

Consultation Document for our Long Term Plan 2018 – 2028

FOR OUR FUTURE



**OTAGO, HAVE YOUR SAY ON
OUR PROPOSED PLAN FOR
THE NEXT TEN YEARS**

HAVE YOUR SAY ON KEY ISSUES

Preparing for climate change	page 10
Water monitoring – Extended programme	page 12
Urban water quality	page 14
Feedback form	page 37



yoursay.orc.govt.nz



OUR PLANS ARE GUIDED BY...

OUR PURPOSE

What we do and who we do it for

Caring for Otago's environment: enabling communities to thrive

OUR VISION

What we aspire to achieve

For our Future – a sustainable and prosperous future for Otago



AND OUR GOALS FOR OUR COMMUNITIES

A HEALTHY ENVIRONMENT

A place where people can enjoy their environment safely, productively, and respectfully

A CONNECTED COMMUNITY

Service delivery that puts the community first and ensures that operations are customer driven, efficient and fit for purpose

AN ENGAGED AND PROUD COMMUNITY

Communities empowered to be the champions and custodians of their Otago environment

A STRONG ECONOMY

A region that prioritises sustainability as an economic measure whilst being attractive to industry

A FUTURE-PROOFED REGION

A region that is prepared for future environmental challenges and that retains the characteristics that make Otago a great place for everyone

LET'S TALK

HAVE YOUR SAY



ONLINE

Head to: yoursay.orc.govt.nz to have your say via our new engagement platform.



IN WRITING

At the back of this booklet you'll find a tear-off submission form. It's free to post.



IN PERSON

Whether you're making a submission in person or online, you'll also have the option of coming to speak to Council about it during the week of 23-29 May. Just tick the box and we'll be in touch with you to arrange this.



WANT MORE DETAILS?

This consultation document is focused on the main issues. It's not the whole Long Term Plan. If you'd rather look at the whole picture check out yoursay.orc.govt.nz for the full draft Plan.



FOR OUR FUTURE ROADSHOW

If you'd like to understand more about what's in our draft long term plan, we'd love to see you at our Roadshow.

LAB-IN-A-BOX POP-UPS

We'll have staff and Councillors on-hand, and Lab-in-a-Box – Otago's own mobile science lab – packed with demos and displays of ORC science for all ages.

QUEENSTOWN

Saturday, 14 April 2018 Remarkables Market 9-2pm

ALEXANDRA

Tuesday, 17 April 2018 Alexandra Primary School 1-6pm

BALCLUTHA

Thursday, 19 April 2018 Elizabeth St Plaza 1-6pm

OAMARU

Tuesday, 24 April 2018 Friendly Bay Playground, Marine Parade 1-6pm

DUNEDIN

Saturday, 28 April 2018 Otago Farmers Market 8-12pm

COMMUNITY MEETINGS

Evening sessions with staff and Councillors.

MOSGIEL

Friday, 20 April 2018 Coronation Hall 7pm

WANAKA

Thursday, 26 April 2018 Edgewater Summit Room 7pm

CROMWELL

Friday, 27 April 2018 Cromwell Memorial Hall 7pm

IN OTAGO

WE LOOK AFTER...

OTAGO IS AN AMAZING PLACE -- TO LIVE IN, TO WORK IN AND TO VISIT. WE'RE PROUD TO BE WORKING EACH DAY, TOGETHER WITH OUR COMMUNITIES, TO KEEP IT THAT WAY FOR OUR FUTURE.

Our teams are out working for Otago across the region every day. These two pages are a snapshot of some of the great work we did in 2016-2017.

Inside this booklet we're proposing some new additions to what we do and we'd love to hear your thoughts...

WATER

We monitored:

 **16**
fish community sites

 **21**
groundwater level stations

 **84**
sites for water quality

 **17** seasonal recreation sites over summer

 **42**
rainfall sites

FLOOD PROTECTION

We operated:

9 flood protection and drainage schemes


 **14**
PUMP STATIONS

We maintained:

OVER 500km
of drains

OVER 200km
of floodbanks

AIR

8 We monitored AIR QUALITY SITES



We subsidised **44** CLEAN HEATING APPLIANCES

PUBLIC TRANSPORT



We provided **2M+** trips on Dunedin public transport

RESPONDING TO REPORTS OF POLLUTION

We responded to

1,119 INCIDENTS



BIODIVERSITY

We did

3,874  **INSPECTIONS FOR PEST PLANTS**

 **41**
We responded to
COMPLAINTS ABOUT PEST ANIMALS

OUR COAST AND HARBOUR

3   
MARINE OIL SPILLS RESPONDED TO

 **0** **MAJOR HARBOUR COLLISIONS**

CIVIL DEFENCE

We ran Exercise Tangaroa, simulating a tsunami on the Otago coast, with over

100 
people taking part.

 **150**
We trained over
STAFF, VOLUNTEERS AND EMERGENCY SERVICES PERSONNEL

MANAGING NATURAL HAZARDS

We had a flood manager on call

24/7 

WE GAVE

37 updates on flood and rainfall events on @ORCFloodInfo


We maintained a database of these natural hazards in Otago:

FLOODING
LANDSLIDE
ALLUVIAL FAN
STORM SURGE
TSUNAMI
SEISMIC
COASTAL

RESOURCE CONSENTS

WE PROCESSED **100%** of consents on time 

We audited

744 
activities for compliance with their consents.

TĒNĀ KOUTOU KATOĀ.

GREETINGS AND WELCOME TO OUR CONSULTATION ON THE LONG TERM PLAN 2018-2028.

Future-focused thinking is at the heart of what we do. With a vision to deliver a sustainable and prosperous future for Otago, all that we do in caring for Otago's environment is geared to enable communities to thrive, today and far beyond.

To be able deliver on this vision, we need a clear plan as our roadmap. We've factored our best knowledge and assumptions about what's around the corner into our plan for the next ten years – and now we're looking forward to hearing from you. Have we got it right? What should we be changing to ensure a sustainable and prosperous future for Otago?

We know that political positions and community expectations about how the environment is managed are changing. We know that our climate is changing. We know that demographics are changing in Otago, especially with the significant growth we're seeing in Queenstown and surrounds. We know from recent research that the threat of major seismic events in Otago is very real.

We know, that with technology and other changes to how people work and live, it's important that we 'work smart' and stay ready for new challenges and opportunities.

With all of these factors in mind, we've brought together a draft plan for 2018-2028. Our work programmes and budgets are more detailed for the next three years, with less emphasis on the following years.

As Councillors and staff of the Regional Council, we have a responsibility to use the best information we have to map out a path forward – but we need to hear from you, Otago.



COUNCILLORS (L-R):

Graeme Bell, Andrew Noone, Stephen Woodhead (Chair), Michael Deaker, Ella Lawton, Trevor Kempton, Sam Neill, Doug Brown, Bryan Scott, Gretchen Robertson (Deputy Chair), Carmen Hope, Michael Laws

WHAT DOES ALL THIS MEAN FOR YOUR RATES BILL?

For 2018-2019 rates, the proposed total increase in general rates is around \$1.4 million, paid for by approximately 115,000 households. At the back of this booklet, you can find the details of what this means for the rates you pay.

Our draft long term plan builds on our existing work programs. It doesn't include many big new projects. To be responsive to community expectations and provide greater service levels across our key areas of statutory responsibility, we are projecting expenditure in some areas will increase, which may affect your rates.

Other than rates, one of our important sources of income is Port Otago, which is owned by the Regional Council. Each year, a dividend from the Port helps to offset the amount that needs to be collected in rates. Last year, we asked Port Otago for some extra help in the form of a special dividend to ease the impact on rates of a step up in expenditure.

Instead of one big jump in rates, the increase will be over several years, as the special dividend amount reduces. We prefer not to have to draw on special dividends, 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.

So, although the amount of money we're expecting to spend is increasing only relatively slowly in the next few years, rates will be increasing as we ease back from dependence on an additional special dividend over and above our normal dividend from the Port.

