with managing the impact that our proposed increased workplan will have on rates.

Port Otago have responded with a special payment of \$1.5 million. Because the workplan isn't anticipated to decrease after this year, it is also proposed that we will receive a special payment for the next year. In general, we prefer not to have to draw on special payments, as leaving these funds in the Port Otago company helps it grow, which in turn ensures we can rely on Port contributions in the long-term. By 2019, we hope to have our general rates at a sustainable level so that we don't need to draw on special payments.

So what does all this mean for your Regional Council general rates bill? Your general rate is based on the capital value of your property. Depending on where you live in Otago, the mid-range property's general rate increase from last year will be between \$2 and \$13 (check out page 5 for more details).



Let's talk

If you'd like to understand more about what's proposed in our draft Annual Plan, we welcome you to come to a Community Info Session:

North Dunedin

[venue,
date, time]

Balclutha

[venue,
date, time]

Cromwell

[venue,
date, time]

Wanaka

[venue,
date, time]

Oamaru

[venue,
date, time]

Mosgiel

[venue,
date, time]

Alexandra

[venue,
date, time]

Ranfurlly

[venue,
date, time]

Queenstown

[venue,
date, time]



And if you'd prefer to talk with us online, we invite you to our Live Q+A session on Facebook: [date, time, how]

Share your feedback



In person

If you're making a submission in writing or online, you'll also have the option of coming to speak with Council about it during the week of 22-26 May. Just tick the box on the submission form and we'll be in touch to arrange this.



Online

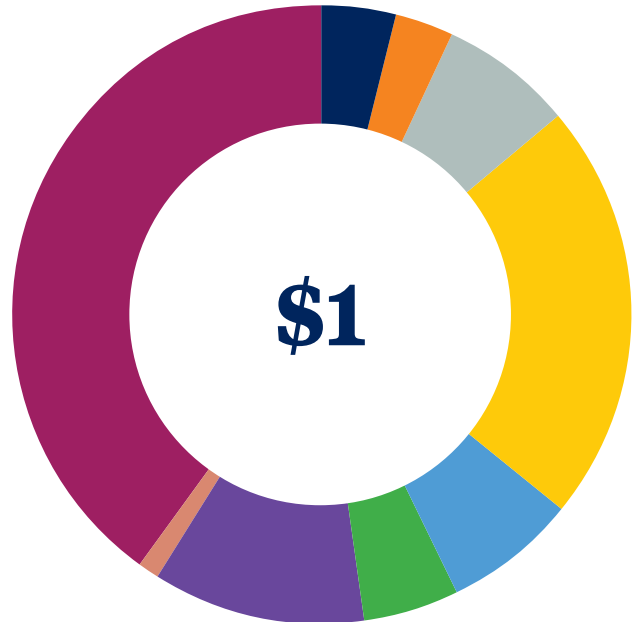
If you'd like to make a submission online, head to www.orc.govt.nz/annualplan.



In writing

At the back of this document you'll find a submission form. If you'd like to share your feedback in writing, fill it in, detach it, and fold it up so that the Freepost address is on the front.

Where does each general rates dollar go?



Water 40c

We set policies and rules that aim to protect your values, and the quality and availability of water in our aquifers, rivers, lakes and wetlands. Science and monitoring informs our work to maintain or improve quality, and helps us determine how much water can be made available for use, while leaving enough water in our waterways to protect our aquatic habitats.

Air quality 1c

We monitor air quality to maintain your health and set policy to best manage it. In parts of Otago, winter air emissions from home heating cause air quality to exceed standards set for healthy living; our policy and monitoring work assists us in dealing with this issue.

Land and biodiversity 11c

We set out landowner responsibilities for dealing with pest plants and pest animals. We monitor compliance with the plan, and will give advice and assist community groups to establish control programmes. Other work in this area includes dealing with specific pest issues, such as wallaby control.

Incident response 5c

We operate a 24-hour pollution hotline. Pollution incidents and complaints are investigated, with enforcement action undertaken when appropriate.

Hazards 7c

We identify and assess the scale and significance of natural hazards, such as seismic, tsunami and flood hazards, and provide information to the public on these.

Democracy and community engagement 22c

Our democratic process includes holding meetings of council and committees. We educate, consult, and encourage community participation in decision-making. We make information publicly available through newsletters, web, social media, public events and other activities.

Regulatory 7c

We process resource consents, undertake compliance monitoring and regulate to ensure that plan and consent conditions are being met. We are also responsible for harbour safety and navigation, and dealing with any incidents and oil spills in our waterways.

Flood and drainage 3c

We operate and maintain flood protection and drainage schemes throughout Otago, which aim to protect people and property from flooding while maintaining the productive capability of the land. These schemes are largely funded by targeted rates in the areas that directly benefit. This general rate proportion reflects the impact floods have across the wider community.

Transport 4c

We undertake regional transport planning, and we administer the Total Mobility scheme in Otago, to meet the needs of those unable to use public transport. Public transport is funded separately, by targeted rates and external contributions.

What about targeted rates?

As well as your general rates, you will also have targeted rates on your rates bill. These are rates that pay for work that affects you or the area you live in specifically, rather than the region as a whole.

Targeted rates for 2017/2018

Civil Defence and Emergency Management

(Page 6)

Wilding tree control

(Page 11)

Rural water quality

(Page 7)

Risk based dairy inspections

(Page 7)

Public transport

Dunedin
Wakatipu (page 9)

River management

Central Otago
Clutha
Dunedin
Wakatipu
Wanaka
Waitaki

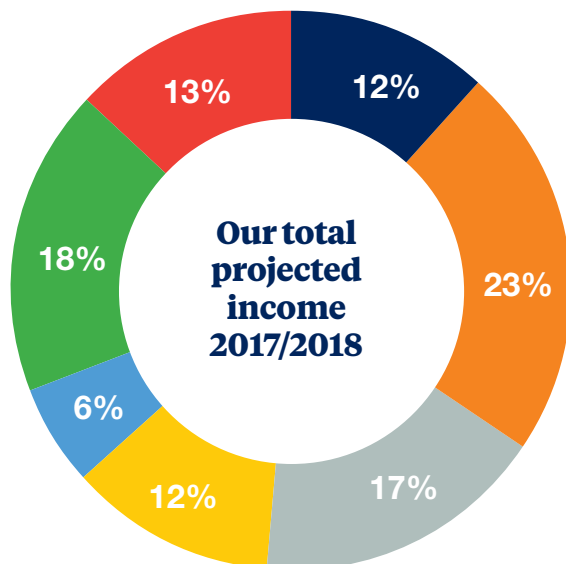
Flood and drainage schemes

East Taieri drainage
Leith flood
Lower Clutha flood and drainage
Lower Taieri flood
Lower Waitaki river control (page 10)
Shotover Delta
Tokomairiro drainage
West Taieri drainage

For more information on these, including totals for each for 2017/2018, see page 14.

Where our income comes from

What the ratepayer pays in general rates and targeted rates makes up a significant part of the Regional Council's income – but it's not the whole picture. The resources that we use to pay for what we do for Otago also include interest income on our reserves, our annual dividend from Port Otago, fees and charges and grants.



GENERAL RATES

TARGETED RATES

PORT OTAGO DIVIDEND AND INTEREST INCOME

RESERVES

FEES AND CHARGES

GRANTS

OTHER INCOME

How much can I expect to pay in general rates?

This map shows the estimated general rates proposed for a property of mid-range capital value in each district.

QUEENSTOWN LAKES DISTRICT For capital value **\$540,000** general rate would be **\$75.25**
This is an increase of **\$13.00** from last year.

CENTRAL OTAGO DISTRICT* For capital value **\$375,000** general rate would be **\$48.22**
This is an increase of **\$5.00** from last year.

WAITAKI DISTRICT For capital value **\$205,000** general rate would be **\$36.09**
This is an increase of **\$2.00** from last year.

DUNEDIN CITY* For capital value **\$290,000** general rate would be **\$51.60**
This is an increase of **\$9.00** from last year.

CLUTHA DISTRICT For capital value **\$160,000** general rate would be **\$33.28**
This is an increase of **\$3.00** from last year.



How much will my rates be?

Our online calculator shows the full breakdown of your estimated rates bill, including targeted rates, and lets you compare it with last year's as well.

Go online to:
www.orc.govt.nz/annualplan

* Capital values in Dunedin and Central Otago have been re-assessed since last year. We've shown the total increase based on:

1. Dunedin example: A property previously valued at \$245,000
2. Central Otago example: A property previously valued at \$305,000

Key consultation topics



Civil defence and emergency management (CDEM)

Regional Councils play a critical role in civil defence and emergency management, from the early identification of natural hazards through to responding to actual events.