Get the full picture of what your next rates bill would look like if all that's proposed in this plan is approved by heading to our online rates calculator at yoursay.orc.govt.nz





WE WANT TO HEAR FROM YOU ...

ON THESE SIGNIFICANT ISSUES:



PREPARING FOR CLIMATE CHANGE



WATER MONITORING – EXTENDED PROGRAMME



URBAN WATER QUALITY



IN BRIEF: *Planning for and making changes to prepare for the effects of climate change.*

HOW MUCH?

\$683,000 *in the first year (2018-2019)*



WHO PAYS?

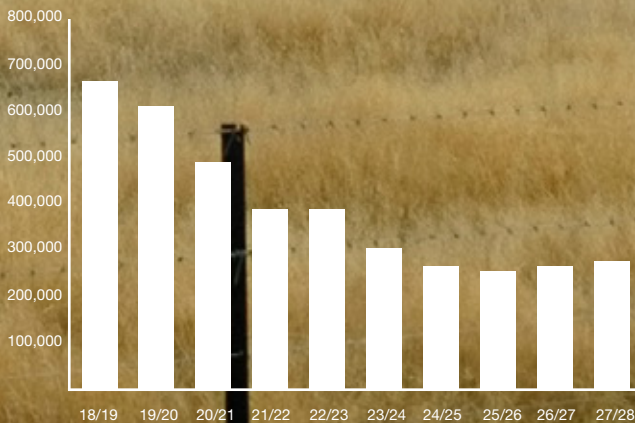
We propose to fund this work through

GENERAL RATES AND RESERVES



\$395,000 GENERAL RATES

\$288,000 RESERVES



The shape of budgeted expenditure 2018-2028

While we have budgeted for the workstreams we currently have planned, the scope of work identified through these projects may have an impact on future budgeting, which will be addressed in the 2021 – 2031 long term plan.

WHAT DO YOU THINK? SHOULD WE...

Option 1 (preferred):

Undertake projects focusing on the effects of sea level rise in South Dunedin and the Clutha Delta and initiate a risk assessment programme to scope and prepare for the effects of climate change on all areas within Otago.

South Dunedin and the Clutha Delta are key areas of risk from climate change related sea level rise. The proposed risk assessment programme will allow us to better understand the effects of climate change on Otago, including the alpine lakes, biodiversity, water availability and natural hazards. It will allow planning and prioritisation of future work programmes.

Option 2:

Undertake the South Dunedin and Clutha Delta projects only but don't complete the wider risk assessment programme.

This will allow work to continue on the two key areas already identified. There would be no further work on other impacts of climate change.

HAVE YOUR SAY... TELL US WHICH OPTION YOU PREFER – OR SHARE YOUR NEW IDEAS WITH US.

Go to the form at the back of this booklet or head to our online platform at yoursay.org.govt.nz



PREPARING FOR CLIMATE CHANGE

THE SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS OF CLIMATE CHANGE IN OTAGO WILL BE WIDE-RANGING.

We expect that climate change will have an impact on Otago's natural hazards, freshwater quality, biodiversity, and biosecurity – all areas we are responsible for managing as a Regional Council. Some parts of our flood protection schemes will also need to adapt.

We think local government has an important role to play in helping communities prepare and adapt for the impacts of climate change.

Starting in the 2018-2019 year, we are proposing some new projects that will help Otago to be ready for the effects of sea level rise, focusing on South Dunedin and the Clutha Delta. We are also proposing a risk assessment programme which would give us a better understanding of the impacts and implications of climate change in Otago.

More details of the projects proposed:

- We will build a new groundwater computer model that will help us to understand the effects of sea level rise on groundwater levels in South Dunedin.
- For the Clutha Delta, we will assess the effects of sea level rise on shoreline retreat, groundwater levels, and land drainage.
- Our assessment of the risks of climate change impacts for Otago will show us how climate change might affect things like biodiversity, natural hazards and water availability. This will help us to prioritise our workplan of climate change adaptation actions.

WHAT DOES THIS MEAN FOR MY RATES BILL

These tables show how much each option would cost you in your next rates bill.

Option 1 (preferred):

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
\$3.97	\$8.07	\$12.76	\$47.91	Dunedin City
\$1.38	\$1.86	\$2.40	\$6.49	All other districts

Option 2:

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
\$2.57	\$6.17	\$10.28	\$41.12	Dunedin City
\$0	\$0	\$0	\$0	All other districts*

*The Clutha Delta project on the effects of sea level rise is funded by the Kuriwao reserve (and thus has no rates impact).



WATER MONITORING – EXTENDED PROGRAMME

WE REGULARLY COLLECT ENVIRONMENTAL DATA THAT ALLOWS US TO MAKE GOOD DECISIONS ABOUT FRESHWATER QUALITY AND QUANTITY ACROSS OTAGO. WE'RE PROPOSING TO EXTEND OUR MONITORING PROGRAMME.

We've reviewed our State of the Environment monitoring programme to ensure that we're giving full effect to the National Policy Statement for freshwater management.

From 2018-2019 we're proposing to:

- Expand our freshwater monitoring to include a greater number of sites and more aspects of ecological health.
- Make boat-based monitoring of Lakes Hayes, Wanaka, Wakatipu and Hawea part of our long-term programme.
- Put monitoring buoys in Lakes Hayes (2018-2019), Wanaka (2019-2020) and Wakatipu (2021-2022).

We're also proposing to expand the scope of our monitoring programme to include wetlands and coastal waters.

WHAT DOES THIS MEAN FOR MY RATES BILL?

These tables show how much each option would cost you in your next rates bill.

Option 1 (preferred):

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
\$13.00	\$22.37	\$33.08	\$113.43	<i>How much this would cost you in your next rates bill</i>

Option 2:

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
\$11.26	\$19.38	\$28.65	\$98.24	<i>How much this would cost you in your next rates bill</i>

Option 3:

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
\$15.61	\$26.86	\$39.73	\$136.21	<i>How much this would cost you in your next rates bill</i>

IN BRIEF: *Monitoring more to understand more details about water quality in Otago.*

HOW MUCH?

\$3M

in the first year (2018-2019)



WHO PAYS?

We propose to fund this work through

GENERAL RATES AND RESERVES



\$2.39M GENERAL RATES

\$0.61M RESERVES



The shape of budgeted expenditure 2018-2028

WHAT DO YOU THINK? SHOULD WE...

Option 1 (preferred):

Increase number of freshwater monitoring sites (75), boat-based monitoring of alpine lakes as part of our long-term programme, and three lake buoys installed over the next four years.

The improved range of sites would give a broader view of water quality in Otago, while the ongoing boat-based monitoring and lake buoys would offer a more comprehensive picture of the state and trends of water quality in these lakes, informing decisions about water quality management.

Option 2:

Same number of freshwater monitoring sites as we have currently (65), boat-based monitoring of alpine lakes as part of our long-term programme, and three lake buoys installed over the four years starting 2021-2022.

By keeping the same number of sites, our view across water quality in Otago would remain only as broad as it is currently. Deferring the lake buoys would mean less comprehensive data for these lakes in the short term, which could have a negative impact on decision-making about water quality management.

Option 3:

Significantly increase number of freshwater monitoring sites (90), boat-based monitoring of alpine lakes as part of our long-term programme, and three lake buoys installed over the next four years.

This option would see the broadest view of water quality in Otago, as well as the more comprehensive picture of the state and trends of water quality in these lakes.

HAVE YOUR SAY... TELL US WHICH OPTION YOU PREFER – OR SHARE YOUR NEW IDEAS WITH US.

Go to the form at the back of this booklet or head to our online platform at yoursay.orc.govt.nz

IN BRIEF:

Making sure our rules about water in cities and towns are effective for the future

HOW MUCH?