Until recently, CDEM officers in Otago were employed separately by each of the different local authorities. Now, all the officers are employed directly by the Regional Council, which is helping us work more efficiently together on a day-to-day basis – and will help ensure we’re better prepared to respond as effectively as possible in an emergency situation.

The new way of working is already seeing results, with a new civil defence website launched in 2016 (www.otagocdem.govt.nz). Otago CDEM staff also stepped up to support the response efforts to the earthquake in North Canterbury last year.

This year, we’re proposing to appoint new staff in training and community education roles. These staff will work with both council staff and the community to increase our readiness and resilience.

With civil defence and emergency management costs now centralised with the Regional Council, we need to decide on the fairest way to pay for them.

What do you think?

Cost \$2,421,000

How do you think we should structure the rates for civil defence and emergency management?

Option 1 Uniform targeted rate (\$25.89 per property)

If we pay for it this way, everyone in Otago will pay the same amount for civil defence and emergency management – regardless of the value of their property.

Option 2 50% uniform targeted rate and 50% general rate

Examples of what we estimate the rates payable for emergency management per ratepayer would be for this option are shown below:

	Capital value		
	\$300,000	\$750,000	\$4,000,000
Central Otago district	\$20.56	\$26.89	\$72.61
Clutha district	\$20.81	\$27.51	\$75.91
Dunedin City	\$20.63	\$27.07	\$73.58
Queenstown Lakes district	\$22.50	\$31.75	\$98.51
Waitaki district	\$21.16	\$28.40	\$80.65

Our preferred option and why:

Our preference is Option 1 on the basis that civil defence is about people - not property. In the event of an emergency, the nature and value of your property isn't relevant, so we think it's fairer for everyone to pay the same.

Tell us which option you prefer.



Rural water quality

Our approach to water quality in rural areas allows landowners to make their own decisions on how they manage their land – so long as their activities don't pollute lakes, rivers, wetlands, or groundwater (or breach our Water Plan).

By 2020 rural landholders need to limit the amount of *E. coli*, nitrogen and phosphorous going into freshwater. Many landholders are taking steps now to manage their impact on water quality in order to comply by 2020. To help landholders, and monitor progress towards this goal, we are planning to undertake environmental risk assessments on all rural properties and large lifestyle properties over the next three years.

These assessments will help increase landholders' understanding of what they need to do under the Water Plan, what risks to water quality might be present on their property, and how to take steps to address them.

As well as risk assessments, we're proposing to carry out catchment studies in five catchments every year. These will involve intensive water sampling within a catchment to help both council and the community understand the pressures particular rivers are facing and identify ways to improve water quality.

Our rural water quality targeted rate will need to increase from \$639,000 to \$1,190,000. Examples of what we estimate the rural water quality targeted rate would be for various sample capital values are shown below.

	Capital value		
	\$300,000	\$750,000	\$4,000,000
Central Otago district	\$20.68	\$51.69	\$275.68
Clutha district	\$21.86	\$54.65	\$291.44
Dunedin City	\$20.98	\$52.45	\$279.72
Queenstown Lakes district	\$29.65	\$74.12	\$395.28
Waitaki district	\$22.69	\$56.72	\$302.48

Risk-based dairy farm inspections

To date, we've been aiming to visit every dairy farm every year. We want to move to a risk-based model, which prioritises the farms most at risk of impacting water quality. This will mean that some farms may get two or three visits a year, and others may only get a visit every second year. Overall, it means more visits in total and will focus our attention where it's most needed. It also means that the rate we charge for this will need to go up to \$478 per dairy farm, compared to \$325 last year.

What do you think?

RURAL WATER QUALITY RISK-ASSESSMENT PROGRAMME

This activity is funded by general rates (25%) and a rural water quality targeted rate (75%) which is charged to all rural land use properties (regardless of size) and to all lifestyle properties 2 hectares and above.

Do you support our environmental risk-assessment programme?

RISK-BASED DAIRY FARM INSPECTIONS

This is a fixed targeted rate of \$478 for every dairy farm (compared to \$325 last year).

Do you support the risk-based approach to dairy farm inspections?



Minimum flows and deemed water use permit replacement

We're responsible for setting minimum flow limits for rivers and levels for aquifers and lakes in Otago. Minimum flows and levels ensure that economic use of water continues while enough water remains in our lakes, rivers and aquifers to maintain their aquatic ecosystems and natural character.