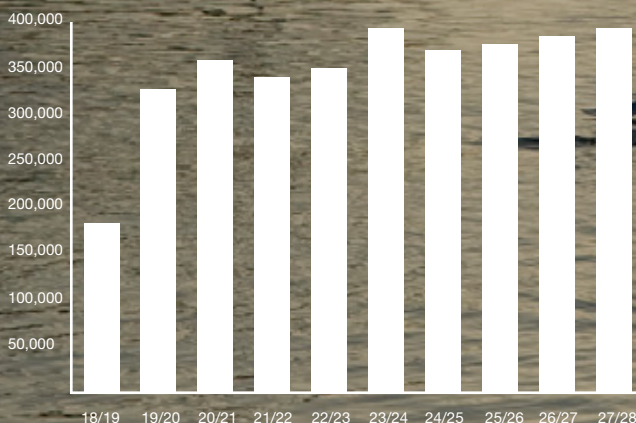
\$172,000
*in the first year
(2018-2019)*



WHO PAYS?

We propose to fund this work through

GENERAL RATES



The shape of budgeted expenditure 2018-2028

WHAT DO YOU THINK? SHOULD WE...

Option 1 (preferred):

Begin implementing our strategy for urban water quality in 2018-2019.

This would help us to ensure good water that supports healthy ecosystems in Otago's urban areas.

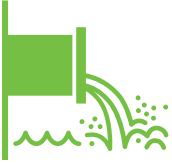
Option 2:

Defer implementation of our strategy for urban water quality until 2021-2022

This could mean delays to improvements in the quality of urban water in Otago.

**HAVE YOUR SAY...
TELL US WHICH OPTION YOU
PREFER – OR SHARE YOUR
NEW IDEAS WITH US.**

Go to the form at the back of this booklet or head to our online platform at yoursay.orc.govt.nz



URBAN WATER QUALITY

OUR NEXT STEPS FOR WATER QUALITY: WASTEWATER AND URBAN STORMWATER.

We are proposing to implement our strategy for urban water quality, reviewing our Water Plan provisions for managing wastewater and urban stormwater. This would help to ensure that our approach and rules are effective both in urban and rural settings.

We intend to look at both on-site and reticulated community systems, and the risks and effects of contaminants on both surface and ground water, as well as seawater.

We first propose to focus on understanding where there is a high risk of contamination. We would then work with each city/district council and their communities to identify the best way to ensure good water locally.

We will also look at discharges from industrial and trade activities, and the management of hazardous substance discharges.

Any necessary changes to our Water Plan resulting from this work would be made as part of a wider plan review process in three years.

WHAT DOES THIS MEAN FOR MY RATES BILL?

These tables show how much each option would cost you in your next rates bill.

Option 1 (preferred):

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
94c	\$1.62	\$2.39	\$8.20	<i>How much this would cost you in your next rates bill</i>

Option 2:

If implementation was deferred, there would be no cost to the ratepayer until 2021-2022.

Capital value of your property

\$250K	\$600K	\$1M	\$4M	
\$0	\$0	\$0	\$0	<i>How much this would cost you in your next rates bill</i>



KEY ONGOING PROJECTS



WATER QUANTITY AND DEEMED PERMITS



RURAL WATER QUALITY TOWARDS 2020



CLEAN AIR



PUBLIC TRANSPORT



HARBOUR MANAGEMENT





WATER QUANTITY AND DEEMED PERMITS

WE ARE RESPONSIBLE FOR SETTING FLOWS AND ALLOCATING WATER TAKE LIMITS TO BALANCE ENVIRONMENTAL, SOCIAL AND CULTURAL VALUES FOR WATERWAYS.

Otago has around 350 historic water permits that will expire in October 2021. Most of these permits are in water short areas such as Central Otago. To provide a transition to new replacement permits, we are working closely with communities to ensure everyone is aware and prepared for 2021, and to encourage the formation of water management groups or water allocation committees. We are also working with groups that have now been formed, assisting with their consent applications.

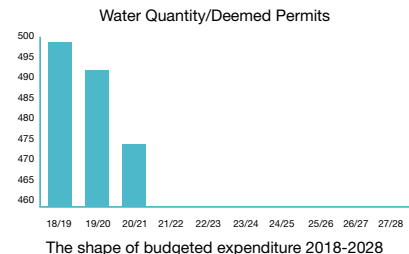
we are also prioritising our work to establish minimum flows.

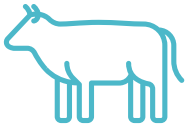
After the 2021 expiry of historic permits, our water quantity work programme focus will shift to our consenting and compliance.

In order to give certainty to water users and water management groups about how much water they can use,

HOW MUCH?
\$498,000
in 2018-2019

WHO PAYS?
RESERVES
WATER MANAGEMENT RESERVE





RURAL WATER QUALITY TOWARDS 2020

TWO NEW RULES IN OUR WATER PLAN WILL COME INTO EFFECT IN 2020 – HELPING TO ENSURE GOOD WATER QUALITY IN OTAGO.

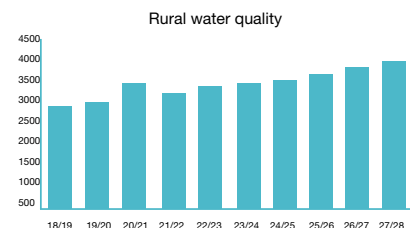
By 2020, rural landholders need to meet new standards on the amount of E. coli, nitrogen and phosphorus going into freshwater. To help landholders progress towards this goal, we will be completing environmental risk assessments on rural properties and large lifestyle properties before 2020.

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

HOW MUCH?
\$2.7M
in 2018-2019

WHO PAYS?
RESERVES
GENERAL RATES,
TARGETED RATES
RESERVES*

**Water quality targeted rate and water quality reserve*



The shape of budgeted expenditure 2018-2028



CLEAN AIR

AIR QUALITY AFFECTS EVERYONE IN OTAGO. POOR AIR QUALITY HAS AN IMPACT ON OUR HEALTH, PARTICULARLY THE VERY YOUNG, THE ELDERLY AND THOSE WITH RESPIRATORY CONDITIONS.

The greatest problems occur over the winter months, when solid fuel burners are being used. It is especially bad under certain climatic and geographic conditions, with Arrowtown, Alexandra, Clyde, Cromwell and Milton frequently breaching national guide air standards.

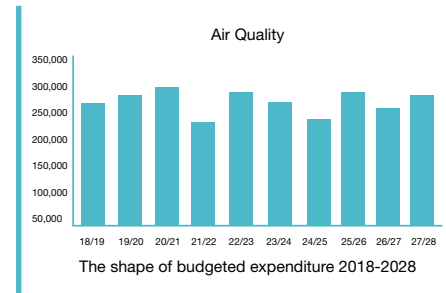
whether there should be a ban on the use of coal for domestic heating.

We intend to work with those communities where winter air pollution is a problem, facilitating local initiatives to meet local circumstances.

We've been working on a strategy to improve air quality. We plan to continue our 'Clean Heat Clean Air' funding programme, promote the use of low impact heating systems and undertake more education, compliance and enforcement activities. We are also looking at introducing additional controls for new housing development and outdoor burning near urban areas, and we're considering

HOW MUCH?
\$255,000
in 2018-2019

WHO PAYS?
FUNDED BY:
GENERAL RATES AND RESERVES





PUBLIC TRANSPORT

WITH OUR NEW QUEENSTOWN SERVICE UP AND RUNNING, AND DUNEDIN'S NETWORK TRANSITION TO BE LARGELY COMPLETED WITH THE BUS HUB THIS YEAR, THE PUBLIC TRANSPORT WORKPLAN IS HEADING TOWARDS 'BUSINESS-AS-USUAL' AGAIN – WITH SOME EXCITING TRIALS OF NEW SERVICE ELEMENTS IN THE MIX.

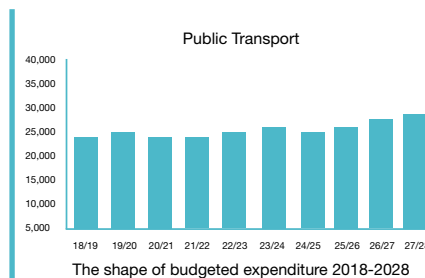
In Queenstown, we are planning a trial of a ferry service as part of the network. We have also allowed for some route changes that should increase the overall level of service on the Queenstown network.

have also planned for a feasibility assessment of a bus service to the airport – and a potential trial of this service.

In Dunedin, we're planning for the frequencies of off-peak services to be increased to current on-peak levels. We

HOW MUCH?
\$24M
in 2018-2019

WHO PAYS?
FUNDED BY:
**GENERAL RATES,
 TARGETED RATES,
 GRANTS, FARES &
 RESERVES**





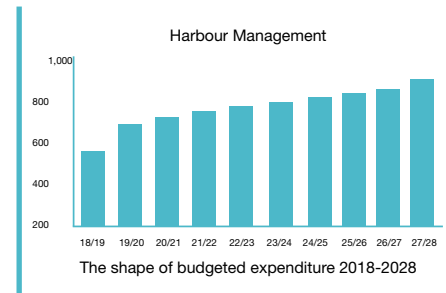
HARBOUR MANAGEMENT

We want Otago's harbours and waterways to be safe for all users. Our harbour management programme includes the facilitation of the safe use and navigation of our harbours and waterways, and includes harbour

incident response. We are continuing to develop and implementation of navigational safety bylaws, undertake bylaw enforcement, and improve navigational aids.

HOW MUCH?
\$559,000
in 2018-2019

WHO PAYS?
FUNDED BY:
GENERAL RATES, FINES & RESERVES



A person with their back to the camera stands on a grassy hill, looking out over a coastal town and bay at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. The town below is nestled in a valley, with buildings and roads visible. The bay is calm, reflecting the light of the setting sun. The sky is a mix of orange and blue.

PROJECTS CURRENTLY IN PLANNING PHASES

BIODIVERSITY STRATEGY

REMEDICATION: LAKE HAYES

PEST MANAGEMENT PLAN

OUR COASTAL STRATEGY

THE REGIONAL COUNCIL OFFICE
IN DUNEDIN

PROJECTS CURRENTLY IN PLANNING PHASES

BIODIVERSITY STRATEGY

We want to take a wider role in biodiversity in Otago – both on land and at sea. We propose to initiate more region-wide collaboration, supporting biodiversity projects which are led by local communities, and recognising the role of iwi as kaitiaki. We will bring together stakeholders to ensure that projects are co-ordinated and collaborative. We will look at how else we can limit pests and better encourage thriving ecosystems through our plans and rules. We will share information about what people can do for themselves and what others are doing. Initially, we will create a biodiversity position to provide a regional perspective and bring all of this work together.

REMEDATION: LAKE HAYES

An options analysis is being conducted for to look at possibilities for remediating the water quality, and ultimately the swimmability, of Lake Hayes. The purpose of this study will be to explore various potential solutions to improve the overall quality of this water body. Council acknowledges that this lake holds significance to the community, however, if remediation works proceed, an analysis of who would benefit from them would need to be broadly consulted on to establish how this work would most appropriately be funded.

PEST MANAGEMENT PLAN

Our pest plan for Otago lists the pest plants and animals that are subject to control around how they are managed. It's a regulatory document that contains pest control programmes, objectives and rules to manage pests that cause harm to the wellbeing of our people and environment. The current plan expires in 2019 and we are currently writing a new ten-year plan. Public consultation on the new pest plan took place in late 2017, and the draft plan will be open for public submissions around mid-2018. Otago's new pest plan will be in place in late 2018/early 2019.

OUR COASTAL STRATEGY

We are moving towards a more active role in coastal resource management. We intend to review our approach to coastal management, bringing together all that we know about the coastal environment and the challenges we face with climate change and rising sea levels. We will prepare a Coastal Strategy before we undertake the full review of the Coast Plan.

THE REGIONAL COUNCIL OFFICE IN DUNEDIN

We expect to be ready to consult with you about proposed new Regional Council headquarters in Dunedin in the coming year. This has been under discussion for some time. We have a preferred site identified in Dowling Street, and we're working through whether it's going to be available. Once we have certainty about the site we will be able to prepare detailed costings which will provide the information we will need to be able to meaningfully consult on the options for our building needs. We expect to be pay for the majority of this project from our building reserve. This will be reflected in budgets only after we have consulted with the community.

Head to yoursay.orc.govt.nz to sign up to be kept up to date with these projects.



FINANCIAL INFORMATION

HOW MUCH WE WILL BE SPENDING, AND ON WHAT

WHERE'S THE MONEY COMING FROM?

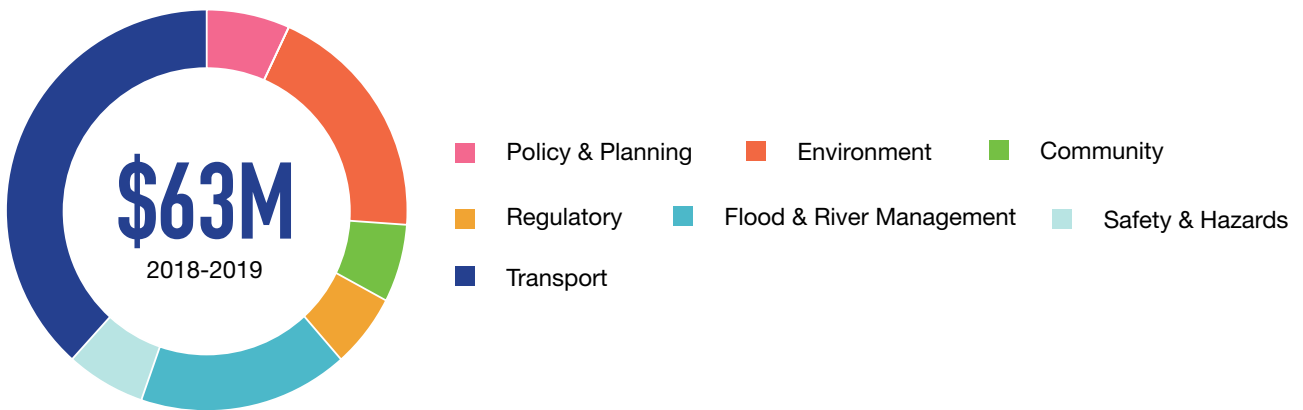
THE DIFFERENT KINDS OF RATES YOU PAY

HOW MUCH YOU CAN EXPECT TO PAY NEXT YEAR AND OVER THE NEXT TEN YEARS

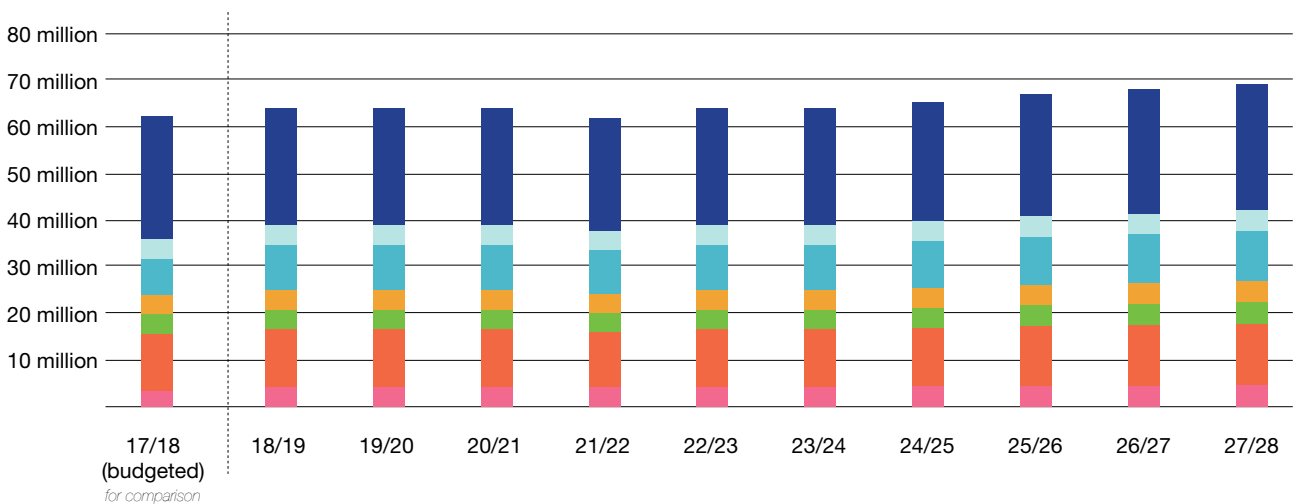
HOW MUCH WILL WE BE SPENDING, AND ON WHAT?