Many farmers in our region rely on water from rivers to irrigate their farms and sustain their business. In Otago we're in a unique situation, as we have several hundred irrigators with existing water use permits, many of which date back to goldmining days.

Back when many of these permits were granted, no one looked at how much water was available or gave any thought to protecting stream flows and river habitat. This led to an over-allocation of water in some places.

Today, we think about our water resources quite differently and our regulation reflects a fairer approach to how water is allocated. With these deemed water use permits expiring in 2021, there is a need to give certainty to irrigators on how much water is available for their use, while also giving the wider community assurances that recreational, cultural and ecological values will be protected.

To do that, we're proposing to accelerate our minimum flow setting programme to get all flows needed to inform replacing the permits set by 2019.

We've been working with permit holders to assist them to make the transition to new resource consents. As we believe water sharing and rationing is better managed at a local level, we're also encouraging water users to work together within their catchment as water management groups.

We remain committed to this work in the lead up to the deemed water use permits expiring in 2021, but have reconsidered how best to fund this activity. It was previously funded by general rates, but we are proposing to use our water management reserve for this.

We want your feedback on whether you support this idea.

What do you think?

MINIMUM FLOWS PROGRAMME

Do you support an accelerated programme to determine minimum flows?

DEEMED WATER USE PERMIT TRANSITION WORK

Cost **\$526,000**

Do you support funding the deemed water use permit transition work from the Water Management Reserve?

Key consultation topics



Public transport in Wakatipu

We are working with Queenstown Lakes District Council and the NZ Transport Agency to make significant improvements to public transport in the Wakatipu Basin.

This includes the proposal of significantly reduced bus fares across the Wakatipu for those using a GoCard, along with amendments to routes and timetables. With funding support from Queenstown Lakes District Council currently being consulted on via their Annual Plan process, we hope to trial a \$2 fare.

The changes are a significant step towards providing a public transport service that is attractive to both residents and visitors and helps ease traffic congestions in the area. The service would be subsidised by the Transport Agency, Queenstown Lakes District Council and Otago Regional Council. Otago Regional Council's share would be \$600,000, funded by a targeted rate on properties in the Wakatipu Basin. This is an increase from \$55,000 rated last year.

The changes would also see public transport service provided to Jacks Point so we're proposing that the targeted rating area is extended to include properties who will benefit from the improved service. Sample rates that would be payable by ratepayers in the special rating area for Queenstown public transport are shown in the table below:

	Capital value		
	\$300,000	\$750,000	\$4,000,000
Class A – non residential	\$31.21	\$78.02	\$416.12
Class B - others	\$15.61	\$39.02	\$208.08



Current rating area
 Jack's Point extended rating area

What do you think?

Cost \$600,000

Do you support the increased subsidy for public transport in the Wakatipu Basin?

Do you support extending the Wakatipu targeted rating area for public transport to include Jack's Point?

Key consultation topics

Queenstown office

We currently have depots in Wanaka, Cromwell, Roxburgh, Palmerston, Oamaru, Taieri, and Balclutha, an office in Dunedin, and a shared customer service arrangement with Central Otago District Council in Alexandra.

Although we already have staff carrying out work in the Queenstown Lakes District, we're proposing to lease an office there to meet the request of the local community who wish to have better access to us.

We're planning on having customer service, consents, environmental compliance and community liaison staff based there. This will allow you to visit the office to speak to staff, purchase or top up your GoCard (electronic bus ticket) and pay your rates. It will also mean that we can respond more quickly to environmental complaints received by our Pollution Hotline in the area.

What do you think?

When do you think we should open a new office in Queenstown?

Option 1 Establish an office in Queenstown in the 2017/2018 year

Option 2 Delay proposal until the next Long Term Plan process (2018/2019)

Our preferred option and why:

Our preference is to establish an office in Queenstown in 2017/2018 (Option 1) so that we can respond to the growing community demand for increased presence in this part of the region.

Tell us which option you prefer.

Lower Waitaki River control scheme

Otago Regional Council manages six flood and drainage schemes in Otago, all geared to minimising the impact of flooding on lives and livelihoods.

Households, farms and business within the schemes all benefit from the protection the schemes offer. Sometimes, there are also benefits for the wider public, as damage to the areas protected may have economic and social impacts beyond the scheme area.