EXPENDITURE BY ACTIVITY AREAS

How much we are expecting to spend in each activity area.



TOTAL EXPENDITURE \$000s	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
POLICY & PLANNING	4,404	4,154	4,316	4,505	4,525	4,402	4,532	4,304	4,772	5,086	4,378
ENVIRONMENT	12,449	12,431	13,226	13,394	13,212	13,418	13,601	13,917	14,260	14,619	14,861
COMMUNITY	4,555	3,860	4,013	3,797	3,877	4,322	4,104	4,244	4,536	4,405	4,538
REGULATORY	3,414	3,786	4,177	4,321	4,203	4,344	4,434	4,540	4,651	4,753	4,863
FLOOD & RIVER MANAGEMENT	9,271	10,787	8,717	9,348	6,688	7,869	7,311	7,773	7,069	7,343	7,867
SAFETY & HAZARDS	3,741	4,020	3,760	3,712	4,021	4,123	3,557	3,550	3,831	4,057	3,911
TRANSPORT	24,866	24,276	25,325	25,042	25,004	25,542	26,049	26,603	27,130	27,706	28,255
TOTAL	62,699	63,315	63,535	64,119	61,531	64,020	63,587	64,932	66,249	67,969	68,674





POLICY + PLANNING

\$4 MILLION

Our regional plans set out policies and rules for sustainable use of natural and physical resources of the Otago region such as water, air, and the coast.



ENVIRONMENT

\$12 MILLION

We are responsible for looking after Otago's natural environment. This involves facilitating the sustainable use of our water, air, and coasts, protecting our unique biodiversity, pest management, state of environment monitoring and reporting, and incident response.



COMMUNITY

\$4 MILLION

Otago's community is at the heart of everything we do. The democratic decision-making process and the community-elected Councillors ensures that the voices from across the region are heard.



REGULATORY

\$4 MILLION

To look after the environment, we need to regulate it. As regulators, we process resource consents, develop and set rules for how a natural resource can be managed, and check that these rules are being complied with.



FLOOD + RIVER MANAGEMENT

\$11 MILLION

Many of our urban and rural communities are in low-lying areas close to rivers, and livelihoods rely on being able to use the land. Our flood protection schemes help to protect people and property from floods, and our drainage schemes help to maintain the productive capability of the land and waterways.



SAFETY + HAZARDS

\$4 MILLION

To ensure our communities are kept safe, we identify and monitor natural hazards such as tsunamis, earthquakes, droughts and flooding. We also respond to flood events and maintain Otago Civil Defence Emergency Management.



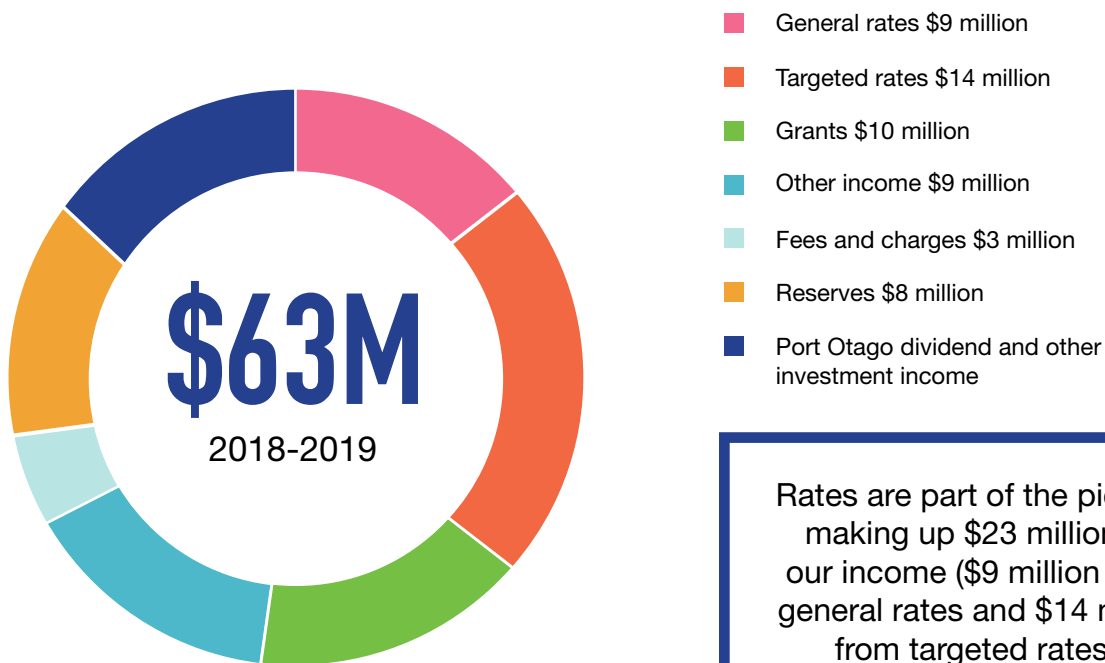
TRANSPORT

\$24 MILLION

We are responsible for public transport in Otago. We provide services in Dunedin and Queenstown, and offer the Total Mobility scheme to meet the needs of people unable to use public transport. We also facilitate wider transport projects in Otago.

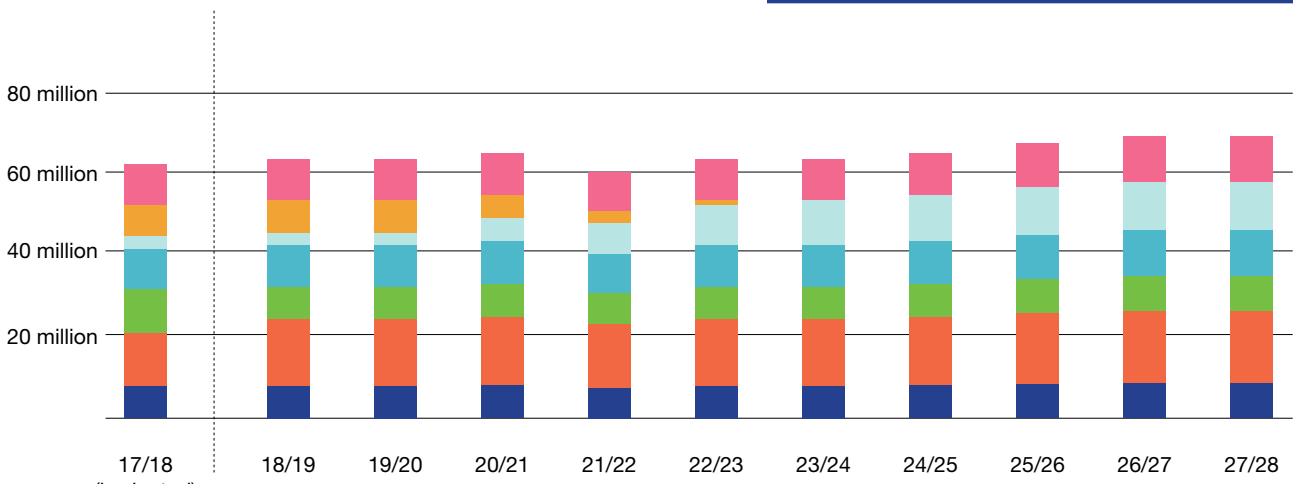
WHERE'S THE MONEY COMING FROM?

INCOME SOURCES FOR THE \$63 MILLION NEEDED FOR OUR PROPOSED PLAN FOR 2018/2019



Rates are part of the picture, making up \$23 million of our income (\$9 million from general rates and \$14 million from targeted rates).

We also pay for what we do from a range of other income sources.



The shape of our planned income sources over the next ten years

UNDERSTANDING THE DIFFERENT KINDS OF RATES YOU PAY

GENERAL RATES

Everyone who owns property pays general rates to help fund council services, programmes and activities that benefit Otago. Two types of rates make up your general rates amount:

1. General rate: based on the capital value of your property
2. Uniform annual general charge: a fixed amount based on the general rates requirement. 25% percent of the general rates requirement is collected through this charge

HOW MUCH CAN I EXPECT TO PAY IN GENERAL RATES NEXT YEAR?

Refer to the map on page 30 – or look it up on our online rates calculator at yoursay.orc.govt.nz

TARGETED RATES

Targeted rates pay for work of direct benefit to a specific group of people.

Our current targeted rates are:

- Civil defence and emergency management
- Wilding tree control
- Rural water quality
- Dairy inspections
- Public transport
 - Dunedin
 - Wakatipu
- River management
 - Central Otago
 - Clutha
 - Dunedin
 - Wakatipu
 - Wanaka
 - Waitaki
- Flood and drainage schemes
 - East Taieri drainage scheme
 - Leith flood protection scheme
 - Lower Clutha flood and drainage scheme
 - Lower Taieri flood scheme
 - Lower Waitaki river control scheme
 - Shotover Delta
 - Tokomairiro drainage scheme
 - West Taieri drainage scheme

The wilding tree control and Civil Defence and Emergency Management rates are technically targeted rates, but they apply to every ratepayer in Otago.

HOW MUCH CAN I EXPECT TO PAY IN GENERAL RATES IN 2018-2019?

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

QUEENSTOWN LAKES DISTRICT*

For capital value
\$900,000
 General rate would be
\$90.55
 This is an increase of
\$11.87
 from last year.

CENTRAL OTAGO DISTRICT

For capital value
\$400,000
 General rate would be
\$60.31
 This is an increase of
\$10.53
 from last year.

WAITAKI DISTRICT*

For capital value
\$250,000
 General rate would be
\$47.78
 This is an increase of
\$12.03
 from last year.



HOW MUCH WILL MY RATES BE?

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

yoursay.orc.govt.nz

DUNEDIN CITY

For capital value
\$300,000
 General rate would be
\$61.41
 This is an increase of
\$8.92
 from last year.

CLUTHA DISTRICT*

For capital value
\$200,000
 General rate would be
\$41.96
 This is an increase of
\$9.72
 from last year.

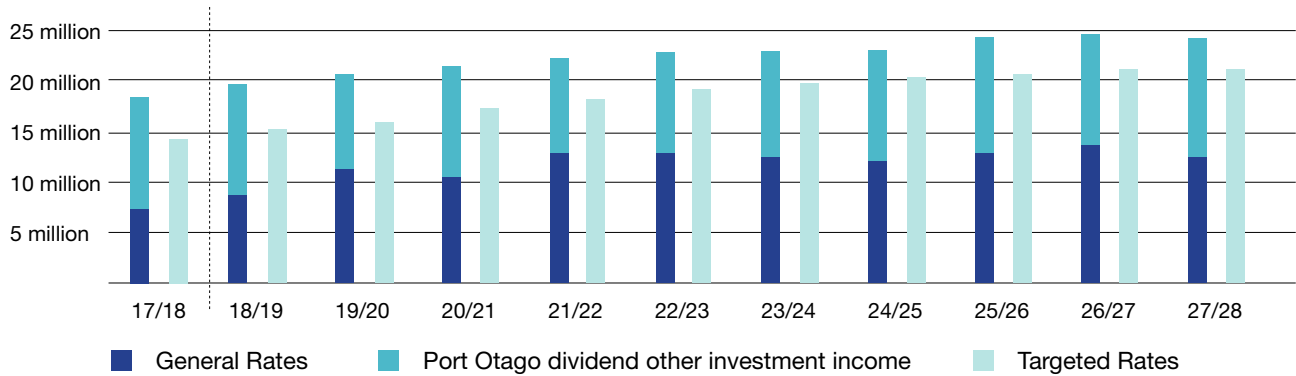
*Capital values in the Clutha district, Waitaki district and Queenstown Lakes district have been re-assessed since last year. We've shown the total increase based on:

1. Clutha example: A property previously valued at \$150,000
2. Waitaki example: A property previously valued at \$200,000
3. Queenstown Lakes example: A property previously valued at \$580,000

TOTAL RATES

THE AMOUNT YOU PAY ON GENERAL RATES IS DIRECTLY OFFSET BY DIVIDEND AND INVESTMENT INCOME, INCLUDING AN ANNUAL DIVIDEND FROM PORT OTAGO.

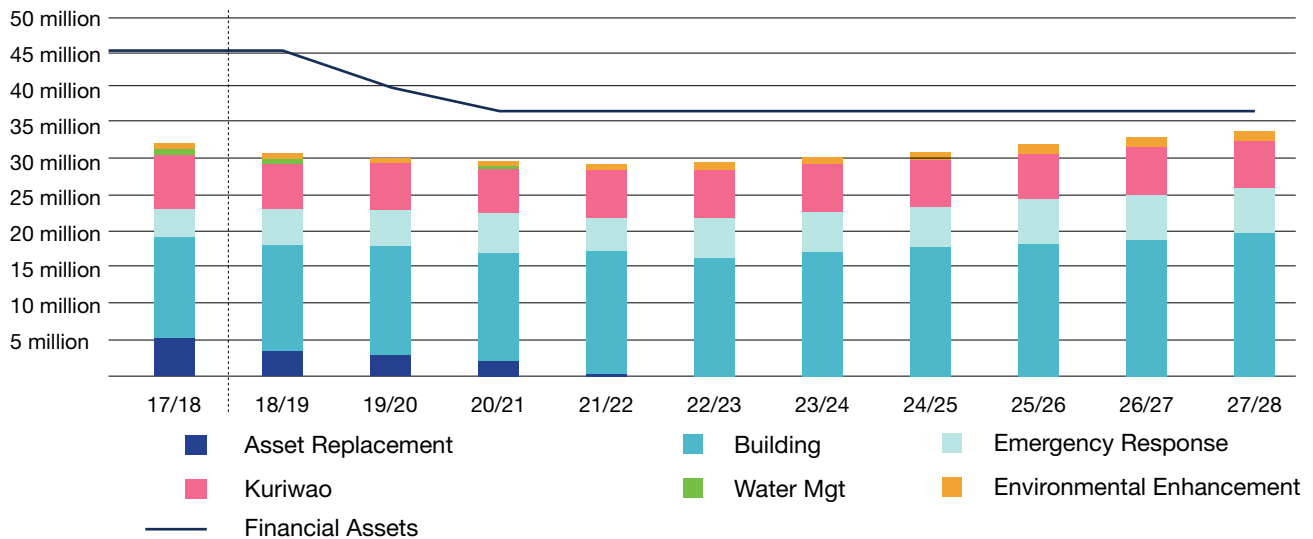
TOTAL RATES: 2018-2028



The left bar for each year shows how general rates are offset by the Port Otago dividend and other investment income.