The Lower Waitaki River control scheme is managed by Environment Canterbury, but because part of it is in Otago, the Regional Council helps fund it. Last year, ratepayers in the targeted rate area for the scheme asked us to review the public vs private benefit of this scheme and our approach to funding it. Up until now, 100% of the scheme has been paid for by the targeted rate.

We commissioned an external review, which concluded that the scheme provided wider benefits including the protection of state highways, railway lines, and a transmission line and that disruption would have widely felt impacts. The review recommended a change to the way the scheme is paid for.

Based on this we are proposing that the Lower Waitaki River control scheme is funded by both a targeted rate (90%) and general rate (10%). For this year, it would mean that around \$16,300 is included in our general rates.

What do you think?

How should we structure the rates for the Lower Waitaki River control scheme?

Option 1 10% general rates, 90% Lower Waitaki River control scheme targeted rate

Change the way the scheme is paid for, so that 10% of the scheme's costs are paid for as part of general rates.

Option 2 100% Lower Waitaki River control scheme targeted rate

Leave all costs as targeted rates (status quo).

Our preferred option and why

Our preference is to change to 10% general rates, with the rest remaining as a targeted rate (Option 1). This is because of the benefits that the scheme provides beyond the targeted rate area.

Tell us which option you prefer.



Other new activities

Lake snow

In recent years, an algae that produces a sticky substance called lake snow has been found in Lakes Wanaka, Wakatipu and Hawea. Although it is non-toxic, it is creating problems for water users. If it gets into the residential water supply, it causes blockages, and clogs filters and household appliances connected to the system. We are working with other stakeholders and researchers to find out more about what it is, where it comes from, what influences it and how it could be managed. We'd like to increase our work in this area to increase the rate of progress, and so we are proposing to allocate staff time and \$100,000 of general rates towards research on this problem.

Lake restoration

While much of Otago enjoys good water, there are some spots where we'd like to see improvements. Three of these include Lake Hayes, Lake Tuakitoto and Tomahawk lagoon, which have all been affected by historic land-use. We'd like to work with the communities to develop a vision and action plan to restore these lakes for the next generations to enjoy. This will include working with local communities to set a vision, identifying remedial options and funding sources, and developing long-term action plans. We estimate that this scoping work will cost around \$90,000, and we propose funding it by general rates.



Wallaby control

Wallabies have the potential to significantly impact the Otago economy and local biodiversity values. They compete with livestock for pasture and damage crops, as well as stopping native bush regeneration and harming young trees. They can easily adapt to changing habitat, and can thrive in any environment from forests through to open tussock country. During 2016/2017 a one-off payment from reserves was approved to commence a control programme due to evidence that the wallaby population south of the Waitaki was growing at a faster rate than anticipated. We are proposing to fund this ongoing work (costing around \$274,000) from general rates, with a view to keeping wallabies from becoming established pests in Otago.

Climate change adaption

We're working on two projects that aim to see us best prepared for environmental changes due to sea level rise in years to come. For the Clutha delta we're scoping options for responding to sea level rise and shoreline retreat. We estimate that this scoping work will cost around \$69,000 and we plan to fund it from the Kuriwao reserve. For South Dunedin, we're working with the Dunedin City Council to develop and deliver a response plan.