ABOUT OUR RESERVES

DEDICATED RESERVES AND FINANCIAL ASSETS



The blue line shows Council's financial assets (short and long term investments held by the Council). These include short-term term deposits (of up to one year) and a long-term investment fund of approximately \$20 million. Council's reserves also include non-cash reserves generated from revaluations of assets, including Port Otago and investment properties. These aren't included in this graph as they aren't directly related to the cash Council holds. The dedicated reserves held are shown in the bars of the graph. These reserves may be drawn on for projects approved in the long term plan, or may be required at short notice to fund unexpected events. This means we need to ensure that there is sufficient cash or financial assets available to match these reserves. The gap between the dedicated reserves and the financial assets line represents the amount of available cash in general reserves. Council also uses this to fund internal borrowing to targeted rating schemes.

Over the first three years of the long term plan, financial assets are projected to decrease by \$8 million, with expenditure programmed for for projects including the Leith flood protection scheme. General reserve expenditure of \$2m is budgeted for the first three years of the long term plan, with a total of \$4.5m of general reserve funding expected to be used over ten years of the plan.

FINANCIAL STRATEGY: COMMENTARY

Our Financial Strategy sets the direction for financial decision-making and guides how we pay for our activities. Our primary sources of revenue are rates (general and targeted), fees and charges, and investment income. We also receive grants from agencies such as the NZ Transport Agency for our transport work.

Our rate increases will be limited to 12% per annum for the first two years of this plan, and subsequently transition from 7% to 3.5% for the remaining eight years, reducing 0.5% per annum. Rates will be no more than \$35 million per annum or will not exceed 50% of total revenue in any given year.

We are required to ensure that our estimated revenue is sufficient to cover our estimated operating costs. We can however, set our revenue at a different level if we consider it financially prudent to do so. Our Financial Strategy indicates that our estimated revenue will not cover our estimated operating costs for the first three years of this long term plan. We will use reserves to fund certain one-off operating expenditures such as environmental enhancement initiatives, climate change adaptation, flood protection, lakes monitoring equipment and public transport improvements.

We have no plans for external borrowing during the 10 year period.

A full copy of our Financial Strategy can be found at yoursay.orc.govt.nz

INFRASTRUCTURE STRATEGY: COMMENTARY

Council's Infrastructure Strategy identifies how we will manage our infrastructure assets, identifies significant issues around our flood protection and drainage schemes over the next 30 years through to 2048 and discusses how we will address those issues.

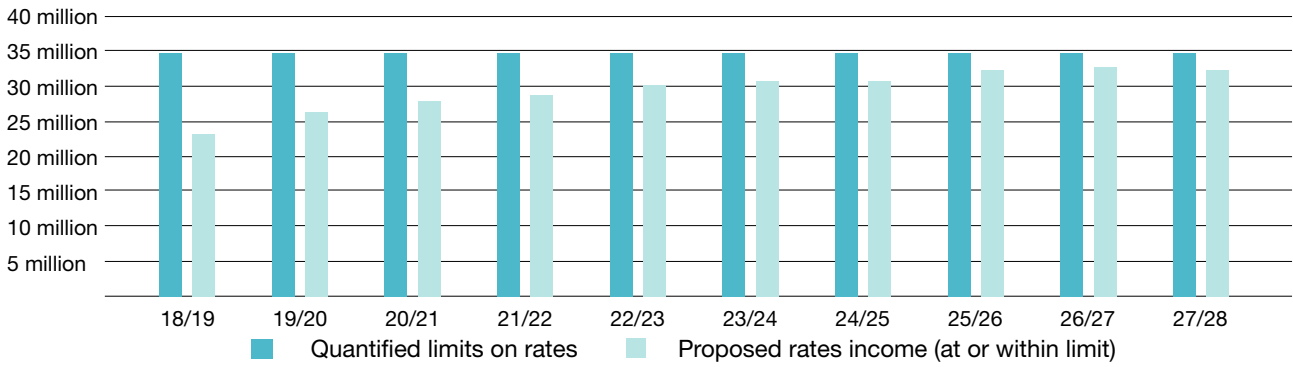
Over the next 30 years, we anticipate spending around \$62 million on new capital items, either replacing what is there or providing new assets across each of our schemes. We will be spending another \$154 million maintaining our assets.

We are proposing to maintain our current levels of service across all of our flood protection and drainage assets. However, we have not reviewed our levels of service for some time, so have signalled an intent to revisit levels of service with the various communities of interest over the next three years.

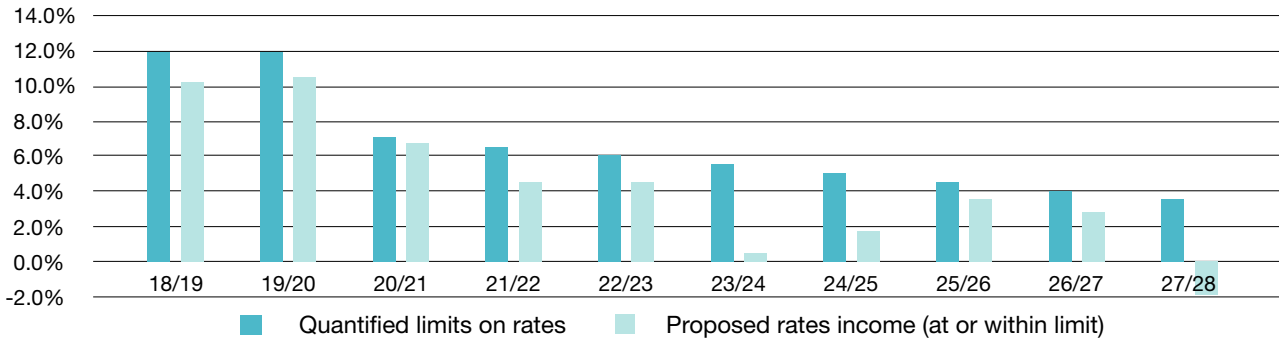
Our major capital investment over the next 10 years involves completing construction of the Leith Flood Protection Scheme in Dunedin. However, other capital investment will include replacing/renewing a number of assets associated with our pump stations, and works on a number of bridges, culverts, pipes and other associated structures.

A full copy of our Infrastructure Strategy can be found on yoursay.orc.govt.nz

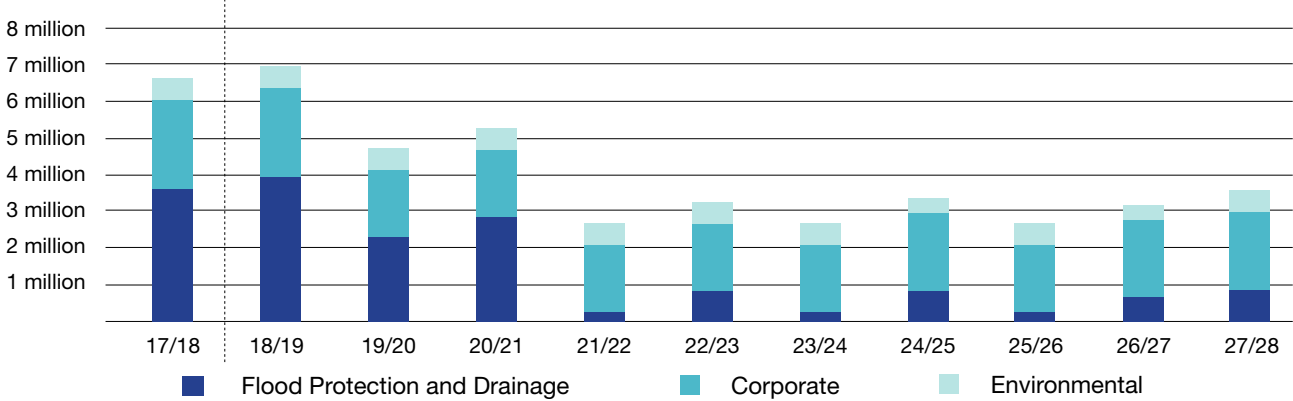
RATES LIMITS



RATES (INCREASES) AFFORDABILITY



CAPITAL BUDGET



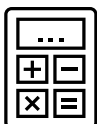
TOTAL RATES: THIS YEAR COMPARED TO NEXT YEAR

Total Rates \$000s	17/18	18/19	% Increase
General Rates for Activities	17,447	18,327	5.0%
Port Otago dividend, interest on funds, rental property income	(10,172)	(9,614)	-5.5%
General Rates to Pay	7,275	8,713	19.8%
UNIFORM TARGETED RATES			
Emergency Management	2,412	2,454	1.8%
Wilding Pines	200	209	4.3%
Dairy Monitoring	187	188	0.5%
TARGETED RATES - WATER			
Water Quality	1,194	1,104	-7.5%
TARGETED RATES - RIVER MGT			
Central Otago	300	300	0.0%
Clutha	265	300	13.2%
Dunedin City	150	200	33.3%
Lower Waitaki	126	142	12.8%
Wakatipu	150	150	0.0%
Wanaka	167	180	7.8%
Waitaki	400	400	0.0%
TARGETED RATES - TRANSPORT			
Dunedin	3,632	3,977	9.5%
Wakatipu	600	718	19.6%
TARGETED RATES - FLOOD & DRAINAGE			
Leith	1,365	1,461	7.0%
Lower Clutha	600	650	8.3%
Lower Taieri	700	750	7.1%
West Taieri	517	550	6.4%
East Taieri	425	450	5.9%
Tokomairiro	95	105	10.5%
Shotover	150	80	-46.7%
TOTAL	20,910	23,079	10.4%

EXAMPLES OF RATES BY CAPITAL VALUE FOR 2018-2019

		CAPITAL VALUE OF YOUR PROPERTY			
		250,000	600,000	1,000,000	4,000,000
General Rates*	Central Otago District	46.31	78.98	116.31	396.32
	Clutha District	46.71	79.94	117.92	402.74
	Dunedin City	55.00	99.84	151.09	535.42
	Queenstown Lakes District	41.74	68.02	98.06	323.30
	Waitaki District	47.78	82.52	122.21	419.92
River Mgt Rates	Central Otago District	9.40	22.55	37.58	150.32
	Clutha District	10.82	25.96	43.27	173.07
	Dunedin City	2.52	6.05	10.08	40.31
	Queenstown Lakes District - Wakatipu	2.00	4.80	8.00	32.00
	Queenstown Lakes District - Wanaka	4.97	11.94	19.90	79.60
	Waitaki District	19.78	47.46	79.11	316.42
Transport	Dunedin - Commercial	179.69	431.24	718.74	2,874.96
	Dunedin - Residential	47.92	115.00	191.66	766.66
	Wakatipu - Commercial	18.84	45.20	75.34	301.36
	Wakatipu - Residential	9.42	22.60	37.67	150.68
Uniform Charges	Emergency Mgt	25.56	25.56	25.56	25.56
	Wilding Pines	2.12	2.12	2.12	2.12

*includes Uniform Annual General Charge of \$22.97



HOW MUCH WILL MY RATES BE?

To see the full breakdown of general and targeted rates proposed for your property in 2018-2019, head to our online calculator. yoursay.orc.govt.nz

FAQS: COUNCIL PLANNING PROCESSES

HOW DOES THE COUNCIL PLANNING PROCESS WORK?

All councils in New Zealand follow the same cycle when planning their future activities. Every three years, councils must prepare their long-term plan, with annual plans prepared in the other two years. Both plans must be adopted before the start of the next financial year, following public consultation and submissions.

WHAT IS THE LONG TERM PLAN?

The long term plan outlines the council's intended activities over the next 10 years and includes estimates of how much they cost and how council plans to pay for them. It gets reviewed every three years to check that the estimates and rates are correct, and for the community to have their say. During this process, important strategies and policies that guide council also get reviewed and updated.

WHAT IS AN ANNUAL PLAN?

Annual plans are prepared during the two years between long-term plan reviews. They are used to consult on any council activities that are different from those set out in the long-term plan.

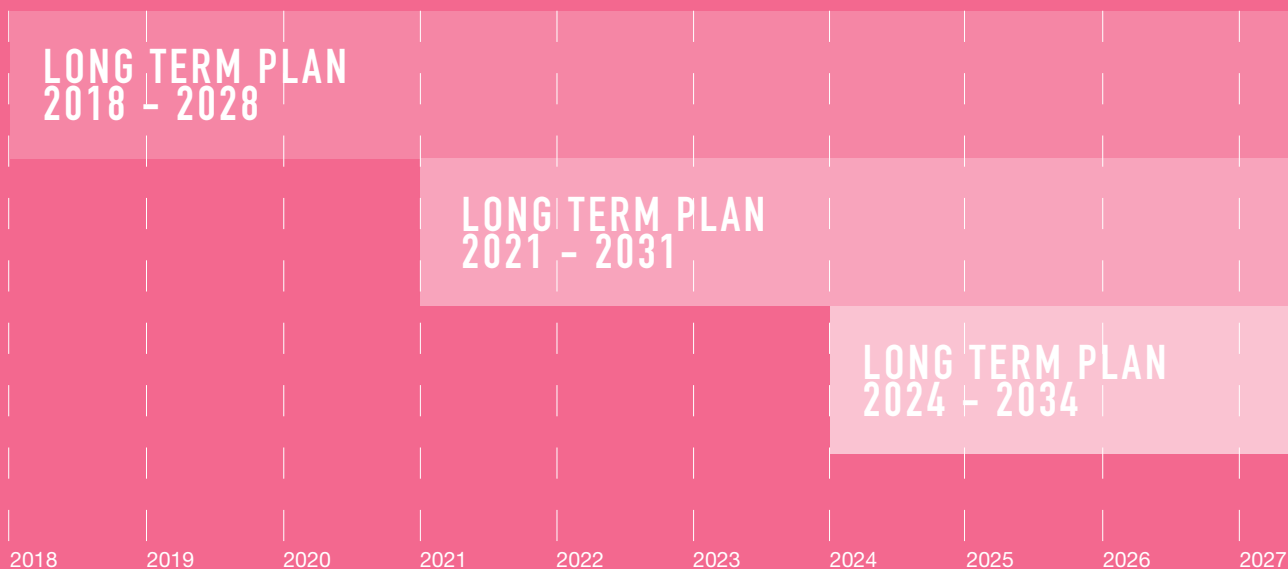
WHAT'S A CONSULTATION DOCUMENT?

This booklet isn't the whole long-term plan – it's a consultation document. The purpose of long term plan consultation documents like this one is to outline the most significant issues and their impact on budgets to you so that you have access to the key information you need to be able to have your say on the plan – without wading through all the details.

However, if you would like to get more detail before giving us your feedback on the long term plan, you're welcome to refer to the draft plan in full – you'll find it online at yoursay.orc.govt.nz.

HOW DOES IT ALL RELATE TO MY RATES BILL?

The planning process is how rates amounts – including increases – get set. So, if you'd like to have your say on the contents of your rates bill, having your say by making a submission on the long term plan or Annual Plan is the way to do it.



MY NEW IDEAS

Got other thoughts and ideas to share with us?

We're keen to hear them. Ideas shared here will feed into our future planning processes.

fold
here

Use this form to share your feedback or submit online at yoursay.orc.govt.nz

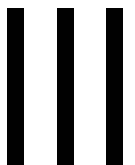
**You can also write or
email your submission to:**



Otago Regional Council
Freepost 497
Private Bag 1954
Dunedin 9054



longtermplan@orc.govt.nz



Otago Regional Council
Consultation Document for the 10 Year Plan
Freepost 497
Private Bag 1954
Dunedin 9054



**Independent auditor's report on Otago Regional Council's
consultation document for its proposed 2018/28 Long-Term Plan**

I am the Auditor-General's appointed auditor for Otago Regional Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Deloitte Limited. We completed our report on 11 April 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018/28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and region, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements. We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document. We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to carrying out all legally required external audits, we carry out engagements in the area of tax services. Other than these engagements, we have no relationship with or interests in the Council or any of its subsidiaries.

Brett Tomkins
Partner
for Deloitte Limited
On behalf of the Auditor-General