Wilding tree control

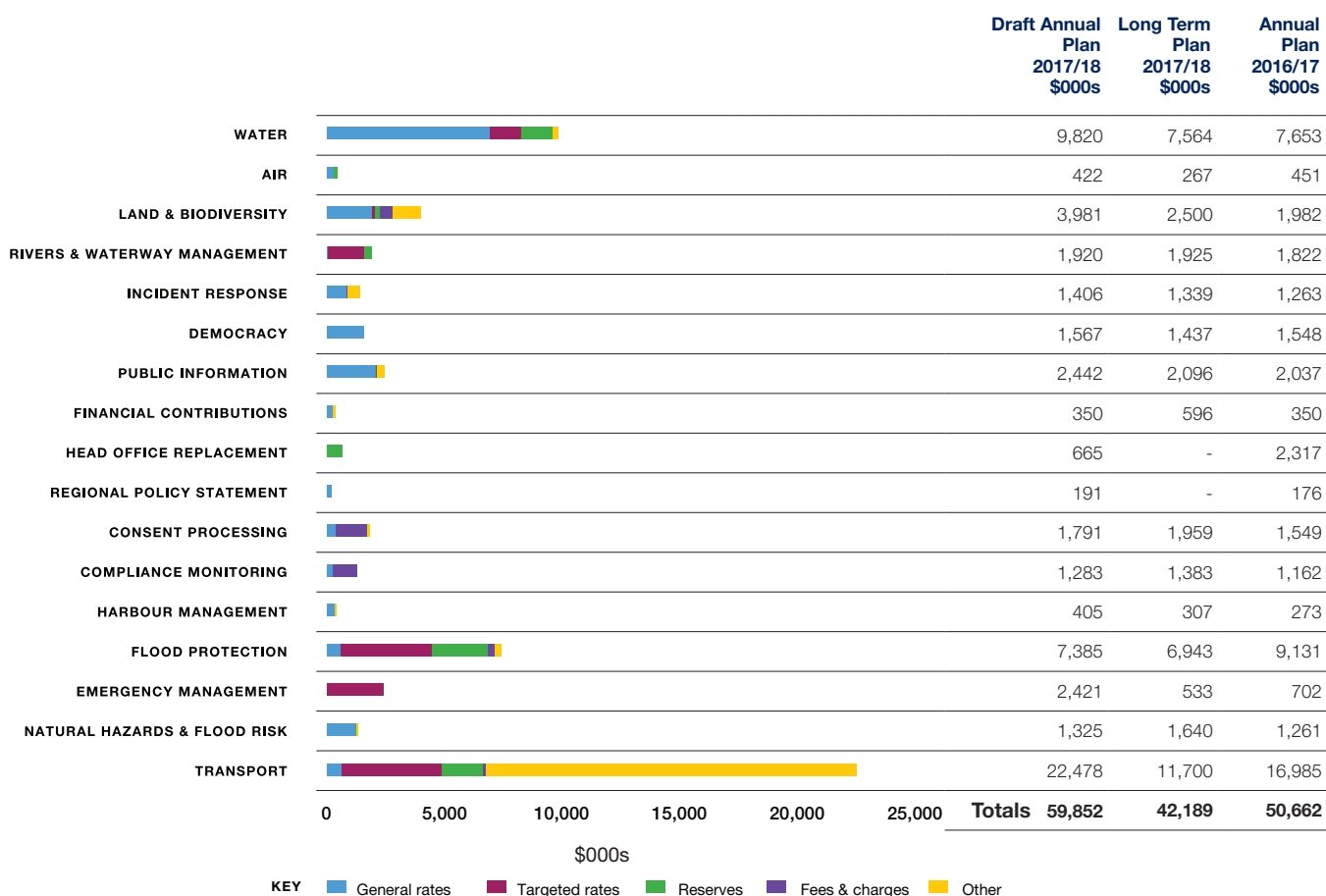
During 2016/2017, the government committed \$16 million towards wilding conifer control over a four year period. Some of this money has been allocated to Otago. We have entered into a contract with the Ministry for Primary Industries (MPI) to administer Otago's share. Our estimates for 2017/2018 include a grant of \$1.2 million from MPI for this important work. We will also continue to target rate \$100,000 for wilding trees, so that, like last year, we can make financial contributions directly to those community groups in Queenstown and Central Otago that are working on the wilding tree problem. This is a cost of around \$1 from each ratepayer.

Dunedin building review

We have \$14 million in a building reserve which is allocated towards funding a new headquarters in Dunedin. This project is subject to the outcome of the special consultative process. We are expecting to consult on this project later in 2017/2018 once we have concepts and costs prepared.

Financials

How we propose to pay for what we plan to do



FEES AND CHARGES

We are proposing to make amendments to our schedule of fees and charges as follows:

SCALE OF CHARGES

- Technical/scientist hourly rate: from \$115 to \$120.

PERFORMANCE MONITORING CHARGES

Previously missing from our schedule of fees and charges: now included for completeness

- Effluent systems and Industrial discharges: installation producer statements \$60.
- Structures:
 - inspection reports for small dams \$130
 - inspection reports for large dams \$260
 - structural integrity reports \$80
- Provision of photographs: \$60

General rates

General rates proposed for 2017/2018

	Draft Annual Plan 2017/18 \$000s	Long Term Plan 2017/18 \$000s	Annual Plan 2016/17 \$000s
General rates for activities	17,381	15,306	15,715
Less dividend from Port Otago Ltd	(7,500)	(7,500)	(7,400)
Less interest and other income	(1,131)	(1,960)	(1,974)
Less special dividend	(1,500)	-	-
General rates payable	7,250	5,846	6,341
% increase on 2016/17	14%		

To pay for our increased workplan, we propose to increase general rates by around \$909,000, which will take our general rates to \$7,250,000 compared to \$6,341,000 in 2016/17. The table shows a summary breakdown of this.

Interest and other income are lower than we estimated in our Long Term Plan and 2016/17 Annual Plan. Interest rates have decreased since our original planning in 2015, and so we have adjusted our estimates to reflect current market rates.

We have around 115,000 ratepayers. A 1% increase in general rates represents around \$63,000 across all ratepayers so despite the percentage increase being 14%, the total dollar increase to the individual general ratepayer is relatively low.

Estimated examples of proposed general rates totals for different capital values in each district are shown below.

	Capital value \$300,000	Capital value \$750,000	Capital value \$4,000,000
Central Otago district	\$42.49	\$76.92	\$325.59
Clutha district	\$45.31	\$83.97	\$363.23
Dunedin City	\$52.70	\$102.46	\$461.82
Queenstown Lakes district	\$50.49	\$96.92	\$432.28
Waitaki district	\$43.76	\$80.10	\$342.55

The rating examples in the table show what the rates are likely to be if all of our proposals are agreed to, and the Council's preferred options are accepted.

Our financial strategy sets out benchmarks in terms of the total amount of general rates we should aim to collect, and how much our rate increases should be. The strategy says that our general rates should not exceed \$6.2 million and that our rate increase should not be greater than 6.9%. Our draft annual plan proposals mean that we will not be complying with our strategy for the 2017/18 financial year.

Targeted rates

Targeted rates are used where there is a defined area of benefit or group of people that benefit from our work. Targeted rates to be collected for the 2017/18 year are as follows:

	Draft annual plan 2017/18 \$000s	Long term plan 2017/18 \$000s	Annual Plan 2016/17 \$000s
Air quality	-	100	-
Emergency management	2,421	-	-
Wilding tree control	100	-	100
Water quality rates			
Rural water quality	1,190	774	639
Dairy farm inspection	186	136	129
Public transport rates			
Transport – Dunedin	3,632	3,633	3,429
Transport - Wakatipu	600	55	55
River management rates			
Central Otago district	300	350	300
Clutha district	265	275	265
Dunedin City	150	150	150
Wakatipu	150	200	200
Wanaka	167	167	167
Waitaki district	400	400	350
Flood & drainage scheme rates			
East Taieri drainage	425	483	390
Leith flood	1,365	1,365	1,275
Lower Clutha flood and drainage	600	708	548
Lower Taieri flood	700	780	640
Lower Waitaki River control*	146	118	145
Shotover Delta	150	200	253
Tokomairiro drainage	95	95	80
West Taieri drainage	517	580	488
Total	13,560	10,570	9,602

*The targeted rate for this scheme has been adjusted to reflect the transfer of \$16,300 to general rates.

Reserves

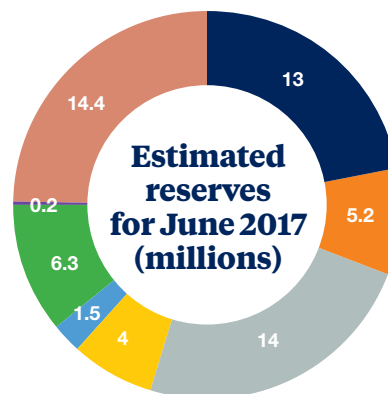
Why do we have reserves and what are they for?

Otago Regional Council's responsibilities include ensuring that existing major works and assets remain functional. For example, we have over 220km of flood-banking and 15 pumping stations that protect the lives and livelihoods of many throughout the region.

It's important that we maintain a prudent approach, retaining enough money in specifically tagged reserves to be able to do what we need to keep these schemes working. This means planning ahead so that we're ready with the resources needed for big ticket expenditure – as well as being prepared financially if something unexpected happens. The 'special rating district' reserves come from targeted rating areas – which means they absolutely can't be spent outside the areas.

When it's both possible and appropriate, however, some of our reserve funds can be used for expenditure on specific projects that might otherwise have to be funded by rates. For example, the water management reserve is tagged for use for community water management purposes. This means that we can draw on it for working with communities in the lead up to the expiry of deemed water use permits, and we are proposing to do this in 2017/2018 (refer page 8 for more about this).

We have \$14 million in a building reserve which is allocated towards funding a new headquarters in Dunedin. This project is subject to the outcome of the special consultative process. We are expecting to consult on this project later in 2017/2018 once we have concepts and costs prepared.



- General reserves
- Emergency response
- Environmental enhancement
- Asset replacement
- Water management
- Special rating districts
- Building
- Kuriwao endowment

Each year we transfer \$250,000 from general reserves into the environmental enhancement reserve. This allows us to consider applications for helping community and other groups with projects that will enhance the environment in Otago. Our general reserves also play an important role in keeping rates bills as low as possible – interest on these reserves is used to reduce the total amount we need to collect in general rates.

Significance and Engagement Policy

Included in our Significance and Engagement Policy is a section on strategic assets. A strategic asset is an asset that we must retain, if we are to maintain our capacity to achieve or promote any outcome that we determine to be important to the current or future wellbeing of our community.

Our policy states the following: "The assets that the ORC holds and considers to be strategic are: ORC shares held in Port Otago Limited. Flood Protection and Drainage Schemes".

We would like to amend our policy to include the following information around our flood protection and drainage schemes. "The flood protection and drainage schemes, managed as a whole, are considered to be strategic. However not all trading decisions made about these assets are regarded as significant nor do they

affect the asset's strategic nature, e.g., the Lower Taieri Flood Protection Scheme is strategic, but some bridges within the scheme area may not be, and the purchase or sale of such bridges may not amount to a significant decision.

Acquisition or disposal of a component of a strategic asset will not trigger this provision, unless it is considered that the component is an integral part of the strategic asset and that its acquisition or disposal would substantially affect the operation of the strategic asset."

This amendment would allow us to consider the acquisition or disposal of some components of our scheme assets, without having to consult on those items that are not significant or would not affect in any way the operation of those schemes.

FreePost Authority Number 497



Annual Plan - details

Otago Regional Council

Private Bag 1954

Dunedin 9054

Your feedback please...

Tell us whether you support the proposed changes to our work programme for 2017/2018.

Use this form to share your feedback or submit online at www.orc.govt.nz/annualplan

You can also write or email your submission to:



Otago Regional Council
Freepost 497
Private Bag 1954
Dunedin 9054



annual.plan@orc.govt.nz

Submissions close 12 May.

Name

Organisation (if applicable)

Email

Address

I would like to speak with Council about my submission

This would be in the week starting 22 May.

If yes, please provide a contact phone number

How do you think we should structure the rates for civil defence and emergency management?

Option 1: Uniform targeted rate (\$25.89 per property)

Everyone in Otago pays the same amount – regardless of the value of their property.

Option 2: 50% uniform targeted rate and 50% general rate

Half of the cost is in general rates, and half is an equal amount paid by everyone.

Rural water quality

Do you support our water quality environmental risk-assessment programme? Yes No

Do you support a risk-based approach to dairy farm inspections for compliance monitoring? Yes No

Deemed water use permit replacement

Do you support funding the deemed water use permit transition work from the Water Management Reserve? Yes No

Public transport in the Wakatipu Basin

Do you support the increased subsidy of public transport in the Wakatipu Basin? Yes No

Do you support extending the Wakatipu targeted rating area for public transport to include Jack's Point? Yes No

When do you think we should open a new office in Queenstown?

Option 1: Establish an office in Queenstown in the 2017/2018 year

Option 2: Delay proposal until the next Long Term Plan process (2018/2019)

How should we structure the rates for the Lower Waitaki River scheme?

Option 1: Change the way the scheme is paid for, so that 10% of the scheme's costs are paid for as part of general rates, and 90% by the Lower Waitaki River scheme targeted rate

Option 2: Leave all costs as 100% Lower Waitaki River scheme targeted rate (status quo)

Do you support the following activities?

Lake snow increased workplan Yes No

Lake restoration plans Yes No

Clutha shoreline retreat options scoping Yes No

Wallaby control Yes No

Climate change adaption Yes No

Do you support the change to our Significance and Engagement policy for strategic assets? Yes No

Would you like to make comments or provide feedback on any of the other proposed changes?

Please add additional paper as required.

Want to refer to the full draft Annual Plan for additional context when you're considering your submission?

You'll find it at www.orc.govt.nz/annualplan. Hard copies available on request from our Dunedin and Alexandra offices (contact details below)



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